



**ARGONAUT**  
SECURITIES PTY LIMITED

# **FINANCIAL SERVICES GUIDE**

## **ARGONAUT SECURITIES PTY LIMITED**

ABN 72 108 330 650  
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 274099  
ASX & CHI-X MARKET PARTICIPANT

### **CONTACT DETAILS**

**Level 30, Allendale Square, 77 St George's Terrace, Perth, WA 6000**  
**GPO Box 2553, Perth, WA 6001**  
**Telephone 08 9224 6888 Facsimile 08 9224 6899**

[www.argonaut.com](http://www.argonaut.com)



## **WHAT IS THE PURPOSE OF THIS FINANCIAL SERVICES GUIDE?**

**This Financial Services Guide ("FSG") is an important document which Argonaut Securities Pty Limited ("Argonaut Securities") is required to provide to you, the client, as a Financial Services Licensee. You should read it carefully and make sure that you understand the contents. If there is any aspect of this FSG that you do not understand, or if you require more information about the contents of the FSG, it is essential that you consult your Advisor before any orders are transacted.**

The FSG provides the following information:

- Argonaut Securities contact details;
- The services and products that Argonaut Securities is authorised to provide;
- Information about the remuneration, commission and other benefits that Argonaut Securities and other relevant parties are required to disclose to you;
- Details of any potential conflicts of interest;
- Details of Argonaut Securities dispute resolution procedures.

This FSG is intended to assist you in deciding whether to use any of the services offered by Argonaut Securities. Our services are also subject to our Trading Terms and Conditions, Derivatives Client Agreement, Warrant Client Agreement and Partly Paid Securities Client Agreement, as relevant. If you choose to use any of Argonaut Securities' financial services, you may also receive a Statement of Advice and/or a Product Disclosure Statement.

Words and phrases used in this FSG have the meanings given to them in the ASIC Market Integrity Rules, ASX Operating Rules, ASX Clear Operating Rules or ASX Settlement Operating Rules as the context requires. If you require a copy of these rules, please contact your Advisor.

## **INFORMATION ABOUT ARGONAUT SECURITIES SERVICES**

Argonaut Securities is a wholly owned subsidiary of Argonaut Limited (ACN 109 326 418). Argonaut Securities acts in its capacity as an Australian Financial Services Licensee (No. 274099) under the *Corporations Act 2001* (Cth) ("**Corporations Act**") when providing financial services through its Representative (your Advisor).

Argonaut Securities is also a Market Participant of the Australian Securities Exchange ("ASX") and Chi-X Australia Pty Ltd ("Chi-X"). Argonaut Securities will execute your transactions in equities and/or exchange traded derivatives on the ASX or Chi-X. Argonaut Securities has an agreement with Pershing Securities Australia Pty Ltd ("**Argonaut Clearer**") ABN 60 136 184 962 and AFSL 338264 to settle and clear all ASX and Chi-X transactions for and on behalf of Argonaut Securities. Argonaut Clearer is not a related company of Argonaut Securities. Argonaut Clearer has direct access to ASX Clear Pty Ltd, Australia's clearing facility and central counterparty for securities listed on ASX, and to ASX Settlement Pty Ltd, the operator of CHES (Clearing House Electronic Sub register System). If you place an Order with Argonaut Securities in relation to financial products traded on the ASX or Chi-X, you will also become a client of Argonaut Clearer.

This arrangement, whereby transactions executed by Argonaut Securities on your behalf are settled by Argonaut Clearer, is commonplace in the Australian securities markets. It allows Argonaut Securities to focus on servicing your advisory and trading execution needs rather than diverting its resources to facilitate settlements as well.

Nonetheless, as a General Clearing Participant of ASX, Argonaut Clearer is generally regulated by the same laws and rules as Argonaut Securities. In addition to this FSG, you will also receive an FSG from Argonaut Clearer that sets out the services that Argonaut Clearer provides, and a Disclosure Statement that contains more information about the arrangements between Argonaut and Argonaut Clearer and your agreement with Argonaut Clearer.



As part of its settlement obligations, Argonaut Clearer also administers our client's funds. This includes maintenance of trust accounts as well as receipt and payment of settlement money.

**Your primary point of contact will be your Advisor** who is a Representative of Argonaut Securities. His or her Advisor code will appear on your Transaction Confirmations.

Your Advisor will be acting on behalf of Argonaut Securities. Argonaut Securities is responsible for any advisory or dealing services of the kind referred to in this FSG that your Advisor provides to you. (It is Argonaut Securities that is therefore ultimately responsible to you for any advisory or dealing services your Advisor provides).

Argonaut Securities ensures your Advisor holds the necessary competency accreditations to provide the advisory and dealing services you require.

### **FINANCIAL SERVICES AND FINANCIAL PRODUCTS**

Argonaut Securities is authorised **to deal and provide financial product advice** in relation to the following financial Products:

1. Securities;
2. Deposit and Payment products limited to:  
basic deposit products and deposit products other than basic deposit products
3. Interests in managed investment schemes ("MIS") including:  
investor directed portfolio services ("IDPS");
4. Derivatives (including exchange traded derivatives);
5. Superannuation;
6. Standard Margin Lending facility;
7. Debentures, stocks or bonds issued or proposed to be issued by a government; and

**Additionally**, Argonaut Securities is authorised to deal in a financial product by:

Underwriting issues in securities and MIS.

Argonaut Securities is authorised under its Australian Financial Services Licence to provide each of these services to both retail and wholesale clients.

Our services typically encompass dealing and advisory services in relation to financial products which are traded on ASX and Chi-X. In particular, Argonaut Securities' services include the execution through ASX of orders to trade in such financial products. However, from time to time, Argonaut Securities may execute orders in relation to such financial products through an approved stock exchange or financial market other than ASX.

Argonaut Securities provides advice on Initial Public Offerings ("IPO's") and new equity issues by listed entities. In either case, we can assist or arrange application for, or redemption of, financial products on your behalf.

Before using our services for the first time, Argonaut Securities requires you to sign a client acknowledgement form acknowledging that you have read and understood the applicable documentation provided to you in our client package and to sign the relevant forms included in the client package required for us to be able provide certain financial services to you.



If you wish to trade in exchange traded derivatives, you will be required to enter into a Derivatives Client Agreement with us (and a separate derivatives client acknowledgment form & Derivatives Client Agreement with Argonaut Clearer) before we are able to execute a trade in exchange traded derivatives on your behalf.

If you wish to purchase Warrants or Partly Paid Securities quoted on ASX and Chi-X, you will be required to enter into a Warrant Client Agreement or Partly Paid Securities Client Agreement (as applicable) with us before we are able to execute the transaction on your behalf.

### **Dealing Services**

Argonaut Securities has immediate and direct access when the market is open, to the order execution systems of both the ASX and Chi-X markets. Argonaut Securities can transact your orders and facilitate settlement (via Argonaut Clearer) in relation to ASX quoted products in accordance with your instructions.

It should be noted that there may be rare circumstances where restrictions on orders exist and we cannot fulfil your instructions. Where we are unable to execute your order for some reason, we will explain the circumstance behind the restriction and may make alternative arrangements for you.

### **Confirmations**

Confirmation of your market transactions, usually in the form of a Confirmation, is despatched to you by Argonaut Clearer on our behalf following execution. It confirms the detail of the transaction and the terms and conditions applying to the transaction.

### **Sponsorship services**

In addition, Argonaut Clearer can act as your Sponsoring Broker on CHES for your holdings of CHES-Approved Securities. We urge you to use this service, which minimises the risk of failed settlement of sell transactions, which in turn avoids the risk of incurring additional fees.

### **Trade errors and cancellations**

The ASX & Chi-X Operating Rules contain provisions which deal with Market Transactions (as defined in the ASX Operating Rules) entered into on the basis of errors. It permits the cancellation of such errors, subject to agreement from all parties.

The rules also deal with disputes arising out of such Market Transactions. Such disputes may be referred to a Dispute Governor's Committee which can make recommendations to ASX on how to deal with the dispute. Upon receiving the Dispute Governing Committee's recommendation, ASX may take such action as it considers appropriate so as to ensure the maintenance of an orderly market.

In particular, ASX has the power under the rules to cancel, amend or require the cancellation or amendment of Market Transactions of Crossings (as defined in the ASX Operating Rules).

Under the terms of your agreement with Argonaut Securities, you agree to comply with the ASIC Market Integrity Rules, ASX Operating Rules, Chi-X Operating Rules the ASX Clear Operating Rules, the ASX Settlement Operating Rules and the directions, decisions and requirements of ASX and the customs and usages of the market. Accordingly, you will be bound by any decision relating to the cancellation or amendment of a Market Transaction or Crossing.



## Instructions

**Our preferred way for you to instruct us to transact for you is by telephone.** We also allow you to instruct us by email, fax or other electronic means however, there are a number of risks involved in instructing us electronically and we require you to speak to your Advisor to discuss these risks if you intend this to be your preferred means of providing instructions to us.

## Personal Advice

In order for us to provide you with Personal Advice, we will require you to give to us details of your personal investment objectives, current financial situation and any other relevant information, so that we can provide you with appropriate advice. On receiving this information from you (in the form of an 'Investor Profile'), we will incorporate it into a single confirmation document known as a "Record of Relevant Circumstances". This is an important document as it clearly sets out the guidelines upon which we will provide you with advice. Once you verify that your "Record of Relevant Circumstances" is appropriate for you, unless otherwise advised, our advice should not exceed the parameters as set out in this document.

## Statement of Advice ("SoA")

SoA's present or confirm recommendations which we believe are appropriate for you personally ("**Personal Advice**"). They include detail of the advice, the basis for the advice, relevant disclosures, including fees and commissions and any applicable warning. The SoA will also disclose the manner in which the commission is to be calculated. A SoA is only relevant in relation to Personal Advice, not General Advice. However, you will not always receive a SoA as a consequence of Personal Advice.

There is a sub-category of Personal Advice called Further Advice which, unless your personal financial circumstances change, will not result in a SoA being given to you. Instead, you will be given a verbal statement at the same time as the Further Advice of certain information that would have appeared in a SoA. In addition to this you can request (within the next 90 days following the Further Advice) a written record of that Further Advice. Please contact your Advisor by telephone or in writing to the address shown on the front of this guide, if you require a written record of Further Advice (refer below).

**It is also important that you update Argonaut Securities regarding any changes to your circumstances that may be relevant when recommendations are given in the future.** This information will be kept strictly confidential. You have the right not to divulge some or all of this information to us if you do not wish to do so, but your Advisor will be limited in his or her ability to make recommendations specific to your requirements. It may mean that recommendations made to you are not entirely appropriate to your needs and objectives. If you decline to provide sufficient information, we are required to warn you about the possible consequences of not doing so (i.e. the Personal Advice is based on personal information provided by you which is incomplete or inaccurate). You should consider these warnings carefully. Unless the Personal Advice we provide is Further Advice, it will be presented or confirmed in an individual SoA.

## Further Advice

Further Advice is a certain type of Personal Advice, which is given in respect of a specific financial product after the issue of the original SoA. Accordingly, when Further Advice is given to you within the parameters of your agreed "Record of Relevant Circumstances," we may not be required to provide you with another SoA.



At the same time, or as soon as practical after, we provide you with Further Advice, we will provide you with certain information that would, if a SoA were to be given, be required to be included in that SoA. That is, information about remuneration and associations that may influence the Further Advice and, where applicable, information about the consequences of switching products. This information need not be in writing; it may be given verbally, such as by telephone when the further advice is given.

### **General Advice**

You should not assume that all advice or recommendations (other than Personal Advice) are suitable for you personally. The process of profiling your financial circumstances is not relevant in relation to General Advice (e.g. research reports, adviser e-mails or newsletters, but it may also be verbal), which is based solely on the investment or trading merits of financial products in question, prepared without consideration of your investment needs and financial circumstances. General Advice will be accompanied by the warning that the advice may not be a recommendation that a particular transaction in those financial products is personally appropriate or suitable for any particular person. In these circumstances, you will need to assess whether acting on the advice is appropriate in light of your financial circumstances.

### **Product Disclosure Statement (“PDS”)**

A PDS may be provided to you when Argonaut Securities make a recommendation to acquire a particular financial product (other than securities), including Derivatives or offer to issue or arrange the issue of a financial product, such as an exchange traded derivative. A PDS contains significant information necessary for you to make an informed investment decision about that particular financial product. In some instances, a prospectus may be issued instead of a PDS.

### **Limitations of research, newsletters and other information about financial products**

The research undertaken by Argonaut Securities, is basically the opinion of specialist analysts or Advisors. It can never be guaranteed. It may only be valid for a limited time and is often subject to market movements. For example, a ‘buy’ recommendation for a short term investor could turn into a ‘sell’ recommendation where the market price of a security appreciates by a small amount. For a longer term investor, this market movement may not be significant, although a larger movement might be.

The mere fact that a security is recommended in a research report or a newsletter as a ‘buy’, ‘sell’, ‘hold’ or ‘accumulate’ does not necessarily mean that a particular advice is appropriate for you specifically and you should consult your Advisor before acting on any research report or newsletter.

### **Taxation Issues**

Tax obligations can have a profound impact on investment or trading strategies and returns. They are complex, tend to change and vary considerably depending on whether the topic is superannuation, capital gains, status as a trader, franked dividends or other tax-effective distributions, or the relative advantages of trust or company structures.

Argonaut Securities is not a Registered Tax Agent or Tax Advisor and accordingly is not qualified to give you advice about the taxation consequences for you of a particular investment. You should have access to an Accountant or Tax Advisor. Any tax issues specific to your personal circumstances and investment objectives or strategy should be addressed with your Accountant or Tax Advisor.





## **Investment Risk**

There are risks with all investments. We will explain any significant risks associated with investments and strategies which we recommend to you. If we do not do so, you should ask us to explain them.

## **IN WHAT CAPACITY DO WE ACT?**

In providing the services described in this FSG, Argonaut Securities and Argonaut Clearer are acting as principal, except in the following circumstances:

- when Argonaut Securities executes a transaction (or arranges for a transaction to be executed) for you, it acts as agent for you.
- when Argonaut Clearer clears and settles a transaction executed through ASX or Chi-X for you, it acts as agent for you, although it will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

In arranging for Argonaut Clearer to provide clearing and settlement services to you, Argonaut Securities will act as your agent, not as the agent of Argonaut Clearer.

## **INFORMATION ABOUT COMMISSIONS OR ANY OTHER BENEFITS PAYABLE TO ARGONAUT SECURITIES AND/OR ANY ASSOCIATES**

### **Brokerage on Securities Transactions**

Your Advisor is remunerated via a proportion of the brokerage, commission, or lodgement fee paid to Argonaut Securities as well as sharing in the overall success of the business through company profit sharing arrangements.

Argonaut Securities has a **standard equities brokerage fee** of the higher of \$100.00 or 1% of the transaction value (excluding GST), or \$110.00 or 1.1% including GST. This percentage brokerage rate may be negotiable and will be agreed with you prior to accepting your order instructions. The negotiation of brokerage will be influenced by the size of the transaction(s) (i.e. for substantial value transactions, brokerage may be negotiated at a lower percentage rate), the types of shares or other financial products likely to be dealt in and whether you are Sponsored by Argonaut Clearer (or, if applicable by Argonaut Securities). Brokerage arrangements may also change over time but again will be agreed on prior to the execution of any transactions.

### ***Example of brokerage charged on a securities transaction***

Value of your transaction is \$25,000. Brokerage is charged at minimum of \$110 or 1.10% (including GST) on the value of \$25,000. Therefore given that 1.10% of \$25,000 (ie. \$275) is greater than the \$110 minimum, brokerage is charged at  $\$25,000 \times 1.1\% = \$275$  (ie. \$250 + \$25 GST). Of the \$275 brokerage charged, the first \$25 is applied to GST and thereafter 60% (or \$150) is gross income to Argonaut Securities and up to 50% (or \$100) is gross income to your Advisor.

### **Brokerage on Derivatives Transactions**

Argonaut Securities has a standard derivatives brokerage fee of the higher of \$165 or 2.2% (including GST) of the transaction value. This percentage brokerage rate may be negotiable and will be agreed with you prior to accepting your order instructions. The negotiation of brokerage will be influenced by the size of the transaction(s) (i.e. for substantial value transactions, brokerage may be negotiated at a lower percentage rate), the types of derivatives likely to be dealt in and whether you are Sponsored by Argonaut Clearer (or, if applicable by Argonaut Securities). Brokerage arrangements may also change over time but again will be agreed on prior to the execution of any transactions.



The brokerage payable by you to us in respect of buying or selling (or closing out) an Exchange Traded Option contract will be calculated as a percentage of the premium payable by the Buyer (taker) of the Exchange Traded Option contract.

For example, if you buy an option contract with a premium value of \$2,000, you will pay \$165 (including GST) being minimum brokerage charged.

### ***Example of brokerage charged on an exchange traded option transaction***

Value of your transaction is \$2,000. Brokerage is charged at minimum of \$165 (including GST) or 2.2% (including GST) on the value of \$2,000. Therefore given that 2.2% of \$2,000, (ie. \$44) is lower than the \$165 minimum, brokerage is charged at the minimum of \$165 (ie. \$150 + \$15 GST). Of the \$165 brokerage charged, the first \$15 is applied to GST and thereafter 60% (or \$90) is gross income to Argonaut Securities and 40% (or \$60) is gross income to your Advisor.

Please note in relation to each of the above examples, the percentage paid to your Advisor can range from 40% (the percentage used in the examples) to as high as 55%.

### **Brokerage on International Transactions**

We may charge brokerage on international transactions according to the same methodology as for Australian securities transactions, subject to a minimum of \$375.00 or 1.50% (excluding GST). In addition to our brokerage charge, minimum new investments are set at AUD\$25,000 and there will be fees applied by our counterparty (international broker), which can be discussed with you at the time of the transaction. Counterparty brokerage charges may differ depending on the terms on which the counterparty offers its services.

Any other relevant charges will be notified at the time of the transaction.

### **Other Charges**

We have the ability to arrange on your behalf, completion of transactions in financial products other than ASX quoted securities (e.g. foreign securities) with organisations that specialise in the relevant financial products. In these circumstances, brokerage will be negotiated with you prior to accepting your instructions.

Duties, taxes and other fees may also be payable depending on the financial products involved.

If you apply for financial products in a new issue, privatisation or float and your application is stamped by us and is successful, Argonaut Securities receives a lodgement fee from the company, government or relevant issuer. This similarly applies in relation to applications for units in managed funds. All lodgement and other fees would be disclosed in the offer documentation (e.g. prospectus or PDS) for the relevant financial product.

Ongoing ('Trailing') commissions may be earned on certain financial products including margin lending, fixed interest products and cash management accounts. Again, any commissions will be disclosed in the offer documents from the respective providers.

Fund Managers and MIS / IDPS ('Wrap') providers may pay upfront and ongoing commissions when we invest in managed funds or financial products on your behalf. The amounts may vary over time according to your underlying investments and the funds under management. Further details will be disclosed in the PDS provided or within a SoA.





Generally, Argonaut Securities does not charge separately for advice. However, an hourly rate or a flat fee may be charged for specialist advice or portfolio reviews, but any fees or charges will be negotiated and agreed with you when discussing your request.

### **Detailed information about actual commissions and other benefits your Advisor gets as a consequence of making recommendations?**

You have the right to know about commissions and other benefits your Advisor receives for recommending investments to you. As stated above, all Advisors receive a share of the brokerage or commission on transactions executed on your behalf. This share may range from 40% to 55% of the brokerage or commission charged. We are also obliged to inform you of any interest(s) the Advisor, Argonaut Securities or any associate has that may reasonably be expected to be capable of influencing a recommendation made to you. Such interests will be disclosed to you at the time that the recommendation is made to you.

### **Referral Fees or Other Rebates or Benefits due to third-parties who referred you to Argonaut Securities**

If you were referred to us under a referral arrangement, the referrer may receive a one-off fee or a proportion of the brokerage, if your transactions settle in the usual manner required. The referrer also may receive other non-monetary or indirect benefits such as concessionary brokerage rates.

Where permitted by law, we may receive referral fees from third party providers for referring your business to them. Any referral fees will be disclosed to you and your prior consent to those arrangements will be obtained, where required.

### **Trust Accounts**

Where we are required to hold funds for you in our trust account, we will retain any interest paid.

### **Other Disclosures**

Argonaut Securities and its Related Bodies Corporate, and/or their Directors, Officers and Staff may hold directorships or other offices with the issuer of, and/or holdings or other positions in, financial products recommended to investors from time to time. These offices, positions and any other disclosures required by the Corporations Act in relation to any other associates of Argonaut Securities will be disclosed at the time of making the recommendation.

### **ARGONAUT SECURITIES COMPLAINT RESOLUTION PROCEDURES**

If you have a complaint about, or are dissatisfied with, the service provided to you, you should take the following steps:

1. Contact your Advisor and tell your Advisor about your complaint.
2. If your complaint is not satisfactorily resolved by your Advisor within 5 business days, please contact the Complaints Officer or put your complaint in writing, together with relevant documentation, and send it to us addressed to:

**The Complaints Officer  
Argonaut Securities Pty Limited  
GPO Box 2553  
PERTH WA 6001**



When the complaint is received, our Complaints Officer will contact you to acknowledge that your complaint has been received and advise you of the steps that will be taken to address it. We will try and resolve your complaint quickly and fairly and where possible within 45 days. If the matter is complex we may advise you that we will require more time to consider the matter and advise you when you will have our response.

3. If you do not get a satisfactory outcome, you have the right to complain in writing to:

**Australian Financial Complaints Authority (AFCA)**

**ACN 131 124 448**

**GPO Box 3**

**MELBOURNE VICTORIA 3001**

**Phone: 1800 931 678**

**Email: [info@afca.org.au](mailto:info@afca.org.au)**

**Website: [www.afca.org.au](http://www.afca.org.au)**

### **COMPENSATION ARRANGEMENTS AND PROFESSIONAL INDEMNITY INSURANCE**

Argonaut Securities has Professional Indemnity Insurance ("the policy") in place to cover breaches made by it and its Representatives in relation to Chapter 7 of the Act (as required by the ASIC). This cover extends to claims made in relation to any conduct of former Representatives of Argonaut Securities but who were Representatives at the time of the relevant conduct.

Argonaut Securities considers that the policy is adequate to meet the requirements of section 912B of the Corporations Act (relating to retail client compensation arrangements) having regard to:

- the volume and type of business carried on by it, the number and type of its clients, the number of its Representatives; and
- any particular or potential claims that may arise pursuant to our participant in external dispute resolution schemes including the FOS scheme.

### **IS THE PERSONAL INFORMATION I PROVIDE TO ARGONAUT SECURITIES PRIVATE & CONFIDENTIAL?**

Argonaut Securities is committed to protecting and maintaining the privacy, accuracy and security of the personal information we will hold about you. The personal information you provide and that we collect for our use or as requested by Argonaut Clearer is handled in accordance with the respective Privacy Policies of each organisation.

A copy of our Privacy Policy is available from our website at [www.argonaut.com](http://www.argonaut.com) or can be obtained by contacting the Privacy Officer of Argonaut Securities on the details provided at the front of this FSG. If you wish to review and correct personal information we hold about you, or if you do not wish to receive further information about other services or products, or if you have a complaint in relation to the privacy of your personal information please contact our Privacy Officer.