



Barnett Lilley & Associates Pty Ltd
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FINANCIAL SERVICES GUIDE

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

This Financial Services Guide (FSG) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. The matters covered by the FSG include, who we are, how we can be contacted, what services we are authorised to provide, how we (and any other relevant parties) are remunerated, details of any potential conflicts of interest, and details of our internal and external dispute resolution procedures and how you can access them.

It is intended that this FSG should assist you in determining whether to use any of the services described below.

You should also be aware that you are entitled to receive a Statement of Advice whenever we provide you with any advice which takes into account your objectives, financial situation and needs. The Statement of Advice will contain the advice, the basis on which it is given and information about fees, commissions and associations which may have influenced the provision of the advice.

In the event we make a recommendation to acquire a particular financial product (other than securities) or offer to issue or arrange the issue of a financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

Key information is set out in answer to the following questions



1. Before you get our advice

Your questions

Our answers

Who is my adviser? Your adviser will be Stephen Barnett who is Director and Representative of Barnett Lilley & Associates Pty Ltd.

Stephen has worked as a financial consultant since May of 1996 after some 13 years in superannuation administration and policy with the Australian Public Service- (APS). During his APS career Stephen occupied senior positions with ComSuper, the Insurance and Superannuation Commission and the superannuation policy section of the Australian Taxation Office. Stephen also worked for the Queensland Public Service, during which time he was head of administration of Qsuper, State Super and Go Super.

Since leaving the APS he continues to work as a consultant to Government Departments and Agencies on the issue of superannuation and taxation.

His practical and technical experience provides him with a complete knowledge of the intricacies applicable to the specifics of the APS superannuation arrangement as well as the broader retirement and taxation considerations of retirement incomes policy.

In addition to holding the degree of *Bachelor of Commerce (Banking & Finance)* and the *Diploma of Financial Planning*, Stephen has completed his *Masters of Commerce* through the University of Western Sydney. Stephen has been listed as a Certified Financial Planner by the Financial Planning Association.

Who will be responsible for the advice given to me?

Stephen Barnett is a representative of Barnett Lilley & Associates Pty Ltd who is therefore responsible to you for any financial services your adviser provides. Barnett Lilley & Associates Pty Ltd is a financial consultancy firm, licenced to deal in securities by the Australian Securities and Investment Commission. (AFSL No 237915) The firm is also a principal member of the Financial Planning Association, an organisation that seeks to set industry standards for members in relation to education qualifications, professional conduct and ethics.

Barnett Lilley & Associates Pty Ltd is a member of the industry disputes resolution scheme – The Financial Ombudsman Service Limited.

What financial services are available to me?

There has been careful consideration of the type of services that BL&A will provide, and the most efficient way of providing these services. We believe that financial services can be categorised as essential and peripheral.

Essential services are those that we intend to provide directly to our clients. These services are those that we have specialist skills in, and are therefore able to add value when personally providing them to our clients.

These services include:

- Superannuation fund/benefit analysis (particularly government schemes);
- Remuneration strategies;
- Taxation strategies;
- Investment strategies; and
- Assessing strategic opportunities that may arise.

We only recommend an investment to you after considering its suitability for your individual investment objectives, financial situation and needs. Full financial plans are not undertaken and advice is limited to the services as listed above

Peripheral services are those that we believe can be done more effectively if they are *outsourced* to other specialists. Just as we have expertise in the specific areas outlined above, it makes sense to use the specialist skills of others in matters that we do not specialise in. These peripheral services include accounting, legal and estate matters, insurance and stockbroking.

Clients who have placed investments with BL&A will receive a regular newsletter which will cover issues of relevance. In addition to the newsletter, seminars will be conducted for clients from time to time when issues of importance arise.

How are fees calculated and paid:

BL&A operate on a fee for service basis, charging an hourly rate of \$250 for work performed. This is effective from 1 July 2003 and is inclusive of GST. In return for this we will rebate any *entry fee* commissions which are payable on any recommended product. This is considered a more equitable way of operation than accepting commissions that will ultimately be removed from the investor's funds. We are able to provide an accurate estimate of the time required for given types of work.

The BL&A approach to investments is simplified as much as possible by using investments such as master trusts. With this type of product the investment manager is effectively delegated the chore of monitoring and changing fund managers as required. Essentially this style of investment removes ourselves out of the equation as much as possible, making a review necessary only every 12-18 months, or upon a change in circumstances of the individual or investment product.

Most investments charge an ongoing management fee, which serves to pay for the expenses incurred by the fund manager in investing the money. The investments also pay a trail income to the adviser which we choose to accept. These commissions range between 0.22% to 0.66% of funds under management. In addition to the trailing income, our organisation will on occasion receive allowances in the area of marketing, training and business development from the investment managers you invest with. In this regard Barnett Lilley & Associates Pty Ltd has adopted the Investment & Financial Services Association (IFSA)/Financial Planning Association (FPA) Industry Code of Conduct on Alternative Remuneration in the Wealth Management Industry. As a FPA member, an 'Alternative Form of Remuneration Register' is available which outlines the alternative forms of remuneration which are paid and received from givers and receivers. Registers are maintained by Fund Managers, IDSP (platform) providers, Representatives and Licensees. Our registers are available for inspection on request and on our website.

Do you have Professional Indemnity Insurance?

Barnett Lilley & Associates Pty Ltd has professional indemnity Insurance cover of \$1,000,000 for any one claim and \$3,000,00 in the aggregate, with the availability of two reinstatements, to cover business risks for giving advice.

2. When you get our advice

Your questions

Our answers

Do I get detailed information about actual commissions and other benefits my adviser gets for making the recommendations

Yes. You have the right to know about details of commissions and other benefits your adviser receives for recommending investments. We will provide you with a Statement of Advice containing details of our fees and payments made to us by a Financial Product issuer/s when we make specific recommendations.

Will you give me advice which is suitable to my investment needs and financial situation

Yes. But 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.

You have the right not to divulge this information to us, if you do not wish to do so. In that case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

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 investment objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to examine your file, ask us and we will make the arrangements.

Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions. For example by telephone, fax or other means.

3. If you have any complaints

Your questions

Who can I complain to if I have a complaint about the financial service?

Our answers

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

1. Complete a 'Complaint Form' which is available on our web site and send it to Barnett Lilley & Associates Pty Ltd together with any relevant documents to PO Box 343 Hall ACT or email 'clients@blapl.com.au'. We will attempt to resolve the complaint as soon as possible and in line with our Dispute Resolution process. See further details of this process on our Web Site www.blapl.com.au. – Complaint Resolution Guide for Clients.
2. If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service on their toll free number 1300780808. Alternatively, you may prefer to write to the Financial Ombudsman Service:

Financial Ombudsman Service
GPO Box 3
Melbourne Vic 3001
Freecall - 1300 780 808
Fax. (03) 9613 6399
Email infor@fos.org.au
Website - www.fos.org.au

Please Note: The Financial Ombudsman Service is a free service and fully paid for by its members. We are a member of this scheme

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

The Financial Planning Association of Australia Limited is the professional body representing most of Australia's licensed financial planners and advisers. Their address is PO Box 109, Collins Street West, Melbourne VIC 8007 and their toll free number is 1800 337 301.

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Dated: 1 August 2008

PRIVACY POLICY

In accordance with legislative and privacy policy requirements, we are required to bring to your attention the following:

OUR COMMITMENT

BL&A abide by the National Privacy Principles established under the *Privacy Amendment (Private Sector) Act 2001*. In addition to the National Privacy Principles, BL&A has also elected to adhere to the Financial Planning Association Professional Code of Conduct. As a licensed securities dealer, BL&A also adhere to Corporations Law.

COLLECTION

As a 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. In addition, our ability to provide you with a comprehensive 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 & 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;
- (e) information about your employment history, employment circumstances, family commitments and social security eligibility, and in some circumstances, your general health; and
- (f) personal reference numbers including tax file numbers, bank account details, employee numbers, and investment reference numbers.

If you choose not to provide the personal information referred to above, you may be exposed to higher risks in respect of the recommendations made to you. You may also affect the adequacy or appropriateness of the advice we give you.

USE & DISCLOSURE

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.

We are required under the Rules of Professional Conduct of the Financial Planning Association of Australia Ltd 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 Investment Commission. From time to time we may also be required under other legislative and practice requirements to disclose your personal information, though we will not do this unless we see it as necessary.

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, request not to receive such information and we will give effect to that request. We will do this as soon as practicable.

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 and the recommendations made by us.

In the event that we propose to sell our business we may disclose your personal information to potential purchasers for the purpose of them conducting due diligence investigations. Any such disclosure will be made in confidence and it will be a condition of that disclosure that no personal information will be used or disclosed by them. In the event that a sale of our business is affected, we

may transfer your personal information to the purchaser of the business. As clients, you will be advised of any such transfer.

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

In the event that you cease to be a client of BL&A, any personal information which we hold about you will be maintained in a secure storage facility for a period of 7 years in order to comply with legislative and professional requirements. Following this time, the information will be destroyed.

ACCESS & CORRECTION

You may at any time, by contacting us, request access to your personal information and we will (subject to the following exceptions) provide you with access to that information. This will be done either by providing you with access to that information, 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 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 that we hold about you is inaccurate, incomplete or outdated, you may contact us and provide to us evidence to demonstrate this. We will, if we agree that the information requires correcting, take all reasonable steps to correct the 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.

COMPLAINTS RESOLUTION

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 who may investigate your complaint further.

CONTACT US

If you seek any further information from Barnett Lilley & Associates Pty Ltd about this Statement or our privacy policy generally, please contact our Privacy Officer at one of the reference points below:

Privacy Officer: Steve Walker
Address: PO Box 343, Hall ACT 2612
Telephone: 02 6225 8200
Facsimile: 02 6225 8222
Email: clients@blapl.com.au

ADDITIONAL PRIVACY INFORMATION

Further information on privacy in Australia may be obtained by visiting the web site of the Office of the Federal Privacy Commissioner at <http://www.privacy.gov.au/>.
