

19 August 2009

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

STRATEGEM INVESTMENT SERVICES PTY LTD
ABN: 25 006 596 587
Australian Financial Services Licence No: 244222
35 Mundy Street
BENDIGO VIC 3550

PO Box 839, BENDIGO VIC 3552
Phone: 03 5445 4777 Fax: 03 5441 5264
Email: info@strategem.com.au

This guide contains important information about:

- the services we offer you
- how we and our associates are paid
- any potential conflict of interest we may have
- our internal and external dispute resolution procedures and how you can access them

When we give you financial advice - **a Statement of Advice** - we take into account your current financial situation and future needs.

In the Statement of Advice we will:

- Confirm our understanding of your current financial situation, goals and objectives, relevant to the scope of the advice
- Tell you what our strategy recommendations are
- Tell you what the advantages and disadvantages of our strategy recommendations will be if you implement them, including any costs that you may incur.
- Tell you about our fees and/or any commissions that we may receive
- Tell you about any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you

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

Who is my adviser?

Your adviser will be one of the team of advisers employed by Strategem Investment Services Pty Ltd. Our representatives are either employees or directors of Strategem Investment Services Pty Ltd.

Our employee representatives are remunerated by salary only. None of our representatives directly receive commission or fees.

It is not necessary for you to receive our advice for us to act on your behalf. We may still deal on your behalf by carrying out your instructions. However, you should be aware that if you do not obtain advice, you face the risk that the Financial Product/s you select will not fully take into account your objectives, financial situation or needs.

Who is responsible for the financial services provided?

Your adviser will be acting on behalf of Strategem Investment Services Pty Ltd who is responsible for the financial services provided including the distribution of this Financial Services Guide (FSG).

Our Services

Strategem Investment Services Pty Ltd offers a comprehensive range of financial planning services to assist you to achieve your financial and lifestyle goals and objectives.

These services include:

- Strategic planning advice including consideration of cash flow management, wealth accumulation, ownership structure, taxation, superannuation, personal risk insurance, social security and estate planning issues.
- Stockbroking services for companies listed on the Australian Stock Exchange (ASX) and Bendigo Stock Exchange (BSX)
- Portfolio administration and reporting service
- Investor review and advice service

Strategem Investment Services Pty Ltd is part of the Strategem Financial Group which also provides the following services:

- Self Managed Superannuation Fund Administration
- Accounting and Taxation Services
- Business Advisory Services
- Corporate Advisory Services
- Audit Services

Our financial planning services are predominantly provided using a "fee for service" approach with an emphasis on strategy preparation and development.

Our Services(cont)

Clients are able to engage our ongoing review services under the Strategem Asset Management Service ("SAMS") which includes the following parts of our overall service offering:

- Portfolio Administration and Reporting
- Investment Review and Advice
- Strategic Financial Planning advice as required
- Share broking trades at identical rates to web-based E*Trade retail rates.

Strategem Investment Services Pty Ltd is a member of the Bendigo Stock Exchange and a principal member of the Financial Planning Association of Australia Ltd.

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

Strategem Investment Services Pty Ltd has no significant financial relationship or connection with a product supplier, nor does it have any other material conflict of interest giving financial advice. Strategem Investment Services Pty Ltd is owned by interests associated with directors of Strategem Financial Group.

In providing our financial planning services, Strategem Investment Services Pty Ltd has established distribution agreements with a number of different financial institutions and life insurance companies. These distribution agreements are established on arms-length terms.

It is not Strategem Investment Services Pty Ltd's policy to receive or allow its Representatives and staff to receive non-financial benefits from the financial institutions and life insurance companies with whom we have distribution agreements. In accordance with the FPA's Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry, Strategem Investment Services Pty Ltd and its Representatives maintain an Alternative Form of Remuneration Register.

The Register outlines any Alternative Forms of Remuneration which are received from financial institutions and life insurance companies by Strategem Investment Services Pty Ltd and/or its representatives.

The register is publicly available and hard copies can be provided upon request.

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

Strategem Investment Services Pty Ltd is authorised to provide financial product advice and deal in the following products under its Australian Financial Services Licence:

- Basic Deposit Products
- Non-Basic Deposit Products
- Investment life insurance products
- Life risk insurance products
- Old Law Securities Option Contracts (i.e. warrants and options)
- Retirement Savings Account products
- Superannuation Products
- Securities
- Government debentures, stock or bonds
- Managed Investment Schemes including IDPS

Strategem Investment Service Pty Ltd is not authorized to provide advice or deal in the following financial products:

- General Insurance Products
- Foreign Exchange

What information should I provide to receive personalised advice?

Before providing personal advice, your Adviser is required to have a reasonable basis on which to provide advice. In order to achieve this, your Adviser will ask you to provide information relating to your personal circumstances that is relevant to the issue on which advice is being sought.

You have the right not to provide information to 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/s.

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. A copy of our privacy policy is endorsed on the back of this Guide

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

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, personally by telephone, fax or other means such as e-mail.

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

How will I pay for the services provided?

Depending on the type of advice/service you request we may receive the following payments:

- For financial planning advice you will pay us a fee based on an hourly rate
- For contracted ongoing portfolio management services (eg "SAMS") you will pay us a negotiated fee, usually based on the value of funds under management, the number of investments and the complexity of the portfolio
- For ongoing reviews and incidental advice provided to clients who have an engagement other than a dedicated ongoing portfolio management service, you will pay us a fee based on an hourly rate which may, where applicable, be subsidised by ongoing service commissions paid to us by a Product Issuer
- If the service we provide includes buying or selling shares on your behalf you will pay us brokerage for securities dealing

If we assist you to purchase an investment product then:

- a) Where initial commission is payable either via an entry fee arrangement, or an increased on-going management fee arrangement (exit fee type product), Strategem Investment Services Pty Ltd will, if possible, choose not to accept this commission unless you specifically instruct us to retain it.

If a Product Issuer will not allow Strategem Investments Services Pty Ltd to reject the initial commission, Strategem Investment Services Pty Ltd will deduct their time based fee from the initial commission received and physically rebate you the balance, or will bill you for any shortfall.

- b) Where standard ongoing (trail) commission is payable or Strategem Investment Services Pty Ltd elects to take an ongoing service fee, Strategem Investment Services Pty Ltd will retain that ongoing commission/service fee to cover, or assist to partially cover, ongoing review and incidental queries/advice relating to the product

The exception to the above is that for clients with a dedicated ongoing services contract, Strategem Investment Services Pty Ltd does not take ongoing commissions from the Product Issuer unless they cannot be rebated and/or arguably do not affect the net return to the client.

If we assist you to purchase a Life Insurance product then:

- A commission is generally payable by the Life Insurance Company to Strategem Investment Services Pty Ltd. This commission is not an additional charge to you and represents no more than 35% of the Gross Annual premium.
- This commission is payable for the life of the policy and is generally retained by Strategem Investment Services Pty Ltd to cover the cost of providing the initial and on-going advice in relation to the policy.
- The exception to the above is that for clients with a dedicated on-going service contract, Strategem Investment Services Pty Ltd does not take on-going commissions from Life Insurance Companies unless they cannot be rebated.

We will give you a *Statement of Advice* containing details of our fees and any payments that will be made to us by a Financial Product issuer/s.

How are any commissions, fees or other benefits calculated for providing the financial services?

A copy of our current Schedule of Fees is enclosed for your information.

Our hourly rates will vary from time to time and our current rates, reflecting any changes, are posted on our website @ www.strategem.com.au. Alternatively a copy can be requested from our office.

- Our hourly fee based charges are calculated by multiplying the hours we have spent, or expect to spend, on your engagement by the charge out rate we have agreed.
- Under the Strategem Asset Management Service ("SAMS"), our fees are calculated by negotiation using a base rate of 1.1% (inclusive of GST) for the first \$500,000 assets under our management.
- We may receive an ongoing payment from the Financial Product issuer. Details of the minimum and maximum payments we may receive from an individual Financial Product Issuer are contained in the relevant *Product Disclosure Statement* available from your adviser.
- Brokerage charges for securities dealing are on a sliding scale and are detailed in the Schedule of Fees attached.

Please note Strategem Investment Services Pty Ltd reserves the right to charge a higher rate than the standard rate posted on the website for critical time constraint engagements, which often involve out of hours work. We also charge higher rates for any work that we regard requires exceptionally high skill levels and/or concentrated research. Such fees will be disclosed in the Engagement Agreement and the Statement of Advice. 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 *Statement of Advice*. Our adviser will give you this *Statement of Advice*, before we proceed to act on your instructions.

Will anyone be paid for referring me to you?

It is the policy of Strategem Investment Services Pty Ltd not to pay or receive referral fees/payments.

However, if, as an exception to this policy, where you have been referred to us by someone else, and we pay them a fee or commission in relation to that referral, we will tell you in the *Statement of Advice* who will receive that fee or commission and the amount they will receive.

What should I do if I have a complaint?

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 20 days, please contact our Complaints Officer on 03 5445 4777 or put your complaint in writing and send it to him/her at Strategem Investment Services Pty Ltd's address, noted at the beginning of this FSG. We will try and resolve your complaint quickly and fairly.
3. Strategem Investment Services Pty Ltd. is a member of the Financial Ombudsman Service Limited. If the complaint can't be resolved to your satisfaction you have the right to refer the matter to the Financial Ombudsman Service Limited who can be contacted on 1300 78 08 08 or (03) 9613 6399.
4. As a member of the Bendigo Stock Exchange you also have the right to register your complaint with them. The Bendigo Stock Exchange can be contacted at:
PO Box 283, Newcastle NSW 2300 or
Phone: (02) 4929 6377

If you have any further questions about the range of financial services that Strategem Investment Services Pty Ltd can provide please contact us on 03 5445 4777. Retain this document for your reference and any future dealings with Strategem Investment Services Pty Ltd.

1. GENERAL PRIVACY STATEMENT

Strategem Financial Group abides by the National Privacy Principles established under the Privacy Amendment (Private Sector) Act, 2001.

2. PURPOSE AND USE OF YOUR PERSONAL INFORMATION.

As a tax & accounting and financial planning organisation we are subject to certain legislative and regulatory requirements which necessitate us obtaining and holding detailed information which personally identifies you and/or contains information or an opinion about you ("personal information"). In addition, our ability to provide you with a comprehensive taxation, general accounting or financial planning and advice service is dependent on us obtaining certain personal information about you, including:

- (a) employment details and employment history;
- (b) details of your financial needs and objectives;
- (c) details of your current financial circumstances, including your assets and liabilities (both actual and potential), income, expenditure, insurance cover and superannuation;
- (d) details of your investment preferences and aversion or tolerance to risk; and
- (e) information about your employment history, employment circumstances, family commitments and social security eligibility;

3. THE CONSEQUENCES OF NOT PROVIDING THE REQUESTED PERSONAL INFORMATION.

Failure to provide the personal information referred to above may expose you to higher risks in respect of the recommendations made to you and may affect the adequacy or appropriateness of advice we give to you .

As we are required pursuant to the Corporations Act and Rules of Professional Conduct of the Financial Planning Association of Australia to collect sufficient information to ensure appropriate advice can be given in respect of recommendations made to our clients, if you elect not to provide us with the personal information referred to above, we may elect to terminate our retainer with you if we believe we are unable to provide you with a complete service.

4. INFORMATION COLLECTION POLICIES.

We will not collect any personal information about you except when you have knowingly provided that information to us or authorised a third party to provide that information to us.

Generally collection of your personal information will be effected in either face to face interviews, over the telephone or by way of a client engagement form. From time to time additional and/or updated personal information may be collected through one or more of those methods.

We will only collect, maintain and use Personal Information about you if it is necessary for us to adequately provide to you the services you have requested including:

- (a) preparation of taxation returns, accounting and other financial statements

- (b) the preparation of your financial plan;
- (c) the provision of financial planning advice to you;
- (d) making securities & investment recommendations;
- (e) reviewing your financial plan;
- (f) reviewing securities & investment recommendations;

5. INFORMATION USE AND DISCLOSURE POLICIES.

We will not use or disclose Personal Information collected by us for any purpose other than:

- (a) the purposes for which it was provided or secondary related purposes in circumstances where you would reasonably expect such use or disclosure; or
- (b) where you have consented to such disclosure; or
- (c) where the National Privacy Principles authorise use or disclosure where required or authorised under law, in circumstances relating to public health and safety and in connection with certain operations by or on behalf of an enforcement body.

We are required under the ITAA, the Rules of Professional Conduct of the Financial Planning Association of Australia to make certain information available for inspection by the Association on request to ensure ongoing compliance with mandatory professional standards. This may involve the disclosure of your personal information. We are also obliged pursuant to the Corporations Act to maintain certain transaction records and make those records available for inspection by the Australian Securities and Investments Commission.

We may use the personal information collected from you for the purpose of providing you with direct marketing material such as articles that may be of interest to you, however you may, by contacting us by any of the methods detailed below, request not to receive such information and we will give effect to that request. Please allow two weeks for your request to be actioned.

We may disclose your Personal Information to superannuation fund trustees, insurance providers, and product issuers for the purpose of giving effect to your financial plan, administration of your taxation and accounting affairs and the recommendations made by us.

In order to ensure that you receive a personal and tailored service, your Personal Information may be transferred to one of our authorised representatives who will be your primary point of contact with the organisation. It is a condition of our agreement with each of our representatives that they adopt and adhere to this privacy policy. You can be assured that your information will be maintained by any representative in accordance with this policy. If you have any concerns in this regard, you should contact us by any of the methods detailed below.

We may disclose your personal information to external contractors for the following purposes:

- (a) obtaining finance
- (b) effecting transactions on your behalf on your instructions

It is a condition of our agreement with each of our external contractors that they adopt and adhere to this privacy policy. You can be assured that your information will be maintained by any contractor to whom it is disclosed in accordance with this policy. If you have any concerns in this regard, you should contact us by any of the methods detailed below.

6. DOCUMENT STORAGE AND SECURITY POLICIES AND PRACTICES.

Your personal information is generally held in your client file. Information may also be held in a computer database.

We will at all times seek to ensure that the personal information collected and held by us is protected from misuse, loss, unauthorised access, modification or disclosure. At all times your personal information is treated as confidential and any sensitive information is treated as highly confidential. All computer based information is protected through the use of access passwords on each computer. Data is backed up each evening and stored securely off site.

In the event you cease to be a client of this organisation, any personal information which we hold about you will be maintained in a secure off site storage facility for a period of seven years in order to comply with legislative and professional requirements, following which time the information will be destroyed.

7. HOW YOU MAY GAIN ACCESS TO YOUR PERSONAL INFORMATION.

You may at any time, by contacting us by any of the methods detailed below, request access to your personal information and we will (subject to the following exceptions) provide you with access to that information either by providing you with copies of the information requested, allowing you to inspect the information requested or providing you with an accurate summary of the information held. We will, prior to providing access in accordance with this policy, require you to provide evidence of your identity.

We will not provide you access to personal information which would reveal any confidential formulae or the detail of any in house evaluative decision making process, but may instead provide you with the result of the formulae or process or an explanation of that result.

We will not provide you with access to your personal information if:

- (a) providing access would pose a serious threat to the life or health of a person;
- (b) providing access would have an unreasonable impact on the privacy of others;
- (c) the request for access is frivolous or vexatious;
- (d) the information related to existing or anticipated legal proceedings between us and would not be discoverable in those proceedings;

- (e) providing access would reveal our intentions in relation to negotiations with you in such a way as to prejudice those negotiations;
- (f) providing access would be unlawful;
- (g) denying access is required or authorised by or under law;
- (h) providing access would be likely to prejudice certain operations by or on behalf of an enforcement body or an enforcement body requests that access not be provided on the grounds of national security.

In the event we refuse you access to your personal information, we will provide you with an explanation for that refusal.

8. ACCESS AND CORRECTION POLICIES AND PROCEDURES.

We will endeavour to ensure that, at all times, the personal information about you which we hold is up to date and accurate. In the event that you become aware, or believe, that any Personal Information which we hold about you is inaccurate, incomplete or outdated, you may contact us by any of the methods detailed below and provide to us evidence of the inaccuracy or incompleteness or outdatedness and we will, if we agree that the information requires correcting, take all reasonable steps to correct the information.

If we do not agree that your personal information requires correcting, we must, if you request, take reasonable steps to ensure that whenever your personal information is accessed or handled in the future, it is apparent that you are not satisfied as to the accuracy or completeness of that information.

We will endeavour to respond to any request for access within 14-30 days depending on the complexity of the information and/or the request. If your request is urgent please indicate this clearly.

9. HOW A PRIVACY COMPLAINT MAY BE MADE.

If you wish to complain about any breach or potential breach of this privacy policy or the National Privacy Principles, you should contact us by any of the methods detailed below and request that your complaint be directed to the Privacy Officer. Your complaint will be considered within 7 days and responded to. It is our intention to use our best endeavours to resolve any complaint to your satisfaction, however, if you are unhappy with our response, you are entitled to contact the Office of the Privacy Commissioner on Ph: 1300 363 992 who may investigate your complaint further.

Contact Details

Privacy Officer: Garry Chambers
Address: 35 Mundy Street Bendigo
Telephone: 03 5445 4777
Facsimile: 03 5441 5264
e-mail: garry.chambers@strategem.com.au

SERVICE	BASIS OF FEES									
<p>Fee based services</p> <ul style="list-style-type: none"> • provision of advice • on-going review and reporting 	<ul style="list-style-type: none"> • Hourly rate as follows: <table border="0" style="margin-left: 20px;"> <tr> <td>Senior Financial Planner</td> <td style="text-align: right;">\$240.00 per hour</td> </tr> <tr> <td>Financial Planner</td> <td style="text-align: right;">\$210.00 per hour</td> </tr> <tr> <td>Para-planner</td> <td style="text-align: right;">\$147.00 per hour</td> </tr> <tr> <td>Support staff</td> <td style="text-align: right;">\$105.00 per hour</td> </tr> </table> • GST @ 10% is payable on fees • Where possible all initial entry commissions are rebated to client • Service/trail commissions are retained 		Senior Financial Planner	\$240.00 per hour	Financial Planner	\$210.00 per hour	Para-planner	\$147.00 per hour	Support staff	\$105.00 per hour
Senior Financial Planner	\$240.00 per hour									
Financial Planner	\$210.00 per hour									
Para-planner	\$147.00 per hour									
Support staff	\$105.00 per hour									
<p>Ongoing Review Services</p>	<p>We offer a number of portfolio management and regular review services tailored to your individual needs.</p> <p>The fees for these services will vary and will be set out in a Terms of Engagement which is mutually agreed to prior to commencement of the service.</p>									
<p>Securities Dealing</p>										
<p>Value of order</p>	<p>ASX Trades (CHESS sponsored)</p>	<p>ASX Trades (Issuer Sponsored*) and BSX Trades</p>								
<p>\$1 - \$5,000</p>	<p>\$75.00</p>	<p>\$100.00</p>								
<p>\$5001 - \$10,000</p>	<p>\$75.00 plus 1.5% for the amount in excess of \$5,000</p>	<p>\$100.00 plus 1.5% for the amount in excess of \$5,000</p>								
<p>\$10,001 - \$25,000</p>	<p>\$150.00 plus 1.0% for amounts in excess of \$10,000</p>	<p>\$175.00 plus 1.0% for amounts in excess of \$10,000</p>								
<p>\$25,000 plus</p>	<p>negotiable</p>	<p>negotiable</p>								
<p>For Strategem Asset Management Service ("SAMS") clients we will deliver share dealing costs approximate to the web-based E*Trade retail rates currently \$32.95 (including GST) per trade up to a value of \$25,000.</p> <p>*For clients with no established account and/or wishing to trade on the ASX as Issuer sponsored a \$15.00 handling fee per transaction will apply.</p> <p>Should more than one contract note be issued on a single order, an additional \$30.00 fee will apply per additional contract note.</p> <p>GST @ 10% is payable on all brokerage</p>										

Effective 1 July 2009