

FINANCIAL SERVICES GUIDE

1. About this document

This Financial Services Guide (“FSG”) is an important document. You should read it carefully and make sure you understand it.

This FSG is dated 1 June 2010 and is provided to you by Aliom Pty Ltd A.C.N 123 876 291 (“Aliom”, we, our, us) to inform you of the financial services we are able to provide and to assist you in deciding whether to use any of the services offered in this FSG. This FSG replaces all prior versions.

This FSG explains:

- Other disclosure documents we may give you
- Who we are and how you can contact us
- Financial services and products we are authorised to provide
- How you can instruct us
- How we get paid (remuneration, commissions, benefits)
- How we deal with customer complaints and where you can go for further help
- Our compensation arrangements
- Potential conflicts of interest
- Records we keep and privacy policy

This FSG contains general information. If you have further questions after reading it please contact us.

2. Other Disclosure Documents we may give you

Aliom will provide clients with documentation to facilitate transactions including client agreements, terms and conditions and confirmations.

Aliom can provide you with factual information and research, and facilitate execution requests.

Where we make a recommendation on a product (other than securities listed on the ASX or a managed discretionary account service) to a retail client, we will provide a **Product Disclosure Statement** (“PDS”) which will assist you in deciding whether to acquire the financial product. The PDS contains important information about the product features, benefits, risks and fees associated with that product. The PDS should be read carefully to enable you to make an informed decision about whether to utilise the product.

You are entitled to receive a **Statement of Advice** (“SOA”) when we give you personal advice as a retail client. Personal advice is advice that takes into account your personal objectives, financial situation and needs. The SOA will set out the advice and will include information regarding the basis on which the advice was given, any fees or commissions received in providing the advice and a warning where the advice has been provided based on incomplete information. If we provide you with additional advice we may give you a **Statement of Additional Advice** (“SOAA”). The Statement of Advice and Statement of Additional Advice present the advice and basis on which it was given.

Where you maintain the advice relationship with us, a Statement of Advice may not be provided for further advice situations provided that your circumstances and the basis of the advice are not significantly different. However, we are required to keep a record of the advice. You may request a copy of the **Record of Advice** (“ROA”) we keep up to 7 years after the advice was given.

Where we provide you with a managed discretionary account service we are not obliged to give you a PDS or an SOA, however, we will only act in accordance with the specific Investment Program approved by you in your “MDA Contract”. You should ensure that you receive a copy of the MDA Contract including the relevant Investment Program before engaging us to provide you with a managed discretionary account service. Further details are provided elsewhere in this FSG.

3. Who we are

Aliom Pty Ltd A.C.N 123 876 291 (“Aliom”, we, our, us) is responsible for the Financial Services described in this guide. Aliom holds an Australian Financial Services Licence (“AFSL”) AFSL Number 323182.

Aliom is a financial services firm that deals predominately in exchange-traded and over-the-counter derivatives.

Your client advisor is a representative of, and acts on behalf of, Aliom. Aliom does not act as a representative of any other licensee in relation to the services or products we provide.

Our contact details

Contact: **Glenn McMurdy**, Compliance Manager
Address: Level 4, 131 York Street Phone: +612 8246 8500
Sydney NSW 2000 Australia Fax: +612 8246 8501
Email: info@aliom.com.au Website: www.aliom.com.au

4. Financial Services we are authorised to provide

Aliom is authorised under its AFSL to provide you with the following range of financial services:

1. provide advice on the following classes of financial products:
 - deposit and payment products (limited to basic deposit products);
 - derivatives;
 - foreign exchange contracts;
 - government debentures, stocks or bonds;
 - interests in managed investment schemes (excluding investor directed portfolio services);
 - interests in managed investment schemes limited to managed discretionary account services; and
 - securities;
2. deal in the following classes of financial products by issuing, acquiring, applying for, varying or disposing of those products:
 - derivatives;
 - foreign exchange contracts; and
 - interests in managed investment schemes limited to managed discretionary account services;
3. deal in the following classes of financial products by applying for, acquiring, varying or disposing of those products on behalf of another person:
 - deposit and payment products (limited to basic deposit products);
 - derivatives;
 - foreign exchange contracts;
 - government debentures, stocks or bonds;
 - interests in managed investment schemes (excluding investor directed portfolio services);
 - interests in managed investment schemes limited to managed discretionary account services; and
 - securities; and
4. make a market in:
 - foreign exchange contracts; and
 - derivatives.

Our AFSL authorises us to provide the above services to retail and wholesale clients (within the definition contained in the Corporations Act).

5. Nature of Advice and our Responsibilities

Aliom provides both personal advice and general advice in relation to securities. Personal advice is advice that takes into account one or more of your objectives, financial situation and needs (“your Personal Circumstances”). You should immediately notify your client adviser if your Personal Circumstances change. Each time you receive any personal advice, you will be asked to confirm whether your Personal Circumstances have changed. Your client adviser can only make recommendations based on the information provided by you. Without all the necessary information, the advice given may not be appropriate for your Personal Circumstances.

Please note that although authorised to do so, Aliom does not usually provide personal advice in relation to other financial products, such as derivatives and foreign exchange contracts. Any general advice we provide to you as a retail client does not take account of your Personal Circumstances. Before acting on any general advice, you must consider the appropriateness of the advice in light of your Personal Circumstances. Newsletters, trade alerts and research papers are examples of general advice we may give you.

Before taking any action to acquire any of the financial products or services mentioned in this FSG you should consider whether the product or service is appropriate having regard to your Personal Circumstances. You should also consult the relevant PDS and ensure that you understand the risks associated with the financial products and services you enter into with Aliom.

6. Products we provide

Aliom provides an execution service and/or provides you with general or personal advice in relation to securities and exchange traded derivatives (futures, options, warrants).

Aliom also provides managed discretionary account services. Further details of this service are set out elsewhere in this FSG.

Aliom is a market maker when dealing in foreign exchange contracts and derivatives. Accordingly, Aliom acts as principal in all transactions with you in respect of margin foreign exchange contracts ("Margin FX") and contracts for difference ("CFD").

Aliom may also arrange for you to be supplied with financial services and products issued by non-related product providers. Aliom may receive a fee or commission payment from these non-related product providers as a result of you investing in one of their products or services. Any remuneration that Aliom may derive is included in the fees and commissions you pay as outlined under the heading "How do we get paid".

7. Managed Discretionary Accounts

This FSG has been prepared in accordance with and complies with the requirements of ASIC Regulatory Guide 179 and relevant ASIC class order relief.

Aliom's managed discretionary account service enables clients to delegate the investment management and trading discretion for exchange traded derivatives transactions to Aliom. Clients must enter into a formal "MDA Contract" prior to accessing this service.

The "MDA Contract" provides all relevant communication protocols, and includes an Investment Program prepared in accordance with the requirements of the Corporations Act, detailing the following:

- the nature and scope of our discretion;
- any significant risks associated with the MDA service;
- the basis on which we consider the MDA service suitable for retail clients; and
- warnings about any applicable limitations therein.

There are significant risks associated with entering into a managed discretionary account service agreement. While it is the intention of Aliom to make profits every time we trade the markets, unfortunately not all trades will result in a profit. The process of reducing and defining the risks taken is known as risk management. The risks associated with any particular product traded as part of a managed discretionary account service are set out in the relevant PDS for that particular product.

Managed discretionary account service arrangements are only suitable for clients who understand financial markets and the risks associated with trading in these markets. Aliom requires all retail clients to obtain independent advice before entering into a managed discretionary account service with us.

Aliom will provide our managed discretionary account clients with a report at least daily. This report will detail your investment portfolio, including comprehensive information as to transactions and performance for the period. You will also receive an Annual Report summarising the information provided.

If you wish to instruct Aliom in relation to the financial assets held in your managed discretionary account portfolio, you must do so by the methods set out elsewhere in this FSG.

8. How to instruct us

Before transacting with Aliom you must open an account with us.

You may then give instructions to us in any of the following ways:

- by the telephone (note your telephone calls to us may be recorded);
- in writing (including email or facsimile by prior arrangement, note you must confirm with us that such instructions have in fact been received by us); and
- electronically via Aliom's internet trading platform ("Aliom DealBook"), or via other third party electronic trading

applications such as PATS, TT Echo etc (by prior arrangement).

9. How do we get paid?

a. Transaction based fees for products we execute on your behalf

Aliom is remunerated through the fees and commissions that we charge you for executing transactions on your behalf. Fees and commissions charged to you will depend on the type of financial product being traded, the frequency of your trading activity, the type and level of service required and the size of your transaction. Rates are subject to negotiation prior to transacting any business. Fees and commissions, once disclosed and agreed, will be charged to your Trading Account at the time any transaction is executed.

The brokerage rates below are the maximum that Aliom may charge and are provided as a guide only. A detailed description of the fees, charges and commissions payable are contained in the PDS for the relevant financial product. Aliom will provide you with details of the rates applicable to you at the time you enter into the client agreement.

Type of Product	Basis	Maximum fee
Securities - domestic	per transaction	up to AUD\$110 or 1.25% (including GST*) of the transaction value (which ever is greater)
Securities - International	per transaction	up to AUD\$200 equivalent or 1.25% (including GST*) of the transaction value (which ever is greater);
Exchange traded options	per transaction	up to AUD\$99 (including GST*);
Warrants	per transaction	up to AUD\$110 or 1.1% (including GST*) of the transaction value (which ever is greater);
Futures	per transaction	up to AUD\$99 (including GST*) per lot

Aliom, acting reasonably may change these rates from time to time. Such changes will be notified to you by email, in writing or where you have agreed by us posting a notice to our website, www.aliom.com.au. We recommend that you seek advice from a professional tax agent.

*In some cases fees may be exempt from GST where the supply is made to a non-Australian resident.

b. Transaction based fees for products issued by Aliom

For products issued by Aliom we will charge you a per transaction fee. Fees charged to you will depend on the type of financial product being traded, the frequency of your trading activity, the type and level of service required and the size of your transaction. Rates are subject to negotiation prior to transacting any business. Fees, once disclosed and agreed, will be charged to your trading account when you buy and sell at the time your transaction is executed.

The fees below are the maximum that Aliom may charge and are provided as a guide only. A detailed description of the fees, charges and commissions payable are contained in the PDS for the relevant financial product. Aliom will provide you with details of the rates applicable to you at the time you enter into the client agreement.

Type of Product	Basis	Maximum fee
Contracts for Difference	per transaction	up to 1.0% of the notional value (including GST*)
Margin FX	per transaction	up to 0.02% of the notional value (including GST*)

Aliom, acting reasonably may change these fees from time to time. Such changes will be notified to you by email, in writing or where you have agreed by us posting a notice to our website, www.aliom.com.au. For a full list of all relevant charges including interest, financing charges and other service fees (if applicable), please view the relevant product PDS. We recommend that you seek advice from a professional tax agent.

*In some cases fees may be exempt from GST where the supply is made to a non-Australian resident.

c. Fees for our Managed Discretionary Account service

The fees below are the maximum that Aliom may charge in respect of our managed discretionary account service. These fees are provided as a guide only. A detailed description of the fees, charges and commissions payable in respect of the financial product traded under the managed discretionary account service in the PDS for the relevant financial product. Aliom will provide you with details of the rates applicable to you at the time you enter into the MDA Contract.

Type of Fee	Basis	Maximum fee
Brokerage fee	per transaction	Based on product transacted as noted in parts a) and b) of this section above
Management fee	Charged monthly as specified in the MDA Investment Program	Up to 5% p.a (including GST*) calculated on the daily account balance

Performance fee	Charged monthly as specified in the MDA Investment Program	Up to 25% (including GST*) of monthly profit
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Aliom, acting reasonably may change these fees from time to time. Such changes will be notified to you by email, in writing or where you have agreed by us posting a notice to our website, www.aliom.com.au. We recommend that you seek advice from a professional tax agent.

*In some cases fees may be exempt from GST where the supply is made to a non-Australian resident.

d. Fees for advising on and arranging dealing in securities

Aliom will not charge clients any fees for providing personal financial product advice or preparing Statements of Advice.

Brokerage will be charged to your Macquarie Prime account by Macquarie. Brokerage will be between 0.145% and 1.25% of the contract value (depending on the size of the contract value), subject to a minimum brokerage of \$33 (all inclusive of GST). The brokerage will be shared between Aliom and Macquarie Bank such that Aliom will receive from Macquarie a commission equal to the brokerage less an amount to be retained by Macquarie, being either 0.06% of the contract value or \$15 (whichever is higher). Some trade examples are detailed below which show the impact of brokerage and the commission Aliom would receive.

You expect SUNCORP-METWAY LIMITED (SUN) to announce good profit results to the market and anticipate its price could rise by 7% over the next sixteen days.

Open Position

Buy Quantity	5,000
Price	\$9.10
Contract Value	\$45,500.00
Brokerage at 0.145%	\$65.98 (inclusive of GST)
(Aliom's commission)	\$50.98)

Close Position

Sell Quantity	5,000
Price	\$9.74
Contract Value	\$48,700.00
Gross Profit	\$3,200.00
Brokerage at 0.145%	\$70.62 (inclusive of GST)
(Aliom's commission)	\$55.62)
Net Profit	\$3063.41

Alternatively: your expectations prove to be incorrect and your stop loss is triggered

Close Position

Sell Quantity	5,000
Price	\$8.92
Contract Value	\$44,600.00
Gross Profit (Loss)	(\$900.00)
Brokerage at 0.145%	\$64.67 (inclusive of GST)
(Aliom's commission)	\$49.67)
Net Profit (loss)	(\$1,030.65)

e. Administration Charges

Administrative services provided by Aliom to which fees may apply are outlined in the following table.

Administrative Service	Fee (incl. GST)
Withdrawal (same day value)	At bank rates
Duplicate Statements	AUD\$20 per statement
Provision of live data feed	At Exchange rates as advised from time to time
Phone broking charges for CFD and Margin FX transactions	Up to AUD\$55.00 per transaction

f. Commissions, remuneration and other benefits received by Aliom

Aliom is entitled to retain any interest it earns on client money held in the segregated accounts it must maintain pursuant to the Corporations Act. The rate of interest is determined by the provider of each segregated account.

Our employees and directors are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus related to business objectives. Certain employees, directors and representatives may also receive up to 100% of all fees and commissions generated from their clients depending on the level of salary and the

aggregate revenue that they earn for Aliom. Such payments are discretionary and are generally made in the form of monetary benefits and are paid quarterly or annually.

g. Commissions, remuneration and other benefits paid by Aliom

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should be disclosed to you by the service provider in question. Please note that such benefits will not impact transaction fees or the rates you will be offered for financial products or services undertaken with Aliom.

h. Soft dollar benefits

Aliom may from time to time receive a benefit from preferred product providers including educational seminars, conferences, and training days. Details of benefits valued at AUD\$300 or above received by us will be maintained on a register.

10. Complaints Resolution

We take every step to ensure we provide you with quality service. Aliom has an internal dispute resolution policy in place to resolve any complaints or concerns you may have about the service provided to you. These should be directed to the Complaints Officer (by telephone, facsimile, or letter) at the address on the first page of this FSG, or by email complaints@aliom.com.au.

We will provide you with acknowledgement of written complaints within 5 business days, and seek to resolve and respond to your complaint within 30 days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons for which it is based in writing. We will endeavour to resolve your complaint quickly and fairly.

If the complaint cannot be resolved to your satisfaction within 45 days and you wish to proceed further, you may lodge a complaint with the Financial Ombudsman Service (FOS) via the following means:

Financial Ombudsman Service

GPO Box 3, Melbourne Vic 8007

Email: info@fos.org.au

Website: www.fos.org.au

Toll Free Telephone: 1300 78 08 08

Fax: 03 9613 6399

You may also contact Australian Securities and Investments Commission (ASIC) freecall Infoline on 1300 300 630 to make a complaint and obtain information about your rights.

11. Compensation arrangements

We hold Professional Indemnity Insurance cover for the activities conducted under our AFS licence. The policy provides coverage in the aggregate of up to AUD\$5,000,000 with an excess of AUD\$25,000 to cover claims regarding professional negligence, directors and officers liability, crime (fraud) and the conduct of representatives (including representatives who no longer work for us but who did at the time of the relevant conduct). Our Professional Indemnity insurance cover is subject to the policy terms and conditions. Aliom considers that our insurance cover generally satisfies the requirements of s912B of the Corporations Act.

12. Conflicts of interest

Conflicts of interest may occur from time to time. Aliom will advise you of any material interest that could reasonably be expected to influence our recommendation of a financial product to you, either verbally or within an SOA, SOAA or ROA.

However, you should be aware that:

- Aliom's client advisors are remunerated wholly or in part on a share of brokerage or commission basis
- if you have been referred to us by a third party, that person may receive a share of brokerage charged to you
- Aliom, its directors and representatives may have material interests in the shares of companies that we have provided advice on from time to time.