



FORTREND SECURITIES

Financial Services Guide

Fortrend Securities Pty Ltd
Level 41, 55 Collins Street Melbourne
VIC 3000 Australia
www.fortrend.com.au

ABN: 95 055 702 693
AFSL: 247261
03 9650 8400
info@fortrend.com.au

Throughout this Financial Services Guide, Fortrend Securities Pty Ltd is referred to as “Fortrend”, “we”, “us”, “our” or any such variations.

This FSG does not relate to financial services provided by our financial planning or wealth management business which have their own FSG. You can obtain this FSG by contacting us.

CONFIDENTIALITY: YOU AGREE THAT THIS DOCUMENT IS FOR YOUR USE ONLY AND YOU WILL NOT DISCLOSE THE TERMS OR ANY OF THE CONTENTS, OR FORWARD THIS DOCUMENT TO ANYONE. IF YOU DO NOT AGREE TO THIS CONFIDENTIALITY YOU MUST IMMEDIATELY DESTROY THIS DOCUMENT. IF YOU READ FURTHER YOU ARE AUTOMATICALLY BOUND TO CONFIDENTIALITY.

FORTREND IS UNDER NO OBLIGATION TO ACCEPT YOUR BUSINESS, AND RECEIPT OF THIS DOCUMENT DOES NOT OBLIGATE FORTREND TO PROVIDE SERVICES. IF YOUR ACCOUNT IS APPROVED AND OPENED, FORTREND IS UNDER NO OBLIGATION TO ACCEPT ORDERS FROM YOU, EVEN IF YOU HAVE STOCK IN ACCOUNT YOU WISH TO SELL. IF FORTREND ASKS YOU TO CLOSE YOUR ACCOUNT, YOU AGREE TO DO SO EXPEDITIOUSLY. WE RETAIN THE RIGHT NOT TO ACCEPT ORDERS.

RECORDED CALLS: BY RECEIPT OF THIS DOCUMENT, YOU AGREE THAT FORTREND MAY MONITOR OR RECORD PHONE CALLS.

12 October 2012

Statement of Purpose

This Financial Services Guide (“FSG”) is an important document, which we are required to give you in accordance with our Australian Financial Services License (“AFSL”) (Number 247261).

This FSG is designed to assist you with the legal and administrative points that are important to you and Fortrend Securities Pty Ltd ACN 055 702 693 (“Fortrend”), when you are considering whether to use any of the financial services offered. As a client of Fortrend you have the right to know the services you are going to receive and what you will be charged for these services. This FSG will help you understand the financial services that we provide and to determine whether or not you should use them.

This FSG contains important information about the services and products we offer you; the remuneration, commissions or other benefits that may be paid to Fortrend or other relevant persons in relation to the financial services being offered, any potential conflict of interest we may have, our internal and external dispute resolution procedures and how you can access them, how you can contact us, and how you can give us instructions.

The information contained in this FSG is general information only and has been prepared without taking into account any particular person’s needs or objectives. Fortrend provides no warranty regarding the suitability of any of the services described in this FSG for any person.

In order for Fortrend to give you personal financial advice you will need to provide us with details of your personal objectives, current financial situation, needs and any other relevant information, so that we can offer you the most appropriate advice. You have the right not to provide us with this information. However, if you do not, the advice you receive will be general in nature and may not be appropriate to your objectives, financial situation and needs. If you do provide the information, and Fortrend is in possession of information regarding your personal circumstances, Fortrend can at its sole discretion choose to provide general advice only. If we elect to provide specific advice you will receive a Statement of Advice.

We only give personal advice to you if you secure the services of one of our Advisers or Authorised Representatives. We will not give you personal advice in our regular updates or marketing material. We will not give you personal advice when you visit our website or contact us directly.

We maintain a record of your personal profile including details of your objectives, financial

situation and needs. We also maintain records of any recommendations made to you. For information on how to access these records, please refer to the section “Personal Information” below.

Customer Identification Process

To help the U.S. government fight the funding of terrorism and money laundering activities, U.S. Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your drivers license and other identifying documents.

Statement of Advice (“SOA”)

If you receive personal financial product advice from us or from one of our representatives, you will be given a SOA.

Personal financial product advice is advice that takes into account one or more of your financial objectives, your financial situation and your financial needs. The SOA will contain the advice, the basis on which the advice is given and information about fees, commissions and any associations which may have influenced the advice. You should read the warnings contained in the SOA carefully before making any decision relating to a financial service or product.

If Fortrend provides further advice to you, you may request a record of the further advice, if you have not already been provided with a record of the advice. If you require a record of the further advice please contact us using the below contact details.

Please note that you may be charged a fee for the preparation of the SOA. This fee will be disclosed to you before we prepare the SOA. This fee will depend on the amount of your investment and the time spent in the preparation of the SOA.

Contact details

Level 41, 55 Collins Street Melbourne, VIC 3000
Website: www.fortrend.com.au,
Email: info@fortrend.com.au,
Phone: (03) 9650 8400

Who is responsible for advice given to you?

Your adviser or an authorized representative of Fortrend, and Fortrend is responsible for the services and advice provided to you. Fortrend is licensed by the Australian Securities & Investments Commission (“ASIC”). Fortrend is a wholly owned subsidiary of Fortrend Securities Inc., which is registered with The Financial Industry Regulatory Authority (“FINRA”) and the

Securities Investor Protection Corporation (“SIPC”). Fortrend introduces your account on a fully disclosed basis to Fortrend Securities Inc. It is important that you read FIRNA’s web site for investors:

<http://www.finra.org/Investors/index.htm>

Fortrend Securities Inc. uses a clearing firm on a fully disclosed basis. The clearing firm is responsible for custody of your assets, cash deposits, settlement of your transactions and processing dividend distributions, rights offerings, as well as publishing trade confirms and monthly statements. We are making the following disclosures on behalf of Fortrend Securities Inc. [FINRA contact information](#), [Fortrend Securities Inc Privacy statement](#), [AML disclosure](#) and [Business Continuity Discloser](#).

What we are authorized to do

Fortrend’s AFSL authorizes Fortrend to provide financial product advice for derivatives, foreign exchange contracts, securities and debentures, standard margin lending facility, stocks or bonds issued or proposed to be issued by a government and securities.

Fortrend is authorized to deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect to derivatives and foreign exchange contracts. Fortrend is authorized to apply for, acquire, vary or dispose of a financial product on behalf of another person in respect to derivatives, foreign exchange contracts and debentures, standards margin lending facility, stocks or bonds issued or proposed to be issued by a government and securities.

What services are available?

Fortrend offers the following range of services: -

- Securities advice;
- Securities dealing services;
- Foreign exchange advice and dealing;
- Portfolio management; and
- Margin Lending

Fortrend also offers on-line services including, on-line trading, quotes, and research.

We will only make a personal recommendation if requested to do so and only after considering its suitability for your individual needs, objectives and financial circumstances. You should note that our research contains general securities advice only. You need to discuss any recommendations contained in the research with your adviser or authorized representative to assess whether it is appropriate for your requirements. If you do not, your order will be recorded as unsolicited, meaning “no advice given”.

Risks associated with investing in Equity Securities, Foreign Exchange and Derivatives

Derivatives, foreign exchange contracts, securities and debentures, stocks or bonds issued or proposed to be issued by a government, securities and equities, like all asset classes, involve some risk that their value may decline as well as appreciate. Whether the investment is in shares, derivatives, property or government bonds, there is a possibility of unfavorable value changes. The measure of this changeability in value is referred to as volatility. The more the value varies over time, the more volatile the asset and, therefore, the more risk involved in the investment. You should consider market risks, global risks, sector risks, asset specific risks, and systemic risks before you make an investment.

If you open an options account, we hereby provide you with a copy of the Characteristics and Risks of Standardized Options, as required by FINRA.

Click on this link for a current copy of the booklet, and read it carefully. You agree not to violate the position and exercise limits established pursuant to Section 3 and Section 4, respectively, of the FINRA’s option rules.

<http://www.cboe.com/resources/intro.aspx>

Fortrend Securities Inc. is a member of SIPC. Your account is protected by SIPC for up to US\$500,000, (not in excess of US\$100,000 in cash), per customer. Please read their web site carefully: <http://www.sipc.org/>

Will we give you advice relevant to your investment and financial needs?

Your adviser or authorized representative is obliged by law to have a reasonable basis for making recommendations. Your adviser or authorized representative must base recommendations on a consideration of the information you give us about your investment objectives, financial situation and particular needs. To help us fulfill this obligation, we ask you to provide certain information to us on our new account form. Please review this document and advise us if there are any inaccuracies, as we rely on this information to service your account. We also require you to advise us if there are any changes to your financial position that may effect future recommendations we make to you. This information will be kept in accordance with our privacy policy.

http://www.fortrend.com.au/res/Forms/2010_10_27_privacystatement.pdf

We maintain a record of your personal profile, which includes details of your investment objectives and financial situation. We also maintain records of any recommendations made to you. Examination of your file can be made upon request.

How will I pay for the service?

We charge commissions on each transaction, whenever we buy or sell securities for you. Subject to arrangements, we charge 3% of the value with a minimum charge of US\$250* on the first transaction; and a minimum of US\$100 on subsequent transactions. A confirmation, (i.e. Contract Note), will be sent to you by the clearing firm upon the completion of each transaction that will detail charges. It is your responsibility to read confirms and statements as soon as you receive them, and report any errors or omissions to us immediately. Fortrend will take responsibility for errors and omissions made by us if they are reported immediately. If you fail to report errors or omissions you will bear responsibility for subsequent market movements. You agree to indemnify Fortrend against any liability for changes in values that occur after your first opportunity to report the error. This prevents customers from “playing” errors.

For example suppose you buy or sell US\$100,000 worth of securities, then we will charge you US\$3,000 (3% of US\$100,000), with a minimum charge of US\$250 on the first transaction and a minimum of US\$100 on subsequent transactions.

Please note that commissions for dealing in derivatives are higher than equities due to the higher risk Fortrend takes in executing these transactions. See fees and charges below.

Fees and charges for some of the services we provide are mentioned in the Fees and Charges table on the following pages. We may provide services not mentioned in the table, and fees for those services will be disclosed to you prior to the provision of those services.

How are advisers paid?

Our advisers and authorized representatives are paid either salary and/or commission and may qualify for a discretionary incentive. The incentive is based on a number of factors, including the level of fee income earned by the adviser. Employees of Fortrend may receive certain bonuses or benefits from Fortrend, based on work performance, in addition to salary or fixed commission.

Placing Orders

You may give us trading instructions by telephone. On-line trading orders can be entered through the website. We do not accept orders via fax or e-mail.

If you request on-line access to your account, you will be responsible for keeping your passwords secure. You will be held responsible for all orders placed on-line, even if your account is compromised orders were placed by someone else. It is your responsibility to protect your passwords.

Equities generally settle 3 days after trade (T+3), while options settle one day after trade (T+1). However, exchange rules vary by market, and you should confirm your settlement date when you place your order. For example, US mutual funds have different pricing and settlement procedures. It is your responsibility to settle your trades on time (meaning that it is your obligation to have cash or securities in your account on settlement date) and highly advisable to have sufficient assets in your account before dealing. Further details of your obligations are on the back of the confirmations and statements.

If a trade execution results in a failed settlement and it's a positive trade error you do not keep the profit. The business concept here is that if you fail to have sufficient cash in your account to settle a trade, your capital was not used in the transaction, so you are not entitled to the benefits that come from putting capital at risk. If you fail to settle trades, and you commit a “free ride” offense, your account will be placed on a 90 day restriction, in accordance with the Securities and Exchange Commission. Please read the SEC regulation T rules at <http://www.sec.gov/>. When an account is placed on a 90-day restriction, it means you must have full settled funds in your account prior to placing your trade. If a trade execution results in a failed settlement and it's a negative trade error you are liable for the full amount of the loss. You can get further information about settlement obligations in the FINRA hyper link above.

Your adviser or authorized representative, when accepting orders, may use the terminology “solicited” or “unsolicited”. You should interpret these as interchangeable with the Australian expressions “advice given” or “no advice given” respectively.

Fortrend Securities Inc. may generate profits as a result of its trading as principal with customer orders. Fortrend Securities Inc. is authorized to trade as principal by the rules of the FINRA. Fortrend Securities Inc. and the clearing firm are

not bound by Australian rules requiring disclosure prior to dealing as principal.

If you have any complaints

Fortrend is committed to providing a high standard of client service and to maintaining our reputation for honesty and integrity. If our level of service or quality of products has failed to meet your expectations, we would like you to tell us about your concerns. Fortrend's complaint handling process is designed to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly. Our aim is to adequately address all complaints. As a first step you should call your adviser.

We encourage you collect your thoughts and write down all the details of your complaint and call or write to: Compliance Manager, Fortrend Securities Pty Ltd, Level 41, 55 Collins Street, Melbourne, VIC 3000. Your complaint can be lodged in writing or verbally and will be dealt with in strict confidence. If you are a retail customer you may be entitled to have your complaint reviewed by the Financial Ombudsman Service Limited. You can contact the ombudsman on Phone 1300 78 08 08, Address GPO Box 3, Melbourne, VIC, 3001. You can also contact the ASIC on 1300 300 630 to make a complaint and to obtain further information about your rights.

Fortrend has Professional Indemnity (PI) insurance in place which satisfies ASIC Regulatory Guide 126. These compensation arrangements satisfy the requirements of section 912B of the Corporations Act 2001 (Cth). The PI insurance will not cover work done for us by representatives after they cease to work for us.

Personal information

Privacy laws apply to the handling of personal information. Any personal information collected about you will be handled in accordance with our Privacy Policy.

You may be entitled to access all personal information that Fortrend holds about you. You also have the right to ask us to correct information about you that is inaccurate, incomplete or out of date. If you would like access or have any questions, please contact us.

Additional Terms and Conditions

Additional terms and conditions of dealing with Fortrend and our clearing firm are on the new account forms, account statements and confirms. For emphasis, we open U.S. domiciled accounts, for which the IRS requires you to make a declaration regarding your taxable jurisdiction. If you are an Australian tax resident, you can declare that on IRS form W8. The tax treaty between the U.S. and Australia may entitle you to a lower withholding tax rate. The W8 form expires after a period of time, and it is your responsibility to have a current tax form on file. If you do not have a current W8 on file, our clearing firm is required by the IRS to withhold tax on dividends and the sale of securities. Fortrend can not arrange a tax refund on your behalf. You may be able to file tax forms with the IRS to recover tax, but Fortrend is not able to file forms with the IRS on your behalf. Fortrend does not provide tax advice, and we urge you to seek advice from your accountant regarding these issues.

Fees and charges

| | |
|--|---|
| Commissions - Equities | 3%, or as negotiated with your adviser (Min USDE\$250 on first trade, and min USDE\$100 on subsequent trades) |
| Commissions - Options | 3% plus \$1 per contract, or as negotiated with your adviser. Min: USDE\$5/contract. Min USDE\$250 on first trade, and min USDE\$100 on subsequent trades. |
| Contract Note Postage and Handling | US\$6.95 handling fee |
| Annual Account Fee | US\$40 (waived if account holds eligible assets worth over US\$25,000) |
| Wire Transfers (any currency) | US\$20 per transaction |
| ACAT (outgoing only) | US\$250 |
| DTC or other security Delivery Fees | US\$100 per position |
| Electronic Foreign Securities deliveries | US\$100 per position, in addition to ACAT fees if part of ACAT. |
| Register & Ship of physical certificates | US\$750 for US stocks, plus local fees for non US stocks |
| Physical certificate deposits | US\$150 |
| Settlement Date Extensions (when eligible) | US\$25 |
| DWAC (DTC transfers with T-Agents) | US\$100 |
| ESOP loan arrangement fee | US\$50 |
| Checks: Stop payments and returned checks | US\$25 |
| IRA / Roth Accounts | Various fees, details available on request |
| Transfer on death | Various fees, details available on request |
| Medallion Signature Guarantee | USDE\$1,000 |
| Foreign Exchange (FX) Transactions | Fortrend has arrangements with our clearing firm to provide FX services at a discounted rate. For FX transactions the cost is 1% of the value of the transaction, of which Fortrend may receive a rebate. |

*USDE is U.S. Dollar Equivalent

Debits in accounts are required to be resolved by month end. Fortrend has the right to sell your shares to cover unsecured debits. Any sale of securities to cover outstanding unsecured debits will be charged commissions.

Fees are subject to change without notification, for further information on related fees please contact your adviser.