

Financial Services Guide

Prepared 1 June 2011

Purpose of this Financial Services Guide

This Financial Services Guide has been prepared by the International Securities & Derivatives Group Pty Ltd ACN 103 552 683 (**ISDG, we, us, our**). ISDG holds an Australian Financial Services Licence (licence number 227544).

The purpose of this Financial Services Guide is to:

- ensure that you receive important information about the type of financial services we are authorised to provide to you;
- assist you in deciding whether to use any of the financial services that we are authorised to provide to you;
- provide you with information about the remuneration that we may receive in relation to financial services offered; and
- provide you with details in relation to our complaints and dispute resolutions procedures.

Other Documents

In addition to this Financial Services Guide, you may receive other documents from us.

If we make a recommendation to you in relation to a financial product (other than securities), we will provide you with a Product Disclosure Statement in relation to that financial product.

The Product Disclosure Statement will contain information in relation to the features, benefits, risks and fees associated with the financial product and should assist you in deciding whether to acquire the financial product. Product Disclosure Statements are available at www.isdg.com.au – on the forms and disclosure page.

We can provide you with both general and personal advice. If we provide you with personal financial product advice, we will provide you with a Statement of Advice, which will take into consideration your personal considerations, objectives, financial situation and needs. The Statement of Advice will contain the advice, the basis on which the advice is given and information about fees, commissions and associations.

Some of our financial services are provided by our Authorised Representatives. If there are special features of that service, we will give you a Supplementary Financial Services Guide for those features and detail the identity and contact details of the Authorised Representative, the remuneration they receive and the services they are authorised to provide.

Contact Details

International Securities & Derivatives Group Pty Ltd

A.B.N.: 52 096 980 522

Australian Financial Service Licence: 227544

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Geelong
Victoria, 3220

Telephone: (03) 5201 0136
Facsimile: (03) 9015 9644

Email: info@isdg.com.au

Website: www.isdg.com.au

Business Description

ISDG provides financial product advice and arranges for the execution of trades in Securities, Derivatives, Futures, CFDs and Foreign Exchange products to retail and wholesale clients.

ISDG's services allow you to trade market destinations worldwide including the USA, Australia, and the UK. Execution and clearing services for transactions executed through ISDG are provided by external parties.

Financial Services and Financial Products

ISDG holds an Australian Financial Services Licence, under which we are authorised to provide financial product advice in:

- Securities;
- Derivatives; &
- Foreign exchange contracts

ISDG is also authorised to deal in:

- Securities;
- Derivatives; &
- Foreign exchange contracts

by arranging for another person to apply for, acquire, vary, or dispose of these products.

ISDG is authorised to provide the above financial services to retail and wholesale clients.

How to provide instructions

The method by which you will instruct us will vary depending on what type of financial service we are providing to you. We will agree on an appropriate means for you to provide us with instructions (for example, the type of electronic trading platform you wish to use).

Other methods of instructions are telephone orders within specified hours, or via email with prior approval.

Fee Structure

Brokerage or commission is charged when you buy and sell most financial products. The brokerage rates below are the maximum that ISDG could charge. Brokerage rates are negotiable for active clients and/or on large transactions and you could receive cheaper rates. Please speak with your adviser for the most competitive rates we can provide to you.

Brokerage and commission amounts are generally charged in the currency of the underlying product you are trading, unless otherwise stated.

ISDG and / or their clearing partner Interactive Brokers LLC may charge an activity fee of up to \$10 to your account if you do not generate a minimum of commission (\$10) per month.

Our standard brokerage rates applicable to transactions are as follows:

- Securities transactions are charged per transaction, a fee of up to \$49.95 or 1% of the transaction value (whichever is greater);
- Transactions for Exchange Traded Options are charged a fee of up to \$69.95 per transaction up to 20 option contracts and \$3.00 per contract thereafter. This includes all exchange and regulatory fees.
- Futures & Future Options transactions are charged as follows:
 1. ASX/SFE transactions are \$10 per side. i.e. To buy and sell 1 contract has a total cost of \$20.
 2. US transactions are \$6 per side. i.e. To buy and sell 1 contract has a total cost of \$12.

For all other market destinations transactions are charged at the equivalent foreign exchange rate of up to \$10 AUD per side. Clients can confirm specific rates with their adviser prior to trading all other futures & future options markets.

Contract For Difference (CFD's)

Commission is based on the full notional value of your CFD transaction and expressed as a percentage of the contract value with a fixed minimum charge. Commission is directly based on the volume transacted by you.

The CFD's available to trade with ISDG are exchange listed products, and include equity, index, and commodity CFD's.

CFD transactions are charged per transaction, a fee of up to \$49.95, or 1% of the transaction value (whichever is greater).

Foreign Exchange (FX)

Commission is based on the full notional value of your FX transaction and expressed in basis points of the transaction value. Commission is directly based on the volume transacted by you.

We provide direct market access (DMA) to over a dozen of the world's largest interbank FX dealers, ensuring competitive and transparent spreads as small as ½ pip.

FX transactions are charged per transaction, a fee of up to \$10, or 1 basis point X transaction value (whichever is greater)

Live Market Data & News

Clients can subscribe to paid, real-time market data on exchanges around the world through Account Management. In addition, free delayed data is available, for any product listed on an exchange to which you do not subscribe.

We also provide real-time fundamentals and news via Reuters Worldwide Fundamentals and Reuters News Feed, along with various free RSS news feeds, all of which are integrated into the online trading applications.

Live market data and news services are provided on a monthly subscription basis, which clients can access through Account Management. Prices vary depending on the exchange you require live data from.

There is no obligation to pay for live market data or news services to trade with ISDG. Clients are free to receive market data from another data vendor, or to only use delayed market data.

NB: ISDG does not recommend self directed traders place market orders without access to live market data.

Interest on Credit and Debit Balances

Credit Balances - Clients will be paid interest at the benchmark rate (AUD LIBOR *Spot-Next*) minus a spread. Balances greater than \$10,000 and less than \$100,000 AUD will receive interest at the benchmark rate -0.5%, and balances over \$100,000 will receive interest at the benchmark rate -0.25%

Debit Balances - Clients will be charged interest at the benchmark rate (AUD LIBOR *Spot-Next*) plus a spread. Balances less than \$100,000 AUD will be charged interest at the benchmark rate +1.5%, and balances over \$100,000 will be charged interest at the benchmark rate +1.0%

Interest is paid and charged to clients by our clearing partner Interactive Brokers LLC.

How do ISDG's representatives get paid?

ISDG's representatives are remunerated by way of a share in the revenue earned by ISDG based on a number of factors relating to their (and ISDG's) overall performance during the year. This can range from 10% to 80% of fee revenue.

Privacy Policy

We recognise the importance of ensuring that you have confidence in the way we handle your personal information. Personal information is any information about an individual that identifies the individual or by which their identity can reasonably be ascertained.

We will collect personal information from you and use it to provide financial services to you. We abide by the National Privacy Principles established under the Privacy Amendment Act 2004.

We may disclose your personal information to external contractors for the following purposes:

- execution, clearing and settlement of financial product transactions;
- accounting for financial products transactions;
- causing statutory audits to be conducted as required by law;
- maintenance and service of our information technology systems; and
- in the course of reviews by external consultants.

You can be assured that your information will be maintained on a confidential basis by any contractor to whom it is disclosed.

Associations with other Financial Service Providers

ISDG has established relationships with other service providers to conduct business on your behalf. This does not affect your rights and obligations that you have with ISDG. ISDG may offer you financial products issued by its associates or third parties, which may include brokers and other AFSL holders.

You will be provided with the appropriate disclosure documentation including an FSG and PDS in these instances.

Associations with Authorised Representatives

ISDG has relationships with a number of persons whom it has appointed as authorised representatives. These Authorised Representatives may provide training and/or general advice in relation to financial products.

Authorised Representatives may receive commission from us in respect of referrals made to ISDG. The commission they receive will be described in the relevant Supplementary Financial Services Guide.

Complaints

If you have a complaint about our products or services you should notify the representative who provided you with that product or service. They will work with you to address your concerns and reach a satisfactory outcome.

If you are not satisfied with the outcome of this process, you should contact our compliance officer directly. They will thoroughly investigate your complaint and provide a written report to you within 21 days. If the matter is complex and a longer period of time is required, you will be contacted and notified.

Notification of complaints should be made in writing, and addressed to;

The International Securities & Derivatives Group Pty Ltd
Attention: The Compliance Officer
PO Box 479
Geelong
Victoria 3220

If your complaint cannot be resolved to your satisfaction after this process you have the right to have your complaint heard by the Financial Ombudsman Service (FOS). FOS is the external dispute resolution scheme authorised to deal with complaints in relation to investment advice.

The Financial Ombudsman Service can be contacted on 1300 780 808 or on the web at www.fos.org.au

Compensation and Insurance Arrangements

At the date of preparing this document, The International Securities & Derivatives Group hold professional indemnity insurance that covers the conduct of both current and past representatives. This cover complies with s912B of the Corporations Act 2001.