

Australian Financial Services Licence No.280372 ABN 321 1012 8286

FINANCIAL SERVICES GUIDE (FSG)

PURPOSE AND CONTENT OF THIS FSG

The financial services referred to in this Financial Services Guide ("FSG") are offered by Commodity Broking Services Pty Ltd ABN321 1012 8286 AFSL Licence No;280372("we" or "us").

This FSG has been designed to help you in deciding whether to use any of the financial services we offer.

This FSG contains important information about:

- a the services we offer you;
- b how we and our associates are paid;
- c any potential conflict of interest we may have; and
- d our internal and external dispute resolution procedures and how you can access them.

PRODUCT DISCLOSURE STATEMENT

You may also receive one or more Product Disclosure Statements prepared by us. We will give you a Product Disclosure Statement if we offer to issue our financial products to you. Before deciding to invest in a financial product offered by us, you should carefully read the Product Disclosure Statement. The Product Disclosure Statement contains important information about the financial products we are offering, including the risks and costs associated with the financial products we offer.

NATURE OF ADVICE

We only provide general advice. We do not provide personal advice (advice which takes into account your objectives, financial situation or needs). You will therefore not receive a Statement of Advice from us.

HOW YOU CAN CONTACT US

You can contact us by:

- a telephoning us on 1300 660 734 or + (61 2) 9401 4856 between 9am to 5pm AEST Monday to Friday; or
- b by writing to us at Commodity Broking Services Pty Ltd, GPO Box 3872, Sydney, NSW, 2001;.

HOW YOU CAN INSTRUCT US

You can instruct us in any of the following ways:

- a by telephone;
- b electronically through the Falcon Trader platform, our internet trading platform which you will be granted access to.

If requested by you, we may agree to accept instructions by post, fax or email.

THE FINANCIAL SERVICES WE ARE AUTHORISED TO PROVIDE TO YOU

Our financial services business involves providing general advice, dealing and market making services in relation to the Contracts for Difference, Derivatives, Securities and Margin FX Contracts that we issue.

We hold AFS Licence No. 280372 which authorises us to provide the following financial services:

- 1 financial product advice for the following classes of financial products:
 - (a) derivatives;
 - (b) foreign exchange contracts;
 - (c) securities; and

- 2 deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - (a) derivatives;
 - (b) foreign exchange contracts; and
 - (c) securities;

- 3 deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (a) derivatives;
 - (b) foreign exchange contracts;
 - (c) securities; and

- 4 make a market for the following financial products:
 - (a) foreign exchange contracts;
 - (b) derivatives; and

to retail and wholesale clients.

WHO WE ACT FOR

We act as principal, on our own behalf, when we provide financial services to you in the OTC market. In the global Futures Markets we act as your Broker.

We do not act as a representative of any other AFS licensee.

REMUNERATION AND BENEFITS

When we provide a financial service to you, we will charge you certain amounts. Information on the amounts we may charge you and when those amounts will be charged is set out in our Product Disclosure Statements relating to Contracts for Difference Derivatives, Derivatives and Margin FX Contracts, General information on remuneration and other benefits is set out in the table below:

FEE TYPE

Brokerage charges

Contracts for Difference

We charge you either:

(a) a separate brokerage fee that is no more than 0.175% of the contract value of the Contract for Difference when you open a Contract for Difference and when you close out the Contract for Difference; or

(b) a spread between the bid/ask price that is either:

(i) in the case of a Contract for Difference over a share, no more than 0.175% of the contracts value of the Contract for Difference when you open the Contract for Difference and when you close out the Contract for Difference;

(ii) in the case of a Contract for Difference over an index, no more than 15 index points when you open a Contract for Difference and when you close out the Contract for Difference.

The actual brokerage rates and spreads are published on our website or can be obtained by contacting us.

When we enter into a Contract for Difference or a Margin FX Contract with you we enter into a corresponding transaction with our OTC derivatives provider.

Minimum Ticket Fee

Contracts for Difference

If the contract value when you open a Contract for Difference or close out the Contract for Difference is less than the ticket fee threshold, we will charge you an additional ticket fee. The amount of the ticket fee depends on the market to which the Contract for Difference relates. The ticket fee threshold and the ticket fee are set out below:

	Ticket Fee Threshold	Ticket Fee
US	US 10,000	USD 10
HSE	EUR 10,000	EUR 10
AMS	EUR 10,000	EUR 12
UK	GBP 8,000	GBP 8
Swiss	CHF 15,000	CHF 18
Australian	AUD 10,000	AUD 10
Danske	DKK 100,000	DKK 65
Swedish	SEK 100,000	SEK 65
Norwegian	NOK 100,000	NOK 65
Singapore	SGD 17,000	SGD 17

Brokerage fees Foreign Exchange Contracts

We will charge you a spread between the bid/ask prices of the underlying base currencies and premiums or a commission. The spreads we quote are our best possible target spreads used in normal market conditions. The spreads range from between 0.0008 pips to 600 pips. All pips are not of equal value. In quiet market conditions, the spread may be even narrower than the spreads quoted. But in periods of volatile markets, the spread may be increased. The actual spreads are published on our website or can be obtained by contacting us. If we change a commission our range is from 1 pip to 100 pips depending on the currency.

Minimum Ticket Fee Margin FX Contracts

If the contract value when you open a Margin FX Contract or close out a Margin FX Contract is less than the ticket fee threshold, a ticket fee of USD 10 will be charged to you. The level of the ticket fee threshold depends on the underlying currency pairs to which the Margin FX Contract relates. As there are over 100 currency pairs you can trade, this FSG does not set out all the ticket fee thresholds. A full list is available on our website or can be obtained by calling us.

Brokerage fees Derivative contracts

We will charge you a commissions for executing on your behalf in the global futures markets. The commissions range from between AUD5.00 to A25.00 per lot A portion of the brokerage charge is paid to the Clearing counterparty.

Brokerage fees Security global Equity markets

We will charge you a commission for executing orders your provide us into the. The commissions range from between .15% and 1% per transaction. A portion of the brokerage charge is paid to the Clearing counterparty.

Interest charges on long Contracts for Difference

If you hold a long Contract for Difference overnight we will charge you interest calculated by multiplying the contract value of that Contract for Difference by an interest rate that is LIBOR plus a margin of no more than 2.5% per annum. LIBOR refers to the London Inter Bank Offered Rate which is the rate of interest charged by the major London banks on call money loans made among themselves. The actual interest rates are published on our website or can be obtained by contacting us.

Interest on unrealised losses of Margin FX Contracts

If you have opened a spot Margin FX Contract or a forward Margin FX Contract that, if it was closed out, would be closed out at a loss to you, we will charge you an amount equivalent to interest on this unrealised loss at:

- (a) where you hold a long Margin FX Contract, at an interest rate that is LIBID minus a margin of no more than 0.75%;
- or
- (b) where you hold a short Margin FX Contract, at an interest rate that is LIBOR plus a margin of no more than 0.75%.

LIBID refers to the London Interbank Bid Rate which is the rate of interest bid by the major London banks on certain loans traded among themselves. The actual interest rates are published on our website or can be obtained by contacting us. The portion of the interest paid to the OTC derivatives provider is up to 100%.

You may also be required to pay certain other amounts to us being:

- I mark to market payments at the close of business on each business day during the term of a Contract for Difference or a Margin FX Contract you hold, we will determine the contract value of that Contract for Difference or Margin FX Contract. If the change in contract value at the close of business means that you have incurred a loss, we will charge

- you the amount of that unrealised loss;
- 2 dividend amounts if you hold a short share Contract for Difference at the closing time on the day prior to the ex dividend date, we will charge you an amount equal to the cash dividend multiplied by the number of shares the subject of the Contract for Difference;
- 3 fees for the Falcon Trader platform we may charge you a fee of \$35 per calendar month for your usage of live ASX prices on the Falcon Trader platform;
- 4 default interest on unpaid amounts if you fail to pay when due any amount payable under the agreement between you and us, we may charge you default interest on that amount calculated using an interest rate which is LIBOR plus 3% per annum. The actual interest rates are published on our website or can be obtained by contacting us;
- 5 currency conversion calculation fee where you deal in a Contract for Difference or a Margin FX Contract that is denominated in a currency other than Australian dollars:
- (a) funds transferred from our trust account will be converted at the current spot rate minus 0.5%. The 0.5% is a conversion calculation fee we charge you;
 - (b) realised profits and losses will be converted at the close rate at New York (5pm New York time) plus or minus 0.5%. The 0.5% is a conversion calculation fee we charge you;
- 6 a swap charge that represents interest we charge you when a spot Margin FX Contract is rolled over and:
- (a) you have a long spot Margin FX Contract and the interest rate that applies to the currency you buy is lower than the interest rate that applies to the currency you sell; or
 - (b) you have a short spot Margin FX Contract and the interest rate that applies to the currency you sell is higher than the interest rate that applies to the currency you buy.

The actual interest rates are published on our website or can be obtained by contacting us.

- 7 premium if you buy an option Margin FX Contract from us, we charge you a premium for that option Margin FX Contract. The amount of the premium is determined by us based on a number of factors including, for example, current interest rates, the nominated expiration date and the nominated strike price.

Except for the premium, 100% of these payments are paid to the OTC derivatives provider. In the case of premium, CBS retains 15% of the brokerage that relates to that premium. The remainder is paid to the OTC derivatives provider.

In addition:

except where you buy an option Margin FX Contract, you are required to maintain a specified amount of cash deposit with us, referred to as a margin. The amount of required margin is determined as a percentage of the contract value at any point in time; and

you may also be required to pay to us, and maintain at all times, additional cleared funds of up to \$5,000.

These funds may be used by us to satisfy your payment obligations to us. We are entitled to the interest on the funds you deposit with us, whether those funds are held by us or the OTC derivatives provider. The interest rate used to calculate the amount of interest we receive is variable in line with the bank interest rates.

A full description of the amounts we charge and when they will be charged can be found in our Product Disclosure Statement for Contracts for Differences and Product Disclosure Statement for Margin FX Contracts.

The remuneration (including commission) and other benefits described above are subject to change from time to time.

Our employees and directors are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus which is based on achievement of predetermined business objectives such as contribution to profit, client service, risk management and leadership/team contribution. Bonuses may be calculated as a portion of the net amount charged to our clients after deducting the amounts charged by our OTC derivatives provider.

You may request particulars of the remuneration (including commission) or other benefits. However, that request must be made within a reasonable time after you receive this FSG and before any financial service identified in this FSG is provided to you.

OUR ASSOCIATIONS OR RELATIONSHIPS

We do not have any relationships or associations with financial product issuers which might reasonably be expected to be capable of influencing us in providing financial services to you

COMPLAINT HANDLING

We have an internal dispute resolution process in place so that we can resolve any complaints quickly and fairly. If you have any complaint about our service you should contact our dealers in the first instance. If the complaint is not resolved to your satisfaction then you should contact our Client Services Manager or put the complaint in writing and send it to:

The Client Services Manager
Commodity Broking Services Pty Ltd
GPO Box 3728,
Sydney NSW 2001

We will provide acknowledgement of receipt of written complaints within 2 business days, and seek to resolve and respond to complaints within 10 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Industry Complaints Service Limited, contact details below, an approved external dispute resolution scheme, of which we are a member. You may also make a complaint via the ASIC freecall Infoline on 1300 300 630.

Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
Melbourne Victoria 8007
Telephone: 1300 780 808
Facsimile: +613 96212291
Website: www.fics.asn.au
Email: fics@fics.asn.au

PRIVACY

We value the privacy of your personal information. When we collect, use, disclose or handle personal information, we are bound by the Privacy Act 1988.

Our full privacy policy is available from our website www.commoditybroking.com.au

If you would like a copy of our privacy policy, or wish to seek access to, or correct the personal information we collect or disclose about you, please ask us.

ISSUE DATE

This FSG is dated 30 August 2006