



Financial Services Guide

June 2009

Issued by MDS Financial Services Pty Ltd ABN 28 099 190 283 (AFSL No. 333298)

Introduction

As the holder of an Australian financial services licence, MDS Financial Services Pty Limited ABN 28 088 190 283 (**MDS, we or us**) is required to provide you with a Financial Services Guide (**FSG**). This FSG is an important document and is intended to inform you of certain basic matters relating to our relationship, prior to providing you with a financial service and is designed to assist you in determining whether to use any of our services.

The Purpose of this FSG

This FSG provides you with information about MDS and is designed to assist you in determining whether to use any of the financial services we offer.

This FSG includes information in relation to:

- who we are and how you transact with us and our contact details;
- what services and types of products we are authorised to provide;
- the nature of any charges you are liable for and MDS, their subsidiaries, related bodies corporate and any other relevant persons will be remunerated for the services we offer;
- any relationships MDS has with any other organisation that might influence us in providing the services; and
- how we deal with complaints against us.

Other types of disclosure documents

When the holder of an Australian financial services licence gives personal financial product advice to a retail client, the licensee is required to give the client a **Statement of Advice (SoA)** which is designed to record the details of the advice and the basis of the advice. As MDS does not provide personal financial product advice, MDS will not give you a Statement of Advice. If you have another independent financial adviser, you may receive a Statement of Advice from them.

Information about MDS Financial Services Pty Ltd

MDS Financial Services Pty Ltd is the holder of an Australian Financial Services Licence Number: 333298 and is authorised to deal in general financial services products to retail and wholesale clients.

MDS Financial Services Pty Ltd is a wholly owned subsidiary of MDS Financial Group Limited (MDS) a company listed on Australian Securities Exchange (ASX:MWS).

MDS Financial Services Pty Ltd is a diversified financial services firm bringing a new level of flexibility and independence to Australian traders and investors. The company provides the following services:

- dealing services in derivatives including Contracts for Difference and Futures. Clients open accounts with a third party provider and may execute trades through proprietary software known as the 'Market Analyser' or third party platforms
- general financial product advice through a research newsletter containing trading recommendations for securities and derivatives (in the form of CFDs) which will be published on a daily basis. The report is based on technical analysis and is aimed at the retail investor/trader;

- general financial product advice through its education services to clients comprising of set courses or ad-hoc seminars and events; and
- general financial product advice through the distribution of two analysis software products owned by MDS and/or its subsidiaries, being the Market Analyser and The Bourse. Both provide fundamental and technical information on securities and derivatives and produce a securities report based on parameters and formulas entered or selected by the user.

Our Financial Services and Financial Products

MDS Financial Services Pty Ltd ABN 28 088 190 283 is a holder of Australian Financial Services Licence Number: 333298 at Level 4, 72 Pitt Street, SYDNEY NSW 2000.

This permits MDS to provide financial services to its clients. MDS can:

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) debentures, stocks or bonds issued or proposed to be issued by a government;
- (iv) interests in managed investment schemes excluding investor directed portfolio services; and
- (v) securities; and

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; 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) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (D) interests in managed investment schemes excluding investor directed portfolio services; and
 - (E) securities;

to retail and wholesale clients.

More information on the products and services offered by MDS are available on our website at www.mdsfinancial.com.au.

Personal Financial Advice

First, and most importantly, you should note that we do not provide you with “personal advice” as defined by the Corporations Act (**Act**) and ASIC. Accordingly, we will not take into account your “objectives, financial situation and needs” (**Objectives**) (as defined by the Act and ASIC) and therefore this FSG has been prepared without taking into account those Objectives. You will not be provided with a Statement of Advice. Accordingly you should carefully consider the appropriateness of our services with regard to your particular circumstances and we strongly recommend you obtain professional advice prior to opening making your own investment choice.

What should I know about the risks of trading or investing?

Trading or investment in any market has risks. In particular, the risk of loss in share market trading or investment can be substantial. You should therefore carefully consider whether that kind of trading or investment is appropriate for you in the light of your own specific circumstances.

The value of a security or derivative may rise and fall considerably depending on what other people are prepared to pay you for the share when you decide to sell it. This price volatility will depend on many factors, including; the company, market sentiment, opinions about the country the security or derivative is traded in, the prospects for the industry and many other factors. Sometimes companies go bankrupt and investors may lose the entire value of their investment in a specific security or derivative. Under certain circumstances it can become impossible for you to liquidate a position (this can happen for example when there is significant change in prices in a security or derivative over a short time. Also, the placing of contingent orders (such as a 'stop loss') may not always protect or limit your losses to the amounts that you want, as market conditions may make it impossible to execute such orders.

Securities and derivatives may also offer the potential for substantial gains, and a range of returns in between.

This brief statement does not disclose all of the risks and other significant aspects involved in trading or investing in financial markets. You should carefully study trading and investing before becoming involved in it.

How We Can Be Contacted

You can contact us in person or via telephone, facsimile or email.

MDS Financial Services Pty Ltd ABN 28 088 190 283

Telephone: **1300 36 37 66**

Facsimile: **(02) 9300 3599**

Email: info@mdsfinancial.com.au

Address: **Level 4, 72 Pitt Street
Sydney NSW 2000**

Fees, Charges and How We Are Paid

MDS Financial Services PTY Ltd is remunerated directly through the fees we charge you

Derivatives

With regard to the dealing services provided to a client who operates an execution only account in derivatives, the third party clearing/executing broker holding the clients monies will charge the client a commission.

With respect to Contracts for Difference transactions, the commission rate is a variable, negotiable percentage of the consideration (or a fixed minimum amount).

With respect to futures and options on futures transactions, the commission is calculated as a variable, negotiable fixed dollar amount (usually quoted in US Dollars or foreign currency equivalent) on a per contract basis and charged to the client's account per 'half turn' (i.e. entry and exit). MDS Financial Services Limited participates in the commission charged by the clearing/executing broker. No other benefits, either direct or indirect, are paid to the providing entity or a director or employee of the providing entity or any associate above.

When providing these services and products, MDS Financial Group Pty Ltd acts as principal and is not a representative or contractor of another licensee. It will, however, outsource execution and clearing of the financial products traded. MDS Financial Services Pty Ltd does not hold clients monies and does not operate omnibus accounts for the dealings of its clients.

MDS Financial Research

The fees you may be required to pay are for the research subscription service and range between \$750 and \$1000 per calendar year. Fees are paid on a monthly, quarterly or annual basis.

Iress Software & Data Fees

The Iress Software and Data fee for clients comprises two parts:

1. Software Fee -Fixed at \$66.00 incl. GST (Weblress) or \$11.00 incl. GST (HTMLIress) per calendar month.
2. Data Fee -This is a fee charged by the ASX for viewing Live Price Data. The fee is charged at the rate of 2.53 cents incl. GST per minute (Weblress) or per 2000 characters (HTMLIress) during the hours of 9:30am to 5:00pm weekdays. This fee is capped at \$41.25 incl. GST for Non-Professional investors and \$49.50 incl. GST for Professional Investors per calendar month to view both live ASX and options market prices.

No software or data fees are payable if a client elects not to log on to an Iress trading platform during a calendar month.

To reward frequent traders (Weblress users only), Trader Dealer Online also provides the following fee concessions:

- No software fee is charged if 12 or more Confirmations are generated for the month.
- No software or data fee is charged if 20 or more Confirmations are generated for the month.

This fee, if applicable to your account, will be debited to your Cash Management Trust account (or at our discretion, invoiced to you) in arrears during the following month.

Bourse Web Trader Fees

Bourse Web Trader fees also comprise three parts:

1. Access Fee – fixed at \$6.60 incl. GST for each calendar month, or any part thereof, for which you have access to the Bourse Web Trader service.
2. Iress Fee – fixed \$11.00 incl. GST per month. This fee is not payable if you do not to log in to the Bourse Trade component of the service.
3. Pay-per-view Fees – some content provided in the Bourse Web Trader service attract fees which are charged in credits. The price of one credit is \$0.011 incl. GST. The pay-per-view fees are shown in the table below:

Item	Cost in Credits
Single live quote	2
Screen of live market depth	5
Watchlist Manager with live pricing data	5

Portfolio Manager with live pricing data	5
Live Company Announcement in PDF format	30
Any AAP or RWE News Item	30

Market Analyser Fees

Software – Bronze: \$35.00 per month (FREE if more than 1 trade is executed per month)

Software – Gold: \$49.00 per month (FREE if more than 3 trades are executed per month) **PLUS** data fees of \$41.00 per month (FREE if more than 8 trades are executed per month). Total cost up to \$90 per month.

MDS does not receive commission for Market Analyser software related fees, and provides a rebate to those fees based on trading volumes as outlined above. These fees are paid directly to another subsidiary of MDS Financial Group Limited. These prices are provided for information only and are subject to change.

Remuneration or other benefits received by staff

All employees of MDS receive a salary. They may also be entitled to a performance based bonus or commission on sales. Commissions are generally 10% of the sale price.

Remuneration or benefits paid to other parties

Other Financial Services Licensees may receive commission from us for promoting MDS products. Those Licensees' remuneration is included in the fees you pay when investing in our products.

Associations with Product Providers

MDS may provide you with financial products and services from either related or non-related product providers, and may receive a commission payment from product providers where you invest in one of their products or services. In these cases, the amount or the method by which the commission is calculated will be supplied to you at that time, and are available upon request.

Personal Information

The privacy of your personal information is important to us. Any personal information collected will be handled in accordance with our Privacy Policy. Our Privacy Policy details how we comply with the requirements of the Privacy Act in the handling of your personal information. A copy of that policy can be obtained by visiting our website.

Dispute Resolution Process

We are committed to providing a high standard of client service and to maintaining our reputation for honesty and integrity. If our level of service has failed to meet your expectations we would like you to tell us about your concerns. Our complaint handling process is designed to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly.

If you have any complaints about the service you have received from MDS, or any aspects of your dealings with us, you should refer the matter to us contacting us by telephone on 1300 363 766 or by email to info@mdsfinancial.com.au.

If your complaint is not satisfactorily resolved within three business days after you first notified us and, please put your complaint in writing addressed to:

The Compliance Officer
MDS Financial Services PTY Ltd
PO Box R104, Royal Exchange NSW 1225

The Compliance Officer will discuss your complaint with the relevant personnel and prepare a response.

If, after 45 days from the time you first notified MDS of your complaint, and your complaint is not resolved to your satisfaction, then you have the right to proceed with your complaint to:

Financial Ombudsman Service Limited (**FOS**)
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Facsimile: (03) 9613 6399
www.fos.org.au

Please note that for FOS to handle a complaint, the complaint should relate to a financial loss of up to \$150,000. Further information is available from MDS or FOS.

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

