



EVANS & PARTNERS

Financial Services Guide

EVANS AND PARTNERS PTY LTD

ABN 85 125 338 785 AFSL 318075

Trading Participant of ASX

April 2012

www.evansandpartners.com.au



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1. Glossary of terms

ASX Clear

ASX Clear Pty Limited, ABN 48 001 314 503.

Adviser

your Evans and Partners financial adviser.

ASX

ASX Limited ABN 98 008 624 691 or the financial market operated by it, as the context requires.

Corporations Act

The Corporations Act 2001 (Cth).

Evans and Partners, EAP

Evans and Partners Pty Ltd, ABN 85 125 338 785;
AFSL No 318075.

Linear

Linear Asset Management Limited ABN 119 757 596
AFSL 305 542

MDA, Evans and Partners MDA

The Evans and Partners Managed Discretionary Account service.

PDS

Product Disclosure Statement.

Pershing

Pershing Securities Australia Pty Ltd ABN 60 136 184 962 AFSL
No. 338 264

We, us or our

Evans and Partners.

2. Purpose and content of this Financial Services Guide

This Financial Services Guide (**FSG**) is an important document. You should read it carefully and make sure you understand it.

This FSG:

- (a) is provided by Evans and Partners;
- (b) was prepared on and is dated April 2012 and is made up of a number of equally important sections. Each of those sections is listed in the table of contents above;
- (c) was prepared to inform you about:
 - (i) who we are;
 - (ii) the services we provide;
 - (iii) the remuneration that may be paid to us and other persons in relation to the financial services we provide;
 - (iv) the relationships and associations we have; and
 - (v) how complaints against us are dealt with.
- (d) is intended to assist you in deciding whether or not to use the services which we provide as described in this FSG; and
- (e) complies with ASIC Class Order 04/194 (Managed Discretionary Accounts, 11 March 2004).

Together with this FSG you will have received the FSG of Pershing (Pershing FSG).

Evans and Partners has arrangements with Pershing:

- (a) to execute ASX derivatives transactions; and
- (b) to clear and settle all ASX transactions.

You should read both this FSG and the Pershing FSG before deciding whether to use the services we provide.

3. Who is Evans and Partners?

Evans and Partners has been established as an Australian investment house that provides a broad range of investment, advisory and execution services to a diversified client base of private and institutional investors.

Evans and Partners is a Trading Participant of ASX and the holder of an Australian Financial Services Licence authorising it to provide the financial services described below in section 4.

Our contact details are as follows:

Evans and Partners Pty Ltd
ABN 85 125 338 785 AFSL No 318075
32 Jolimont Terrace
East Melbourne Victoria 3002
Phone: (03) 9631 9888
www.evansandpartners.com.au

4. The services and products we can provide

4.1 Financial product Advice

Our Australian Financial Services Licence authorises our representatives to provide advice in the following financial services and financial products:

- basic deposit products;
- non-basic deposit products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services and MDA services ;
- securities; and
- standard margin lending facilities
- superannuation, on behalf of both wholesale and retail clients.

4.2 Execution of trades

Our Australian Financial Services Licence authorises our representatives to deal (including arranging to deal) in the following financial services and financial products:

- basic deposit products;
- non-basic deposit products;
- foreign exchange contracts
- derivatives;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services and MDA services;
- securities;
- standard margin lending facilities; and
- superannuation, on behalf of both wholesale and retail clients.

We are also authorised to issue interests in MDA Services.

Evans and Partners is a Trading Participant of ASX and provides services in relation to the execution of transactions in financial products quoted on ASX.

Clients are able to effect transactions in ASX quoted financial products by communicating an order to Evans and Partners.

If your order relates to the purchase of a warrant or a partly paid security quoted on ASX, you will be required to enter into a warrant client agreement and/or partly paid securities client agreement with Evans and Partners before we are able to execute the transaction on ASX for you.

If your order relates to an ASX exchange traded option or other derivative, you will be required to enter into a derivatives client agreement with Pershing before we are able to arrange for Pershing to execute the transaction for you.

Before accepting an order from a retail client, we must disclose to clients how we handle and execute your orders as required under the ASIC Market Integrity (Competition in Exchange Markets) Rules, as amended from time to time. This disclosure is set out in our Best Execution Policy, a copy of which we will provide to you. We are also required to provide a copy of our Best Execution Policy to clients when requested, within a reasonable time of the request. If we make a material change to our Best Execution Policy we will also provide a summary of any such changes to clients who have already received our Best Execution Policy as soon as practicable after the change occurs.

4.3 Evans and Partners Full Service

Evans and Partners Full Service allows your Adviser to provide you with comprehensive performance and taxation information which will help to support our goal of maximising your post tax, post fee returns. The service includes an annual tax report that can be provided to your accountant. The annual tax report provides a summary of income and distributions received from your portfolio as well as a summary of realised and unrealised capital gains.

Evans and Partners Full Service also gives you access to a "Mailbox" service provided by Linear which will reduce the administrative burden of managing your accounts.

What do I get from the Full Service?

Investment Reporting

Your Adviser will formally review your portfolio periodically in consultation with you as part of our ongoing commitment to providing you with advice specific to your own investment objectives, timeframe, tolerance for risk and other requirements.

Your reports will also provide useful tax information including capital gains tax information, income reporting and portfolio performance reporting. Our reports are designed to help you and your tax Adviser efficiently manage capital gains tax events.

Investment Strategy Briefings

Clients subscribing to our Full Service will be given the opportunity to attend investment strategy briefings with our Head of Research and other analysts where appropriate.

Managed Funds

Our focus is on generating after tax and after fee returns for our clients. Consequently, we don't think it is appropriate to offer subscribers to this service reduced entry fees on expensive products. Rather, we will seek out a cost effective solution which generally won't involve upfront fees or significant trailing commissions. Where there is an upfront fee on a recommended product that we can waive, we will waive that fee for Full Service clients.

Website Reporting

Evans and Partners Full Service clients have access to enhanced web functionality and reporting on their accounts. The full service section provides:

- enhanced portfolio valuation
- access to capital gains tax information, including realised and unrealised reports
- income transactions
- cash transactions for Evans and Partners approved cash accounts

Mailbox service

We believe it is important that your cash and securities are held directly rather than via a custodian. This ensures that you are able to exercise direct control of your investments, if required, which may help reduce lengthy delays and unnecessary expense in transferring assets in the future.

With the 'Mailbox' service provided by Linear (Linear Mailbox Service), all mail will be collected on your behalf. Corporate actions will be actioned on your behalf in accordance with your instructions and lodged with the relevant share registries. Banking instructions for dividends will be provided to share registries as will Tax File Numbers.

Linear will receive and retain all correspondence relating to your Investments. Correspondence relating to shareholder benefit schemes, including discount cards will be forwarded to you, however, no annual reports and no voting rights through proxy forms will be offered.

4.4 Evans and Partners Managed

Discretionary Account service

This part of the FSG gives you information about the Evans and Partners Managed Discretionary Account service (Evans and Partners MDA) and is intended to assist you in deciding whether to invest through the service.

The Evans and Partners MDA service provides a disciplined and structured approach for private investors seeking a balanced exposure to the Australian equity market. Based on our Research Department's model portfolio, this service will be exclusive to Evans and Partners clients who:

- may not want to actively managed their own portfolios but entrust the buying and selling decisions to our Firm; or
- may wish to use the MDA as a core long term investment portfolio, allowing them and their Adviser to focus on more strategic investment and asset allocation decisions.

Should you be conflicted due to your employment, restricted in your capacity to make prompt investment decisions or simply time poor, this service may reduce the time needed to monitor your investments. The portfolio will be actively managed and includes comprehensive reporting and administration, thus removing the administrative burden associated with managing an investment portfolio.

The MDA service does not include custodial or depository services provided by Evans and Partners or any other entity. The investments within the MDA service are held in your name (or your chosen legal entity) providing both beneficial and direct ownership of your investments. Your investments are not pooled with those of other investors. You hold the title to CHESS Approved financial products in your MDA Portfolio under a sponsorship agreement with Pershing

Evans and Partners takes full responsibility to make and realise investments in the MDA Portfolio in the manner that Evans and Partners considers appropriate in accordance with the Investment Program. .

Evans and Partners MDA Service Terms

Before Evans and Partners can provide you with the MDA service, you must first enter into the Evans and Partners MDA Service Terms. The Evans and Partners MDA Service Terms include an 'Investment Program'. The Investment Program (together with a Statement of Advice provided to you by your Adviser which relates to investment in the Evans and Partners MDA) must comply with the requirements of Division 3 of Part 7.7 of the Corporations Act. The Investment Program will contain the following information:

- the nature and scope of the discretions that Evans and Partners is authorised and required to exercise under the MDA Service Terms;
- the investment strategy that is to be applied in exercising those discretions;
- any significant risks associated with the Evans and Partners MDA;
- the basis on which we consider the Evans and Partners MDA to be suitable for you; and
- warnings that the Evans and Partners MDA may not be suitable for you if you have provided us with limited or inaccurate information relating to your relevant personal circumstances and that the Evans and Partners MDA may cease to be suitable if your relevant personal circumstances change.

Evans and Partners is responsible for preparing and reviewing the Investment Program in accordance with the Evans and Partners MDA Service Terms.

Significant risks

There are risks associated with investing through the Evans and Partners MDA. These risks include:

- underlying investment risk – the value of the MDA Portfolio, investments within the MDA Portfolio and liabilities incurred in connection with the MDA Portfolio may increase or decrease; and
- investment decision risk – Evans and Partners makes the investment decision for you under the Evans and Partners MDA; these decisions could differ from the decisions that you might make yourself, and you might earn a different return or take on different risk were you to make these decisions yourself.

This part of the FSG does not disclose all aspects of risk associated with the Evans and Partners MDA. Further details will be provided in the Investment Program included with the Evans and Partners MDA Service Terms.

Arrangement for execution and settlement of transactions

As Evans and Partners is a Trading Participant of ASX, we are authorised (having regard to the Investment Program) to acquire, dispose of or otherwise deal in securities or other financial products on your behalf, or may arrange for another Participant of ASX to do so on your behalf.

5. Who is your Adviser?

Your Adviser is a representative of and acts on behalf of Evans and Partners.

Your Adviser has met the educational requirements and continuous professional development requirements to be a financial Adviser.

6. When we give advice will you receive a written record?

When we give retail clients personal advice, a Statement of Advice may be issued to record the basis and rationale for our advice.

If we issue a Statement of Advice it should reflect our understanding of your personal circumstances, your investment goals and our views on specific investment products. The Statement of Advice will also include disclosure of potential conflicts of interest we may have in dispensing our advice.

Where you maintain your advisory relationship with Evans and Partners, a Statement of Advice is generally not provided for further advice situations provided that your personal circumstances and the basis for our advice are not significantly different from the relevant personal circumstances and basis for our advice prevailing at the time of our earlier advice. In this case, if we don't provide a Statement of Advice, you may still request a record of further advice, where we have not already given you one. To request a record of further advice, contact your Evans and Partners Adviser (see contact details above). You have 7 years to request a record of further advice.

In general we must provide you with the Statement of Advice the first time we provide you with personal advice about each type of financial product or when there has been a significant change in your circumstances.

If you want us to provide personal advice to you, it is imperative you provide us with all relevant information regarding your financial situation, investment objectives and particular needs. Providing us this information will help us provide informed advice about financial products. We also encourage you to notify Evans and Partners of any relevant new information or material changes in your circumstances so we can assess the appropriateness (or otherwise) of your prevailing investment strategy.

You have the right not to divulge this personal information to your Evans and Partners Adviser, however, this will affect the ability of your Evans and Partners Adviser to make recommendations which are appropriate to your personal circumstances. If you receive advice based on incomplete or inaccurate information regarding your personal circumstances, you should consider the suitability of the advice before acting on it.

7. Product Disclosure Statements (PDS)

If we make an offer or recommendation to invest in certain products such as managed funds, exchange traded options or superannuation products and you are a retail client, we must provide you with a PDS. The PDS contains information about the particular product including the features, benefits, fees and risks associated with the product to enable you to make an

informed decision regarding the investment. In some instances a prospectus may be issued rather than a PDS.

8. Transaction Instructions

You may instruct us to transact on your behalf by telephone, email, letter, facsimile, subject to the terms of any agreement with you relating to the nature of your instructions.

Evans and Partners will provide execution services for transactions in financial products executed through ASX for our clients.

We have appointed Pershing to provide the following services to our clients:

- clearing services for transactions in securities and managed investment products executed through ASX for our clients;
- execution and clearing services for transactions in all derivatives (such as Exchange Traded Options) executed through ASX for our clients;
- settlement services for transactions executed by, or on behalf of, our clients;
- sponsorship services; and
- nominee and other custody services for our clients.

If you require the above services to be provided, you will also need to become a client of Pershing. Evans and Partners will arrange for the provision of the Pershing FSG and any other disclosures which contain further information about the services provided by Pershing to you and the terms and conditions on which those services are provided.

In arranging for Pershing to provide these services to you, Evans and Partners will act as your agent, not as the agent of Pershing (although it may act as agent of Pershing in some limited respects (such as the execution on behalf of Pershing of any agreement between you and Pershing).

9. Trust Accounts

Where we are required to hold funds for you in our trust account we will retain any interest paid.

10. Your privacy and personal information

We collect personal information from you to ensure we are able to give you advice that is appropriate to your needs and so that our services and the services of Pershing and Linear can be provided to you. For details of how we use and disclose your personal information and how you can access and update it, please refer to our Privacy Policy by visiting our website at www.evansandpartners.com.au or ask your Adviser for a copy.

It is a condition of using our services that you consent to us disclosing your personal information to Financial Services Protection Limited (FSPL) for the purposes of client due diligence, and also for the purpose of sharing information about you with other members of FSPL and also to our related bodies corporate, Pershing and Linear and their respective related bodies corporate and any agents or contractors engaged in connection with the provision of services to you.

11. How we handle complaints

We encourage you to refer any complaints to your Adviser in the first instance. If you are dissatisfied with the response from your Adviser then please write to:

Compliance Officer
Evans and Partners Pty Ltd
PO Box 560
East Melbourne VIC 3002

When we receive a written complaint from you:

- we will initially respond with a written acknowledgement that we have received your complaint; and
- then we will aim to respond to all matters raised by the complaint within 30 days.

If you are not satisfied with our response and wish to proceed further you may have the right to take your complaint to an independent complaints resolution body:

Financial Ombudsman Service
GPO Box 3
Melbourne Vic 8007
Telephone 1300 780 808
Facsimile (03) 9913 7345
Website www.fos.org.au
Email info@fos.org.au

You can also lodge your complaint with the Australian Securities and Investments Commission (ASIC) by calling 1300 300 630.

If your complaint relates to a service provided to you by Pershing, we ask that you seek to have your complaint dealt with in the manner set out in the Pershing FSG.

12. Compensation arrangements / Professional Indemnity Insurance

Evans and Partners has in place Professional Indemnity Insurance which Evans and Partners considers is adequate to meet the requirements of Section 912B of the Corporations Act (relating to Retail Client compensation arrangements) having regard to:

- the volume and types of business carried on by it, the number and types of its clients, the number of its representatives; and
- any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the FOS scheme.

The Professional Indemnity Insurance will cover claims in relation to the conduct of representatives/employees who no longer work for us but who were representatives/employees of Evans and Partners at the time of the relevant conduct.

13. In what capacity do we act?

In providing the services described in this FSG, Evans and Partners, Pershing are acting as principal, except in the following circumstances:

- when Evans and Partners executes a transaction (or arranges for a transaction to be executed) for a client, it acts as agent for the client.
- when Pershing executes a derivatives transaction for a client, it acts as agent for the client.
- when Pershing clears a transaction executed through ASX for a client, it acts as agent for the client, although it will owe the settlement obligations in respect of that transaction to ACH as principal; or
- when Linear arranges a dealing on the client's behalf it acts as the agent of the client.

14. Relationships and associations

Neither Evans and Partners, nor any of its related bodies corporate, nor any of its authorised representatives, have any ownership links with any financial product issuer that could be expected to influence us.

We may provide financial product advice and execution services in conjunction with external financial planners. These external financial planners may receive part of the fees we charge for our services. The amount they receive is negotiated with each respective financial planning organisation.

Fund managers or other financial organisations may pay us commission for referring investors to them. We will advise you of the fees we receive from these relationships if they are relevant to your situation.

We may also have relationships with corporate issuers of financial products. We will advise you of these relationships when providing financial product advice, if we are permitted by law to do so. This will allow you to assess whether you believe you are receiving appropriate advice which is impartial.

We do not act as an agent of Pershing other than in providing to you the Pershing FSG and other disclosures about the services provided by Pershing as described in this FSG. We do not act as a representative of Pershing.

15. Remuneration and other benefits

15.1 General

Our fees are set out in this part of this FSG. The fees quoted include GST (unless otherwise stated). We reserve the right to change these fees at any point in the future.

We recommend that you seek advice from a professional tax agent who can provide advice in relation to the tax deductibility of any fees that we charge.

If we provide you with a Statement of Advice in relation to personal advice, and our remuneration (including commission) and other benefits:

- (a) are calculable at the time the personal advice is given, the remuneration (including commission) and other benefits we receive on specific financial products to which the personal advice relates; or
- (b) are not calculable at that time, the manner in which that remuneration (including commission) and other benefits are to be calculated,

will be disclosed at the time the personal advice is given or as soon as practicable after that time.

Our services are provided to you on the terms and conditions that apply in relation to the provision of the relevant services.

15.2 How we are paid for our services

Generally, our remuneration takes the form of:

- brokerage which we charge investors when we buy or sell securities or other financial products for them;
- fees charged at a fixed rate for services provided;
- fees based on the value of an investor's funds under management; and/or
- initial and ongoing commission paid to us, by product and service providers, for referring investors to them.

15.3 How our Advisers are paid

Our financial Advisers are paid a salary and a variable component based on revenue. The variable component is determined by the level of fees received by Evans and Partners. As a general rule, our financial Advisers can receive between 0% and 60% of the fees Evans and Partners receives.

15.4 Traditional Service

Our Traditional Service provides clients with financial product advice that considers the client's objectives, financial situation and needs. For Traditional Service clients our standard brokerage rates for each purchase or sale of ASX quoted financial products is a tiered percentage of the purchase or sale price, subject to minimum of \$110. The traditional service is also subject to a \$2200 including GST annual retainer, however it is negotiable at the family group level. The tiered percentage brokerage rates are:

- 2.20% first \$50,000
- 1.50% next \$50,000
- 1.00% over \$100,000

15.5 Full Service

Our Full Service is charged on the basis of the fees below.

- an annual portfolio fee which is payable quarterly and calculated by references to the average daily value of your portfolio over the relevant quarter;
- a fixed annual fee to be paid in equal quarterly instalments;
- an exit fee if you elect to cease to be a Full Service Client within 12 months of becoming a Full Service Client. EAP will negotiate with you the applicable fees and rates at the time you elect to become a Full Service client.

These fees are automatically deducted from your cash account that relates to your Full Service.

For Full Service clients our standard brokerage rates for each purchase or sale of ASX quoted financial products is a flat 0.55% of the purchase or sale price, subject to a minimum of \$110.

15.6 General Advice Service

Our General Advice service provides advice that has not considered any of your personal circumstances. For General Advice clients our standard brokerage rates for each purchase or sale of ASX listed securities is a flat 1.10%, subject to minimum of \$110.

15.7 Off Market Share Transfer

A fee is applicable for each off market share transfer (for ASX quoted financial products).

15.8 Evans and Partners MDA service

Fees for the Evans and Partners MDA are based on a funds under management basis as outlined below;

Funds under Management	% Fee	\$ Fee Range
Up to \$1m	1.375%	\$13,200* - \$13,750
\$1m to \$5m	0.99%	\$13,750-\$53,350
\$5m+	0.715%	

Other Fees Applicable;

- Evans and Partners reserves the right to charge a cost recovery fee of \$550 including GST on additional capital contributions on amounts of less than \$250,000.
- Evans and Partners reserves the right to charge a cost recovery fee of \$550 including GST on withdrawals (partial or full).

*A minimum fee of \$13,200 including GST applies.

*No brokerage is charged on transactions.

16. Exchange Traded Options (ETOs)

The following fees and brokerage applies in respect of Traditional Service, Full Service and General Advice clients.

ASX Clear charges a contract registration fee of \$1.12 per ETO contract.

Our standard brokerage rate (inclusive of GST) for each purchase or sale ETO order is a minimum of \$110 or 1.10%.

17. Primary market issues of Securities

When we lodge applications for investments in new issues of securities or other financial product which result in the securities or other products being issued, we may receive fees from the issuer. These fees will be disclosed in the offer document, prospectus or PDS issued by the issuer.

18. Managed funds

If you invest in managed funds we may receive fees or commissions from particular issuers. These fees or commissions are different for each product and will be disclosed in the relevant PDS. They will also be disclosed to you if we have provided you with advice in relation to a particular managed fund.

19. Fixed Interest products

Fixed Interest products include bank bills, debentures, term deposits, bonds and listed hybrid securities. We may transact in these products as agent or as principal.

We may receive fees or commissions from particular issuers, which are different for each product and will be disclosed in the relevant product disclosure statement or prospectus. They will also be disclosed to you if we have provided you with advice in relation to a particular fixed interest product.

For listed hybrid securities we may receive brokerage on transactions in the secondary market.

20. International share costs

Our brokerage rates are the same if you transact in international shares. However, we may incur additional costs through third parties who provide custody, execution and clearing and settlement services to us in respect of your transactions which we may pass on to you. We will disclose any differences in the details of charges to you.

21. Margin Lending

If you establish a margin loan we may receive fees or commissions from particular lenders. These fees or commissions may vary by lender or by loan and will be disclosed to you by your Adviser.

22. Other financial products

There may be other products that we may receive fees or commission on from other parties. These will vary from each product and will be disclosed in the relevant product disclosure statement. We will also disclose them to you if we provide you with advice.

23. For further information

If you would like to know more about the services we provide or become an Evans and Partners client, please contact us.

P: (03) 9631 9888
F: (03) 8610 1608

Evans and Partners
32 Jolimont Terrace
East Melbourne VIC 3002

PO Box 560
East Melbourne Vic 8002

Privacy

The privacy of your personal information is important to us. If you would like a copy of our privacy policy please contact us on (03) 9659 2555.