

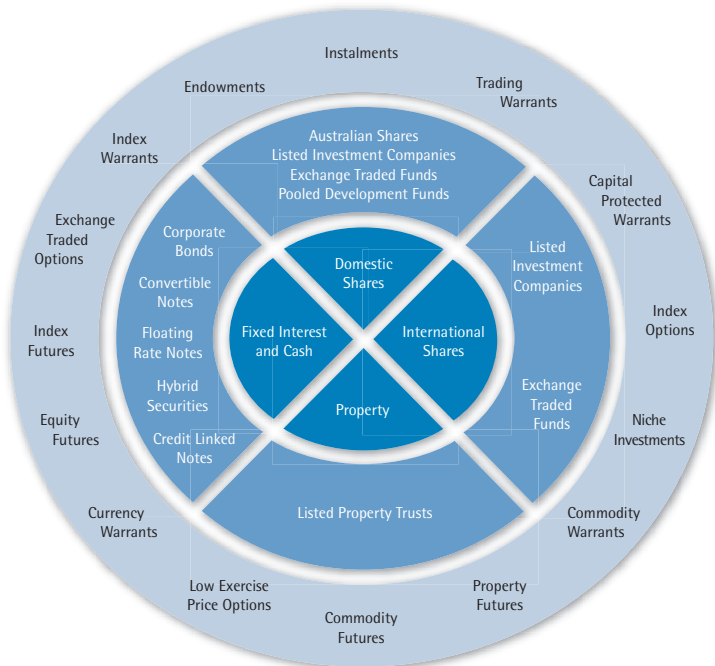
Financial Planning with Listed Investments

ASX listed investments and asset allocation

More and more financial advisers are discovering the benefits of incorporating listed investments in client portfolios. Listed investments consist of more than just domestic shares. They include various types of income funds and hybrids, listed managed investments and structured products. You can use these products to construct a more diversified investment portfolio, increase income streams, and more effectively manage investment risk.

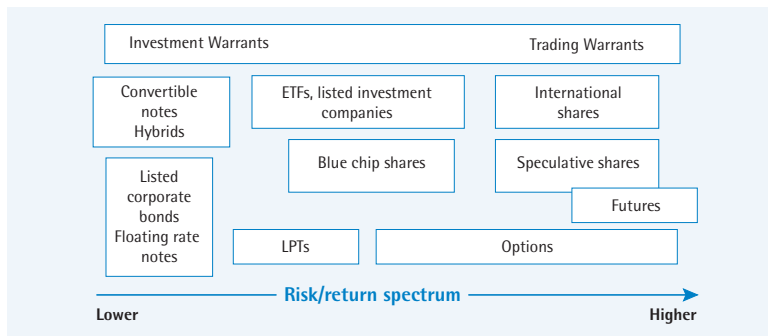
The diagram below provides a summary of the types of products listed on ASX, and shows how these

products can be utilised to gain exposure to the four main asset classes. For example, domestic share exposure can be gained through investment in Australian shares and listed investment companies. Fixed interest exposure can be gained through investment in hybrid securities or corporate bonds. The outer ring lists derivative and structured products that can be used to generate extra income, protect capital, or provide leveraged exposure. These products offer you great flexibility in tailoring a portfolio to meet specific client objectives.



About ASX listed investments

Listed investments enable you to tailor portfolios to meet specific client objectives, grow and protect your clients' wealth and minimise additional costs, such as management fees. Listed investments are not necessarily high risk or speculative. They cover a wide spectrum of risk and return profiles, allowing you to structure an investment portfolio that matches the risk tolerance of your client – from the most conservative of investors looking to preserve their wealth, to the aggressive investor willing to take on extra risk for potentially higher returns. The following diagram illustrates the risk and return profiles for many of the investments currently listed on ASX.



Key benefits of listed investments

Meet client needs

Incorporating ASX listed investments in client portfolios gives you the ability to meet specific client objectives. You can also use listed investments to manage the risk and return characteristics of client portfolios.

Transparency of fees

Typically the only cost involved in purchasing listed investments is brokerage. This fee is generally known at the time of purchase, and your broker will advise you of these costs. Managed investments listed on ASX and overseas markets typically have lower fees than unlisted funds.

Transparent market

Live market prices are readily available for ASX listed investments, enabling you and your clients to revalue portfolios at any time. The current bid and offer price on SEATS (ASX's trading system) for any listed investment is widely available. In contrast, applications to buy or sell units in many unlisted investments often must be made without knowing the exact purchase or redemption price.

Ability to control tax

When investing in listed products the decision to buy or sell, and the timing of that decision, is controlled by you or your client allowing you greater control over income and capital gains tax obligations.

Security and supervision

The integrity of the market is paramount to ASX. ASX has stringent listing rules which all listed investments must satisfy, while ASX's trading rules govern all on-market trading. In the case of fraudulent activities or insolvency of your stockbroker a claim may be made to the Securities Exchange Guarantee Corporation Limited's National Guarantee Fund.

ASX products at a glance

Features	Direct equities	Listed managed investments	Interest rate securities
Types of products	<ul style="list-style-type: none"> – Australian shares 	<ul style="list-style-type: none"> – Listed investment companies – Listed property trusts – Exchange traded funds – Absolute return funds – Pooled development funds – Infrastructure funds 	<ul style="list-style-type: none"> – Corporate bonds – Floating rate notes – Convertible notes – Hybrid securities – Credit linked notes
Features	<ul style="list-style-type: none"> – Equity ownership in company – Exposure across wide range of economic sectors – Liquid – Transparent market 	<ul style="list-style-type: none"> – Professionally managed – Exposure across wide range of asset classes – Liquid – Transparent market 	<ul style="list-style-type: none"> – Fixed or floating interest streams – Franked or unfranked dividend flows – Maturity and perpetuity – Debt and equity characteristics
Benefits	<ul style="list-style-type: none"> – No management fees – Taxation advantages – Transparency of costs – Ability to control taxation outcomes – Dividend income 	<ul style="list-style-type: none"> – Low management fees – Taxation advantages – Access to wide range of investments 	<ul style="list-style-type: none"> – No management fees – Taxation advantages – May offer capital protection – Reliable Income – Optionality (share exposure)
Risks	<ul style="list-style-type: none"> – General market risk – Company risk 	<ul style="list-style-type: none"> – General market risk – Manager risk – May have gearing risk 	<ul style="list-style-type: none"> – General market risk – Company risk – Interest rate risk
Investment strategies	<ul style="list-style-type: none"> – Growth – GARP (Growth at Reasonable Price) – Income – Ethical 	<ul style="list-style-type: none"> – Growth – Income – Absolute return – Niche investment exposure 	<ul style="list-style-type: none"> – Income – Capital protection – Fixed interest exposure – Floating interest exposure
Investor profile	<ul style="list-style-type: none"> – SMSF – Pre and post retirement – Accumulators – Traders 	<ul style="list-style-type: none"> – SMSF – Pre and post retirement – Accumulators 	<ul style="list-style-type: none"> – SMSF – Pre and post retirement
Client risk tolerance	<ul style="list-style-type: none"> – Conservative to high 	<ul style="list-style-type: none"> – Conservative to high 	<ul style="list-style-type: none"> – Conservative to moderate
Client experience	<ul style="list-style-type: none"> – Inexperienced to sophisticated 	<ul style="list-style-type: none"> – Inexperienced to sophisticated 	<ul style="list-style-type: none"> – Some experience to sophisticated
ASX market traded and access	<ul style="list-style-type: none"> – Equity market – Most brokers 	<ul style="list-style-type: none"> – Equity market – Most brokers 	<ul style="list-style-type: none"> – Equity market – Most brokers
More information	<ul style="list-style-type: none"> – www.asx.com.au 	<ul style="list-style-type: none"> – www.asx.com.au/LMI 	<ul style="list-style-type: none"> – www.asx.com.au/irm.htm

Warrants	Options	International shares	Futures
<ul style="list-style-type: none"> - Investment (instalments, capital protected, endowments) - Trading (put and call, currency, index, knock-out, basket) 	<ul style="list-style-type: none"> - Put and call - Index - LEPOs (Low exercise price options) 	<ul style="list-style-type: none"> - ASX World Link™ - Listed Investment companies - Exchange traded funds - American depository receipts - Dual listed companies 	<ul style="list-style-type: none"> - Equity index futures - Listed property trust futures - Commodity futures
<ul style="list-style-type: none"> - Issued by financial institutions - Structured financial products - Issued over wide range of assets - Leveraged product - Range of expiry dates and exercise prices available 	<ul style="list-style-type: none"> - Derivative (no ownership of underlying asset) - Standardised contracts - Ability to buy and sell option positions - Range of expiry dates and exercise prices available 	<ul style="list-style-type: none"> - ASX World Link provides direct equity ownership in overseas companies - Listed managed investments provide professionally managed exposure to international equities 	<ul style="list-style-type: none"> - Derivative (no ownership of underlying asset) - Physical or cash settled - Ability to buy and sell indices - 'Mini' contracts - Range of maturity dates available
<ul style="list-style-type: none"> - Leverage - Protect existing portfolio - Trade declining markets - Ability to enhance yield - Capital protection - Tax advantages 	<ul style="list-style-type: none"> - Leverage - Protect existing portfolio - Trade declining markets - Short and long positions - Ability to enhance yield - Ability to minimise risk 	<ul style="list-style-type: none"> - Low management fees - Access to global brands - Currency exposure - Hedged and Unhedged products 	<ul style="list-style-type: none"> - Leverage - Protect existing portfolio - Trade declining markets - Short and long positions - Ability to minimise risk
<ul style="list-style-type: none"> - General market risk - Company risk - Issuer credit risk - Leverage risk 	<ul style="list-style-type: none"> - General market risk - Company risk - Leverage risk 	<ul style="list-style-type: none"> - General market risk - Company risk - Currency risk - Liquidity risk 	<ul style="list-style-type: none"> - General market risk - Leverage risk
<ul style="list-style-type: none"> - Hedging - Leverage - Income - Capital protection - Speculation 	<ul style="list-style-type: none"> - Hedging - Leverage - Income - Capital protection - Speculation 	<ul style="list-style-type: none"> - Growth - Value - Access to industries not represented in Australia 	<ul style="list-style-type: none"> - Hedging - Leverage - Capital protection - Speculation
<ul style="list-style-type: none"> - SMSF - Pre and post retirement - Accumulators - Traders 	<ul style="list-style-type: none"> - SMSF - Pre and post retirement - Accumulators - Traders 	<ul style="list-style-type: none"> - SMSF - Pre and post retirement - Accumulators - Traders 	<ul style="list-style-type: none"> - Traders - Producers - Importer/exporters
<ul style="list-style-type: none"> - Conservative to high 	<ul style="list-style-type: none"> - Conservative to high 	<ul style="list-style-type: none"> - Moderate to high 	<ul style="list-style-type: none"> - High
<ul style="list-style-type: none"> - Some experience to sophisticated 	<ul style="list-style-type: none"> - Experienced to sophisticated 	<ul style="list-style-type: none"> - Some experience to sophisticated 	<ul style="list-style-type: none"> - Sophisticated
<ul style="list-style-type: none"> - Equity market - Most brokers 	<ul style="list-style-type: none"> - Exchange traded options market - Options brokers 	<ul style="list-style-type: none"> - International markets - ASX World Link brokers 	<ul style="list-style-type: none"> - ASX futures market - ASX futures brokers
<ul style="list-style-type: none"> - www.asx.com.au/warrants 	<ul style="list-style-type: none"> - www.asx.com.au/options 	<ul style="list-style-type: none"> - www.asx.com.au/investoverseas 	<ul style="list-style-type: none"> - www.asx.com.au/futures

ASX services for financial advisers and clients

Services for you

ASX education and resources can help you develop the knowledge and skills to use listed investments efficiently and effectively in client portfolios. The ASX Listed Product Accreditation Course (LPAC) may also help you meet compliance requirements for using ASX listed investments.

ASX Listed Product Accreditation Course (LPAC)

Endorsed by the Financial Planning Association of Australia, LPAC is PS146 accredited for specialist knowledge in securities, derivatives and managed investments. The course offers 15 CPD points in a distance-learning format and provides you with the skills and knowledge to confidently advise on listed investments.

Continuing professional development

ASX offers a wide range of learning alternatives that award CPD hours. Classes are available face-to-face, on-line or via distance education.

ASX seminars

ASX can provide specialised face-to-face training for you and your dealer group on a broad range of topics including equities, interest rate securities, warrants, listed managed investments, overseas investing and options.

Adviser resources

The ASX Adviser Services website (www.asx.com.au/adviser) has a range of useful tools and resources to help you incorporate listed investments into your business. ASX's **broker referral service** lists a number of Australian brokers and the specialist services they offer for financial advisers. **Product fact sheets** explain each product, its risks and benefits, and provide case studies to illustrate how these products may be used in client portfolios. You will also find product disclosure information on the website which can easily be inserted into your client's **statement of advice**.

ASX services for your clients

ASX offers education and information to help your clients better understand listed investments.

Product information booklets

A comprehensive information booklet is available for each ASX listed investment. These booklets can be ordered from our customer service centre or downloaded from the ASX website. To order educational material for your clients visit the website at www.asx.com.au/adviser or call customer service on 1300 300 279.

Education classes

ASX offers a range of education classes for your clients. There are classes suitable for clients with very little knowledge and experience and also classes for more sophisticated clients. Classes are available face-to-face, on-line or via distance education.

ASX client presentations

ASX can provide a specialist to present to your clients on equities, interest rate securities, warrants, listed managed investments, overseas investing and options.

Using listed investments

The following testimonials illustrate how listed investments have helped these financial advisers increase client wealth and grow their financial planning business.

"What I particularly like about the listed market is the greater transparency of costs, performance and scope for planning over just using traditional managed investments. The listed market also offers more opportunity for taxation planning to suit the outcomes of investments of individual investors. There is a place for both investment types and advisers need to look into the risk profiles of clients to assess the suitability of listed securities in investment recommendations."

David Wysel of Forsyths in Armidale NSW

"I have been advising clients on ASX listed products for over 20 years. The ability to control capital gains tax implications and tailor portfolios to meet specific client objectives are major benefits of going direct."

Phil Clinton of Newell Palmer Securities

"My firm has attracted larger clients because we have been able to offer our clients listed investments as a part of the financial planning process. Higher net worth clients didn't see us as being just a flogger of managed funds."

Scott Mildren of Peppin Planners

"I use a range of listed securities including shares, hybrids and instalments to add value to my client portfolios."

Richard Heffernan of BMR Financial Group P/L

"I have been using ASX-listed products as a core component of my successful business for the last 7 years. My high net worth clients are typically seeking customised solutions that not only grow and protect their wealth, but also are tax efficient and minimise any additional costs, such as management expense ratios."

Malcolm Phillips of Berkley Group

Further information

To find out more about ASX services for financial advisers visit the website at www.asx.com.au/adviser, call customer service on 1300 300 279 or e-mail at adviserservices@asx.com.au.

To find out more about the ASX Listed Product Accreditation Course visit the website at www.asx.com.au/lpac

To order product information booklets visit the website at www.asx.com.au/adviser or call customer service on 1300 300 279.

Contact ASX Adviser Services by calling 02 9227 0622 or e-mail adviserservices@asx.com.au



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