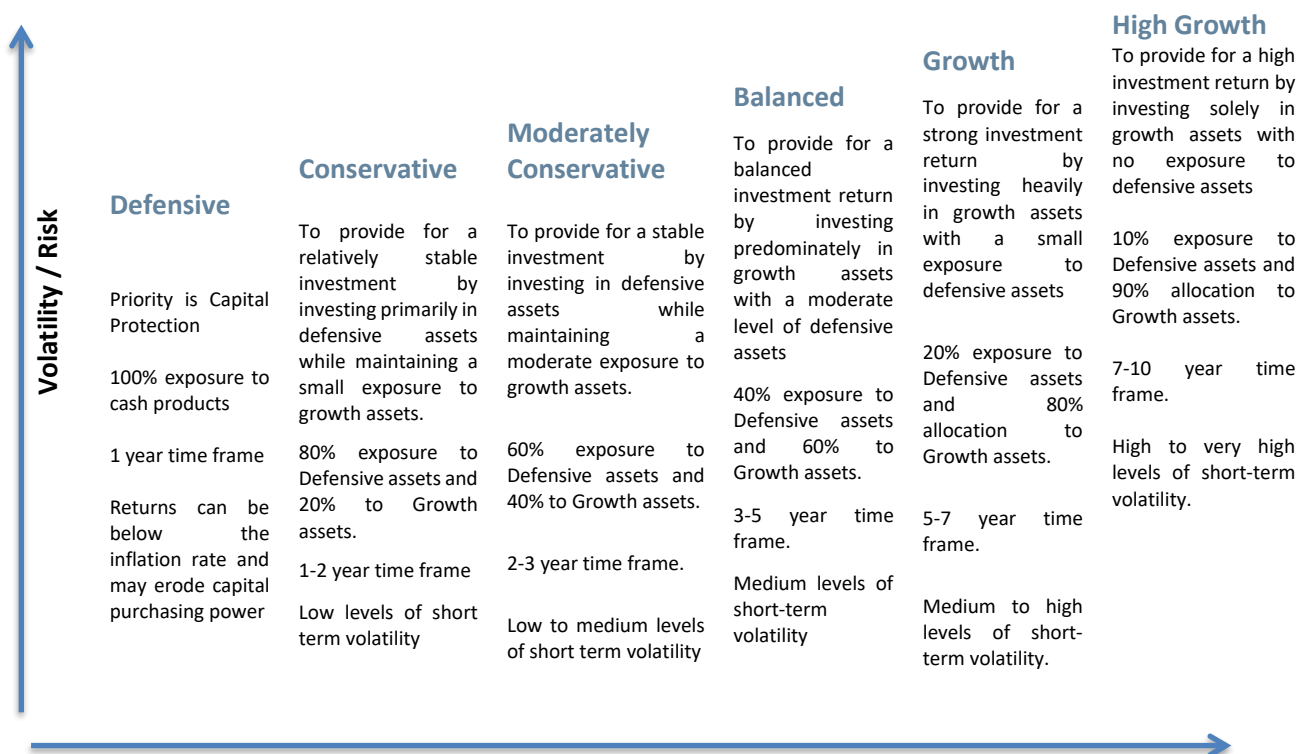


Your risk profile

Before making an investment decision, it is important that you are comfortable with, and understand the risks associated with investments. Your tolerance to risk, along with the level of return that you desire from your investments will have an important impact on how we invest your monies now and in the future.

Put simply, the relationship between risk and return is that where you take a low amount of risk in investing, you can also expect a low return. Conversely, investments that offer high returns will generally also be more 'risky' in the sense that they will be subject to greater volatility, particularly over the short-term.

During our discovery process we would have asked you complete a questionnaire or discussed with you using a discussion paper the concepts of risk and determined which of the following best suits your current stage of life.



Your risk tolerance will vary over time. Your stage of life, your experience with investing, and major life changes are all reasons to contact us about possible amendments to your risk profile. Please contact us immediately if you feel you have been invested into a profile which does not suit your current circumstances.

Risks and Implications

The risks and implications of each sector within your asset allocation are as follows:

- **Cash** earnings are at historically low rates and are subject to income tax. The value of cash holdings may not stay ahead of inflation when considering the effects of taxation.
- **Fixed interest** has traditionally been regarded as a defensive asset class however the changing nature of the asset class has introduced more volatility to returns. With some fixed interest investments, it is important to understand that there is the potential for capital loss depending on timing and underlying interest rate changes.
- **Australian Equities, International Equities** and **Property** are classed as growth assets and are therefore more likely to experience volatile investment returns than that of defensive assets such as Cash and Fixed Interest. Your returns are subject to market swings and as such we recommend very long term holdings of these assets to reduce this short term volatility. A time frame of over 10 years is preferred.

Note: Property can exhibit both growth and defensive characteristics. Returns from rental income are reducing, and volatility and currency risk increasing. The Listed Property Trust (LPT) sector now behaves more like the equities sectors, introducing more volatility in returns, particularly where there is large exposure to property development.

Warning

Changes in your personal situation, financial markets and legislation may also occur over time. As your financial adviser, we can work together to review your portfolio and personal circumstances to ensure that you stay on track to achieve your needs and objectives.

Privacy

In accordance with compliance regulations and the privacy laws, I wish to advise you that your personal details will be retained in a secure location in our office. If you wish to obtain a copy of your personal details, you can request a copy from me. Likewise, the Privacy Policy can be viewed upon request.