



Financial Services Guide (FSG)

Penson Financial Services Australia Pty Ltd
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AFSL No. 338264
Level 7, 1 Chifley Square
SYDNEY NSW 2000

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Issued by Penon Financial Services Australia Pty Ltd
ABN 601 361 849 62
Australian Financial Services Licence No 338264

1. Terms used in this FSG

ASX	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires
Penon, we, us, our	Penon Financial Services Australia Pty Ltd ABN 601 361 849 62; AFSL No. 338264
AFSL	Australian Financial Services Licence
Broker	A Trading Participant of ASX which has engaged Penon to clear transactions executed by the Broker on ASX.
Correspondent	Your Broker or Financial Intermediary, as the case may be.
Financial Intermediary	An AFSL holder who has engaged Penon to execute and clear transactions on ASX.
ETOs	Exchange Traded Options
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
IDPS	Investor Directed Portfolio Services
PDS	Product Disclosure Statement

2. Purpose of this FSG

This FSG provides information about:

- Who we are;
- What relationships and associations we have;
- The services we provide;
- How you may provide us with instructions;
- The remuneration that may be paid to us or to other relevant persons for the services we provide;
- The documents you may receive from us;
- How we handle complaints;
- Your privacy and how we use your personal information

This FSG has been prepared by Penon and was prepared on 15 October 2009 to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

Together with this FSG, you will have received an FSG from the Correspondent. You should read both documents before deciding whether to use the services that we provide.

3. Who is Penon

Penon is licensed under the Corporations Act (Australian Financial Services Licence (AFSL) No 338264) and is a Participant of ASX Group.

Penon is a wholly owned subsidiary of Penon Worldwide, Inc. (**Penon Worldwide**), headquartered in Dallas, Texas, USA. The Penon Worldwide group of companies provide execution, clearing, settlement, custody and technology infrastructure products and services to financial services firms and others servicing the global financial services industry.

Penon has authorised the distribution of this FSG.

4. The services offered by Penon

Penon is authorised under its AFSL to

- a) deal in the following financial products:
 - Securities (such as shares listed on ASX, options and warrants quoted on ASX);
 - Interests in managed investment schemes (other than IDPS), such as units in ASX listed trusts;
 - Derivatives, such as Exchange Traded Options (**ETOs**);
 - Foreign exchange contracts; and
- b) provide a custodial or depository scheme service (other than IDPS),

to wholesale and retail clients.

Penon provides execution and clearing services. You have received a copy of this FSG because the Correspondent has arranged for Penon to provide one or more of the following services:

a) Clearing services for transactions in securities and interests in managed investment schemes executed on ASX

Penon may be engaged by a Broker to clear the transactions in securities and interests in managed investment schemes executed on ASX by the Broker. If you are a client of one of those Brokers and you effect a transaction in securities or interests in managed investment schemes on ASX through the Broker, Penon (as clearer) will carry the settlement obligations in respect of that transaction.

For this purpose, you will become a client of Penon and you will owe your settlement obligations in respect of that transaction directly to Penon and not to the Broker. If you are a client of one of those Brokers, you will be provided with a Disclosure Statement which contains more information concerning the clearing services Penon provides and the terms of your agreement with Penon in respect of the those services.

b) Execution and clearing services for transactions in securities and interests in managed investment schemes executed through ASX

Penon may also be engaged by a Correspondent to provide to clients of the Correspondent execution and clearing services in securities and interests in managed investment schemes. This means that Penon will execute the transaction on ASX for you and clear and settle those transactions.

As a client of one of those Correspondents, you may effect a transaction in securities or interests in managed investment schemes on ASX by providing instructions to the Correspondent. The Correspondent will then as your agent communicate your instructions to Penon who may then execute the transaction on ASX for you. For this purpose, you will become Penon's client.

In addition, Penon will also clear all transactions in securities or interests in managed investment schemes that Penon has executed on your behalf under this arrangement. Accordingly, Penon will carry the settlement obligations in respect of those transactions. For this purpose, you will become a client of Penon and you will owe your settlement obligations in respect of those transactions directly to Penon and not to the Correspondent.

c) Clearing services for transactions in Exchange Traded Options executed on ASX

Penon may also be engaged by a Broker to clear the transactions in ETOs executed on ASX by the Broker.

If you are a client of one of those Brokers and you effect a transaction in an ETO on ASX through the Broker, Penson (as clearer) will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Penson and you will owe your settlement obligations in respect of that transaction directly to Penson, not to the Broker.

If you are a client of one of those Brokers, and wish to trade in ETOs on ASX through it, you will need to enter into a Derivatives Client Agreement with Penson.

You may also need to enter into a Derivatives Client Agreement with the Broker, and the Broker may be required to give you a Product Disclosure Statement (PDS) in relation to the ETOs that you may trade. The PDS will contain information concerning ETOs to assist you in deciding whether those products are appropriate for your needs.

d) Execution and clearing services for transactions in Exchange Traded Options executed on ASX

Penson may also be engaged by a Correspondent to provide to clients of the Correspondent execution and clearing services in ETOs. This means that Penson will execute transaction in ETOs on ASX for you and clear and settle those transactions.

If you are a client of one of those Correspondents and you wish to deal in ETOs on ASX, you may do so by communicating an order to deal in ETOs to the Correspondent. The Correspondent (as your agent) will communicate that order to Penson who will execute the transaction on ASX on your behalf. For this purpose, you will become a client of Penson.

In addition, Penson will also clear all transactions in ETOs that are executed by Penson on your behalf. Accordingly, Penson will carry the settlement obligations in respect of those transactions. For this purpose, you will become a client of Penson and you will owe your settlement obligations in respect of those transactions directly to Penson and not to the Correspondent.

If you are a client of a Correspondent and wish to trade in ETOs on ASX, you will need to enter into a Derivatives Client Agreement with Penson.

We may also be required to give you a PDS in relation to the ETOs that you may trade. The PDS will contain information concerning ETOs to assist you in deciding whether those products are appropriate for your needs. The Correspondent may also be required to give you a PDS in relation to the ETOs that you may trade.

e) Clearing services for transactions in Exchange Traded Options "given up" to Penson on ASX

Penson may clear a transaction in ETOs executed on ASX by another Participant of ASX Group if the transaction is "given up" to Penson. If Penson accepts the "give up" of such a transaction executed for you, Penson will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Penson and you will owe your settlement obligations in respect of that transaction directly to us and not to the other Participant.

Before Penson can accept the "give up" to it of a transaction in ETO executed for you, you will need to enter into a Derivatives Client Agreement with Penson. Again, you may be provided with a PDS relating to ETOs.

f) CHESSE Sponsorship services

Penson may act as a CHESSE Sponsoring Participant of the clients of its Correspondents. Clients that are to be CHESSE sponsored by Penson must enter into a Sponsorship Agreement with Penson.

g) Nominee and custody services

Penson may arrange for its wholly owned subsidiary, Penson Australia Nominees Pty Ltd ACN 137 911 730 to provide nominee and other custody services for clients of the Correspondents for whom it provides clearing services and other clients. If you want Penson Australia Nominees Pty Ltd to provide nominee or custody services to you, you will need to enter into an agreement for this purpose.

h) Other services

Penson acts as agent for the clients of Correspondents in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

Penson does not provide financial product advice and is not authorised under its AFSL to provide financial product advice.

5. Capacity in which Penson acts

The capacity in which Penson acts depends on the service to be provided as follows:

a) Clearing services for transactions in securities and interests in managed investment schemes executed on ASX

Penson acts as principal in relation to the clearing and settlement of transactions in securities and interests in managed investment schemes executed on ASX on your behalf. However, there may be certain activities which Penson will perform as agent for another person (such as the despatch by Penson of confirmations to clients as agent for the Broker that executed the transaction).

In clearing the transaction, Penson acts as agent for the client for whom the transaction was executed. However, Penson will owe the settlement obligations in respect of that transaction to the ASX Group as principal.

b) Execution and clearing services for transactions in securities and interests in managed investment schemes executed on ASX

Penson acts as principal in relation to the execution of your orders which are communicated to it by the Correspondent for execution on ASX on your behalf.

We act as principal (and not as agent for the Correspondent) in relation to the clearing and settlement of such transactions. However, there may be certain activities which we will perform as agent for another person (such as the despatch by us of confirmations to clients as agent for the Correspondent that arranged for the execution of the transaction).

In clearing the transaction, Penson acts as agent for the client for whom the transaction was executed. However, we will owe the settlement obligations in respect of that transaction to the ASX Group as principal.

c) Clearing services for transactions in Exchange Traded Options executed on ASX

Penson acts as principal in relation to the clearing and settlement of transactions in ETOs executed on ASX on your behalf. Penson also acts as principal in respect of the clearing and settlement of transactions in ETOs executed on ASX on your behalf for which Penson accepts the "give up".

However, there may be certain activities which Penson will perform as agent for another person (such as the despatch by Penson of confirmations to clients as agent for the Broker that executed the transaction).

The rights of Penson against the ASX Group in respect of any transaction in ETOs executed on ASX for which Penson has the settlement obligations will be personal to Penson, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, Penson acts as principal and not as an agent or trustee for the client. However, Penson will owe corresponding obligations to the client as a principal.

d) Execution and clearing services for transactions in Exchange Traded Options executed on ASX

Penson acts as principal in relation to the execution of your orders which are communicated to it by the Correspondent for execution on ASX on your behalf.

We act as principal (and not as agent for the Correspondent) in relation to the clearing and settlement of such transactions. Penson also acts as principal in respect of transactions in ETOs executed on ASX on your behalf for which Penson accepts the "give up".

However, there may be certain activities which Penson will perform as agent for another person (such as the despatch by Penson of confirmations to clients as agent for the Correspondent who arranged for that transaction to be executed).

The rights of Penson against the ASX Group in respect of any transaction in ETOs executed on ASX for which Penson has the settlement obligations will be personal to Penson, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, Penson acts as principal and not as an agent or trustee for the client. However, we will owe corresponding obligations to the client as a principal.

e) Sponsorship services

Penson acts as principal in providing sponsorship services to clients.

f) Nominee and custody services

Penson acts as agent for Penson Australia Nominees Pty Ltd when arranging for it to provide nominee and other custody services for clients. Penson Australia Nominees Pty Ltd acts as nominee or trustee for the client in providing the service.

g) Other services

Penson acts as agent for the client in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

6. How you may provide instructions

To provide instructions to Penson, you must contact the Correspondent (and not Penson directly).

7. How we are remunerated

a) Remuneration for execution, clearing and settlement services

Penson will charge the Correspondent fees for executing and/or clearing transactions.

The fees that Penson may charge the Correspondent may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You may be charged fail fees by Penson where you fail to perform your settlement obligations in respect of a transaction that has been executed on your behalf. Fail fees may include a fee imposed by ASX, an administrative fee and a default charge on the amount outstanding from time to time.

You may also be charged [brokerage or] commission or other fees [by Penson] on a contract for the transfer of underlying securities following the exercise of an ETO at a rate determined by Penson and advised to you from time to time. All or part of this fee or commission may be passed on to the Correspondent.

The Correspondent will also charge you [brokerage or] commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such [brokerage,] commission and fees may be obtained from the Correspondent.

b) Remuneration for CHESSE sponsorship services

Penson may charge you a fee for providing you with CHESSE sponsorship services. You will be advised in writing of the fee (if any) to be charged by Penson before you agree to receive sponsorship services from Penson.

Penson may also charge the Correspondent fees relating to the provision of sponsorship services to you.

c) Remuneration for nominee and custody services

Penson may charge you a fee for providing nominee or custody services. [The fees that we charge the Correspondent may include fees relating to the provision of sponsorship services to you.

8. Commission, Remuneration and other Benefits received by Penson

Penson is remunerated by the fees it charges the Correspondent for the services it provides to them. Penson is also remunerated by the fees that it may charge clients, as described above.

Penson may also earn and retain interest on moneys held for clients in our trust accounts.

Penson may also receive commissions, trailing commission or other benefits from other entities. As a guide, Penson may receive the following:

Entity	Commission / Benefits
Margin Lenders	Ongoing commission can range from 0.25% per annum to 0.75% per annum of the margin lending facility

Cash Management Trusts Providers	Ongoing commissions can range from 0.15% pa to 0.65% per annum on balance invested
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9. How our representatives are remunerated

Our representatives are remunerated by way of salary and they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by Penson.

They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the representative and Penson.

10. Referral fees

Penson will not pay a third party a fee for referring you to us.

Similarly, Penson will not be paid a fee for referring you to the Correspondent.

11. Relationships or associations with financial product providers

Penson may enter into arrangements with financial product providers. Therefore, we may receive commissions, trail fees or other benefits as a result of your investing or dealing in any such product. See paragraph 7 in this FSG for further details.

12. Documents you will receive

You will receive a Disclosure Statement from Penson which will contain more information relating to the clearing service provided by Penson and the terms and conditions of those services where Penson is to clear transactions executed for you by a Correspondent through ASX.

You will receive our Equities Client Terms from Penson which will contain more information relating to the execution and clearing services provided by Penson and the terms and conditions of those services where Penson is to execute and clear transactions on ASX for you.

If you wish to transact in ETOs, you will need to enter a Derivatives Client Agreement with Penson. Depending on whether Penson or the Correspondent is to execute your trades in ETOs on ASX, you will be provided with an ETO Product Disclosure Statement by Penson or the Correspondent. If the Correspondent (and not Penson) is to execute your trades in ETOs on ASX, you will also be required to execute a Derivatives Client Agreement with the Correspondent.

You will not receive a Statement of Advice from Penson as we do not provide any financial product advice.

If you receive personal financial product advice from the Correspondent, the Correspondent may be required to give you a Statement of Advice.

13. Dispute Resolution and Complaints

Penson is dedicated to providing quality service and as part of our service commitment to clients, it is important to provide an efficient and accessible system for resolving disputes.

Should you be of the opinion that the service provided by Penson is not at an acceptable level, you have the right to complain and this complaint will be dealt with as promptly as possible. Penson will aim to resolve any complaint quickly and fairly.

If you have a complaint, put your complaint in writing and address it to:

Penson Financial Services Australia Pty Ltd
Head of Compliance
Level 7, 1 Chiefly Square
Sydney NSW 2000
Ph: (02) 8999 4000
Fax: (02) 8999 4099
E-mail: compliance@penson.com.au

You should try to include as much detail about the circumstances of the complaint as possible including the names of any Penson employees involved and include any supporting documentation.

Following receipt of your complaint, Penson's Head of Compliance will acknowledge receipt of your complaint in writing and provide you with an estimate of the time it will take to investigate the issues you have raised. A full investigation will be undertaken which will include reviewing all the supporting documentation, speaking to you and interviewing relevant Penson employees. You will be provided with a detailed written response once the investigation of the complaint has been finalised.

If we do not resolve the complaint to your satisfaction, you have the option of pursuing your complaint with the Financial Ombudsman Service (FOS). FOS' contact details are:

Financial Ombudsman Service
GPO Box 3
Melbourne, Vic 3001
Telephone: 1300 78 08 08
Fax: (03)9613 6399

Web: www.fos.org.au

Alternatively you may also be able to pursue the matter with ASX. ASX has offices in all capital cities and their details are available on www.asx.com.au.

Alternatively, the Australian Securities & Investments Commission (ASIC) also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

If your complaint relates to a service provided to you by the Correspondent (rather than Penson), you should seek to have your complaint dealt with in the manner advised by the Correspondent in its FSG or otherwise.

14. Compensation Arrangements

Penson has arranged for Professional Indemnity insurance cover which it considers to be adequate, having regard to the following:

- Penson's maximum liability under the Financial Ombudsman Service of which Penson is a member;
- volume and nature of Penson's business;
- number and kind of its clients; and
- the number of representatives and Authorised Representatives it has.

If you require further information about our compensation arrangements please contact Penson's Head of Compliance.

15. Privacy

Penson and/or its agents may use personal information collected from you for the following purposes:

- to provide you with services, products and/or information that you have requested or may reasonably expect to receive;
- to conduct research, product development, marketing, risk assessment and modelling; or
- to comply with our rights and obligations and under relevant laws and regulations.

Penson and/or its agents may also disclose the information collected from you to third parties such as mailing houses or others who provide services to us. Penson will not disclose your information to any other person except where that disclosure is authorised or permitted by the National Privacy Principles or by law.

Penson takes all reasonable steps to ensure that information we have collected from you is secure. All stored personal information is protected from unauthorised access by user login requirements, passwords or other security procedures.

You are able to access and update the personal information Penson. Please contact your Correspondent to do so.

If you have any questions about privacy, please contact Penson's Privacy Officer by writing to:

Penson Financial Services Australia Pty Ltd
Privacy Officer
GPO Box 5343
Sydney NSW 2001

16. Contact Details

Our contact details are as follows:

Penson Financial Services Australia Pty Ltd
Level 7, 1 Chifley Square
SYDNEY NSW 2000
Ph: +61 02 8999 4000
Fax: +61 02 8999 4099