



FINANCIAL SERVICES GUIDE

The information in this Financial Services Guide ('FSG') is specific to the financial services provided by ACNS Capital Markets Pty Ltd (ABN 93 088 503 208) trading as Alto Capital ('Alto').

Introduction

Our FSG is designed to assist you in deciding whether to use any of the services provided by Alto. It explains the services we can offer to you and the types of products we offer. It also explains how we (and other related persons) are remunerated for these services, any conflicts of interest, and includes details of our internal and external complaints handling procedures and how you can access them.

If you choose to use our services you may also receive from us a Product Disclosure Statement ('PDS') and/or a Statement of Advice ('SOA'). To invest in any financial products you must complete the application form attached to the relevant PDS. The PDS contains information about the particular product and will assist you in making an informed decision about that product.

A PDS must be given to you in connection with any offer or recommendation to invest in:

- § Managed Funds
- § Exchange Traded Options
- § Warrants from the primary market
- § Superannuation products

When we commence providing you with personal financial product advice rather than general financial product advice, we will give you a SOA. Personal financial product advice is advice that takes into account one or more of your objectives, financial situation or needs. The SOA will contain the advice, the basis on which it is given and information about fees, commissions and any associations which may have influenced the advice.

When providing you with ongoing advice and services, in circumstances where there have been no changes in your objectives, financial situation or needs since the time we provided you an SOA, and where there has been no change in the basis of the advice we provided you, we will create and retain a Record of Advice for a period of seven years. You may request a copy of that advice at any time during that period.

Services provided by Alto

Established in 2004, Alto is authorised by its Australian Financial Services licence to provide the following services to retail and wholesale clients:

- § Provide financial product advice
- § Deal in a financial product

We provide advice and deal in relation and deal in the following types of products:

- § Managed Funds;
- § Securities (which includes shares and some warrants);
- § Derivatives;
- § Superannuation Products;
- § Life products including life risk products; and
- § Basic Deposit Products.

Details regarding the life insurance products offered by Alto Insurance are detailed in a separate FSG.

Alto has engaged JDV Limited ('JDV') to provide portfolio management services and securities and derivatives trading execution and settlement facilities in support of the services Alto provides to you. Details regarding JDV are provided in their own FSG.

We do not act as a representative of any other licensee in relation to the services we provide you. Our Advisers will be acting on behalf of Alto when providing the services outlined in this FSG.

Alto is responsible for the actions of its Advisers when providing these services.

How can we be contacted?

Level 17, Exchange Plaza,
2 The Esplanade
Perth WA 6000
Telephone: (08) 9223 9888
Fax: (08) 9221 0488
Email: info@altocapital.com.au
Website: www.altocapital.com.au

How do you obtain our services?

If you have been provided with the contact details of an Alto Adviser, please contact the Adviser directly. If you are a new client and do not have a nominated Adviser, please contact us on any of the modes detailed above.

How may instructions be given?

You may give us instructions in person, by email, by telephone, facsimile or other means as may be mutually agreed. Prior to accepting your first instruction, Alto will require you to complete Account Opening documentation that contains, among other things, the terms and conditions on which our relationship will be based. In live markets telephone instructions are preferred.

Will anyone be paid for referring you to Alto?

If a third person has referred you to us, we may pay that person a part of any fees or brokerage earned. Where this occurs this will be disclosed on your Confirmation of Transaction and in your SOA.

Where you have been referred to us by a third party that has a vested interest in maintaining an ongoing relationship with you, a referral fee may be paid.

Likewise where we refer you to any third party, that third party may pay us a referral fee. These types of fees vary according to the nature of the referral, number of referred clients, size of your portfolio or number of transactions. If this type of fee is paid it will be disclosed in your SOA.

What associations or relationships are there between Alto or any related bodies and issuers of financial products, which might be capable of influencing us in providing any of our financial services?

Alto directors and employees may hold directorships and / or hold positions in securities recommended to you from time to time. These positions will be disclosed at the time of making any recommendation.

Should you be referred to Alto Insurance for risk insurance products including life, income protection and trauma then Alto will earn a commission. A referral fee may be paid to your Adviser.

How are Advisers remunerated for services provided?

Advisers are remunerated by way of a commission / brokerage / fee split / profit share with Alto. The exact split of commissions, brokerage and fees varies based on a number of factors, but is within a range of 50% to 60% of the amount earned by Alto. For example:

Example:					
(1) If you buy \$2,000 worth of Telstra then you pay the minimum brokerage of \$100.00 plus \$10.00 GST					
(2) If you buy \$45,000 worth of Telstra at a rate of 1.0%, then the following brokerage would apply:					
Transaction Value		\$45,200			
Fee (\$45,000 x 1% (incl GST))		\$450			
Net amount payable		\$45,650			
FEE	GST PAYABLE	50% SPLIT		60% SPLIT	
		PAID TO ALTO	PAID TO ADVISER	PAID TO ALTO	PAID TO ADVISER
\$100.00	\$10.00	\$50.00	\$50.00	\$40.00	\$60.00
\$409.10	\$40.90	\$204.55	\$204.55	\$163.64	\$245.46

Where we provide you with personal advice all fees and brokerage will be disclosed in your SOA. You will also be provided with specific details in relation to each transaction carried out on your behalf by way of a Confirmation of Transaction.

Margin Lending

Margin lenders pay a trailing commission to Alto. This amount is not charged to you, it is paid from the interest rates paid by you. It is not an additional cost to you. All details will be included in your SOA.

For example, if your loan balance was \$50,000 then the margin lender would pay us the following:

VALUE OF YOUR INVESTMENT	PAID TO ALTO	PAID TO ADVISER	FEE
\$50,000	\$125.00	\$125.00	\$250.00

What fees & commissions will you pay?

Alto charges for its services in the following ways:

- § Brokerage, when you buy or sell securities or derivatives;
- § Fees or commissions based on the value of funds in relation to which we provide advice; or
- § Commissions based on certain financial products.

Brokerage

Alto receives brokerage fees for transactions conducted on your behalf. All fees, brokerage and commissions referred to below, are inclusive of GST. Brokerage can vary depending on a number of factors. Minimum fees of \$110.00 are charged for each buy and sell transaction (including GST). Flat rates may be negotiated with your Adviser, but as a guide the maximum rates are:

Transaction value	Fee(inc GST)
\$0 - \$5,000	2.5%
\$5,001- \$10,000	2.0%
\$10,001 - \$45,000	1.5%
\$45,001 and above	1%

For example if you buy \$10,000 worth of CBA, the following fee could apply:

Transaction Value	\$10,000.00
Fee (\$10,000 x 2.0%)	\$ 200.00
Net amount payable	\$10,200.00

Exchange Traded Options

In addition to any brokerage you may pay for buying and selling exchange traded options, the Australian Clearing House charges a transaction fee of \$1.43 per contract. If your contract is exercised, a fee of \$0.55 per contract applies. For example, exercising 10 contracts will result in a fee of \$5.50. In the case of index options, \$0.39 per contract for the transaction fee and the exercise fee would be charged.

Cash Management Trust Account.

In the first instance, we recommend you establish a cash management trust account that can be linked to your shares trading account. This will simplify future transactions in terms of purchase and sale of securities or derivatives. Funds can be automatically debited from your cash account to cover any purchases you make. Conversely, funds can be automatically credited to your cash account subsequent to any sales.

Cash Management Trust companies usually pay a trail to Alto of 0.25% p.a. of the total amount invested. Please note that Macquarie Cash Management Trust pay Alto a trail fee at no additional cost to you.

Echelon Fees

Echelon is a comprehensive portfolio management and administration service that is suited to investors with a substantial portfolio (\$1,000,000+). If you subscribe to Echelon then Alto will charge you fees, called Echelon fees. The Echelon fees are based on a percentage of the value of investments in your account (including cash and term deposits). The Echelon fees payable are:

Value of investments	Rate
\$0-\$250,000	1.65% pa
\$250,001-\$500,000	0.99% pa
\$500,001 and above	0.55% pa

A minimum monthly fee of \$110.00 is charged per Echelon portfolio (including GST).

Off Market Securities Transfers

Each buy and sell transaction may be charged at a rate of \$55.00 (inc GST).

International Listed Securities

Transactions in international securities are typically subject to a fee of 2% with a minimum of \$220.00 being charged for each buy and sell transaction (inc GST) plus the commission charged by the agent who undertakes the transaction. Certain transactions will be subject to a custodian fee dependent on the exchange where the transaction occurs. This will be confirmed with you prior to accepting an order in these securities.

Placements

Alto may receive fees from an issuing company when Alto lodges your successful application for investments in new issues. Details of the fees are provided at the time Alto sends you the relevant prospectus or offer document and your SOA but typically range from 1% to 6% of the capital raised from each client.

How do you register a complaint or suggestion?

If you have a complaint about Alto's service or in relation to the services provided by JDV, you should take the following steps:

Contact the Compliance Director at Alto by telephone on (08) 9223 9888 or in writing at PO Box Z5223, Perth WA 6831. In resolving your complaint Alto will, if necessary, liaise with JDV's Customer Service Team on your behalf to endeavour to find a solution quickly and fairly. We will seek to resolve your complaint quickly and fairly.

If we are unable to resolve your complaint to your satisfaction or 45 days have elapsed you can refer the matter to the Financial Ombudsman Service ('FOS'). Alto is a member of FOS which can be contacted at:

GPO BOX 3
 Melbourne, VIC 3001
 T: 1800 335 405
 F: (03) 9613 6399
 E: info@fos.org.au
 W: www.fos.org.au

You may choose to refer the matter to the Australian Securities & Investments Commission. ASIC may be contacted on their free call Infoline 1300 300 630.

PROFESSIONAL INDEMNITY INSURANCE

Alto has in place Professional Indemnity Insurance with XL Insurance Limited.

This insurance covers up to \$2 million for any one claim and a total of \$2 million for multiple claims inclusive of legal costs arising from the claim(s).

It is important that you, as our client, recognise the limitations of Professional Indemnity Insurance. Professional Indemnity Insurance is not designed to protect consumers directly and is not a guarantee that compensation will be paid.

Professional Indemnity Insurance is not intended to cover consumer losses in the following circumstances:

- Product failure or general investment losses;
- All possible consumer losses relating to financial services;
- Claims for loss solely as a result of the failure (e.g. through insolvency) of a product issuer in that it is not intended to underwrite the products of a product issuer; or
- A return on a financial product that has not met expectations.

The insurance is intended protect the Licensee against the risk of financial losses arising from poor quality services or misconduct by its representatives.

PRIVACY POLICY

Alto is committed to ensuring the privacy of the personal information provided by customers in connection with the services Alto provides. In order to comply with the requirements of the Privacy Act, Alto is required to advise clients that they hold personal information about them. They collect the information for the purpose of providing clients with financial services including:

- § Providing information on products and services we feel may be of interest to you;
- § Providing consolidated reports on investments;
- § Preparation of SOA's;
- § Reviewing clients' SOA's;
- § Reviewing financial product and investment information and or recommendations; and
- § Providing information as directed by you in writing, to accountants / solicitors / financial institutions.

We may from time to time disclose information about clients to other professionals, insurance providers, superannuation trustees and product issuers in connection with the purposes detailed above. Clients may request that Alto and its Advisers no longer contact them.

Clients wishing to obtain access to the information that Alto hold about them or seeking to comment on the Privacy Policy should contact our Privacy Officer by telephone on (08) 9223 9888 or in writing to PO Box Z5223, Perth WA 6831.

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