



Financial Services Guide

AGM Markets Pty Ltd trading as ALPHABINARY

(ABN 87 158 706 766)



Financial Services Guide

Purpose of this Financial Services Guide

This Financial Services Guide (**FSG**) is issued by AGM Markets Pty Ltd (ABN 87 158 706 766) trading as Alphabinary; Australian Financial Services License Number 422662 (**AFSL**), to provide you with key information about the financial services and products offered by us and to assist you in making an informed decision about whether to use those financial services and products.

This FSG contains important information about:

- who we are;
- the services and products we offer;
- remuneration and other benefits that may be paid to us, our employees and our affiliates;
- any affiliates or relationships we may have with Financial Product issuers;
- how we deal with complaints; and
- how you can contact us.

This FSG was prepared on 6 May 2015.

Other Documents You May Receive From Us

In addition to this FSG you will also receive a product disclosure statement (**PDS**). The PDS is an important document which contains information about the Financial Products offered by Alphabinary. The PDS will assist you in making an informed decision about the products issued to you by Alphabinary.

You will also receive a copy of the Account Terms, which sets out the terms governing the Financial Products issued by Alphabinary to you and ancillary aspects of that which together make up your Account. The Account Terms can be downloaded from our website: au.alphabinary.com

You must read this FSG, each PDS and the Account Terms carefully. On our website, you will be prompted to confirm that you have read the FSG, each PDS relevant to you and that you accept the Account Terms before you can trade with us and enter into Transactions.

Alphabinary gives general advice only; we do not give personal advice which takes into account one or more of your objectives, circumstances, financial position and needs or advice which could reasonably be regarded as having done so.

Who is Responsible for the Financial Services Provided?

Alphabinary acts for itself and not an agent for any other person. Alphabinary is responsible for providing the financial services as described in its PDS. Alphabinary is also responsible for the distribution of this FSG.



About Alphabinary

Alphabinary holds the AFSL under which it is authorised to provide general Financial Product advice, dealing and market making services in derivatives and foreign exchange contracts to retail and wholesale clients within Australia and abroad.

Who We Act For

Alphabinary acts as principal and not as your agent or broker for your Transactions. When we receive your instructions and execute them, we are the party to the other side of the Transaction and the party with whom you are entering a contract.

Financial Services Provided

We are authorised by our AFS License to:

- (a) provide general Financial Product advice for the following classes of Financial Products:
 - (i) deposit and payment products limited to:
 - (A) basic deposit products;
 - (ii) derivatives; and
 - (iii) foreign exchange contracts;
- (b) deal in a Financial Product by:
 - (i) issuing, applying for, acquiring, varying or disposing of a Financial Product in respect of the following classes of Financial Products:
 - (A) derivatives; and
 - (B) foreign exchange contracts; and
 - (ii) applying for, acquiring, varying or disposing of a Financial Product on behalf of another person in respect of the following classes of products:
 - (A) deposit and payment products limited to:
 - (1) basic deposit products;
 - (2) non-cash payment products;
 - (B) derivatives; and
 - (C) foreign exchange contracts; and
- (c) make a market for the following financial products:
 - (i) foreign exchange contracts; and
 - (ii) derivatives;

to retail and wholesale clients.



What is a Binary Option

Binary Options are over-the-counter Financial Products that pay a pre-determined fixed amount depending on whether or not a financial event in relation to an Underlying Asset occurs by a certain time.

A Binary Option is a derivative whose value or price, is derived from an Underlying Market. It is a synthetic instrument constructed so parties to it may gain or lose depending on movements in the Underlying Market.

The Binary Option is a contract between you and Alphabinary, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an exchange and are not afforded the protections normally associated with exchange-traded derivatives, such as guarantee arrangements. Alphabinary offers Binary Options to customers on individual shares, stock indices, currencies, commodities and such other Binary Options as may be notified from time to time.

Alphabinary requires you to pay, and you must pay, cleared funds to cover the price of the Binary Option prior to or on any Transaction being effected. The price and the time at which it is required is in the absolute discretion of Alphabinary. Alphabinary is not obliged to accept your offer to enter into a Binary Option until Alphabinary has received from you the price of the Binary Option required in the form of cleared funds to enter into the Binary Option. The price of the Binary Option required to enter into a Binary Option, if not already received from you, will be payable by you to Alphabinary immediately upon acceptance by Alphabinary of your offer to enter into the Binary Option.

Call Binary Options

A Call Binary Option is a Binary Option that yields a profit for the buyer when the price or level of the Underlying Asset at the expiry time is higher than a certain price or level (Strike Price). Call Binary Options are for those clients who are bullish, and wish for the Underlying Asset to “go up”.

Put Binary Options

A Put Binary Option is a Binary Option that yields a profit to the buyer when the price or level of the Underlying Asset at the expiry time is lower than the Strike Price. Put Binary Options are for those clients who are bearish, and wish for the Underlying Asset to “go down”.

The Nature of the Advice

Alphabinary will only provide general advice. This type of advice will not take into consideration your particular objectives, financial situation or needs. These factors should be considered by you before making any investment decision on the basis of any information or general advice that we provide to you.

We recommend that you take all steps so that you fully understand the possible outcomes of trades and strategies from entering into Transactions.

How You Can Give Us Instructions



You can instruct us in the following ways:

- electronically through our internet-based online trading platform to which you will be granted access; or
- by telephone.

It is your responsibility to ensure that instructions sent by you have been received by us.

Alphabinary may, in its own discretion, not accept instructions in any of the ways described above if we cannot verify the identity of the client.

Confirmation of Transactions

Alphabinary will provide you with confirmations of the Transactions you have executed. We will send confirmations to you of Transactions automatically via the trading platform. You can access your Account at any time to view your Transactions and account balances (subject to availability of communications systems).

You must review any confirmation or statement immediately following you entering into a Transaction to ensure its accuracy and you must report any discrepancies to us as soon as reasonably practical. Confirmations are deemed to be conclusive and binding on you if not objected to in writing within 48 hours of the Confirmation being available to you.

Our Associations and Relationships with Others

We do not have any relationships or associations with Financial Product issuers which might influence us in providing you with our financial services.

Each Transaction agreed and entered into with the client as principal will be offset or matched with a similar trade (in terms of price and quantity) with a third party.

Alphabinary or another affiliate company within the Alphabinary Group will also provide Alphabinary with the use of its online electronic trading platform which Alphabinary will in turn make available to clients.

How We Are Remunerated for the Services We Provide

By using or continuing to use our services, you agree that:

- All fees and charges received by us as described in this FSG, the Account Terms and in the relevant PDS (other than third party fees and charges) are a benefit given to Alphabinary by you, in exchange for the market making and dealing services provided by Alphabinary .
- Alphabinary does not charge volume-based or asset-based fees for any advice provided.
- You understand, consent to, authorise and direct Alphabinary to charge you in this way.

How Our Employees Are Remunerated

Employees are paid by way of salary and discretionary bonus linked to pre-determined objectives.

Our employees may also qualify for non-monetary benefits if they meet performance targets. Incentives



include non-monetary rewards such as sports tickets, seminars and conferences. The type of benefits may vary depending on the employee's position and the particular service provided. All payments or benefits given will comply with the Corporations Act.

Fees and Charges

You must pay to Alphabinary costs, fees, expenses and charges as set out in the Account Terms, including any price, Transaction Fee and Finance Charge as set out in section 9 of the Account Terms.

Further, Alphabinary may charge a withdrawal fee of up to 50AUD or according to the type of bank and charges which may apply.

Your Personal Information

Personal information is any information about you that identifies you or by which your identity can be reasonably ascertained. We collect and keep your personal information to provide you with products and services you request as well as other information, products and services offered by or through us. We value your trust in the way we handle your personal information. Alphabinary treats privacy seriously and your personal information will be treated as highly confidential. We will act to protect your personal information in accordance with the Privacy Act 1988 (Commonwealth) and the Australian Privacy Principles.

A copy of our Privacy Policy is available on our website at au.alphabinary.com or by contacting us and requesting a copy.

Compensation Arrangements

Alphabinary has compensation arrangements in place as required under section 912B of the Corporations Act. Our compensation arrangements take into account the nature and volume of our business, the number of clients and kind of clients we have, our representatives and the maximum potential extent of liability.

Subject to its terms and conditions and exclusions, our compensation arrangements cover claims in relation to the conduct of representatives and employees at the time of the relevant conduct.

What Do I Do if I Have a Complaint?

Alphabinary has an internal complaints handling policy (available on Alphabinary's website) in place to resolve any complaints or concerns you may have. Any complaints or concerns should be directed to Alphabinary (by telephone, facsimile, email or letter) at the address or number provided in this FSG.

You agree to examine the terms of each Confirmation immediately upon receipt and you agree that the contents of the Confirmation, in the absence of manifest error, will be conclusive evidence of the executed deal, unless within 48 hours of receipt of a written Confirmation you notify Alphabinary of any disputed detail in the Confirmation received by you. Upon receipt of written notice within the 48 hour period of a disputed Transaction, Alphabinary will investigate the dispute and in co-operation with you must endeavour to resolve the dispute in good faith.

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.



If you have a complaint about the financial services, you may take the following steps:

1. Contact us directly and tell us about your complaint. You may do this by telephone, in person, facsimile, email or letter. We will investigate your complaint promptly and within 45 days. We will try to resolve your complaint quickly and fairly.

Contact us

AGM Markets Pty Ltd

Level 1, 189 Balaclava Road,

Caulfield North, VIC 3161, Australia

Tel: +61 3 9013 0190

Fax: +61 3 9525 9772

Email: support@alphabinary.com

Visit our Website at au.alphabinary.com

2. If you are dissatisfied with the outcome of our investigation, you have the right to complain to Financial Ombudsman Service Limited (**FOS**) an external dispute resolution scheme of which Alphabinary is a member (membership number 31321).

Financial Ombudsman Service Ltd

GPO Box 3

Melbourne VIC 3001

Toll free: 1300 78 08 08

Facsimile: +613 9613 6399

Website: www.fos.org.au

3. You may also make a complaint to ASIC, by calling the Free call Info line on 1300 300 630.



Glossary

Account means an account held in your name or on your behalf with Alphabinary for the purposes of these Terms.

Account Terms means the terms which govern your Account with Alphabinary.

ASIC means Australian Securities and Investments Commission.

Financial Product has the meaning given in part 7.1 division 3 of the Corporations Act (including, for the avoidance of doubt, as amended by the Corporations Regulations and ASIC Class Orders).

Underlying Asset means the security, index, commodity, Foreign Exchange, futures contract, bullion or other instrument or asset or factor the reference to which the value of a Binary Option is determined.

Transaction means any contract:

- a. between either you and Alphabinary as principal; to:
 - i. purchase, or agree to purchase (including a forward purchase) an Reference Security;
 - ii. sell, or agree to sell an Underlying Asset; or
 - iii. pay an amount calculated in respect of an Underlying Asset in one currency against the settlement in another currency (or other agreed Underlying Asset).

we, us, our, Alphabinary means, AGM Markets Pty Ltd; ABN 87 158 706 766 and any of its related entities, affiliates, successors or assignees.

you means the person or persons in whose name we open an Account following an application by that person or those persons.