



Sky Alliance Markets (AU) Pty Ltd
ACN: 114 266 698
Australian Financial Services Licence: 292464

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FINANCIAL SERVICES GUIDE

Issue Date

This Financial Services Guide (FSG) is dated 9th July, 2021 and replaces all previous versions. Sky Alliance Markets (AU) Pty Ltd authorises the distribution of this FSG.

About This Guide

This Financial Services Guide (FSG) is an important document that is designed to tell you about:

- Who we are.
- How you can contact us.
- The financial services we offer so you can make an informed decision whether to use those services.
- Information we need from you.
- The cost of our advisory services and how we pay our representatives.
- What to do if you have a complaint about our services.

If you need further information on any of these matters, please ask.

Lack of Independence Statement

Not Independent

As commissions on share transactions may be received by Sky Alliance Markets (AU) Pty Ltd or our representatives we are deemed not to be independent.

About Us

Sky Alliance Markets (AU) Pty Ltd ACN 114 266 698 ("**Sky Alliance Markets (AU)**", "**we**", "**our**" or "**us**") is a financial planning and investment advisory firm specialising in listed securities, derivatives and Managed Investment Schemes. Our advisers' record of achievement and reliability is based on providing some of the best investment advice and service in Australia. We offer extensive skills which mirror the different needs of clients with great emphasis placed on research and quality service to support the advice and the financial products provided.

Sky Alliance Markets (AU) Pty Ltd holds an Australian Financial Services Licence (AFSL 292464) and is authorised to provide financial services under this licence.

Collectively we can provide financial product advice, arrange and deal in financial product transactions covering:

- Deposit & Payment Products
- Derivatives (options, warrants and CFD)
- Foreign Exchange Contracts
- Government Debentures, Stock or Bonds
- Life Insurance Products, including investment & risk
- Managed Investment Schemes
- Managed Discretionary Accounts
- Retirement Savings Accounts
- Securities (shares)
- Margin Lending services
- Superannuation

To Obtain Services from Us

If you do not have a nominated adviser, you can contact us at:

Office Address

1402/227 Elizabeth Street

Sydney, NSW, 2000

Ph: 07 5555 8500 or 1300 180 606

Postal Address

Sky Alliance Markets (AU) Pty

Ltd PO Box 20278

World Square, NSW, 2002

Email:

compliance@samarketsau.com.au

If you request a service that requires us to give you personal financial advice, we will provide you with a nominated financial adviser. By personal financial advice, we mean that advice that will take into account your personal objectives, financial situation and needs.

Sky Alliance Markets (AU) has authorised advisers to provide these financial services to you and the details of your nominated adviser can be found in the Adviser Profile given with this FSG where appropriate. The Adviser Profile will outline the adviser contact details together with the training, education, experience and authorisations for that adviser. You can also search for your adviser's details including where your adviser has worked and what products they can advise on by visiting the ASIC Financial Adviser Register at:

<https://www.moneysmart.gov.au/investing/financial-advice/financial-advisers-register>

As the Licensee, Sky Alliance Markets (AU) Pty Ltd is responsible for the advice you receive from us. If your adviser is unable or unwilling to provide you with personal advice or services in respect of certain products or considered to be in your best interest the adviser will refer you to another representative of Sky Alliance Markets (AU), or explain why they are unable to provide that advice.

General Financial Advice

At times Sky Alliance Markets (AU) may only offer you general financial product advice, including where Authorised Representatives are only authorised to give General Financial Product Advice. You should note that general financial advice does not relate specifically to you and therefore may not be appropriate to your particular financial needs, objectives, financial circumstances and best interests. You need to take this into account before deciding whether or not to act on this advice.

Personal Financial Advice

Sky Alliance Markets (AU) recommends that you should always seek the advice of a qualified Financial Adviser. If our Financial Advisers provide you with personal financial advice your initial discussions with a Financial Adviser should be treated as a Fact Find and you may be required to complete a questionnaire that includes personal information (Please see the Sky Alliance Markets (AU) Privacy Policy <https://www.samarketsau.com.au/wp-content/uploads/2021/06/210603-Privacy-Policy.pdf>). This is important as every situation is unique to the individual and the advice you receive should be tailored to your specific needs and at all times be in your best interest.

This information will allow your planner to prepare a Statement of Advice (“SoA”) which you will receive at the time or as soon as is practical after the advice is given. This statement will set out the advice, the basis on which the advice was given and any remuneration or other benefit that we, including your financial adviser and associates, may receive. We will also include details of any matter that might reasonably be expected to be capable of influencing us in providing this advice.

If you maintain a personal advice relationship with us, then generally we will not provide a SoA for further advice situations unless there have been significant changes to either your personal circumstances or the basis of the advice since your last SoA was provided. In these circumstances however, we are still required to keep a Record of Advice (“RoA”). You have the right to request a copy of the RoA at any time.

If one of our representatives has an ongoing fee arrangement with you which exceeds 12 months, then you will receive from the representative a Fee Disclosure Statement (FDS) annually setting out the fees you have paid to them, the services that they contracted to provide and what they did provide to you over that period. The FDS also sets out services to be provided in the upcoming year and seeks your consent for the continuation of fees to be deducted per the ongoing fee arrangement.

Buying and Selling Shares

Acting as your agent, we will buy and sell securities on Australian Securities Exchange (“ASX”) or any other appropriate global exchange for you. Once your securities have been bought or sold, you will receive a contract note or confirmation from us or the executing broker setting out the details and costs of the transaction. We will not accept orders for ‘short sales’ on ASX.

A short sale is where the seller does not presently hold or have the immediate right to hold title to the security.

Sky Alliance Markets (AU) is not a participant of ASX and will always engage an executing broker to effect transactions. Executing brokers are clearing participants or engage a clearing participant to settle trades on ASX. Sky Alliance Markets (AU) has relationships with several executing brokers who are ASX Market Participants; they are Open Markets, CMC Markets, Phillip Capital and D2MX, as well as online trading platforms with Interactive Brokers and Saxo Capital Markets (Australia) Pty Ltd.

Sky Alliance Markets (AU), the executing broker and the clearing participant have the right to refuse

to accept orders from any person at any time and do not have to provide a reason for this refusal.

You may specify how you would like to give us instructions to trade e.g. by telephone, fax or other means. However for transactions greater than \$25,000 we reserve the right to require that instructions are confirmed in writing.

Where we provide you with execution related telephone advice, you may request a written record of that advice.

You should be aware that Sky Alliance Markets (AU) may record telephone conversations.

If you are buying shares or any other financial product we require you to provide the funds in advance. Please note that in accordance with industry practice and regulation, we cannot accept cash.

- **Penalties**

Fees will be charged on accounts that do not settle in accordance with industry practice. If you owe us money, we reserve the right to charge interest on any amounts outstanding. Default in payment may result in sale of the securities, including any other securities held in a client's account, to recover costs and may incur fees from executing and clearing providers.

Managed Discretionary Accounts

A "Managed Discretionary Account", or MDA, is an arrangement whereby you authorise Sky Alliance Markets (AU) to operate your account and conduct trading activities on your behalf without prior reference to you.

Sky Alliance Markets (AU) offers an MDA service for securities, derivatives (exchange traded and over-the-counter including equity options and CFDs), margin foreign exchange contracts and futures contracts.

You must enter into a formal "MDA Agreement" before Sky Alliance Markets (AU) can provide MDA services and your adviser will complete a full fact find in order to determine if an MDA account is suitable and in your best interest.

Sky Alliance Markets (AU) and your adviser will provide a relevant investment program as part of the MDA Agreement and will only transact on your behalf in line with the recommended investment strategy. The investment program will detail the nature and scope of the discretion and any limitations that may apply. The MDA Agreement will contain information about the following:

- Any significant risks associated with the MDA service.
- Warnings that the Investment Program may not be suitable for the client if the client has provided us with limited or inaccurate information, and that the Investment Program may cease to be suitable if the client's relevant personal circumstances change.

Sky Alliance Markets (AU) will review the suitability of the Investment Program for you once every 12 months, however a change in your personal circumstances may mean an earlier review is required. We ask that you notify us of any changes in your personal circumstances.

Sky Alliance Markets (AU) will provide quarterly statements, confirming trading or investments made, transaction costs, management fees and performance.

There are significant risks associated with entering into an MDA Agreement. In general the risks of an MDA correspond to the risks of the underlying investments, being derivatives (including options and CFDs), securities, margin foreign exchange contracts and futures contracts.

Derivatives, margin foreign exchange and futures contract trading in particular carry a very high degree of risk, and you could sustain a total loss of capital and be liable for substantial losses. The risks associated with any particular derivative product, margin foreign exchange or futures contract traded as part of an MDA service are set out in the relevant PDS for that particular product.

There are additional risks associated with the MDA, you will not control the day-to-day investment decisions in relation to the account, and will be bound by Sky Alliance Markets (AU) trading decisions.

Sky Alliance Markets (AU) may undertake a large number of trades on your behalf which incur transaction costs. While it is the intention of Sky Alliance Markets (AU) to make profits every time we trade in the markets, Sky Alliance Markets (AU) 's judgment on a particular trade may be incorrect and result in a loss.

Managed Discretionary Account service arrangements are only suitable for clients who have a firm understanding of financial markets and the risks associated with trading in these markets.

If you wish to instruct Sky Alliance Markets (AU) in relation to the financial assets held in your managed discretionary account portfolio, you must do so by the methods set out in this FSG.

In the case of securities (share) trading and/or investments under an MDA, you will hold custody of portfolio assets as part of your CHESS holdings with the execution and clearing broker. The name and contact details of the execution and clearing broker (which may change from time to time) will be specified in the MDA Agreement application.

Sky Alliance Markets (AU) will not provide custodial or depository services in relation to your portfolio assets under the securities (share) trading/investments under the MDA.

Derivatives including options and futures contracts, acquired on exchanges by licensed participants will be done so on behalf of the account holder as will derivatives such as margin foreign exchange conducted in over the counter markets. Sky Alliance Markets (AU) will act as an Introducing Broker and funds will be held by the relevant platform provider in client segregated accounts established under the Corporations Act.

This FSG complies with the requirements of ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968.

Product Disclosure Statements

When advice is given, we will also give you, where appropriate, a Product Disclosure Statement issued by the product provider containing information you would reasonably require to make a decision about whether to acquire the financial product. The PDS will disclose details of any fees and charges payable for that product.

Privacy

Sky Alliance Markets (AU) values its client confidentiality and for details of our Privacy Policy and how this relates to you information please visit our website <https://www.samarketsau.com.au/wp-content/uploads/2021/06/210603-Privacy-Policy.pdf>

AML/CTF

As a financial service provider, we have an obligation under the Anti-Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and drivers licence. We will also retain copies of this information. We assure you that this information will be held as per our Privacy Policy.

What Do You Pay for Our Services?

Sky Alliance Markets (AU) is remunerated through the fees and commissions that we charge you. To assist you in making an informed decision we will discuss with you and agree on any fees payable before providing a service. The Corporations Act requires us to fully disclose all fees and charges, so if you are in doubt please ask us to explain.

Remuneration based on commissions or volume will not be accepted except where specifically permitted by law and/or where informed consent is first provided by you.

You may be charged a fee for the services we provide or we may be paid a commission or brokerage or a combination of the two may apply. All fees and commissions are payable to the Licensee and include the fees we pay for clearing and settlement where appropriate.

The level will vary with the financial product being traded, the frequency of your trading activity, the type and level of service and the size of the transaction. Fees and commissions are subject to negotiation prior to us providing you with a financial service. As part of our negotiations, all share trades would normally be subject to a minimum dollar cost which would apply if the brokerage calculated by any other method fell below the minimum figure. Once disclosed and agreed, these fees and commissions will be charged at the time your transaction is executed or the service is provided.

The fees listed below relate to all of our products. Please refer to the Product literature for specific fees that will relate to a particular product.

The following lists our base commission rates for non-advisory based services in Securities (Shares) and, Derivatives. These rates are inclusive of GST and are subject to change from time to time.

- Online Australian Shares - \$19.95 or 0.13% (whichever is greater). For example, if you traded shares to the value of \$40,000, our brokerage would be \$52. If you traded shares to the value of \$5,000, our brokerage would be the \$19.95 minimum.
- Online Australian CFD's - \$12.50 or 0.125% (whichever is greater). GST does not apply to CFD trades.

In some circumstances, we will set up an account for you that allows us to take orders over the phone or in writing. These rates are inclusive of GST and are subject to change from time to time. Base commission rates for non-advisory trades are:

- Australian Shares - \$55 or 0.55% (whichever is greater)
- Australian Options - \$55.00 or 0.55% (whichever is greater)

Base fees for full-service advisory transactions are as follows –
These rates are inclusive of GST and are subject to change from time to time.

- Australian Shares - \$88 or 1.0% (whichever is greater)
- Australian Options - \$88 or 1.0% (whichever is greater)

Other fees that may apply:

These rates are inclusive of GST and are subject to change from time to time.

- Online platform fee – Online trading platforms can access 20 minute delayed data or direct market access (i.e. live) prices.
- You can subscribe to direct market access data directly on platforms for the market of your choice and prices will vary depending on the exchange. For example, access to the Australian Securities Exchange is \$41.25. This is an ASX fee and is not income to Sky Alliance Markets (AU).
- Online Trading Platforms will vary between platforms, Web Iress fees start at \$205 per month including ASX and Chi x live data fees. Other platforms such as Interactive Brokers may only charge a data fee in line with the relative exchange and these are all published on the relevant provider's website.

Margin Foreign Exchange

There are two Margin FX CFD pricing models. Each of these has different treatments of Transactions Fees. Foreign exchange prices are received from several major banks and financial institutions, the best bid/offer is then provided directly to clients with no dealer intervention. The default Margin FX pricing model incurs no Transaction Fee when trading. The difference between the bid/offer prices at which you are able to sell (offer) or buy (bid) a Margin FX contract at any given time is commonly referred to as the spread.

The alternative pricing model will always deliver a smaller spread than the default, however, a Transaction Fee will be charged as a % of the Contract Value of the trade. Sky Alliance Markets (AU) may charge a Transaction Fee of up to 0.02% of the Contract Value (in each of the Base Currency and the Terms Currency).

Financing Charges

If you hold the position open overnight financing charges will apply. Financing is calculated for both currencies (the Base Currency and the Terms Currency).

The formula for Margin FX financing is:

Quantity x Closing Price x (Base Currency's Markets Base Rate – Terms Currency's Markets Base Rate - Client Mark-up) / number of days for Terms Currency.

We may also recommend other classes of products to you and the fees or commissions will be disclosed to you in a Statement of Advice.

Employees of Sky Alliance Markets (AU) are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus. Certain representatives, who are not salaried, may receive up to 70% of all fees and commissions generated from their clients.

Financial Advisers

Financial Advisers of Sky Alliance Markets (AU) are remunerated through a combination of fees and commissions that you are charged. To assist you in making an informed decision your Advisor will discuss with you and agree on any fees payable before providing a service. The Corporations Act requires us to fully disclose all fees and charges, so if you are in doubt please ask us to explain. You will receive an annual Fee Disclosure Statement that will confirm the ongoing fees and related services that you are paying for.

You may be charged a fee for the services we provide or we may be paid a commission or brokerage or a combination of the two may apply. All fees and commissions are payable to the Licensee (Sky Alliance Markets (AU)) and include the fees we pay for financial product providers.

Alternately you and your adviser may choose to enter into a fee based arrangement whereby you will pay up to a per annum fee up to 2.5% (includes GST), based on the value of assets that are managed on your behalf. This fee will be negotiated by you and your adviser, and will be agreed in writing at the time when your account is opened. The fee is calculated on a per annum basis and may be charged monthly or quarterly in arrears.

The level of fee charged will vary with the financial product, the frequency of your trading or investment activity, the type and level of service and the size of the transaction. Fees and commissions are subject to negotiation prior to us providing you with a financial service. As part of our negotiations, all share trading will be subject to a minimum dollar cost which would apply if the brokerage calculated by any other method fell below the minimum figure. Once disclosed and agreed, these fees and commissions will be charged at the time your transaction is executed or the service is provided.

Other Benefits We May Receive

Sky Alliance Markets (AU), its advisers and authorised representatives may from time to time receive non-cash benefits with a cash value less than \$300. Details of benefits between \$100 and \$300 will be maintained on a register. These benefits will normally be one off and will not be received from a product provider on a regular basis.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or representative.

Do any Relationships Exist Which Might Influence The Service or Advice I Receive?

Sky Alliance Markets (AU) Pty Ltd is not owned by any Fund Manager or institution.

Our advisers are aware of their obligations to disclose the extent and nature of any relationship that may be a conflict of interest or involve a related party. Details will be provided in the Statement of Advice at the time the advisers provide a financial service in those products.

From time to time Sky Alliance Markets (AU) its Advisers and related parties may hold the same investments as clients.

Complaints Policy

We are committed to providing quality service and advice to our clients. This commitment extends to providing an accessible complaint resolution mechanism.

If you have a complaint about Sky Alliance Markets (AU) Pty Ltd, its advisory personnel, staff, products or services contact your adviser or Sky Alliance Markets (AU)'s compliance officer to lodge your complaint. You may lodge a complaint online, by email, by phone or in person.

Sky Alliance Markets (AU) Pty Ltd
Compliance Officer
1402/227 Elizabeth Street Sydney NSW 2000
www.samarketsau.com.au
compliance@samarketsau.com.au
1300 180 606

Sky Alliance Markets (AU) Pty Ltd is available to assist complainants who might need additional assistance to lodge a complaint. If you require assistance lodging your complaint contact your adviser or Sky Alliance Markets (AU) Pty Ltd. Sky Alliance Markets (AU) Pty Ltd will acknowledge your complaint promptly, and within 24 hours of receipt where possible. We will try to resolve your complaint quickly and fairly.

Sky Alliance Markets (AU) Pty Ltd will take the following steps to address your complaint:

1. We will try to resolve the complaint immediately.
2. If this is not possible, we will assess the particulars and investigate the complaint.
3. If the complaint is not satisfactorily resolved within 5 days we will continue to assess and investigate the complaint.

4. We will provide a final response to you in writing no later than 30 calendar days after the complaint is received by us.
5. If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority (AFCA) on 1800 931 678. Sky Alliance Markets (AU) Pty Ltd is a member of AFCA.

Professional Indemnity Insurance

Sky Alliance Markets (AU) confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides professional indemnity for Sky Alliance Markets (AU) and our authorised representatives / financial advisers / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. The insurance will continue to provide such coverage for any authorised representative / financial adviser / employee who may have ceased, for work done whilst engaged with us.

Feedback

Sky Alliance Markets (AU) welcomes your feedback, if you have a comment about the service you have received or have any questions regarding this FSG please let us know via compliance@samarketsau.com.au.

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