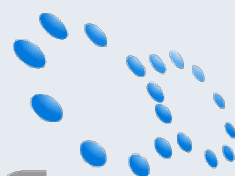


Enfinium International

# Financial Services Guide



enfinium

## A guide to our relationship with you

This is the Financial Services Guide (FSG) of Enfinium International Pty Ltd (ABN 67 123 069 830). In this FSG "we", "our" and "us" will mean Enfinium International and any or all related entities. Enfinium International is an authorised representative of Enfinium Australia who holds Australia Financial Services Licence (AFSL) Number 322081. Under the Corporations Act our primary responsibility is to you, our client, and we are obliged to provide you with this FSG. This FSG was prepared on 09 May 2009. Our contact details are included in this FSG.

The way in which your capital is managed is paramount to the quality of lifestyle you can enjoy. Enfinium International Pty Ltd is an investment management business and our role is to provide advice and deal in financial products on your behalf aimed at you achieving your financial goals.

The purpose of this FSG is to detail the financial services Enfinium International Pty Ltd offers and to assist you in making an informed decision whether to use these services, before seeking our advice.

It contains information about remuneration; who we are; any associations or relationships we may have with financial product issuers and details of any potential conflicts of interest; our internal and external dispute resolution procedures and how you can access them; information on how we handle your personal information; and how we can be contacted.

## Experience and continual education.

You will need to know that the advice you receive from Enfinium International Pty Ltd is up-to-date and accurate. Whilst our directors and employees have many years of practical experience, continual education is a requirement of both Enfinium International Pty Ltd and the industry regulator.

## What other Enfinium International Pty Ltd documentation might you receive?

Under the law regulating the 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) and that any such advice is provided without any express or implied recommendation that is appropriate for you in light of your personal circumstances.

If you have been provided with personal advice, you may be provided with a Statement Of Advice (SOA). Personal financial product advice is advice that takes into account one or more of your objectives, financial situation and needs or may reasonably be expected to have done so. The SOA will contain the advice, the basis on which it is given and other information such as our fees and commission and any association we have with financial product issuers or other parties which may have influenced the advice. Managed Discretionary Account (MDA) services are treated as personal advice (expanded upon further in this FSG).

If we recommend to you a particular financial product or you acquire a financial product through us, you may also receive a Product Disclosure Statement (PDS) prepared by a product issuer which contains information about the particular product, including any relevant terms, significant risks and details of other fees and charges which may apply. This document will be provided to assist you in making an informed decision about that product.

Regular updates, marketing materials, research reports, PDSs or offer documents and website content are not personal advice. Enfinium International Pty Ltd may collect personal or investment information from you to identify you, or for marketing purposes and to administer your account. Collection of personal information is not to be implied that personal advice is given. How your personal information is dealt with is further expanded in this FSG, and a copy of our Privacy Policy is available by contacting us, or can be found on our website.

## What are the financial services provided by Enfinium International Pty Ltd?

Enfinium International Pty Ltd is authorised by Enfinium Australia Pty Ltd to provide the following services to retail and wholesale clients:

- provide product advice with respect to derivatives; foreign exchange contracts; interests in managed investment schemes excluding investor directed portfolio services; interests in managed investment schemes limited to MDA services; and securities.
- deal in derivatives; interests in managed investment schemes excluding investor directed portfolio services; and interests in managed investment schemes limited to MDA services.
- deal on behalf of another person in basic deposit products; derivatives; foreign exchange contracts; interests in managed investment schemes excluding investor directed portfolio services; and securities.

Enfinium International Pty Ltd offers the following services to its clients:

- MDA Services – Enfinium International Pty Ltd offers to its clients a choice of MDA Services, including a Commodities and Derivatives MDA and an Equities MDA. This is offered via Enfinium Capital Management.
- DMA Services – Execution only direct market access via the Enfinium Trader Workstation.



## Who are the principal and advisers of Enfinium International Pty Ltd?

**Antony Goddard** is the Managing Director of Enfinium International Pty Ltd, and has over 10 years derivative and trading experience as well as being the Responsible Executive for optionsXpress Australia. He holds a bachelor of Finance from Bond University, PS146 including Forex and is ADA level 1 & 2 compliant in derivatives.

**Christian Dove** is the Managing Director of Enfinium Australia Pty Ltd. Christian was a money broker with Butler Harlow Ueda in London before joining Nomura International Plc. At Nomura he was the head of Tri-Party Repo trading and sales, and liquidity management; then the head of the Treasury planning and analysis group. Christian later joined Fimat (a futures broking division of Societe Generale Bank) in London and soon moved to Sydney, Australia as Fimat's Asian-Pacific treasurer, before joining and becoming a director of Australia's leading Managed Discretionary Account Operator. Subsequently Christian has used this experience to set up Enfinium Australia Pty Ltd. He is PS146 compliant.

## What is a managed discretionary account service?

A MDA service is a managed investment scheme and a facility for making a financial investment and has the following key features:

- (i) Clients give to the MDA Operator i.e. Enfinium International Pty Ltd, access to money or money's worth (client contributions);
- (ii) Enfinium International Pty Ltd has the discretion to invest in financial products (as authorised by its AFSL) using client contributions without prior reference to the client for each transaction;
- (iii) Each client agrees with Enfinium International Pty Ltd that assets derived directly or indirectly from that client's contributions are managed as a discrete portfolio belonging to the client; and
- (iv) Each client has an understanding that they will derive benefits from the MDA service, including benefits from Enfinium International Pty Ltd's expertise in investment selection and other services offered as part of the MDA service.

Pursuant to an ASIC Class Order [CO 04/194], MDA Operators, such as Enfinium International Pty Ltd, have been granted relief, subject to a number of conditions, from the Managed Investment Scheme legislation contained in Chapter 5C of the Corporations Act and the product disclosure provisions in Chapter 6D and in Part 7.9 of the Corporations Act.

This FSG complies with the conditions set out in the ASIC Class Order.

The advice we provide in relation to MDA Services is a function of taking into account one or more of your objectives, financial situation and/or needs. In order to do this, we will need to ask a number of questions and seek certain information to obtain an informed understanding of your position including your risk tolerance.

To enable us to provide you with MDA Services, we need you to provide us with complete information. You will find an "Investor Profile" in our account opening documentation which you will need to fill in and lodge with us. You should then discuss your objectives, financial situation and needs with us. This is an essential part of the process so we can form an opinion as to whether a MDA offered by us is appropriate and suitable for you. You should also tell us about any material change in your circumstances and /or objectives as they occur so that the information we hold remains up to date.

In order to provide you with MDA services you need to open an MDA. To open a MDA you must enter into a "MDA Contract" with Enfinium International Pty Ltd before the MDA service can be provided. The MDA Contract will include an Investment Program that is prepared in accordance with the requirements in Division 3 of Part 7.7 of the Corporations Act and the Investment Program will contain the following information:

- (i) the nature and scope of the discretions Enfinium International Pty Ltd will be authorised and required to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- (ii) any significant risks associated with the MDA Contract;
- (iii) the basis on which Enfinium International Pty Ltd considers the MDA Contract to be suitable for the client; and
- (iv) warnings about the MDA Contract, such as:
  - it may not be suitable for the client if the client has provided Enfinium International Pty Ltd with limited or inaccurate personal information about the client's relevant circumstances; and
  - it may cease to be suitable for the client if the client's relevant circumstances change.

The MDA service offered by Enfinium International Pty Ltd requires the Client to hold beneficial title to the portfolio of assets and as such the Client must open an account in their own name or in the name of the company / trust that the client has authority. The MDA service provided by Enfinium International Pty Ltd does not include custodial or depository services.

Your funds will be held with the Clearing Broker. Clients' assets are therefore held in a Clients' Segregated Account with the Clearing Broker. The Clearing Broker nominated by Enfinium International Pty Ltd provides order execution as well as clearing services to the client.

There are significant risks associated with an investment via an MDA. Investment through the MDA Service offered by Enfinium International Pty Ltd may not be suitable for all investors. There can be no assurance that the MDA will achieve its investment objectives. Each prospective client should carefully review the MDA Contract and the Statement of Advice provided to you and carefully consider the risks before deciding to invest.



## Risks

In evaluating the merits and suitability of an investment in an MDA, careful consideration should be given by prospective investors to the following risk factors. This does not purport to be an exhaustive list of all the risks associated with investing through the MDA service.

- ⊖ Investors' returns will be determined by reference to cumulative net gains or losses (if any), arising from the investment activities of Enfinium International Pty Ltd. The return on the investment may vary significantly and may decrease as well as increase, depending upon trading profits and losses. Enfinium International Pty Ltd makes no representation as to any return that investors will earn via the MDA and there can be no assurance that any target performance will be in any respect indicative of how the MDA will perform (either in terms of profitability or correlation with other investments) in the future.
- ⊖ Enfinium International Pty Ltd may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for Enfinium International Pty Ltd to liquidate positions in which the prices in the market are moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). These risks may be accentuated where Enfinium International Pty Ltd is required to liquidate positions to meet margin obligations.
- ⊖ Investors should carefully consider the investment objective of Enfinium International Pty Ltd as set out in the Investment Program. There can be no guarantee that Enfinium International Pty Ltd will realise the investment objective.
- ⊖ Despite achieving the track record contained on our website and carrying out many trades in the past, there is no guarantee that future results will be in line with past performance.
- ⊖ The performance of the MDA will be affected by charges related to the investments of Enfinium International Pty Ltd. The more transactions entered in to, typically the more transaction costs involved. The exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors including the nature and frequency of the market opportunities presented, the size of transactions and the transaction rates in effect from time to time.
- ⊖ Investment in a MDA must be converted to Australian Dollars, accordingly, investors should be aware that exchange rate fluctuations could cause the value of the investment to diminish or increase.
- ⊖ In order to implement the Investment Program, Enfinium International Pty Ltd may use financial products which are leveraged. While leverage presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by Enfinium International Pty Ltd will be magnified. The effect of the use of leverage in a market that moves adversely to the investment could result in a loss, which would be greater than if leverage were not used.
- ⊖ Leveraged transactions may involve the client to post collateral or margin. Increases in the amount of margin could result in the need for Enfinium International Pty Ltd to close some or all open positions at times and prices which could be disadvantageous and could result in losses.
- ⊖ Investments made by Enfinium International Pty Ltd may be concentrated and a significant proportion of its assets may be denominated in a single currency. To the extent that there is a concentration in a single currency, the overall impact of adverse movements in the currency could be considerably greater than if there had not been such a concentration in that currency.
- ⊖ Enfinium International Pty Ltd may employ certain strategies that depend upon the reliability and accuracy of the analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the MDA may not perform as anticipated, and could result in losses.
- ⊖ The MDA may have exposure to interest rate risks. To the extent prevailing interest rates change, it could negatively affect the value of the MDA.
- ⊖ Identification and exploitation of the investment objective to be pursued by Enfinium International Pty Ltd involves a high degree of uncertainty. No assurance can be given that Enfinium International Pty Ltd will be able to identify suitable investment opportunities in which to deploy the allocated assets.
- ⊖ Enfinium International Pty Ltd may use techniques which may subject the investments to certain risks. These techniques include investment in geared warrants, futures and option contracts and, in particular, selling call and put options on International Futures Exchanges. These techniques contain risks which may be greater than the risks normally involved with investment in traditional asset classes.
- ⊖ No assurance can be given that the strategies employed by Enfinium International Pty Ltd in the past to achieve attractive returns will continue to be successful or that the return will be similar to that achieved by Enfinium International Pty Ltd in the past.
- ⊖ Enfinium International Pty Ltd may use "bulk ordering". There is risk that the volume of orders may significantly increase the likelihood of "split fills". Accordingly, some client accounts will receive prices that are more favourable / detrimental (whatever the case may be) in comparison to other client accounts. Refer to the document entitled "Opening Your Account" to understand how this risk is mitigated by Enfinium International Pty Ltd.
- ⊖ The success of the MDA is heavily dependent on the skill and capacity of Enfinium International Pty Ltd to identify appropriate investment opportunities.
- ⊖ As MDA's are not pooled, but operated as separate and discrete portfolios, individual MDA balances may vary substantially in comparison to other MDA balances.
- ⊖ Stop loss orders are applied from time to time to manage risk on certain investments. However, there is no guarantee that such stop loss orders will be applied, nor executed at the specified price.
- ⊖ Due to the nature of the Investment Program, MDA's may be subjected to considerable draw-downs on capital.



# FINANCIAL SERVICES GUIDE

## How can you instruct us?

You need to provide the documents and information described in Enfinium International Pty Ltd's client documentation. You should give us any instruction or communication by telephone, letter, facsimile (fax), email or in person. Communications other than by telephone are at your risk. You must check and confirm with an investment manager that orders sent via fax or emails have in fact been received by Enfinium International Pty Ltd. You must review any confirmation or communication we send to you immediately upon receipt to ensure its accuracy and report any discrepancies to Enfinium International Pty Ltd.

## If relevant, how do we review the investment programs?

Any investment program for a client that has been deemed to be receiving personal advice will be reviewed on an annual basis. Advice will be provided to the client about whether the program continues to be suitable for the client in the light of the client's personal objectives, needs and relevant personal circumstances. The directors of Enfinium International Pty Ltd will be responsible for conducting this review of the investment program and may request for updated "Investor Profile" documentation from the client.

## How is your personal information dealt with?

Enfinium International Pty Ltd recognises the importance of ensuring that its Clients have confidence in the way we handle personal information we receive.

Personal information is any information about an individual that identifies the individual or by which their identity can reasonably be ascertained.

Enfinium International Pty Ltd abides by the National Privacy Principles established under the Privacy Amendment (Private Sector) Act 2001.

Enfinium International Pty Ltd may disclose your Personal Information to external contractors for the following purposes:

- execution, clearing and settlement of financial products transactions
- accounting for financial products transactions
- causing statutory audits to be conducted as required by law
- maintenance and service of our information technology systems
- in the course of reviews by external consultants

You can be assured that your information will be maintained on a confidential basis by any contractor to whom it is disclosed.

## Other financial product providers

Enfinium International Pty Ltd has established a relationship with Interactive Brokers (IB) for the clients of Enfinium International Pty Ltd to open a Commodities and Derivatives MDA for the purposes of registering and clearing futures and options contracts.

The relationship that Enfinium International Pty Ltd has with IB does not, in any way, influence Enfinium International Pty Ltd in the provision of financial services to its Clients.

## Fees, charges and remuneration

You may pay Enfinium International Pty Ltd a fee depending on the services and / or products you choose.

### Commissions and other Fees

The Client will pay Execution Commissions fixed by the Clearing/Executing Agent (Enfinium International & IB).

#### Exchange Traded CFD's

0.05% + 1.5% pa interest charge, min AUD \$23.95

#### Futures & Options on Futures

|     |                       |
|-----|-----------------------|
| US  | USD 5.99 per contract |
| AUS | AUD 11 per contract   |
| UK  | GBP 5.99 per contract |
| HK  | HKD 60 per contract   |
| JP  | JPY 700 per contract  |

Exercise and Assignment are charged the above contract commission.

#### Foreign Exchange

2 basis points (0.02%), min USD \$4

#### Stock

|     |                                     |
|-----|-------------------------------------|
| US  | USD 0.0125 per share, min USD 12.95 |
| AUS | 0.11% of Trade Value, min AUD 23.95 |
| UK  | 0.11% of Trade Value, min GBP 19.95 |
| HK  | 0.15% of Trade Value, min HKD 150   |
| JP  | 0.15% of Trade Value, min JPY 2000  |

#### Stock and Index Options

|     |                                       |
|-----|---------------------------------------|
| US  | USD 1.50 per contract, min USD 12.95  |
| AUS | AUD 2.88* per contract, min AUD 29.95 |
| UK  | GBP 5.99 per contract, min GBP 19.95  |
| HK  | HKD 60 per contract, min HKD 150      |
| JP  | JPY 2000 per contract, min JPY 8000   |



# FINANCIAL SERVICES GUIDE

## *Enfinium International Pty Ltd MDA services*

In consideration for providing its MDA Services, a Management Fee (**Percent of Net Liquidation Value**): an annualized 2 percent, applied on a daily basis

In addition, to ensure that returns to the MDA Operator are based upon performance, a Performance Fee (**Percent of P&L**) will also be payable by the client : 20 percent is applied to the mark-to-market P&L (positive or negative) at the end of each day. Any changes made to the specified percent during a period will only be applied on a forward looking basis and will not be applied retroactively. If at the end of the billing period the accumulated fee calculation is negative, no fee will be charged. The billing period will be Quarterly as of 3/31, 6/30, 9/30, and 12/31. Fees will be posted 10 days after the close of a quarter.

The Client will pay the Brokerage Commissions fixed by the Clearing/Executing Broker from time to time and advised by the Clearing/Executing Broker to the Client from time to time and administrative fees. Enfinium International Pty Ltd may receive a portion of these commissions payable to the Clearing/Executing Broker. This has no influence Enfinium International Pty Ltd in providing this advice.

## *Other products, services and disclosures of interests*

Where interest is paid by a Clearing Agent, Enfinium International Pty Ltd may receive portions of interest paid on MDA's held by the Clearing Agent.

## *Financial Planning Services*

Enfinium International Pty Ltd does not provide a financial planning service. These services are carried out by external parties. Enfinium International Pty Ltd may receive a commission payment from the financial planner at no extra charge to the client.

## *Margin Lending*

Enfinium International Pty Ltd does not provide a margin lending facility. Where clients borrow through margin lending arrangements facilitated by Enfinium International Pty Ltd's business relationships, Enfinium International Pty Ltd may receive a trailing commission of up to 0.25% of the outstanding balance of such loans.

Enfinium International Pty Ltd will advise you about commissions, fees, and any other benefits, where possible, in actual dollar amounts prior to the transaction. This information will be included in a SOA where one is issued.

## **Changes of Fees or Expenses**

Should there be a change in the fees or expenses, Enfinium International Pty Ltd will give one month's prior notice of any such changes.

## **How will Enfinium International Pty Ltd advisers be remunerated?**

Directors and employees of Enfinium International Pty Ltd are remunerated by way of salary and a portion of management and incentive fees; commissions (where applicable).



## Dispute resolution

We want to know about any problems or concerns you may have with our services so we can take steps to resolve the issue. We have internal and external dispute resolution procedures to resolve complaints from clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Initially, all complaints will be handled and investigated internally. Should you feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution.

Furthermore Enfinium Australia Pty Ltd is a member of the Financial Industry Complaints Service Limited (FICS), which is an approved external dispute resolution scheme that can deal with complaints about all of the financial services Enfinium International Pty Ltd provides under its AFSL.

If you have a complaint about the financial services provided to you, please take the following steps:

1. Contact Enfinium International Pty Ltd (details below) to inform us about your complaint. You may do this by telephone, facsimile, email or letter.
2. If you are dissatisfied with the outcome, you have the right to complain to the Financial Industry Complaints Service Limited (FICS) in writing at:  
  
P.O. Box 579  
Collins Street West  
Melbourne VIC 8007  
  
Enfinium Australia Pty Ltd is a member of the FICS complaints resolution scheme and our membership number is F-5253.
3. You can contact the Australian Securities and Investments Commission on 1300 300 630. This is a free call info line. This is another alternative that you may use to make a complaint and obtain information about your rights.

## Contact details

If you have any queries about this FSG or our services, you can contact Enfinium International Pty Ltd:

Level 29, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Phone: (02) 9220 3579  
Fax: (02) 9220 3535  
Email: [info@enfiniuminternational.com.au](mailto:info@enfiniuminternational.com.au)

