

FINANCIAL SERVICES GUIDE

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ABOUT THIS GUIDE

This Financial Services Guide (Guide) is designed to assist you in deciding whether to use the services we offer. It will help answer your questions about us, the services we provide, your adviser, how we and your adviser are remunerated for the services offered, how we resolve complaints and other information.

OTHER DOCUMENTS YOU MAY RECEIVE

BACKGROUND

The documents you receive will vary depending on the nature of the products or service you wish to receive. Your adviser can provide you with:

- » Personal advice tailored to your objectives, financial situation or needs;
- » General financial product advice that does not consider your objectives, financial situation or needs; or
- » Execution only services where no advice is provided.

STATEMENT OF ADVICE

Initial personal advice will generally be documented in a Statement of Advice. The Statement of Advice will help you make an informed decision in relation to the advice provided as it contains:

- » Details of the advice;
- » The reasons for the advice; and
- » Information on any remuneration, associations or other interests that may influence the advice.

RECORD OF ADVICE

For further personal advice a Statement of Advice will generally not be provided unless your circumstances have changed materially. In these circumstances we will maintain brief details of the basis of the advice. You have the right to request a copy of the record of advice, for a period of seven years, after the advice was provided.

PRODUCT DISCLOSURE STATEMENT

If your adviser recommends a financial product to you or offers to arrange the issue of a financial product, other than securities such as listed shares, you will receive a Product Disclosure Statement. The Product Disclosure Statement is prepared by the product provider and provides information on:

- » The product terms and conditions;
- » Risks and benefits associated with the product; and
- » Fees and charges relating to the product.

PROSPECTUS

If your adviser recommends that you acquire securities under a new issue offering or a float, prior to quotation of the securities on a prescribed financial market such as the ASX, you will receive a prospectus. The prospectus will contain information about the securities and the issuer.

ABOUT US

OWNERSHIP

YBR Securities Limited (“YBR Securities”) is owned by senior members of the team and Yellow Brick Road Group Limited (ABN 58 124 415 194).

The Yellow Brick Road Group is a non-aligned provider of comprehensive wealth management, financial advice and related professional services in areas of taxation, accounting, general insurance and finance broking.

WHAT WE DO

YBR Securities specialises in the provision of advice and execution services regarding the direct purchase and sale of Australian equities and international equities (through managed investment funds).

YBR Securities is an Australian Financial Services Licensee and is licensed to provide advice and deal in:

- » Basic and non-basic deposit products;
 - » Derivatives;
 - » Government debentures, stocks or bonds;
 - » Managed investment schemes, including IDPS;
 - » Margin lending facilities (standard margin lending);
 - » Securities; and
 - » Superannuation.
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PORTFOLIO MANAGEMENT SERVICE

If you want someone to manage your investment portfolio on an ongoing basis, we can also offer you our Portfolio Management Service. This service includes:

- » Regular portfolio reviews and ongoing recommendations by your adviser;
 - » Daily reconciliation of your cash account;
 - » Processing of all portfolio transactions;
 - » Access to online portfolio valuations and other information on a daily basis;
 - » Maintenance of all investment records including capital gains tax records; and
 - » The preparation of annual financial statements and tax returns for self managed superannuation funds;
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YOUR ADVISER

The financial services listed in this Guide are provided to you by YBR Securities. As an Australian Financial Services Licensee, we are responsible to you for the financial product advice and financial services provided to you by our Authorised Representatives.

As an Authorised Representative of YBR Securities, your adviser will be acting under our licence when providing the financial services offered in this Guide. Your adviser is authorised to issue this Guide with their Adviser Profile attached which sets out the products and services your adviser is able to provide.

EXECUTION AND CLEARING

For all transactions conducted on the ASX, YBR Securities will pass your order to E*Trade Australia or Penson for execution and clearing. The E*TRADE Australia service is provided by ETRADE Australia Securities Ltd (trading as “E*TRADE Australia”) (ACN 078 174 973, AFSL No. 238277) a Participant of the ASX Group. The Penson service is provided by Penson Financial Services Australia Pty Ltd ABN 601 361 849 62, AFSL 338 264.

FEES AND COMMISSIONS

YBR Securities and your adviser may receive remuneration, commission, benefits and other incentives through a combination of any of the methods described below:

FEES AND COMMISSIONS Before the provision of any advice or service, your adviser will outline for your approval any fees, commission, benefits or other incentives that apply and may be based on:

- » A dollar amount;
- » A percentage of the amount invested;
- » Commissions paid by the organisations that issue the financial products recommended ; or
- » A combination of the above.

EQUITIES BROKERAGE Brokerage fees are subject to negotiation with your adviser and will depend on the level of service you require. Fees quoted include the fees payable to either E*Trade Australia Securities Ltd (ACN 078 174 973) ('E*Trade') or Penson Financial Services Australia Pty Ltd ABN 601 361 849 62, AFSL 338 264 ('Penson'), our Execution and Settlement Agents. As a guide, the following applies:

EXECUTION ONLY

Our minimum brokerage fee for execution only is the greater of \$75 (excluding GST) per transaction or 0.5% (excluding GST) of the transaction value.

ADVICE

Our minimum brokerage fee for advice related transactions is the greater of \$100 (excluding GST) per transaction or 1% (excluding GST) of the transaction value.

EXAMPLES	BASED ON MINIMUM CHARGED
\$20,000 Trade (Advice)	Brokerage fee: \$220 (1.1% of \$20,000).
\$20,000 Trade (Execution Only)	Brokerage fee: \$110 (0.55% of \$20,000).

Your agreed brokerage fee will be set out on the contract notes for each trade.

INITIAL PUBLIC OFFERS AND NEW ISSUES

The equities brokerage fees for advice related transactions set out above will also apply to Initial Public Offers or new issues. Where we receive commission directly from the issuers, the brokerage fee will be reduced by the amount of commission received.

Details of the exact fees and commission that apply to a particular issue will be disclosed to you in the documentation provided on each offer or issue.

COMMISSION FROM PRODUCT PROVIDERS

Commissions may be paid by the organisations that issue the financial products recommended and the percentage varies depending on the product:

- » *Upfront commission* is an amount deducted by the product provider from the initial investment or loan amount; and
- » *Ongoing commission* is a percentage of the value of ongoing investment balances and is generally calculated at the end of each month the investments are held or the loan is in force.

MANAGED INVESTMENTS

Where our advice or service includes an investment in a managed investment fund, we may charge an upfront commission of up to 2% per annum (including GST) of the investment amount. We may also receive an ongoing commission of up to 0.55% per annum (including GST).

MARGIN LOANS

Where our advice or service includes a margin loan facility, the product provider may pay us an ongoing commission of up to 0.35% per annum calculated as a percentage of the loan amount.

ALTERNATIVE REMUNERATION

YBR Securities and your adviser may receive alternative remuneration, such as entertainment and gifts, from financial institutions. Both YBR Securities and your adviser maintain a register of all material alternative remuneration paid and received. Copies of these registers are available on request within 7 working days.

PORTFOLIO MANAGEMENT FEE

If you want someone to manage your investment portfolio on an ongoing basis, we can offer you our Portfolio Management Service. This service will include:

- » Regular portfolio reviews and ongoing recommendations by your adviser;
- » Access to online portfolio valuations and other information on a daily basis;
- » Maintenance of all investment records including capital gains tax;
- » The preparation of annual financial statements and tax returns for self managed superannuation funds;

Yellow Brick Road Securities will charge a funds-under-management fee of up to 2% per annum on the value of your portfolio depending on the level of assets under management.

REFERRAL ARRANGEMENTS

If you have chosen to use us based on a recommendation by a third party, the third party may receive a fee, commission or other benefit, such as a gift voucher, for the referral.

We may also receive a benefit for referring you to third parties for specialist services. Where we refer you to other companies within the Yellow Brick Road Group, the following arrangements will apply:

RESIDENTIAL LOANS

If you obtain a residential loan through Yellow Brick Road Finance Broking Limited ('YBR Finance'), we will receive 50% of the upfront commission paid to YBR Finance by the bank or financial institution upon settlement of your loan.

EXAMPLE	\$500K LOAN AMOUNT
Upfront Commission on loan amount	\$3,000 (0.6% of \$500,000) of which: » YBR Finance receives \$1,500 » YBR Securities receives \$1,500

Actual commission will vary based on the product provider and loan amount.

COMMERCIAL LOANS

If you obtain a commercial loan through Yellow Brick Road Finance Broking Limited ('YBR Finance'), any commission payable to us is subject to negotiation with YBR Finance.

GENERAL INSURANCE

If you obtain general insurance through Yellow Brick Road General Insurance Broking Limited ('YBR General Insurance'), we will receive 20% of the commission paid to YBR General Insurance by the insurance company for each year the policy is in force.

EXAMPLE	HOME AND CONTENTS INSURANCE
Commission on a \$1,000 premium	\$200 (20% of premium) of which: » YBR Finance retains \$160 » YBR Securities receives \$40

Actual commission will vary based on the insurance company, premium paid and level of cover.

FINANCIAL PLANNING

If you obtain financial planning advice through Yellow Brick Road Investment Services Pty Ltd ('YBR Investment Services'), we will receive commission of 0.3% per annum based on your total funds under management (FUM) with YBR Investment Services at the end of each month.

EXAMPLE	\$250,000 FUM
Commission	YBR Securities receives \$750 per annum.

Actual commission will vary based on the Funds Under Management at the end of each month.

ACCOUNTING

For any accounting service provided by Yellow Brick Road Accounting and Wealth Management Limited ('YBR Accounting'), we will receive 10% of all fees charged by YBR Accounting' in the first year only.

EXAMPLE

Total accounting service fees in first year	\$2,000 of which: » YBR Accounting retains \$1,800 » YBR Securities receives \$200
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Actual fee will vary based on the type of service provided.

LIFE INSURANCE

If you obtain Life Insurance through Yellow Brick Road Investment Services Pty Ltd ('YBR Investment Services'), we will receive commission of 20% of all commission paid to YBR Investment Services by the insurance company for each year the policy is in force.

EXAMPLE

LIFE INSURANCE

Commission on a \$2,000 premium	\$600 (20% of premium) of which: » YBR Investment Services retains \$480 » YBR Securities receives \$120
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Example is based on a level commission structure. Actual commission will vary based on the insurance company, premium paid and level of cover.

Where initial personal advice is provided, any fees, remuneration, commission, benefits and incentives relating to the advice and the financial products recommended, will be disclosed in writing in your Statement of Advice (if applicable). For other financial services, you may request details of any remuneration before any financial services are provided.

ASSOCIATIONS WITH PRODUCT PROVIDERS

WE ARE NOT OWNED BY A PRODUCT PROVIDER

YBR Securities is not owned by any product providers. In order to provide financial services to you we have however developed relationships with a growing number of financial product providers such as fund managers. Our association with these product providers enable us to deal in and advise our clients on their products and in doing so we may receive commission from them as set out in the 'Fees and Commissions' section above. We regularly review product providers and deal only in a select range of high quality products.

GIVING US INSTRUCTIONS

You may place orders with your financial adviser in person, by telephone, letter, facsimile or email. Instructions sent by facsimile, mail or email will not be deemed to be received until your adviser has acknowledged and confirmed receipt of the instructions with you.

IF YOU HAVE A COMPLAINT

If the level of service or quality of advice provided by your adviser fails to meet your expectations you can contact us by following these steps:

STEP 1

Contact your adviser and explain your complaint. Your adviser will consider your complaint and discuss ways of resolving it.

STEP 2

If your complaint is not satisfactorily resolved within 10 business days, please contact our Complaints Manager by:

Complaints Officer
YBR Securities Limited
GPO Box 5002
SYDNEY NSW 2001

Telephone: (02) 8226 8200
Fax: 02 8226 8201
Email: complaints@ybr.com.au

STEP 3

We aim to resolve all complaints at Step 1 or 2. If the complaint can't be resolved to your satisfaction within 21 business days, you have the right to refer the matter, free of charge, to:

Financial Ombudsman Service Ltd
Level 5, 31 Queen Street
MELBOURNE VIC 3000

Telephone: 1300 780 808
Fax: 03 9620 0166
Email: info@fos.com.au

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

We have professional indemnity insurance in place that meets the requirements of the *Corporations Act 2001 (Cth)* for compensation arrangements. The insurance is taken out to ensure sufficient resources will be available to meet claims against us and covers claims in relation to the conduct of all our advisers, including the conduct of advisers who no longer provide financial services on behalf of Yellow Brick Road (but who did at the time of the relevant conduct).

YOUR PRIVACY

All personal information is collected from you for the purpose of providing our financial services and will be used and stored by us in accordance with our Privacy Statement set out on www.ybr.com.au. Your personal information will not be disclosed to other parties without your express consent, except as required by law or professional obligation. If you wish to review any personal information held by us or to obtain a copy of our Privacy Statement, please contact your adviser directly or email us on privacy@ybr.com.au.