



AUSTRALIAN FINANCIAL SERVICES
CHARTING YOUR FINANCIAL FUTURE

FINANCIAL SERVICES GUIDE AND CORPORATE INFORMATION

This Financial Services Guide (FSG) is intended to inform you about us before we provide you with financial advice. The FSG is an important document and a regulatory requirement under the Corporations Act. This document is issued by AFS, holder of Australian Financial Services Licence 259586. It provides you with information about:

- The products and services we are authorised to provide
- Who we are and how we can be contacted
- How we are remunerated
- Any potential conflicts of interest we might have
- Our internal and external complaint handling procedures and how you can access them
- How we keep the information you provide us private
- Our terms of business



CHARTING YOUR FINANCIAL FUTURE

ABOUT US

We pride ourselves on our experience, service and sensitivity to client needs and wishes. Our approach is based on the premise that all of our clients are unique, with unique goals, financial concerns and investment criteria. Once these are clarified, we can develop a comprehensive plan designed to transform goals into reality. We believe in long-term relationships built on trust. Situations and aspirations evolve over time, and we stand ready to make sure these life changes are reflected in client financial structures.

Our core values ensure the highest service standards for our clients. In our approach we concentrate on the following:



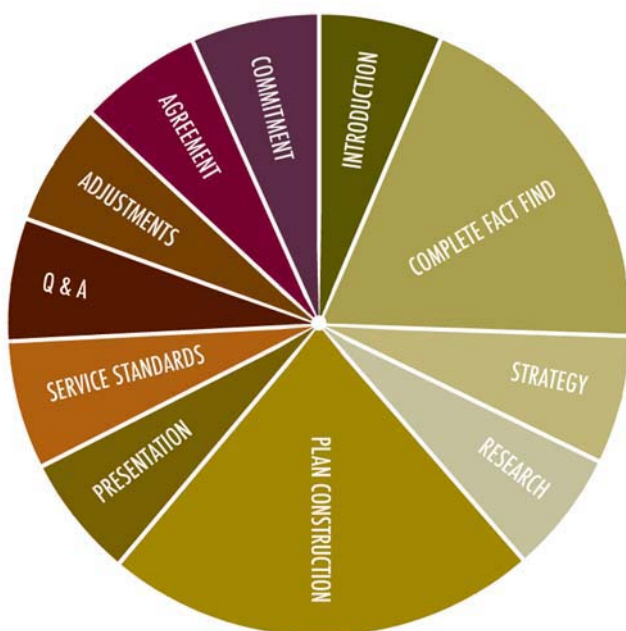
- **Understanding:** the pinnacle of any plan is having a full understanding of our client's long term goals and aspirations. Our task is to ensure that through comprehensive planning these goals are attained
- **Strategy:** we are focused on strategy for our clients as this is the key to a successful long term plan
- **Objective:** we are not bias in our decision making process, we are objective in selecting investments that suit the clients needs. We are only able to do this as we are not commission driven
- **Independently Owned:** the majority of the company is owned by the advisers themselves, this reinforces our objective approach

Everyone should have a long term financial plan, but often people are not open minded when it comes to seeking others opinions to assist them.

If you believe in long term planning to provide a secure financial future
If you believe that you can benefit from objective, expert advice
If you lack the time, or the knowledge to keep track of a constantly changing regulatory environment
If you would like the financial means to enjoy a lifestyle of your choice

Then our services are designed for you.

FINANCIAL PLANNING PROCESS



The Financial Planning Process has a number of stages detailed in the chart. The process from introduction to agreement is typically 4 weeks.

Week 1
Introduction
Fact finding, determining your goals
Analysis of your situation & development of strategy
Research of investment options
Plan construction

Week 2
Plan presentation
Ongoing service standards defined

Week 3
Question and answer session
Adjustments are made to the plan if necessary

Week 4
Agreement on implementation of the plan
Joint commitment on the responsibilities going forward

SERVICES PROVIDED

Financial planning is a term used to describe a variety of functions and services. Put simply, financial planning is a professional discipline that helps people attain their financial goals and objectives. This is achieved through a thorough analysis of your financial circumstances, and the development of a long-term financial planning strategy.

Financial planning takes a holistic approach, taking into account your current situation and needs (e.g. your assets and liabilities) and your future objectives and goals, in order to help you make the most of your financial situation.



INVESTMENT AND SUPERANNUATION

In order to create wealth, whether it be through super or non super, we focus heavily on the investor's risk profile. This is paramount in determining the client's asset allocation. It ensures that a client is not overly exposed to any one sector (i.e. cash, fixed interest, property, shares etc). We review their portfolio at key points in the year enforcing the asset allocation is suitably balanced going forward.

Another important part of investing is 'blending' the portfolio. This means that potential investors have the best fund managers working together within one sector (i.e. the top 3 fund managers within the Australian share sector). This is extremely important part of investing as it encourages diversification within the foundations of the portfolio.

Our investment philosophy is applied to all strategies that we investigate for clients, including:

- Lump sum investment
- Gearing strategies
- Managed superannuation
- Self managed superannuation



RETIREMENT ADVICE

People have different requirements upon retirement, some will be able to access social security benefits, others may be in the situation of having more income than they require. It is crucial to seek professional advice long before you retire.

Retirement advice should be sourced regarding possible wealth creation strategies, salary sacrificing into superannuation, making spouse superannuation contributions, re-contribution strategies, and investigation of Reasonable Benefit Limits. Our professional advisory services will detail a number of options for you to consider.

Retirement income streams is a complex area and the vehicles used will be determined by your personal circumstances. When structured correctly you should be paying very little, if any tax in retirement. We investigate all options for clients to provide the most tax effective long term retirement income streams.



INSURANCE

Whilst focusing on creating and maintaining wealth, some often overlook the critical necessity of protecting themselves and the assets they have created. Insuring against the financial consequences of death, disability and medical crisis is imperative in compiling a comprehensive financial plan. Evaluating your protection needs through a calculated insurance analysis forms a component of total financial care. Australian Financial Services deals with all insurance companies, ensuring the client has the best possible level of cover for the lowest price. When we produce a statement of advice, we always analyse your insurance position. In doing so we will determine the level of cover (if any) you require.

OTHER SERVICES

Estate Planning
Mortgage Finance
Accounting
Direct Property Investment
Portfolio Management
General Insurance



FEES AND CHARGES

The initial analysis of your situation is free of charge. We will never complete any work where there is a fee involved without obtaining consent from you first. The fee for the preparation of your Statement of Advice is \$500-\$700. There are no other fees and charges for implementation of our recommendations. All entry and exit fees on investment products are 100% rebated.



FINANCIAL SERVICES GUIDE PART 1

Financial Services Guide – Part 1

This is part 1 of our financial services guide, part 2 will be provided once your fact find is completed and an advisor allocated.

STRENGTH AND COMPETENCE

AFS is jointly owned by a number of financial advisers from around Australia, together with Zurich Australia Limited (ACN 000 010 195). The South Melbourne (your advisors office) office is entirely independently owned.

AFS is the holder of Australian Financial Services licence number 259586. Under the Corporations Act, our primary responsibility is to you, our client. Our advisers act on our behalf and AFS is responsible for the advice given.

The combination of practitioner ownership coupled with the strength of a world-wide funds management group gives you two distinct benefits.

1. The advantage of sound, practical advice and
2. The security of major institutional backing.

EDUCATION AND KNOWLEDGE FOR YOUR SECURITY

You want to be sure that the investment advice you receive is up-to-date and accurate. Whilst your Australian Financial Services adviser has many years of practical experience, continuing education is a requirement of the group. You will see full details of your advisers experience and expertise in the attached "Authorised Representative Disclosure Statement"

RESEARCH FOR YOUR PEACE-OF-MIND

It is important for you to understand how investment & insurance recommendations are made. Both internally and through consultation with external specialists, Australian Financial Services Ltd conducts thorough due-diligence and comprehensive research for all investments before they may be placed on our 'approved list'. It is because of this strategy that we have such confidence in all of our recommended products.

Investment Products are examined for:

- Expertise and philosophy of the management team
- Investment selection process
- Past performance
- Asset allocation

Insurance products are examined for:

- Policy wording
- Product benefits
- Competitive cost structures
- Claims paying ability

SERVICES AND ADVICE TO MEET YOUR REQUIREMENTS

Your adviser may provide general advice or personal advice. Before providing personal advice, your adviser will want to ensure that the advice is appropriate and suitable for your needs. To do so he/she will need to find out about your current financial position and your financial goals and objectives.

You have the right not to divulge this information if you do not wish to. If so, your adviser will warn you about the possible consequences that may flow from this decision.

In providing personal advice, your adviser will explain any significant risks relating to any financial products or advice or strategies recommended. If you do not understand these you should ask your adviser for further clarification.

If you have been provided with personal advice, your adviser will provide you with a Statement Of Advice (SOA) which will take into account your objectives, financial situation and needs. The SOA must be given to you before you make any investments or buy an insurance policy, unless you expressly request that the investment be made or the insurance policy be purchased before you receive the SOA. If a financial product recommendation has also been made, you will be provided with a Product Disclosure Statement (PDS) containing information about the product that will enable you to make an informed decision about the appropriateness of the product.

HOW WE ARE REMUNERATED

As previously detailed the fee for the preparation of a statement of advice is \$500-\$700 (ex GST). Only once we have provided an initial analysis of your situation from the information you provide, and having agreement from you will the plan be commenced. There are no charges for the implementation of the recommendations within the plan. All entry fees and exit fees are 100% rebated. Ongoing fees will typically be 0.50% per annum (standard trail from fund managers) and this covers our ongoing service costs.

AFS has a Strategic Business Partner arrangement with the following companies; AMP, Asteron Life, AXA, Challenger, HSBC, ING, Invesco, Lumley Life, Macquarie, Merrill Lynch, MLC, Perpetual, SG Australia, Strategy Retirement Fund, Skandia, Zurich.

Our strategic partners provide us with access to products on favourable terms, which are beneficial to both AFS and our clients, in recognition of our support. They also provide training on professional development days and at our annual conference for which they make a financial contribution. These relationships have no bearing or influence in the provision of our services.

YOUR SATISFACTION IS ASSURED

As a client of AFS, you will receive conscientious and personal attention from your adviser at all times.

Your personal information that we have collected is contained in your file. This includes information about your financial objectives and also contains the recommendations made to you. If you wish to examine your file you should ask your adviser, who will make arrangements for you to do so.

We are committed to ensuring the privacy and security of the information provided. Information on this is included in our privacy policy. As well as our own commitment to your satisfaction, you have the added benefit of the company's Principal membership of the Financial Planning Association.

AFS is a member of the Financial Industry Complaints Service (FICS).

FICS is an independent body which has been approved by the Australian Securities and Investments Commission (ASIC) to deal with complaints against its members.

If you have any complaint about the service provided to you, you should take the following steps.

1. Contact your adviser and tell your adviser about your complaint.
2. If your complaint is not satisfactorily resolved within seven days, please contact the Professional Standards Manager of AFS in writing at PO Box 7620, St Kilda Road Post Office, Melbourne, Vic 8004. AFS will try and resolve your complaint quickly and fairly.
3. If you still do not get a satisfactory outcome, then the procedure is as follows...

You should send your complaint to FICS at PO Box 579, Collins Street West, Melbourne, Victoria 8007. Their free call number is 1800 335 405. The complaints service is free of charge.

The Australian Securities and Investments Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

PRIVACY POLICY

In order to comply with the requirements of the Privacy Act, we are required to advise you that this firm holds personal information about you. The information has been and will continue to be collected by us for the purpose of providing you with financial services including:

1. the preparation of your statement of advice;
2. the provision of the statement of advice to you;
3. making securities and investment recommendations;
4. reviewing your statement of advice;
5. reviewing securities and investment recommendations; and
6. for other related matters.

We are required, pursuant to the Corporations Act, certain regulations issued by the Australian Securities and Investments Commission and the Rules of Professional Conduct of the Financial Planning Association, of which this organisation is a principal member, to collect information about you for the purpose of providing you with the services referred to above.

If you do not provide us with the information requested by us we may not be able to provide you with the services required.

We will from time to time disclose information about you to authorised representatives of this firm and to other professionals, insurance providers, superannuation trustees and product issuers in connection with the purposes detailed above. In the event we consider it necessary to use or disclose information about you for purposes other than those detailed above, or related purposes, we will seek your consent. You are entitled to obtain access to the information which we hold about you by contacting the firm's Professional Standards Manager on 03 9861 1500 or by writing to PO Box 7620, St Kilda Road PO, Melbourne, Victoria 8004.

This Financial Services Guide was prepared by Australian Financial Services on the 1st March 2004.



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