



GLOBAL PRIME PTY LIMITED

Financial Services Guide

2 May 2011

Global Prime Pty Limited
ABN 74 146 086 017
Australian Financial Services No. 385 620
Level 10, 2 Bligh Street,
Sydney NSW 2000
Phone number +61 2 8277 6600

Details

This Financial Services Guide (FSG) is dated the 14th March 2011 and is provided to you by Global Prime Pty Limited (**Global Prime, we, our, us**) to inform you of the financial services provided by us and to comply with our obligations as holder of an Australian Financial Services Licence (AFSL No 385 620).

What is the purpose of this Financial Services Guide?

The purpose of this FSG is to provide clients of Global Prime with key information about the financial services that we offer. It is designed to give you information required to make an informed decision about whether to use those financial services. If you receive an electronic copy of this FSG, you should download or otherwise receive all of this FSG.

This FSG complies with the relevant requirements of the Australian and Securities and Investment Commission's (ASIC) conditions of relief set out in Class Order 04/194 'Managed Discretionary Accounts'.

What this FSG contains

This FSG contains information about:

- who we are and how we can be contacted
- the services and types of products we are authorised to provide
- how we (and any other relevant parties) are remunerated
- internal and external dispute resolution procedures and how you can access them.

Who we are and how we can be contacted?

Global Prime is an Australian registered company whose head office is located at Level 10, 2 Bligh Street Sydney 2000. We hold an Australian Financial Services Licence (No. 385 620) and are regulated by the Australian Securities and Investment Commission.

We can be contacted at:

Global Prime
Level 10, 2 Bligh Street
Sydney 2000

Toll Free: 1300 INVEST (1300 468 378)
Telephone: (02) 8277 6600
Email: dealing@globalprime.com.au
Website: www.globalprime.com.au

Other documents you may receive

Product Disclosure Statement (PDS)

A PDS is a document (or group of documents) that describe a financial product. A PDS contains important information to assist you in making a decision about the product. You will receive a PDS if a recommendation is made to acquire a particular financial product (other than securities) or an offer is made to issue or arrange the issue of a financial product. PDSs will be given for managed funds, options, superannuation products, margin lending and other financial products or services, as required by law.

A PDS (previously known as a prospectus) will also be given to you when an offer of securities (such as shares, debentures or options over them or rights issues in relation to them) is made. The PDS describes the offer and contains important information to assist you in making a decision about investing in the security. You will receive a PDS if a recommendation is made to acquire a particular security which is the subject of the PDS, which typically happens for IPOs and some rights issues.

Statement of Advice and Record of Advice

You may also receive from us a Statement of Advice (SoA) if we give you personal advice. A SoA is a written record of the advice provided by us to you. It includes information about fees, commissions and associations that might have influenced our advice. In general we must give you a SoA the first time we provide personal advice about any financial product.

We may provide further advice to you after we have given you an SoA. If we have not provided you with a record of the further advice you may request, either verbally or in writing, a copy of our record of the further advice from your Adviser within 7 years (or as prescribed by law) of us providing further advice.

If you later advise us that your circumstances have changed which may influence the types of investments or the suitability of strategies that have been used on your account, you will receive a SoA. Such changes may be triggered by changes in your investments or financial situation or by life events such as marriage, divorce, the birth of a child, redundancy, retirement, illness or an accident that may prevent you from working. Any event that has an impact on your life and your financial security should be notified to your Global Prime advisor so that they may be able to assist you to review your investments and perhaps change them to be more suitable to your changed circumstances.

Transaction Documents

The provision of financial products and services by Global Prime will be undertaken in accordance with the terms and conditions detailed in the documentation that you will either receive from us or have downloaded from our website with respect to the relevant financial service provided to you.

Global Prime and Penson Financial Services Australia Pty Limited

Global Prime has through Gleneagle Securities entered into an agreement with Penson Financial Services Australia Pty Ltd (AFS Licence No 338264 and ABN 60 136 184 962) to provide to you CHESS services and to settle and clear all ASX transactions as executed or arranged to be executed by Global Prime. You should also read Penson's Financial Services Guide, disclosure guide, CHESS Sponsorship agreement and explanation of that and other Penson documents. These are provided to you if you elect to have these services. Please ask your Adviser for a copy if you have not already received one.

What Financial Services are we authorised to provide?

Global Prime is authorised to provide the following financial services to:

- (a) provide general financial product advice for the following classes of financial products:
 - (i) deposit and payment products limited to:
 - (A) basic deposit products;
 - (B) deposit products other than basic deposit products;
 - (ii) derivatives;
 - (iii) foreign exchange contracts;
 - (iv) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (v) interests in managed investment schemes including:
 - (A) investor directed portfolio services;
 - (vi) interests in managed investment schemes limited to:
 - (B) MDA services;
 - (vii) securities; and
 - (viii) standard margin lending facility;
- (b) deal in a financial product by:
 - (i) 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) interests in managed investment schemes limited to:
 - (1) MDA services; and
 - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (A) deposit and payment products limited to:
 - (1) basic deposit products;
 - (2) deposit products other than basic deposit products;
 - (B) derivatives;
 - (C) foreign exchange contracts;
 - (D) debentures, stocks or bonds issued or proposed to be issued by a government;

- (E) interests in managed investment schemes including:
 - (1) investor directed portfolio services;
 - (F) interests in managed investment schemes limited to:
 - (2) MDA services;
 - (G) securities; and
 - (H) standard margin lending facility; and
- (c) make a market for the following financial products:
- (i) foreign exchange contracts; and
 - (ii) derivatives;
- to retail and wholesale clients.

Global Prime is acting for itself when it provides its financial services to you. This is referred to as the "Prime Account Service". If you are investing via our Managed Discretionary Account (MDA) Service, your Prime Account will include a "Managed Account" for each of your MDA investment programs.

Our relationship with you

Global Prime is responsible for the financial services we provide to you.

Global Prime acts as principal in all transactions with you in respect of certain OTC financial products. Global Prime may also arrange for you to be supplied with financial services and products issued by non-related product providers. Global Prime may receive a fee or commission payment from these non-related issuers or providers as a result of you investing in one of their products or services.

Portfolio Accounts

Portfolio Accounts are accounts which allow you, as the client, or your financial advisor, as your representative, to instruct Global Prime to deal in securities and/or derivatives on your behalf. These accounts are client directed and you determine the composition of your portfolio.

Managed Accounts

The Global Prime Managed Account is an MDA service operated under ASIC Class Order 04/194 'Managed Discretionary Accounts'.

Global Prime is a MDA Operator and is responsible for the financial services and functions associated with operating an MDA Service.

As an MDA service, the Managed Account requires you to delegate the investment management and trading discretion for securities, exchange traded and over-the-counter securities and derivatives transactions, to Global Prime as the MDA Operator.

You can select a mandate managed by a third party program manager or one of the Global Prime internally managed portfolios. The decisions regarding the portfolio composition, participation in corporate actions and timing of buys and sells are at the discretion of the third party program manager or directly by Global Prime (as appropriate). Even if there is a third party program manager, you give Global Prime your authority to arrange the transactions.

Managed Accounts with an External MDA Advisor

Global Prime will deal with retail clients who have an approved External MDA advisor (*financial advisor*), and who have received advice, on an initial and ongoing basis, from that financial advisor regarding investment in the products and services available through Global Prime.

Your financial advisor must provide you with a Statement of Advice for any personal advice.

Your financial advisor is also required to review your MDA's investment program and MDA contract at least every 12 months, and Global Prime requires your financial advisor to confirm to us that this review has been conducted.

As required by ASIC Class Order 04/194 'Managed Discretionary Accounts', you must enter into a formal MDA Agreement prior to accessing this service.

The MDA Agreement (contract) is the combination of:

- a signed application form confirming all information provided in it and confirming you have read the terms and conditions that relate to retail clients;
- this financial services guide;
- the relevant investment mandate (this investment mandate includes the investment program and is prepared in accordance with the requirements of Division 3 of Part 7.7 of the Corporations Act 2001

(Commonwealth) and will comprise the specific Global Prime Managed Account mandate);

- a statement of advice from your financial advisor specifically recommending the Global Prime Managed Account and the particular investment programs; and
- the Terms of your Prime Account.

The MDA agreement will provide the following information:

- the nature and scope of the discretions that we or your financial advisor will be authorised and required to exercise;
- any significant risks associated with the MDA agreement;
- the basis on which it is considered that the MDA agreement is suitable for you;
- any fees and charges that are different from those disclosed in this FSG so that you are aware of the basis of calculation before you get personal advice; and
- warnings about the importance of any limitations relating to the MDA agreement which you must consider before signing the MDA agreement.

Retail clients are required to obtain personal advice before entering into an MDA service to ensure it is appropriate for their personal financial needs, objectives and circumstances. This advice will be provided by either us or your financial advisor.

Who is the custodian of your Assets?

Client's assets in the Portfolio Account and Managed Account are either held for you by a licensed custodian or (for CHESS-sponsored investments) are in your name but are sponsored by a CHESS participant. The licensed custodian or CHESS sponsor will be Global Prime, a related party of it or a licensed third party. Global Prime has arranged for CHESS sponsorship of your ASX-traded securities and custody of your ASX derivatives by a third party, if you elect to have that service (see below under "Global Prime and Penson Financial Services Australia Pty Limited").

Some benefits that accrue to the holders of financial products (such as shareholder discounts) might not be available for your benefit. Global Prime does not compensate or provide other adjustments if the benefit is not available.

How you can instruct us and your obligations

Global Prime accepts order instructions in any of the following ways:

- electronically, via electronic trading platform;
- via telephone; and
- in writing (including email or facsimile, where authorised), you must check and confirm with us that orders sent via fax or email have in fact been received by us.

It is your obligation to review any confirmation or statement we send to you to ensure its accuracy and report any discrepancies that you may have to us immediately.

If you wish to discuss your Portfolio Account, your Managed Account, obtain information about the type of portfolio in which you are invested, reporting or to update your personal information, you should contact Global Prime.

Reporting

Global Prime will provide you with access to electronic reporting detailing your investment portfolio via the Global Prime website, including comprehensive information regarding transactions, the value of your assets and any fees and charges associated with your account.

In compliance with Class Order 04/194, you will also receive an audited Annual Investor Statement for your Managed Account summarising the information provided to you electronically within three months after the end of each financial year.

Global Prime, as part of its services, will provide a trade advice of transactions executed or arranged by Global Prime for you.

General Advice and Personal Advice

Any advice given by Global Prime is general advice only unless it is identified as personal advice to you. Our general advice provided to you as a retail client does not take into account your objectives, financial situation or needs.

Under the law regulating provision of financial services, general advice and personal advice have special meanings and may differ from what you commonly understand. General advice can include direct or implied recommendations about financial products or services, whether generally or for a class or kind of investor, without taking into account your particular circumstances. General advice includes advice based on consideration of the investment alone (including by reference to current market conditions). Such general advice is provided without any expressed or implied recommendation that it is appropriate for you in light of your personal circumstances. The onus is on you, as the client, to assess whether the information or general advice provided is appropriate for your personal needs, objectives and circumstances.

You should be aware that general advice or information is not complete and it might lose currency or accuracy.

Regular updates, marketing materials, research reports, market reports, case scenarios, investment strategy reports, PDSs or other offer documents and website content are not personal advice.

If you are advised by a Global Prime representative and you are investing via our MDA Service (that is, you have a Managed Account) we must review the MDA investment program at least once every 12 months to ensure it remains appropriate for you. Otherwise, your own financial advisor who advises you on the MDA service and investments in your MDA Account will review the MDA investment program at least once every 12 months.

Risks

Before you make an investment decision it is important that you understand the risks that can affect your investment. All forms of investment involve a degree of risk. This could be that your investment does not meet your investment objectives or that you lose money on your investment. Certain products offered by Global Prime are margined and may result in losses greater than your initial outlay.

Specific investment risks apply to all investments that may have an effect on the value of your Global Prime Portfolio Account or Managed Account. The risks applicable to the investment strategy recommended to you by your financial advisor will be included in the Statement of Advice that will be given to you. However there are particular risks for you that are associated with giving Global Prime discretion by the MDA service. Those particular risks are:

- MDA risk** - By authorising us to transact in our discretion to trade your investments without seeking your prior authority, you cannot claim we were not acting on your behalf. So long as we act within your authorisation and pursuant to the documented Investment Program our acts become binding on you. It is important that you understand what we are authorised to do and that you agree to the Investment Program.
- Program Manager Risk** - This risk is associated with the program manager (which could be either Global Prime, a third party appointed by Global Prime or a third party appointed by you) managing the relevant Investment Program but underperforming compared with the program's stated objectives or not following the stated investment mandate. Factors that could impact a program manager's performance include loss of key staff or changes in its business that materially and adversely impacts on its skills or capacity to perform its services. If a third party program manager fails to perform, Global Prime might step in to manage the Investment Program or it might terminate the program.
- Trading Risk** - Trading is executed using electronic systems and oral instructions provided to brokers. There is room for error when the trades are placed which may result in financial loss. In some cases there may be delays or disruptions to the trade execution process which may impact on the availability of information, communication, amendment or cancellation of transactions which may negatively impact your portfolio.
- Systems Risk** - Systems risk may be associated with a technical malfunction in the systems of providers of services associated with your investment such as custodians or stock exchanges, which may lead to transactions failing or delays in settlement or execution which may result in losses or opportunity cost.

It is your responsibility to assess the risks associated with an investment in Global Prime's products and services prior to investment. If you have any concerns regarding the risks described in this section or any other risks not listed you should contact your financial advisor or Global Prime.

Corporate Actions

If you wish to provide instructions to us in relation to corporate actions (proxy voting) or otherwise regarding the financial assets held in your account, please contact Global Prime to determine if your account is eligible to vote.

You should note that in the case of Managed Accounts, the program manager will have the discretion to determine whether or not the portfolio in which you are invested will participate in corporate actions and you may not have the option to provide instructions regarding your preferences without withdrawing from the Investment Program.

Record Keeping

Global Prime seeks to ensure that comprehensive and accurate records of client profiles, together with all advice or recommendations provided are properly maintained.

How we are remunerated

You may pay Global Prime a fee depending on the type and level of services provided to you, the exchange upon which the transaction is to be conducted (if any), the frequency and volume of transactions executed, the financial products you choose and the amount you invest. In particular, Global Prime may receive fees and other benefits from the financial products that it issues to you. Unless otherwise stated, all fees, charges, commissions and benefits disclosed in this FSG are inclusive of goods and services tax (**GST**).

Equities fees and rates

The standard fees you will typically be charged for transactions in ASX-traded equities will be in the range of 0% to 5.5% (GST included) of the transaction value. If your transaction is not typical (e.g., due to significant size relative to liquidity of the stock or is traded overseas), we may negotiate with you a different fee. Fees for transactions made on exchanges other than an ASX are available on request.

ASX Derivatives fees

The standard fees you will typically be charged for exchange-traded derivatives are in the range of 0.11% to 1.65% (GST included) of the premium amount, but may range from 0% up to a maximum of 2.2% (GST included).

If you fail to pay for a transaction, you may be charged the greater of (a) whatever fee or charge is imposed by any settlement or clearing agent which holds your assets; and (b) a fail management fee of a minimum of \$27.50 (GST included) per day up to a maximum of \$220 (GST included) per transaction per day and interest on the shortfall, accruing daily at a rate equal to the overnight cash rate imposed by the Reserve Bank of Australia plus 3%.

Managed Accounts fees

The fees that you will be charged for your Managed Account will depend on the investment mandate which you select. The fees typically include an account management charge and some may include a performance-based fee. Details of these fees are disclosed to you in the MDA Agreement for each separate investment mandate.

Capital Raisings (for IPOs) and placement fees

Global Prime is generally paid a fee directly from the company or other issuer that is raising the capital, so under normal circumstances you will not be charged. The range of these fees is usually between 0% and 5.5% (GST included) of the amount raised/invested. If it is higher, we will disclose that to you prior to your investment.

Other financial product providers and fees and commissions

Global Prime may have arrangements with a number of financial intermediaries in relation to the provision of financial products by them to clients. In those circumstances, a referral fee may be paid by Global Prime or a related entity to the financial intermediary. This referral fee is usually based on the value (or tiers of values) of the transaction or financial product that has been provided to you, and the total fee paid will range from 0% to 5.5% (GST included) of the value of that transaction or financial product. The referral fee may be paid in the form of an upfront selling fee or periodic trail fees or both.

Global Prime may receive fees and commissions from the issuer of financial products including if Global Prime secures applications from its clients for

financial products in respect of new issues, rights or entitlements or additional investments. These fees and commissions are usually based on the value (or tiers of values) of the transaction or financial product that has been provided to you, and the total amounts paid to Global Prime typically will range from 0% to 2.2% (GST included) of the value of that transaction or financial product. The fee or commission may be paid in the form of an upfront issuance or selling fee or commission or periodic trail fees or commissions (calculated by reference to the amount of money invested in a scheme or product from time to time), or both initial and trailing fees and commissions.

Global Prime may receive commissions from the providers or issuers of bank accounts, term deposits, cash management trust accounts and similar deposit-type products held for a client's account. Such commissions may be calculated by reference to the amount of money invested in the account and will vary according to the daily closing balance of the account but will not exceed 2.2% (including GST) of the funds invested. In addition, Global Prime may be paid a volume-based commission, subject to various tiers, based on the total daily closing balances of all accounts referred by Global Prime to the issuer. The details of the commission will be disclosed by Global Prime and will be available in the PDS of the issuer for the account and will be available for free on request to Global Prime.

General

If you owe an amount to Global Prime and you have not paid that amount, Global Prime may charge interest on that outstanding amount at the rate set out or described in any agreements with you or, if not specified or described, at the rate equal to Global Prime prevailing debit interest rate determined by it from time to time.

Additional fees may be charged for transactions and services, including but not limited to international transfers, bank cheques and additional account administration fees and, for managed funds, fees or charges for the alteration of investments prior to maturity or early withdrawal (which are described in disclosure documents for those managed funds).

Global Prime may charge a fee for printing and postage of confirmations if you have the ability to receive electronic confirmations but have chosen not to do so. We may also charge reasonable amounts for additional reports or communications required by you. These fees will be advised to you prior to you requesting this information.

Detail of Associations or Relationships

Global Prime has a relationship with providers of execution, clearing and settlement services, custody and portfolio administration services. These relationships do not materially influence the provision of financial services by Global Prime to you. Some of these services are available directly to you if you elect to receive them.

Global Prime outsources some of the services related to investment management to expert third parties.

In the case of Managed Accounts, the program management may be done by Global Prime or by a third party program manager. The program manager determines the portfolio composition, strategy and timing of buys and sells for a particular portfolio. Some third party program managers may also be authorised by Global Prime to arrange for execution of the transactions. If a third party program manager is appointed, they advise Global Prime, not you, for those services – Global prime remains responsible to you for the MDA service. You will be provided prior to investment with an investment mandate from Global Prime detailing the investment strategy, a description of any third party program manager, any specific risks associated with the investment strategy and the details of fees.

Disclosure of Relevant Conflicts of Interest

Global Prime has relationships with various parties whereby it pays fees or receives fees. These parties may include (but are not limited to) product issuers, brokers, custodians, fund managers, banks, investment advisors, financial planners and other referral sources.

Global Prime has documented processes for controlling, avoiding and disclosing relevant conflicts of interests.

If the range of fees, commission, charges or other benefits received by Global Prime from a third party is not disclosed in this financial services guide, we will update any disclosure to you as soon as we can.

Our employees and representatives

Our employees and other representatives are remunerated through a base salary and non-base salary compensation for their work for Global Prime and related entities. The non-base salary includes a share of commission, fees or other payments earned by Global Prime (and, depending on the scope of their employment, related entities) which provides the financial product or service. The proportion shared with the employee or other representative ranges between 0% and 75% and is based on their level of experience, length of service with Global Prime or its related entities, the level of qualifications and the market conditions.

Our employees and other representatives may also benefit from various internal incentive schemes including seminars, conferences and training programmes and non-cash rewards. Participation in these schemes is generally based on revenue production, minimum length of service and compliance with group policies and industry regulations.

Professional Indemnity Insurance

Global Prime has the benefit of professional indemnity insurance that complies with section 912B of the Corporations Act 2001. This professional indemnity insurance covers claims in relation to the conduct of current employees and past employees.

In accordance with Regulatory Guide RG 126 and Section 912B of the Corporations Act 2001, Global Prime has the benefit of professional indemnity insurance in place which covers the work done for it by representatives and employees.

How is my personal information dealt with?

Your privacy is important to us and we are committed to compliance with the Privacy Act 1998 (Commonwealth) and the National Privacy Principles. We maintain a record of your personal profile which includes your personal details and details of your investments. We also maintain records of any recommendations made to you.

We may disclose your personal information to external parties, such as our financial service providers, for the purposes of arranging/facilitating your investments or transactions. Such external parties are committed to protecting your privacy. We may also collect, hold and use your personal information to undertake appropriate administration, including in relation to the "Know Your Client" obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) (AML/CTF Act).

If you wish to access information we hold about you, please contact us and we will make arrangements for you to do so. A copy of our Privacy Policy is available from us. Please contact us if you have any concerns.

Anti-Money Laundering

Global Prime has adopted a program that complies with the AML/CTF Act. As part of this process, you will need to provide evidence of identification.

Dispute resolution

We want to know about any problems you may have with the service of Global Prime so we can take steps to resolve the issue. If you have a complaint about the financial product or service provided to you, please take the following steps:

1. Contact your agent or Global Prime advisor directly and tell him/her about your complaint. You may do this by telephone, facsimile, email or letter.
2. If your complaint is not satisfactorily resolved within five business days of receipt of your complaint by your Global Prime advisor or agent, please contact Head of Compliance on +612 8277 6600 or put your complaint in writing and send it to the Compliance Department at:

Global Prime Pty Limited
Level 10
2 Bligh Street
Sydney, NSW 2000

We will try to resolve your complaint quickly and fairly. Complaints received in writing will be acknowledged within ten business days of receipt of your written complaint and we will use our best endeavours to try to resolve your complaint within 30 days of receipt of your written complaint.

3. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service (**FOS**). FOS is an external complaints and dispute resolution body. The service to you is free. The contact details for FOS are:

Financial Ombudsman Service
G.P.O. Box 3, Melbourne VIC 3001
Toll Free: 1300 780 808
Facsimile: +613 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

Global Prime - membership number 24605;

4. The Australian Securities and Investments Commission (**ASIC**) also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Recording of Telephone Conversations

Global Prime may record conversations between you and our employees or authorised representatives (with or without an audible tone). You may request a copy of the transcript of these recordings in anticipation of or in the event of a dispute. We may charge a reasonable administrative cost for providing this service.

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