

Financial Services Guide



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The financial services referred to in this Financial Services Guide are offered by Direct Advisers Pty Limited.

The purpose of providing a Financial Services Guide to you is to enable you to understand our services by giving you important information about them, how we charge for them, how we disclose any potential conflicts of interest and how we manage client complaints.

As part of our ongoing relationship we may provide you with other documents, namely a Statement of Advice, service agreements and Product Disclosure Statements.

In the Statement of Advice we will tell you about:

- Our recommendations, ongoing services and the fees we charge to provide them,
- The risks associated with the recommendations made to you,
- Any associations that we may have with Financial Product Issuers or any other parties, which may influence the advice we give you,

We may also provide advice to you by way of a Record of Advice (RoA). You have the right to request a copy of the RoA (if you have not previously received a copy) within 7 years of that further advice being given.

The advice provided to you in the Statement of Advice or Record of Advice will be appropriate to your personal needs, objectives and financial situation.

For clients who use our Limited Managed Discretionary Account Service we may in some circumstances not use either a Statement of Advice or a Record of Advice.

If we recommend a particular Financial Product to you, we will give you information about the particular Financial Product - a Product Disclosure Statement - to help you make an informed decision about that Financial Product.

Business Overview

Direct Advisers Pty Limited is a boutique financial planning practice with its own Australian Financial Services License, providing advice, services and products to its clients. We are independently owned by the principals: Ursula Boorman and Peter Rodgers.

All our advice is prepared by the principals who are supported by our trained administrative staff. Founded in 1986 Direct Advisers Pty Limited provides services to clients throughout Australia from its office in Port Macquarie.

Our typical client is either retired or within ten years of retirement, seeking both strategic and investment advice. These clients appreciate that we are able to provide highly tailored personal advice on a fee for service basis. Our client relationships are typically very long term and many of our clients have been receiving advice from us for well over a decade.

Direct Advisers Pty. Limited is a Principal Member of the Financial Planning Association of Australia and the Boutique Financial Planners Principal's Group.

Your advisers

Your advisers will be Ursula Boorman and Peter Rodgers.

Peter Rodgers holds a Bachelor of Arts degree, is a Certified Financial Planner and has been a practicing financial planner since 1986 when he founded the firm. Peter is particularly skilled in understanding investments and investment portfolio construction. His main role is developing investment strategies for clients.

Ursula Boorman holds a Bachelor of Economics degree, a Diploma of Financial Planning and is a Certified Financial Planner. She has been involved in the financial services industry since 1986. Ursula is particularly skilled developing the financial strategies that enable our clients to achieve their goals through her understanding of the way that superannuation, taxation and social security legislation interact with each other.

Ursula Boorman and Peter Rodgers are Authorised Representatives, principals, directors of Direct Advisers Pty. Limited. They are both Practitioner Members of the Financial Planning Association of Australia.

Our services

Direct Advisers Pty Limited is the holder of an Australian Financial Services Licence (AFSL) No: 236855, which became effective on January 10, 2004 following legislative changes. Prior to that date we held an Unrestricted Securities Dealer's License.

Our Australian Financial Services Licence authorises us to carry on a financial services business to retail clients by providing financial product advice and allows us to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person.

Our license allows us to provide advice in respect of the following classes of products:

➤ Cash and Term Deposits	➤ Bonds and Debentures
➤ Shares and Securities	➤ Margin Lending
➤ Managed Investments	➤ Property Trusts
➤ Superannuation	➤ Retirement Savings Accounts
➤ Investment platforms	➤ Wrap Accounts and Master Trusts
➤ Pensions and Annuities	➤ Insurance Bonds
➤ Life insurance	

This means that we are able to provide you with the following services:

➤ Financial Planning	➤ Financial Strategies
➤ Investment Management	➤ Portfolio Construction
➤ Retirement Planning	➤ Aged Care Advice
➤ Cash Flow Management	➤ Superannuation
➤ Self Managed Super Funds	➤ Pensions and Annuities
➤ Managed Funds	➤ Estate Planning
➤ Discount Stockbroking	➤ Fixed Interest and Cash
➤ Wealth Accumulation	➤ Ethical Investments
➤ Business Planning	➤ Life Insurance
➤ Financial Coaching	➤ Centrelink and Social Security

Direct Advisers Pty Limited is responsible for the financial services provided including the distribution of this Financial Services Guide. Whenever these services are provided by us, we will be acting on your behalf and not on behalf of any product issuer.

Our Fees

We charge fees for the services that we provide. These fees fall into three categories:

- Financial strategy advice. Usually a one off fee for producing a Statement of Advice.
- Ongoing strategy advice. Where we provide ongoing advice in relation to your financial strategy, including the structure of your investment portfolio, but no advice on individual investments.
- Comprehensive ongoing service. This covers everything that we do for you, including ongoing strategy advice, full ongoing investment portfolio management, regular meetings and unlimited access to our services.

The actual fee charged will depend upon the type and complexity of the service provided to you and will be as follows:

Initial Financial Strategy Advice Fees	Minimum - \$2,200 Maximum - \$11,000
Ongoing Strategy Advice Fees	Minimum - \$130 per month Maximum - \$1,100 per month
Comprehensive Ongoing Service Fees	Minimum - \$260 per month Maximum - \$2,200 per month

Please note: The fees paid by existing clients may vary from the above.

Notes on fees and services

- Our services are fee based. If commissions, rebates or similar benefits are paid to us in respect of these services, they will be rebated to you.
- Other fees may apply for providing consultancy or other services (such as portfolio reviews, second opinions, etc).

Your adviser will tell you in writing in your Statement of Advice what fees we will charge you, when you have to pay, and what payments we may receive from Financial Product issuers.

Stockbroking service

We also provide a no advice stockbroking transaction service in conjunction with CMC Markets Stockbroking Limited.

Fees including brokerage paid to CMC Markets Stockbroking Limited are as follows:

First \$5,500	\$69.90 (\$30 paid to CMC Markets balance paid to us)
\$5,501 - \$24,000	1.20% (\$30 paid to CMC Markets balance paid to us)
Over \$24,000	0.60% (\$30 paid to CMC Markets balance paid to us)

Clients using our comprehensive ongoing service do not pay these fees.

Portfolio construction and investment management

Portfolio construction is based upon the allocation of investments across the asset classes of cash, fixed interest, shares and property according to the client's risk tolerance and investment time frame and is relatively conservative, with a typical "Balanced Portfolio" being approximately 50% invested in cash and interest producing investments.

We will not hold any monies on your behalf nor ask you to sign blank documents. Unless you choose to utilize our Managed Discretionary Account Service we will not seek discretion to operate your accounts, implement new investments, nor make changes to existing investments, without your written authority. In practice this means that unless we are operating a Managed Discretionary Account for you, all investment recommendations will be given to you in writing and we will require your written authority, which can be provided in person, by mail, facsimile transmission or email prior to any implementation or change to your investments. We will not seek, nor hold powers of attorney for you, unless you choose to utilize our Managed Discretionary Account Service.

We will only recommend an investment to you after considering its suitability for your individual investment objectives, financial situation and needs. We will also explain the risks associated with any investment recommendation.

As we only research investments that are on our approved list of recommended investments, we do not provide advice or recommendations regarding investments not on our approved list.

This means that we will only include investments currently on our approved list in portfolios that we manage, this may mean the redemption of your existing investments if they are not on our approved list and you wish us to manage a portfolio on your behalf.

What we require from you

You need to provide us with details of your personal objectives, your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

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.

You should read the warnings contained in the Statement of Advice carefully before making any decision relating to a Financial Product.

Your personal records and privacy

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.

If you wish to examine your file please ask us. We will make arrangements for you to do so.

Our Managed Discretionary Account services

This is an optional service that is available to our clients to enable us to manage investment portfolios in a more timely and efficient manner. We offer limited types of Managed Discretionary Account services (MDA services) where you allow us to manage your investments for you, using our discretion and without obtaining your instructions before each transaction we undertake on your behalf. These services are limited to the Limited Power of Attorney and Authority to Operate facilities within the following investment platforms:

- Asgard Personal Choice eWrap
- Asgard Master Fund
- Asgard Elements
- NetWealth
- Colonial FirstChoice

Please note, these facilities do not authorise us to open new accounts, withdraw funds, or contribute new funds to your investment.

The significant risks associated with using an MDA service

By authorising us to make changes to your investments without seeking your prior authority, you cannot claim we were not acting on your behalf. Provided we act within that authorisation, our acts become binding on you. Therefore it is important you understand what we are authorised to do and carefully read and understand the activities that you are authorising us to perform on your behalf.

MDA services contract

As of 11 December 2004, to receive MDA services you must first enter into an MDA Contract. This contract will set out the terms and conditions of the authority and also the investment program, which sets out how your money will be invested.

Preparation of the investment program

We will prepare the investment program for you based on your relevant personal circumstances, financial objectives and needs.

Legal compliance of the investment program in the MDA contract

Where this is relevant, the investment program set out in the MDA Contract will comply with the law. The relevant law is Division 3 of Part 7.7 of the Corporations Act.

The contract will also contain:

- Statements about the nature and scope of the discretions we will be authorised and required to exercise under the MDA Contract
- Any investment strategy that is to be applied in exercising those discretions
- Information about any significant risks associated with the MDA Contract
- The basis on which we consider the MDA Contract to be suitable for you, and
- Warnings that the MDA Contract may not be suitable to you if you have provided us with limited or inaccurate information relating to your relevant personal circumstances and specify that the MDA service may cease to be suitable for you if your relevant personal circumstances change.

Responsibility for reviewing the investment program

We are responsible for reviewing your investment program. We will review your investment program at least every 12 months.

No custodial or depository services are provided

We do not provide custodial or depository services. Either you will hold the investments in the portfolio, or the custodian nominated for the investment platforms specified on the previous page will hold them for you.

No extra cost for the MDA contract or the MDA

MDA services are available at no extra cost to our clients.

Provision of instructions on how to exercise rights relating to the financial products in your portfolio

Generally, the financial products which we invest in on your behalf do not have any additional rights or entitlements attached to them. However, if there are, we will let you know and you can provide us with instructions at the time as to how you wish for us to

proceed. You can instruct us in writing, by facsimile transmission or by email. Our postal, facsimile and email contact details are contained at the end of this Financial Services Guide.

Third Party Referral Payments

Where you have been referred to us by someone else, if we pay them a fee in relation to that referral, we will tell you in the Statement of Advice who will receive that fee and the amount they will receive. If we receive a fee from a third party who we have referred you to, we will disclose that fee to you.

Conflicts of interest and alternative remuneration

Direct Advisers Pty Limited is a shareholder in Personal Choice Portfolio Services Pty Limited, which receives rebates from the Asgard (eWrap and Elements only) platforms. This means that we are entitled to receive payments, including rebates and dividends, when you invest in Asgard.

Worked example:

- \$300,000 account balance
- Estimated rebate approximately = 0.27% per year
- Approximate value of rebate received by us = \$800 per year

Please note that because we return these rebates to you, they will not result in you paying additional fees when Asgard is used, and in some cases your Asgard fees will be lower as a result of us being a shareholder in Personal Choice Portfolio Services Pty Limited.

As a result of past recommendations in certain financial products, Ursula Boorman and Peter Rodgers have obtained shareholdings in Associated Advisory Practices (No. 2) Ltd., (AAP) a service company that provides, compliance training and business development support to Direct Advisers Pty Limited. This shareholding will entitle Ursula Boorman and Peter Rodgers to receive a share of the distribution of any profits via dividends. The amount of the dividend receivable is solely at the discretion of the AAP Board of Directors. Further recommendations in the product(s) below may result in Direct Advisers Pty Limited or its staff being eligible for additional shareholding in AAP:

- Asgard Master Trust
- Asgard E Wrap
- Asgard Elements
- NetWealth
- Colonial FirstChoice Retail

Statement by Direct Advisers Pty Limited

Direct Advisers Pty Limited states unequivocally that the above arrangements have no influence whatsoever on investment product choices for our client's portfolios. At all times, portfolios are constructed solely according to our professional judgement of what

are the best available investments and life products to meet the client's needs and objectives.

Direct Advisers Pty Limited maintains conflicts of interest and alternative remuneration registers, which are available for inspection by clients and prospective clients.

Privacy of your information

In providing our services to clients we collect personal information about them, including sensitive information (e.g. about a client's state of health for insurance purposes). Please note we treat all information you provide to us in confidence and will take all reasonable steps to ensure non-disclosure to anyone other than for the purpose of providing services to you or meeting our legal obligations. We treat all client information in accordance with the provisions of the Privacy Act 1988.

Complaints handling procedure

If you have any complaints about the service provided to you, you should take the following steps:

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 45 days, please contact Peter Rodgers on 02 6583 7588 or put your complaint in writing and send it to us at Direct Advisers Pty Limited's address, noted at the beginning of this Financial Services Guide. We will try and resolve your complaint quickly and fairly.
3. If the complaint can't be resolved to your satisfaction you have the right to refer the matter to the Credit Ombudsman Service Limited They can be contacted on 1800 138 422, www.cosl.com.au/Make-a-complaint or you can write to them at PO Box A252, Sydney South NSW 1235.

Professional Indemnity Insurance

We hold Professional Indemnity Insurance cover for the activities conducted under our AFS licence. The limit of the indemnity is \$3,000,000 for any one claim and \$6,000,000 in the aggregate for all claims arising out of our AFS licence activities. The insurance will cover work completed by authorised representatives, representatives and employees of the Licensee after they cease to work for the Licensee. We believe that our Professional Indemnity Insurance cover satisfies the requirements of s. 912B of the Corporations Act.

If you have any further questions about the financial services we provide, please contact Peter Rodgers or Ursula Boorman on 02 6583 7588.

Please retain this document for your reference and any future dealings with Direct Advisers Pty Limited

This FSG complies with the Australian Securities and Investment Commission Class Order 04/194.