

Financial Services Guide (Ver. 3 November 2009, Issue 7)

This Financial Services Guide was prepared and issued with the authority of **Synchronised Business Services Pty Ltd**, ABN: 33 007 207 650 trading as **SYNCHRON** - Australian Financial Services Licence 243313 and Life Insurance Broker, Corporate Member of the Association of Financial Advisers.

We welcome you to Synchron. Our initial obligation at the start of the relationship is to fully inform you of your rights, entitlements and detail the services we provide. This Financial Services Guide is intended to inform you of certain basic matters relating to your relationship with our Authorised Representative and with us, prior to you being provided with any authorised financial service. Subjects referred to in this Financial Services Guide disclose who we are, contact details for ourselves and our Authorised Representative, how we and our Authorised Representatives are remunerated and the method by which we engage our professional advice process. It is intended that this document should assist you in determining whether to use any of the services described. It is our duty to provide you with this document at the first available opportunity.

Conflicts of Interest

Do we have any association or relationship with a Financial Product Provider?

Neither Synchron nor its directors hold any shares, loans or have any relationships or associations with any institutional product issuer that could be expected to influence the provision of financial services.

Getting Started

Who is your Adviser?

Your adviser is an employee of Wealth Enhancers and an Authorised Representative of Synchron. Further details about Wealth Enhancers' advisers are contained in the Adviser Profile section of this Financial Services Guide.

Who is responsible for the advice given to you?

Synchron is responsible for the financial services provided to you.

Before receiving Advice

Will we provide you with advice suitable to your needs and financial circumstances?

Yes. In order to provide quality advice you need to supply us with your individual objectives, financial situation and needs. You have the right not to divulge this information; if you do not wish to do so then we are required to warn you about the potential consequences of us not having your full personal information prior to providing advice. You should read the warnings carefully and ask our Authorised Representative about these consequences if you are not sure.

What should you know about the risks of the financial products or strategies we recommend to you?

Our Authorised Representative will explain to you any significant risks of financial products and strategies which are recommended to you.

What information do we maintain in your file and can you examine your file?

Our Authorised Representative will maintain a record of your personal profile, which includes details of your objectives, financial situation, needs, copies of recommendations made to you and any product acquired by you. Internal client data bases are maintained and portfolios are reviewed on a regular basis subject to the agreement between you and your adviser. If you wish to examine your file, we ask that you make a request in writing and allow up to fourteen (14) working days for the information to be forwarded. You may be charged a fee to cover the cost of verifying the application and locating, retrieving and copying any material requested. If the information sought is extensive, you will be advised of the likely cost in advance and can help to refine your request if required.

Provision of Advice

When will you receive a Statement of Advice?

You are required to receive a Statement of Advice whenever our Authorised Representative provides you with any advice which takes into account your objectives, financial situation and needs. This Statement of Advice will

contain the basis on which the advice is given, personal information, recommendations, and information about fees, remuneration and associations which may have influenced the provision of this advice. When our Authorised Representative makes a recommendation to acquire a particular financial product, you must also be provided with a Product Disclosure Statement from the issuing product provider which gives full details of the recommended product to assist in making an informed decision to acquire that product.

Can you tell us how you wish to instruct us to buy or sell your financial products?

Yes. You may specify how you would like to give us instructions, for example by telephone, fax, or other means or specify how the instructions are to be given.

How will you pay for the services provided?

Generally, a professional advice fee will be charged for the preparation of and the advice contained within your Wealth Enhancement Plan (Statement of Advice), a fee will also be charged for implementation of this advice and also for ongoing advice provided. In relation to the implementation of any investment recommendations, you will generally be charged a percentage based portfolio management fee and brokerage on any share trading. Our fees are based on the complexity and time taken to provide you with initial and ongoing advice and the complexity of portfolio management needs. All fees will be disclosed and agreed upon in your Statement of Advice. If you decide to purchase a life insurance product, unless stated to the contrary in your Statement of Advice, Synchron has elected to receive brokerage from the product providers and not invoice you directly for services provided. Depending on the product recommended and the decision made in relating to the spread of income, this brokerage ranges from 25%-130% of the first year premium and between 2.5% and 35% of the renewal premiums as each one is paid. Brokerage paid to Synchron is not an additional cost to you, but is spread by the issuer of the product as part of the cost of distribution. Our Authorised Representative may invoice you for insurance products discontinued within the first 13 months from the date of acceptance by the insurer, at an hourly rate with a minimum of two hours. This charge is to cover the administration costs outlined. Wealth Enhancers elects not to receive commissions on investment products, in the event that we did elect to receive a commission this would be disclosed to you in full in your Statement of Advice. Wealth Enhancers does not currently have any paid referral relationships in place, however if a referral fee was to be paid, detailed disclosure of amounts and percentages will appear in your Statement of Advice.

Our services for Managed Discretionary Accounts

We offer limited types of Managed Discretionary Account Services (MDA Services.) Through these services, 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. However, we do not (and we are not authorised to) open new accounts, withdraw funds or contribute funds to your investment.

What are the risks associated with using the MDA service?

By authorising us to make changes to your investments, you cannot claim we were not acting on your behalf if we acted within the authority given. Therefore, our acts bind you. It is important you understand what we are authorised to do and that you carefully read and understand the activities that you are authorising us to do on your behalf.

How can you instruct us to exercise rights relating to the financial products in your portfolio?

Generally, the financial products that 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. You can then instruct us how you wish us to proceed.

Do you have to enter into a contract for us to provide MDA services?

Yes. This MDA 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. We will agree and prepare the investment program for you based on your relevant personal circumstances, your financial objectives and your needs and review the program every 12 months.

Will the investment program in the MDA Contract comply with the law?

If this is relevant, then 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

- Warnings that the MDA Contract may not be suitable to you if you have provided us with limited or inaccurate information. It will also specify that the MDA Service may cease to be suitable for you if your relevant personal circumstances change.

Do we provide custodial or depository services for your portfolio?

We do not provide custodial or depository services. So you will either hold the investments in the portfolio, or the custodian nominated for that financial product.

Additional Benefits and Incentives

Synchron and our Authorised Representative may receive additional benefits from product providers we deal with. These will include sponsorship for the purpose of making available professional development to our Authorised Representatives, and may also include lunches, invitations to sporting events, theatre tickets, branded promotional items, and occasional gifts such as Christmas hampers and bottles of wine on special occasions etc. A register of any such payments or support received in value in excess of \$300.00 is maintained at Synchron's office and in the office of our Authorised Representative and may be viewed on request. Additional benefits are not permitted to be paid to our Authorised Representative if they are as a result of, or conditional on, the amount of business an Authorised Representative gives to a product provider. Outside of normal brokerage sharing arrangements, Synchron may be entitled to bonuses, incentives or expense rebates from product providers based on the total income generated from certain products. These amounts are paid out of the product providers own administration fees and do not increase the management fees you pay, or the Management Expense Ratio above what you would normally pay if these payments were not in place. Synchron has such arrangements with AXA, AVIVA, Colonial First State, ING and Tower Life. The exact amounts of brokerage, bonuses or other incentives receivable by our Authorised Representative in relation to the financial services provided to you will be included in your Statement of Advice.

Complaints

Who can you complain to if you have a complaint about the provision of the financial services to you?

Synchron is a member of the Financial Ombudsman Service (FOS).

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

1. Contact your Authorised Representative and tell them about your complaint.
2. If your complaint is not satisfactorily resolved within three working days, please contact the Complaints Manager at Synchron and then put your complaint in writing and send it to:- PO Box 438 North Melbourne, Victoria 3051.
3. Synchron will endeavour to resolve all complaints within 45 days of lodgement. Should there be special circumstances relating to the complaint, such that it is not reasonable for the complaint to be resolved in that time, Synchron will inform the complainant of the reasons for the delay. We may request an extension of time up to a total of 90 days.
4. If Synchron has not responded within 45 (or 90) days or you are not satisfied with the response, you can lodge a dispute with the Financial Ombudsman Service. You can do this by calling 1300 78 08 08 and speaking to a Case Officer about your dispute, or by downloading and completing the online dispute form from the website www.fos.org.au. This service is provided to you free of charge.

Can the Financial Ombudsman Service consider your investment, life insurance or superannuation dispute?

While the Ombudsman Services powers are set out in its Terms of Reference, as a general rule, the Financial Ombudsman Service can consider your dispute if the dollar value of your claim is within the Investments, Life Insurance & Superannuation division's jurisdictional limits of:

- \$280,000 for life insurance
- \$6,000 per month for income protection insurance (or more if the total payable is not more than \$250,000)
- \$150,000 for funds management, stockbroking, investment and financial advice

The above limits are correct at the time of printing and may be subject to change in the future. Please refer to www.fos.org.au for confirmation.

The Process

The Financial Ombudsman Service process comprises three stages, starting with facilitating more discussions and negotiations between the parties in an attempt to resolve your dispute, to conciliation to, if necessary, referral to a Panel or Adjudicator for a determination to be made. Any determination made by the Adjudicator or Panel is binding on Synchron if you accept it. However, it is not binding on you. Please Note: The Financial Ombudsman Service does not deal with disputes regarding decisions by trustees of regulated superannuation funds. This includes disputes

relating to payments of superannuation benefits by fund trustees, and superannuation fund performance. If your dispute is in relation to a regulated superannuation fund, the appropriate body for you to contact is the **Superannuation Complaints Tribunal** on 1300 780 808 or info@sct.gov.au

Please be aware the internal and external complaint mechanism of Synchron is:

- Free of charge to the complainant;
- Provided to all persons who have an interest in a life policy or investment;
- Capable of addressing all possible complaints against Synchron and/or its authorised representatives;
- Has well documented procedures including time guidelines for making a decision and will keep the complainant advised at all times.

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

Does Synchron have Professional Indemnity Insurance in place?

Yes, Synchron has Professional Indemnity Insurance covering itself and its Authorised Representatives for breaches of professional duty whilst conducting their professional services. Subject to the policy terms and conditions of cover, the policy extends to include cover for professional indemnity claims made against past employees and Authorised Representatives who no longer work for Synchron but who did at the time of the relevant conduct.

Statement of Synchron's Privacy Policy

Synchron is committed to ensuring the confidentiality and security of the information provided by you to us. We support and embrace the National Privacy Principles set out in the Privacy Amendment (Private Sector) Act 2000 and the protection afforded by this act for the security of private information held on ordinary Australians. A full copy of our Privacy Policy is available on our website www.synchron.net.au If you have any complaints about how we handle your private information, please contact one of the Principals of Synchron at the contact points shown below. We take your privacy seriously and will address your concerns through our complaints handling process. If you believe you do not receive a satisfactory resolution to your concern, you may contact the Office of the Federal Privacy Commissioner. The web site of the Office of the Federal Privacy Commissioner is www.privacy.gov.au

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About Synchron

Synchron commenced operations in 1989 as an insurance multi agency, and was registered as a Life Insurance Broker in September 1998. In January 2002 it also became a Licensed Dealer in Securities. On the 1st of March 2004 Synchron activated its Australian Financial Services Licence. Synchron has been involved with the distribution of financial services products for 20 years. The company is well respected in the Financial Services Industry and has a corporate philosophy to form associations with only the highest calibre of advisers. Synchron is a Corporate Member of the Association of Financial Advisers.