

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 20th September 2011 and is provided to you by Pulse Markets Pty Ltd A.C.N 081 505 268 (Pulse Markets, 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. Pulse Markets was formerly known as VBM Capital Pty Limited.

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 only. If you have further questions after reading it please contact us.

2. Other Disclosure Documents we may give you

Pulse Markets will provide clients with documentation to facilitate transactions including client agreements, terms and conditions and confirmation of the transaction.

Where we make a recommendation on a product (other than securities listed on the ASX) 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 SOA and SOAA present the advice and basis on which it was given.

Where you obtain regular advice from us, once we have provided you with an initial Statement of Advice a further Statement of Advice may not be provided each time we provide you with further advice so long as your circumstances and the basis of the advice are not significantly different to your circumstances at the time the initial advice was provided. However, we are required to keep a record of any such advice we provide. You may request a copy of the **Record of Advice (ROA)** which we will keep for up to 7 years after the advice was given.

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3. Who we are

Pulse Markets Pty Ltd A.C.N 081 505 268 (Pulse Markets, we, our, us) is responsible for the Financial Services described in this guide. Pulse Markets holds an Australian Financial Services Licence (AFSL) AFSL Number 220383.

Pulse Markets is a financial services firm that deals in securities listed on the Australian Securities Exchange (ASX) and over-the-counter and exchange-traded derivatives. We also provide financial planning services in superannuation, investments, insurance, pensions and other areas of personal finance.

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

4. Our contact details

Contact	Managing Director		Hamish McCathie
Address	Level 3, 7 Bridge Street Sydney NSW 2000 Australia	Phone:	+612 9259 5000
		Fax:	+612 9241 6433
Email:	info@pulsemarkets.com	Website:	www.pulsemarkets.com.au

5. Financial Services we are authorised to provide

Our AFSL authorises us to:

- provide general and/or personal financial product advice and to deal (apply for, acquire, vary or dispose) in relation to:
 - deposit and payment products limited to basic and non basic deposit products
 - derivatives
 - life products limited to investment life and life risk insurance products
 - retirement savings account products
 - superannuation
 - standard margin lending facilities
 - managed investment schemes including IDPS
 - securities
- underwriting an issue of securities

to retail and wholesale clients.

6. Nature of Advice and our Responsibilities

Please note that although we are authorised to do so, Pulse Markets may not always provide you with personal advice. If we provide 'general advice' only to you, it is important to remember that this 'general advice' does not take account of your objectives, financial situation or needs. Therefore, we recommend that you take all reasonable steps to fully understand the outcomes of specific products and strategies adopted in relation to utilising the services provided by Pulse Markets. Newsletters, Trade Alerts and research papers are example of general advice we may give you.

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While Pulse Markets believes the general financial product advice and information we provide is accurate and reliable, neither Pulse Markets nor its officers and associates assume any responsibility for the accuracy and completeness or currency of that advice and information.

If arranged with your client advisor, Pulse Markets can provide limited personal advice, that is advice that is limited to a particular financial product range and/or based on limited relevant personal information. This may mean the advice and resulting investment may not be appropriate to your individual investment objectives and personal circumstances. You should make your own assessment of the appropriateness of any such advice. If we provide you with personal advice, you will receive a SOA or SOAA. If we provide you with Further Advice, we will not give you a SOA or SOAA but you can request a copy of the ROA up to 7 years after the advice.

7. Products we provide

Pulse Markets may provide you with an execution-only service and/or may provide you with general or personal advice in relation to the authorised financial products. Pulse Markets is not a market maker. Pulse Markets arranges for you to be supplied with financial services and products issued by non-related product providers. Pulse Markets may receive a fee or commission payment from these non-related issuers as a result of you investing in one of their products or services. Any remuneration that Pulse Markets may derive is included in the fees and commissions you pay as outlined under the heading "How do we get paid".

8. How to instruct us

Before transacting you will need to have opened an account with our preferred third party service providers.

For shares and options trades, we have appointed market participants to provide execution and clearing services for:

- transactions in securities and other financial products executed through the ASX;
- for transactions in all derivatives (such as Exchange Traded Options) executed through ASX;
- settlement services for transactions executed by, or on behalf of our clients; sponsorship services; and
- nominee and other custody services.

In the event that you require the above services to be provided, you will also need to become a client of our preferred service provider. Pulse Markets will arrange for its clients to be provided with the service provider's FSG and other documents which provide further information about the services provided.

Please note that a PDS is not required for investments in securities. We have prepared a guide to investing securities and this is available on our website www.pulsemarkets.com.au or by contacting us directly. You should ensure that you understand the risks and procedures before investing in securities. You will receive your contract notes from the service provider. You should contact the service provider if you do not receive a contract note or if there are any discrepancies immediately. In arranging for a third party to provide these services to you, Pulse Markets will act as your agent, not as the agent of the third party.

For Contracts For Difference, Pulse Markets will arrange for its clients to be provided with the FSG, PDS and other disclosure and documents which provide further information about the services provided by our preferred third party product issuer. You will receive your daily statement from the product issuer. Pulse Markets will act as your agent, not as the agent of the product issuer.

You can 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 only, note you must confirm with us that such instructions have in fact been received by us as electronic communications may fail or not be received in a timely manner); and
- electronically via direct entry into trading systems that we provide access to you.

For Margin Lending products, on specific request by the client, Pulse Markets provides the disclosure documents and the application. Pulse Markets makes no recommendation as to which is the best provider or whether the product is suitable for the client. Pulse Markets advises clients that they should seek independent financial advice to determine whether margin lending product is suitable for their purposes and circumstances. Pulse Markets will forward completed application forms to the product provider. Pulse Markets receives a commission from the product provider. The product provider undertakes the assessment of client's income and liaises directly with the client on all subsequent events such as credit assessment, loan to valuation limits, margining etc. **Pulse Markets will not notify the client of a margin call.**

For Wealth Management products, Pulse Markets follows the six steps of the financial planning process, which are as follows.

1. Gathering financial data - such as details of your income and expenses, debt level etc.
2. Identifying goals and objectives.
3. Identifying any financial problems or deficiencies between where you are now financially and where you want to be.
4. Preparing your financial plan. This will identify recommended investments and will address your attitude to risk.
5. Implementing your financial plan.
6. Reviewing and revising your plan as to ensure it stays up-to-date and relevant to the economic climate and your changing lifestyle.

Pulse Markets will arrange for its clients to be provided with the Financial Services Guide, PDS and other disclosure documents which provide further information about the services provided by our preferred third party product issuer. You should also be aware that you are entitled to receive an SOA whenever we provide you with personal advice, which takes into account your objectives, financial situation and needs. This Statement of Advice will contain the advice, the basis on which it is given and information about fees, commissions, business relationships and associations which may have influenced the provision of the advice. If our representative provides further advice to you, and that further advice is related to the advice we have provided to you in a previous Statement of Advice and we do not give that further advice in writing you may request a copy of the record of that further advice at any time up to 7 years from the date our representative gave the further advice to you. You can request the record of the advice by contacting the representative or us in writing or by telephone or by email.

For financial products (other than securities), we must also provide you with a PDS containing information about the particular product, which will enable you to make an informed decision in relation to the acquisition of that product.

9. How do we get paid?

a. Transaction based fees

Pulse Markets 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 when you buy and sell at the time your transaction is executed.

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The brokerage rates below are the maximum that Pulse Markets could charge and are provided as a guide. Please contact us for your most competitive rate.

Type of Product	Basis	Maximum fee
Securities and warrants	per transaction	up to \$220 or 2.5% (including GST) of the transaction value (which ever is greater); typical fee is \$110 or 1.1% (including GST)
Exchange traded options	per transaction	up to \$110 (including GST) per transaction of up to 40 options contracts and \$2.20 (including GST) per contract after that;
Contracts for Difference (CFDs)	Notional value of the transaction	up to 0.4% (including GST); typical fee is a flat rate fee of \$25 or 0.25% (which ever is greater) product issuer spreads may widen by up to 15 points either side

These rates are subject to change from time to time. Should there be a change in the fee structure, Pulse Markets will notify you by email or post a notice to our website www.pulsemarkets.com.au. Goods and Services Tax (GST) may be levied on brokerage charged to Australian Residents. We recommend that you seek advice from a professional tax agent who can provide advice in relation to the tax deductibility of any fees that we charge. A detailed description of the fees, charges and commissions payable can be found in the Product Disclosure Statement for the relevant financial product.

If you request to trade via Direct Market Access (DMA), you may be charged royalties from IRESS. Please speak to your adviser for confirmation of costs and IRESS Terms and Conditions.

b. Commissions, remuneration and other benefits received by Pulse Markets

We may receive remuneration from a product issuer in the form of upfront and trailing commissions. These fees or commissions are different for each product and will be disclosed in the relevant PDS. They will be disclosed to you if we have provided you with personal advice in relation to a particular product. As a guide, Pulse Markets may receive:

Type of Product	Basis for calculation	Commission/Payment we may receive
Managed Funds	Funds under management	Upfront commission can range from 0 to 5% Ongoing commission can range from 0.25% to 5% p.a.
Margin Lenders	Amount of facility	Ongoing commission can range from 0.25% to 1.5% p.a.
Cash Management Trusts	Daily balance of account	Ongoing commission can range from 0.25% to 0.75% p.a.
Superannuation*	Funds under management and/or advice	Upfront can range up to 4%p.a. Ongoing can range up to 1%p.a.
RSA Products*	Per transaction	Ongoing can range up to 0.25%p.a.
Life Products*		Upfront % of premium (expressed as 125%p.a.) Ongoing can range up to 30%p.a.

For the above Wealth Management transactions, a fee for service may be negotiated. Charges are an hourly rate of \$375 + GST upfront with ongoing combination of fees and trailing commission.

We may also receive fees in relation to Initial Public Offerings and underwriting activities. Fees can vary from 0% to 10% of the amount raised or underwritten, and on occasion we may also receive some free shares or options in the company we are sponsoring or underwriting. These fees will be disclosed in the offer document, prospectus or PDS issued by the issuer.

We may receive referral fees from time to time from Margin Lenders. These will vary depending on the product provider and the balance of your loan. Generally we may earn a fee of up to 1.5% of the loan amount.

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 0% to 75% of all fees and commissions generated from their clients depending on the level of salary and the aggregate revenue that they earn for Pulse Markets. Such payments are discretionary and are generally made in the form of monetary benefits and are paid quarterly or annually. Our advisers may be entitled to 0% to 90% of the revenue generated by the services rendered to you. More details in relation to your advice and the commissions paid will be disclosed in your SOA and/or by request.

c. Interest on Client Segregated Account

We may receive interest on credit balances of the Client Segregated Account and Pulse Markets will retain any such interest received.

d. Commissions, remuneration and other benefits paid by Pulse Markets

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 Pulse Markets.

e. Soft dollar benefits

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

10. Complaints Resolution

We take every step to ensure we provide you with quality service. Pulse Markets 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@pulsemarkets.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 Financials Ombudsman Service (FOS) via the following means:

Financial Ombudsman Service

GPO Box 3, Melbourne Vic 3001

Toll Free Telephone: 1300 78 08 08

Fax: (03) 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

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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 \$2,000,000 with an excess of \$50,000 to cover claims regarding professional indemnity, directors and officers liability, crime (fraud) and the conduct of representatives/employees 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, however the cover satisfies the requirements of s. 912B of the Corporations Act.

12. Conflicts of interest

Pulse Markets, nor any of our related bodies corporate, nor any of our authorised representatives, have any ownership links with any financial product issuer that could be expected to influence us.

Conflicts of interest may occur from time to time. You have the right to be advised of any material interest that could reasonably be expected to be capable of influencing the recommendation of a financial product to you.

Accordingly, you should be aware that:

- Pulse Market'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
- Pulse Markets, its directors, representatives and employees may have material interests in companies from time to time. These may be companies we have raised capital for, provided advice to or produced research on.

Should a conflict occur, you will be advised either verbally by your Client Advisor or this will be outlined in a SOA, SOAA or ROA. Should you have any concerns or would like to discuss this matter further please contact us.

13. Record keeping and Privacy

We will maintain complete records of the services we provide to you in accordance with Australian Laws. As a financial services provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Financing Act to verify your identity, amongst other things. If we are unable to collect all information requested in the account opening process or requested during the subsequent services, we may be unable to provide or continue to provide services. We will also retain copies of this information.

We also keep a record of personal information you provide to us. Your privacy is important to us and we are committed to compliance with the Privacy Act and National Privacy Principles. We maintain a record of your personal profile which includes your personal details and the details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you.

We may disclose your personal information to external parties, such as our financial services providers, for the purposes of arranging your investments or transactions. Such external parties are required and committed to protecting your privacy.

Telephone calls with us may be recorded to allow for a record to be kept of orders taken and to ensure that our service standards are met.



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If you wish to access information we hold about you or have any concerns, please contact us. A copy of our privacy policy is available from us or our website www.pulsemarkets.com.au