

a guide to our relationship with you and others

AccuVest Pty Ltd

We cannot direct the wind, but we can help adjust the sails!

Accuvest Pty Ltd is a Principal Member of the Financial Planning Association

Financial Services Guide

Version 1.07

14 July 2008

Our Financial Services Guide

A legally required guide to our relationship with you and others

Before seeking advice about matters critical to your financial well being, there are a number of questions you should have answered by the advice giver. For example many advice givers are directly or indirectly owned by, or authorized to provide advice by, product manufacturers and /or their associates.

This business is not owned by any product manufacturer. It seeks to provide to you the advice that we would adopt if we were in your position.

You have the right to ask and be told about our charges, the type and scope of advice we will give you and what you can do if you have a complaint about our services.

Much of the following information is required to be provided to you by law. Some is provided to distinguish the services you may obtain from this business from that obtainable from many others purporting to provide financial planning advice, or advice about investments or financial products.

Good financial advice can be very rewarding. Poor financial advice can be both misleading and very expensive in the long run.

If you need more information, please ask us. We will be happy to answer your questions.

The financial services referred to in this guide are offered by:

Robert (Bob) S Baker - B Eng (Chem)(Hons 1), DFP, Certified Financial Planner

Authorised representative no. 260345

Kelwyn (Kel) F Sippel - B Ed, PGradDip PFP

Authorised representative no. 313116

Leesa Michelle Graham - B Bus, PGradDip PFP, Certified Practising Accountant

Authorised representative no. 327931

through our regional service entity, Palantec Pty Ltd as trustee for The Palantir Trust trading as

AccuVest(Mackay) ABN 11 818 898 966

This Financial Services Guide is issued with the authority of AccuVest Pty Ltd which is responsible for the advice given to you. Our details are:

AccuVest Pty Ltd ABN 65 082 457 690

Australian Financial Service Licence No: 247104

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AccuVest Pty Ltd is controlled by its two directors Bob Baker and Merrie Bott and is owned by their respective Family Trusts. AccuVest Pty Ltd is based in Mackay, Queensland. In Tamworth, the authorised representatives of AccuVest Pty Ltd are employed by the regional service entity AccuVest Tamworth Pty Ltd (controlled by Merrie) and in Mackay, by AccuVest(Mackay) which is controlled by Bob.

AccuVest is INDEPENDENTLY OWNED has a CLIENT-CENTRIC focus.

We recognise that everyone's needs are different. We strive to provide all clients the sort of advice we would have given to us, if the roles were reversed.

AccuVest Pty Ltd is responsible for the advice provided to you by its Authorised Representatives and acts on your behalf.

AccuVest is committed to continual improvement of its service systems and procedures. Client feedback is integral to that process.

This guide contains important information about:

- ✓ The services we offer you.
- ✓ How we are paid for the services and advice we provide.
- ✓ Any potential conflict of interest we may have.
- ✓ Our internal and external dispute resolution procedures and how you can access them.
- ✓ Our insurance
- ✓ Our privacy policy

AccuVest provides predominantly comprehensive, ongoing service & support for its clients.

We do our best to tailor the form of the advice to suit your needs. However, we are often required to do this within legislative constraints which can affect the form of the communication and our business processes.

Before we give you financial advice, we need to make reasonable enquiries about your current financial situation and future needs. This provides us, and you, the necessary assurance that the advice we provide is appropriate to your needs.

You should not act on any discussions or representations that you perceive to be advice during the fact finding process preceding the presentation of written advice. You should not act upon advice until you have received it in writing and you have read and understood it. Please do not confuse the fact finding process with advice giving. We are dealing with your money. We provide advice. You make the decisions.

If you approach us seeking Financial Product Advice, we are usually required to provide you with a document called a Statement of Advice. This will normally take the form of a Comprehensive Financial Plan but the scope may be narrowed at your discretion.

In a Statement of Advice, advice givers are obliged to tell you about

- ✓ Fees, and if applicable, commissions that may affect their or their associates income.
- ✓ Any associations they may have with Financial Product Issuers or other parties which may influence the advice we give you.

Our clients have individual service agreements to suit their own needs and to provide both parties with certainty.

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In most of AccuVest's client relationships, AccuVest's remuneration will not be materially affected by the normal commissions associated with investments, This is because of our standard practice of rebating initial commissions, and applying our estimate of any trailing commissions (if applicable) and any standardized service fees paid to AccuVest by a product provider or investment platform, as a credit to reduce direct billing of our fees.

In most cases, bills for our services will be tax deductible.

It is important that you recognize that all written communications from us should be read and interpreted, as part of the collection of ongoing advice, which include advice previously provided under this and our earlier licenses. Confirmation of your changing circumstances is usually recorded at regular ongoing reviews.

Where we recommend a particular Financial Product we will provide you with a Product Disclosure Statement which will explain how that investment is designed to operate including its risk/return characteristics and fees.

Product disclosure statements are provided to help you make an informed decision about that Financial Product. You should not act on our advice until you have received these documents and understood them. We would be pleased to assist you with understanding any of these documents.

1. Who will be my adviser?

In Mackay, your adviser may be Bob, Kel or Leesa.

Bob Baker CFP - Bob has run his own financial planning business since 1992. Prior to financial planning his successful professional career spanned chemical & medical engineering & biotechnology & included significant management and board level experience. In 1977/1978 he was seconded by CSR to study coal to oil conversion at major energy research organizations in Europe and the USA. His achievements include he founding Chairman of a Research and Development joint venture involving 3 divisions of the CSIRO and 4 listed Australian companies which has evolved into the ASX listed company, AMBRI Ltd . He was the founding Chapter Chairman of the Financial Planning Association Chapter in the Mackay Region and has served continuously on the Executive Committee of the Boutique Financial Planning Principals Group, an association of independently owned Financial Service licensees since its inception in 2003.

Kel Sippel – Kel joined AccuVest in January 2005 after 10 years as a secondary school teacher specializing in economics. He holds a Bachelor of Education and Post Graduate Diploma in Personal Financial Planning. A keen thirst for knowledge and his teaching background, position him well to be able to reduce often quite complex concepts and considerations into simple and understandable solutions designed to meets clients' objectives.

Leesa Graham – Formerly a client of the business and a Certified Practising Accountant, Leesa holds a Bachelor of Business (CQU) degree and a Post Graduate Diploma in Personal Financial Planning (USQ). Leesa has worked as a professional accountant in public practice and in industry. Her role in AccuVest includes responsibility for Self Managed Superannuation Fund (SMSF) administration for our clients. This is an increasingly important part of our business.

Please recognise that while Bob , Kel and Leesa are but the frontline of AccuVest's client service team.

Our service will often involve more than one adviser, other AccuVest team members, external consultants if required and service systems which we have developed over more than 16 years in the business.

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2. Why seek comprehensive financial planning advice?

Everyone's specific financial circumstances are different.

We live in a continually changing world where the rules are often complex and seemingly illogical.

Issues that bear strongly on whether you receive good financial planning advice include:

- Taxation including the implications of having the right mix and form of ownership of the financial assets you choose to employ; e.g. Individual, joint, company, superannuation (DIY?), or family trust.
- Cash flow control (as distinct from budgeting)
- Needs for flexibility and liquidity
- Finding the right balance between risk and likely return
- Your attitude towards and knowledge of the impact of debt
- Optimal access to Centrelink benefits e.g. Age Pensions
- The knowledge and experience of your professional advisers
- Whether your adviser is effectively under the control or unduly influenced by a financial product issuer
- Your estate planning needs and other family obligations and desires
- Whether your adviser's business is about investment placement or whether they truly understand your circumstances and needs and in that context can provide you with holistic and comprehensive ongoing service and advice.

At AccuVest, we are primarily in the business of providing comprehensive (holistic) ongoing financial planning.

Our core business is ongoing service and our standard business practices are designed around a model of providing at least annual reviews to clients on formal service contracts. This enables us to:

- minimise your transaction costs
- manage your ongoing costs, and
- regularly assess the above factors as a financial coach .

We are also in the business of administering superannuation funds involving less than 5 members (commonly known as Do It Yourself or Self Managed Superannuation Funds.) We believe these offer significant advantages to many higher net worth individuals.

If you do not wish to receive comprehensive advice, we may deal on your behalf by carrying out your instructions directly. This can be done on a "limited" or "no advice" basis.

HOWEVER, if you do not seek and obtain comprehensive advice, you face the very real risk that the Financial Product/s you select will not fully, or optimally, take into account your objectives, financial situation or needs.

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3. Do you have any relationships or associations with Financial Product issuers?

We are an independently owned business. Neither AccuVest Pty Ltd or AccuVest(Mackay) have any association with any Financial Product issuer that we believe would have a material influence on the advice we give our clients.

We do however, practice what we preach. Hence, AccuVest Pty Ltd, related entities and staff may themselves hold investments recommended to clients. Such investments may include holdings in public companies, unit trusts & other forms of investment. These holdings would not be expected have a material impact on the price or returns of these investments or AccuVest's income.

Where we believe it to be the appropriate form of ownership of assets, we do advise on, establish and administer self managed superannuation funds. Self managed superannuation funds (or SMSFs) are also known as Do-It-Yourself (or DIY) Superannuation. These funds are now regarded as a Financial Product under the Financial Services Reform Act. We charge a separate fee for this service.

4. What kinds of financial services are you authorised to provide me and what kinds of Financial Product/s do those services relate to?

Our core business is the provision of a comprehensive financial planning service (see section 2) and financial advice to clients with above average wealth. This includes Retirement Planning, Estate Planning, Use of Family Trusts and Self Managed Superannuation Funds, Wealth Creation, Portfolio Monitoring, Salary Packaging, Business Planning, Risk Management (Life but not general insurance) and access to Centrelink and Dept of Veteran Affairs benefits. *The scope of our authority under Corporations Law is summarised in the following extract from AccuVest's AFS Licence:*

(a) provide financial product advice for the following classes of financial products:

- (i) deposit and payment products including:
 - (A) basic deposit products;
 - (B) deposit products other than basic deposit products; and
 - (C) non-cash payment products;
- (ii) derivatives limited to:
 - (A) old law securities option contracts and warrants;
- (iii) debentures, stocks or bonds issued or proposed to be issued by a government;
- (iv) **life products** including:
 - (A) investment life insurance products and
 - (B) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
- (v) interests in managed investment schemes including:
 - (A) investor directed portfolio services;
- (vi) retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
- (vii) **securities**; and (viii) **superannuation**; and

(b) deal in a financial product by:

- (i) 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 including:
 - (1) basic deposit products;
 - (2) deposit products other than basic deposit products; and
 - (3) non-cash payment products;
 - (B) derivatives limited to:
 - (1) old law securities, options contracts and warrants
 - (C) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (D) life products including:
 - (1) investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more statutory funds; and
 - (2) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
 - (E) interests in managed investment schemes including:
 - (1) investor directed portfolio services;
 - (F) retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
 - (G) securities; and (H) superannuation;

to retail and wholesale clients.

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5. What information should I provide to receive personalised advice?

You need to provide us with a list of your personal objectives, details of your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible. The first stage of that process usually involves completion of a detailed Fact Finder prior to our first meeting.

You have the right not to tell us, if you do not wish to. However, if you do not, the advice you receive may not be appropriate to your needs, objectives and financial situation and we have the right to decline to offer advice to you.

If you provide us with incomplete information, you should read the warnings contained in the *Statement of Advice* carefully before making any decision relating to Financial Products.

6. What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. The current privacy policy forms part of the Fact Finder that is provided to clients prior to their first formal meeting. Respect for and management of your personal information is a matter we take very seriously. A staff are aware that breeches in this area would provide grounds for dismissal.

If you wish to examine your file please ask us. Subject to the constraints of our Privacy Policy, we will make arrangements for you to do so.

7. How can I give you instructions about my Financial Product/s?

You may tell us how you would like to give us instructions. For example by telephone, fax or other means such as e-mail.

If we provide you with execution related telephone advice, you may request a record of the execution related telephone advice, at that time or up to 90 days after providing the advice.

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<p>8. How will I pay for the services provided?</p>	<p>We offer a personalised service which is specific to your needs. Billing arrangements are therefore not “one size fits all”.</p> <p>Most of our activities are conducted under ongoing service agreements. The financial details of these are agreed as a result of our initial meetings and thereafter from time to time to reflect your changing needs. The service agreements are designed to:</p> <ul style="list-style-type: none">• give you certainty about your costs; and• to ensure that you regularly take into account the myriad of factors that can affect your planning and• to allow us to minimise the transaction related costs which would otherwise be an impediment to redeployment of your portfolio to your best advantage <p><u>Prior to our initial meeting</u> we will usually talk to you by phone at some length and at no charge.</p> <p>From this discussion you will get a good idea of our philosophy and approach. Then, or in a letter prior to your first meeting we will confirm the cost, scope and expected duration of the first face to face meeting.</p> <p>Objectives at that first meeting will usually include:</p> <ul style="list-style-type: none">• analysis of your current position• determination of your needs, goals and aspirations• identification of your past investment experience and any obvious problems or oversights in your current strategy• initial familiarisation with legislation that might strongly impact on planning• mathematical modelling to assist preliminary decision-making• provision of our preliminary views about how your strategy might be improved• subject to your agreement to appoint us as your advisers and our agreement to accept you as a client,• definition of the work we would propose to undertake for you and the proposed basis of future remuneration for the provision of our services. <p>Where our advice involves any significant change to your financial affairs or your broad strategy, we will need to provide that advice in writing. Where Financial Products are involved it will take the form of a <i>Statement of Advice</i>.</p> <p>If the <i>Statement of Advice</i> is prepared after the initial meeting it will be for an agreed price depending on the scope and amount of work involved. If it is prepared as part of the ongoing service there will usually be no separate charge.</p> <p><i>Because of the complexity of many financial matters you should not act or rely on verbal advice where the implications are material to your financial well-being.</i> Whether involving securities or not, we prefer to confirm any advice in writing so that you have a reasonable basis to rely on it. Please be aware that strategy implementation is critical and poor implementation can undo good advice. Hence our preference for implementation to be under our supervision and control.</p> <p>We strive to provide an efficient service and regard management of your costs as an important matter. Our <i>Statement of Advice</i> will contain details of fees and our charges and itemise any fees or commissions paid to us by others that will (if applicable) result from you acting on our advice.</p>
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<p>9. How are any commissions, fees or other benefits calculated for providing the financial services?</p>	<p>Your advisers are salaried professionals. They do not receive commissions or fees.</p> <p>Managed investments often pay an initial commission and a trailing commission from the management fees and some Financial Products and administration services include a service fee to holders of Financial Service providers licenses.</p> <p>It is usual for AccuVest(Mackay) to discount any initial entry fees and commissions to zero. This approach recognises that the value lies in the advice, and the lower transaction costs provides further assurance that investment decisions are being made for the right reason.</p> <p>The direct cost of the initial meeting, preparation of the initial Statement of Advice and ongoing service arrangements are by mutual agreement.</p> <p>Ongoing service arrangements are generally covered by a separate written service agreement to provide you with certainty. We can provide you with a sample. The quoted cost will take into account our estimate of the amount of work involved, the nature of the portfolio and the extent of other services we are providing. It is usual that such amounts are fixed in advance in dollar terms; or by agreement, tied to the value of the portfolio under advice, to your equity in non-lifestyle assets or to inflation.</p> <p>This flexibility allows us to consider investments that offer no direct adviser remuneration and lower overall costs that are often overlooked by other Financial Service providers and provide advice from a perspective which is as close as possible to, “standing in your shoes”.</p> <p>Brokerage from share trading is usually discounted to an agreed rate and resultant income shared with a member of the Australian Stock Exchange.</p> <p>If you receive personal advice from us, we will tell you about any commissions, fees and any other benefits, where possible in actual dollar amounts, in the <i>Statement of Advice</i>. We will give you this <i>Statement of Advice</i>, before we proceed to act on your instructions.</p> <p>We will tell you in writing in the <i>Statement of Advice</i> what fees we will charge you, when you have to pay, and details of any payments we may receive from Financial Product issuers.</p> <p>Managing Potential Conflicts from other sources. As a principal member of the Financial Planning Association (FPA) we are bound by the Code of Ethics and Rules of conduct of that organization. Recently the FPA has recognized that in the same way that Doctors recommendations might be influenced by drug companies, financial planners may be influenced by inducements or benefits, other than commissions, offered by Fund Managers or other Financial Product providers. We maintain an alternative remuneration register in line with the IFSA /FPA Code of Practice for Alternative Remuneration and a formal Conflicts Management Policy; both of which are available on request.</p>
<p>10. Will anyone be paid for referring me to you?</p>	<p>We do not pay a referral fee to anyone who refers you to us. This keeps down your cost. Likewise, we do not receive referral fees from anyone we refer you to.</p> <p>You therefore can expect that anyone referring you to us, is doing so because they think we are competent and capable.</p> <p>Our existing clients are our largest referral sources because they understand how we work – and they understand that we care.</p> <p>In the same spirit, we do very little in the way of advertising – we understand who ultimately pays.</p>

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<p>11. What should I do if I have a complaint?</p>	<p>If you have any complaint about the service provided to you, you should take the following steps.</p> <ol style="list-style-type: none">1. Contact your adviser and tell your adviser about your complaint.2. If your complaint is not satisfactorily resolved within 3 days, please contact Merrie Bott, Director of AccuVest Pty Ltd, [phone (02) 6761 2800 or], or put your complaint in writing and fax it to Merrie at (02) 6761 2811. <p>We will try and resolve your complaint quickly and fairly.</p> <ol style="list-style-type: none">3. If you still do not get a satisfactory outcome you can contact the Australian Securities & Investments Commission (ASIC) at their Freecall Infoline on 1300 300 630 to find out which industry complaints scheme may be available to assist you to settle your complaint. We are members of the following scheme:<p style="text-align: center;">The Financial Ombudsman Service: GPO Box 3, Melbourne, Victoria 3001 Telephone: 1300 780 808</p>
<p>12. Professional Indemnity Insurance</p>	<p>Professional indemnity insurance indemnifies professional people for their legal liability to their clients. It provides indemnity cover in the event that a client suffers loss that is directly attributable to negligent acts of the professional. It is not insurance to compensate for loss due to financial market movements or against failure of a financial product to perform in line with the Product Disclosure Statement prepared by a Financial Product provider.</p> <p>s912B of the Corporations Act, requires that all Australian Financial Service (ASF) Licensees must have arrangements in place for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of their obligations in Chapter 7 of the Corporation Act. The details of what is considered appropriate arrangements are further contained in regulatory guide 126 (RG126).</p> <p>AccuVest will take reasonable steps to ensure that its PI Insurance cover will continue to comply with these regulations as they are amended from time to time.</p>

If you have any further questions about the financial services AccuVest Pty Ltd provides, please contact Bob Baker (07) 4957 3588.

Please retain this important document for your reference and any future dealings with Accuvest Pty Ltd.

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