

# Application to Become a Client

## Intrinsic Investment Management

*Intrinsically your choice*



**INTRINSIC**

INVESTMENT MANAGEMENT



## Disclaimer

This Application to become a client booklet is provided to assist you in any decision to use the investment services of Intrinsic Investment Management. It should not be construed as financial product advice. The information provided also assists us in finding out about the financial circumstances of the account to be managed as well information about the person who will be responsible for account.

The information you provide in this booklet will be used in any Statement of Advice and Investment Management Agreement we may provide you. You should not act upon any representations we make during the consultations with you before we finalise our Statement of Advice.

Investors should consider obtaining independent advice before making any financial decisions.

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Pty Ltd**  
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**Website [www.intrinsic.net.au](http://www.intrinsic.net.au)**



# Intrinsic Investment Management

## Who are we?

Intrinsic Investment Management Pty. Limited (ABN 26 095 183 814, AFS Licence Number 247127) is an independent and privately owned specialist manager of Australian equities and cash. Our Directors and senior staff all have extensive experience in the Australian equity market with major institutional funds managers and share brokers.

Further details about us can be found on our website [www.intrinsic.net.au](http://www.intrinsic.net.au).

## Our specialist portfolio management services

This application to become a client relates to our managed discretionary account (MDA) services in which we manage a portfolio of equities and cash tailored to your individual requirements.

Intrinsic Investment Management (Intrinsic, we, our, us) offers two MDA products. (MDA products are also known as separately managed accounts or individually managed accounts).

Our **Personal Investment Account** (PIA) is a facility in which we manage each client's portfolio on an individual basis. The size of such accounts is generally between \$150,000 and \$1 million. You can commence an account with a cash deposit or an existing portfolio of shares or a combination of cash and shares.

We also provide a **Private Investment Management** (PIM) service that is designed for people with more complex needs and is generally suited to clients with accounts of \$1 million or more. Like the personal managed investment account you can commence an account with a cash deposit or an existing portfolio of shares or a combination of cash and shares.

This application document can be completed either manually or electronically on our website [www.intrinsic.net.au](http://www.intrinsic.net.au).

Our minimum portfolio amount is \$150,000. However, in some circumstances we may open accounts with less than this amount. Please contact your financial adviser or us for details. The minimum portfolio amount can be made up of cash, shares or both.

If you have any questions about us or about this document you may contact us as follows:

- by telephone on (03)9975 7888 during normal business hours, or;
- by writing to:  
The Manager, Intrinsic Investment Management,  
PO Box 11, FLINDERS LANE, VICTORIA 8009 or;
- by email to [info@intrinsic.net.au](mailto:info@intrinsic.net.au)

This document explains how our MDA accounts operate and includes the forms that need to be completed for us to provide an investment management service.



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## SECTION 1 ABOUT OUR MANAGED ACCOUNTS

### 1.1 Who can apply?

Our investment management services are available to:

- individuals over the age of 18;
- self managed superannuation funds;
- companies;
- trusts;
- partnerships;
- deceased estates; and
- unincorporated bodies.

### 1.2 What if you have not yet established the entity to be managed?

If you have not yet established the entity that you are considering having us manage, (e.g. a self managed superannuation fund), then you can still complete this application. When completing Section 3, please use the name you think you might use for the entity.

### 1.3 How to become a client

Becoming a client is easy. There are only five steps involved.

**STEP 1** Complete this Application to Become a Client Booklet and sign at Section 3.19 and return to us Sections 3 and Section 4 or Section 5 as appropriate.

**STEP 2** We review the information supplied here and send you a Statement of Advice which includes a recommended investment program and an investment management agreement.

**STEP 3** If you agree to use our services, you sign the investment management agreement and return it to us.

**STEP 4** You appoint a custodian for the account to be managed by us (we can help you select one).

**STEP 5** You establish a cash management account dedicated to your account to be managed by us.

Section 2 guides you through these steps.

### 1.4 Getting started

If you agree to use our portfolio management service you need to transfer cash to your cash management account and securities (e.g. shares) to your custodian so that we can start managing your portfolio.

### 1.5 Appointing a custodian

**1.5.1** If you already have a custodian we will need to ensure that its administrative systems and services allow us to properly manage your portfolio. In some cases, it may be necessary to use a different custodian service for the portfolio to be managed by us.

**1.5.2** If you do not have a custodian we can organise you to use our preferred custodian. Alternatively, we can assist you in finding a suitable custodian.

In both cases, please complete Section 3.17.



## 1.6 Transferring securities

If you have an existing portfolio of shares to be managed by us, you will need to transfer them to your custodian. You will retain beneficial ownership of your securities. As such, there are no tax consequences of transferring your securities.

## 1.7 Your cash management account – making deposits

As part of the account opening process you will have to open a dedicated Cash Management Account (CMA). Not all CMAs are suitable to link with your Intrinsic account. We have a preferred provider with whom we have negotiated special privileges of our clients. Please contact your adviser or us before opening a CMA dedicated to your Intrinsic account. Alternatively, you can find details about our preferred provider on our web site.

You may also elect to make regular deposits to your CMA by means of a direct debit from your financial institution. This facility may assist you in achieving your financial goals. We will manage these regular deposits according to the agreed investment program. Provision is made in the Account Opening Form to nominate a regular deposit amount. You can choose the amount (subject to a minimum of \$500) and frequency of deposits and can cancel participation at any time.

## 1.8 Your cash management account – making withdrawals

You may elect to have regular amounts withdrawn from your CMA. There is provision in the account opening document to nominate the amount and frequency of payments. We need to know this information in order to ensure that sufficient funds are available. This may sometimes require us selling securities the proceeds from which will be placed into your CMA. (Selling securities may have taxation consequences for you).

If you need to make a withdrawal outside of the regular amount, we need to be notified at least 5 business days prior to withdrawal in order to ensure the smooth functioning of your account and to ensure sufficient funds are available.

## 1.9 Personal service

You will be allocated a portfolio manager who will be personally responsible for managing your portfolio. You are welcome to call your portfolio manager at any time to discuss your investment portfolio.

## 1.10 Monitoring and reporting on your portfolio

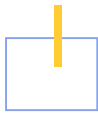
You will be able to have continuous electronic access to your account over the internet. This will provide you with up-to-date information about your holdings, income and transactions. There is no charge for this service. Alternatively, a written quarterly report is available. There is a small fee for this service. Further details will be set out in the Statement of Advice.

You will also receive an annual report containing a summary of the information contained in the quarterly reports and a copy of the annual review of the Investment Program.

A tax report will be produced around September each year in a form consistent with the current year's Tax Pack to assist you and your tax adviser to locate and record the correct information for your tax return. If required, quarterly or annual PAYG statements are also available free of charge.

## 1.11 Annual review

In accordance with our legal obligations, we will review your Investment Program every year to determine whether it continues to be suitable in light of your relevant circumstances.



## 1.12 Privacy policy

The Forms that you are required to complete contain personal information such as your name, address and financial situation. We use this information to establish your account and help us to manage your portfolio.

We will not pass on your personal information to any other body unless:

- the law requires us to do so;
- you have requested us to do so (eg. to your financial adviser, banker, accountant); or
- we need to disclose your personal information to agents that provide administration services to us.

If you consider that any information may be inaccurate, incomplete or out of date, please contact us so that we can amend our records.

If you would like a copy of our Privacy Policy, please visit our website [www.intrinsic.net.au](http://www.intrinsic.net.au) or contact us. To find out more about rights and remedies for breaches of privacy, you can visit the Privacy Commissioner's website at [www.privacy.gov.au](http://www.privacy.gov.au) or contact the Privacy Commissioner hotline on 1300 363 992.

## 1.13 Fees

Our management fees are negotiable depending on the size of the account, the extent of advice given and the complexity of the portfolio. Several options are available. Further details will be set out in the Statement of Advice.

## 1.14 Complaint resolution

Intrinsic has established procedures for dealing with complaints that are set out in the Financial Services Guide and the Investment Management Agreement.





## SECTION 2 HOW TO OPEN AN ACCOUNT

### 2.1 Documentation & Process

Please read this section prior to completing this application. It will help you complete the questions in this booklet. In order to become a client of Intrinsic, you will need to complete the following process:

#### 1. Complete and sign the Account Opening Form – Section 3

This form is divided into two parts.

Part A must be completed by all applicants. It provides us with details about the account to be managed.

**Section 3.2.1 must be completed by all applicants as this is the person responsible for managing the account. This is the person who has authority to act on your account in all matters on behalf of the account. Identification documents must be supplied for this person e.g. Drivers licence, Passport, Bank Statement, Utilities bills. See Section 2.5.**

Part B is concerned with the administration of your account. It can be completed later if you agree to use our portfolio management services. Of course, you are welcome to complete Part B now if you wish.

Please sign the acknowledgements contained in Section 3.19.

#### 2. Complete the Client Profile Form - Section 4 or “Create your own Portfolio” – Section 5

This is the section in which you provide details about your financial position and investment preferences. Based on the information provided in your Client Profile Form we will prepare a **Statement of Advice** and **Investment Program** for inclusion in the **Investment Management Agreement**. If you fail to complete a question, then where indicated, we will adopt the default response.

If you are a retail client (defined in Section 4.2), it is not compulsory to complete Section 4, although we consider it to be strongly advisable.

Alternatively, you can complete the **Create Your Own Portfolio Form – Section 5** if you already know what you want. This then becomes your Investment Program and is included in your Investment Management Agreement and we will implement it on your behalf.

This may suit clients who have already received appropriate professional advice; have conducted their own investigations as to the appropriateness of the selected investment program; are sufficiently experienced to make their own investment decisions without completing the client profile; and/or do not wish to complete the Part B of the Client Profile Form and wish to use our portfolio management services immediately.

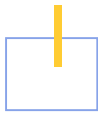
#### 3. Sign and return to us Section 3A and Section 4 or Section 5

#### 4. Receive our Statement of Advice, Investment Management Agreement and Investment Program

#### 5. Sign and return a copy of the Investment Management Agreement

If after considering our Statement of Advice, proposed Investment Program and Investment Management Agreement, you agree to use our portfolio management services then you will need to sign and return the Investment Management Agreement.

#### 6. If necessary complete and return relevant forms in Section 6



## 7. Appoint a custodian

In order for us to manage your account you will need to appoint a custodian.

Appointing a custodian offers clients tangible benefits including the separation of the investment management function from the custody, settlement and record keeping functions of your portfolio.

The custodian is responsible for the safe custody of your assets and provides the administration of your account. The custodian will receive dividends and trust distributions, settle transactions on your behalf, pay expenses (including our management fees) and maintain a record of your holdings.

We can arrange for you to appoint a suitable custodian. You will need to enter a separate agreement with the custodian. We can assist you in this simple process. Please complete Section 3.17.

Should you already have a custodian you must notified us in Section 3.17.

Intrinsic is responsible for the investment management of your assets according to your investment program and any advice we provide in relation to the same. We do not provide custody services thereby allowing us to focus on managing your portfolio and delivering personal service to you.

## 8. Transfer securities to custodian

With regard to existing shareholdings to be managed by us you will need to transfer these to the custodian for safe keeping. The custodian will provide the necessary transfer forms.

## 9. Establish a Cash Management Account

You will need to have a cash management account (CMA) linked to your Intrinsic account. It will need to be dedicated to investment activities managed by us. The CMA will be used to make deposits and withdrawals, to receive income and the proceeds of sales, to settle purchases and pay expenses in connection with your Intrinsic account. We can arrange for you to establish a suitable CMA account. If you already have an account open for this purpose please complete the details in Section 3.8.

## 10. Deposit funds into your Cash Management Account

While we have no minimum cash requirement, it is highly likely that your CMA provider will require a minimum cash amount be deposited before activating the account. However, our preferred CMA provider has no minimum amount.

After completing these steps we will process your application. You will then become a client and we will send you a welcome letter that confirms your account details and provides you with a personal account number so that you can access your account information online. We will then start to invest and manage your portfolio in accordance with the agreed Investment Program.

### Other information

Once the appropriate steps have been completed we can commence managing your portfolio.

#### More than one account

If you wish to establish more than one account for Intrinsic to manage, you will need to complete a separate Account Opening Form for each account.

#### Flexible billing options

Please note that you may arrange to combine multiple account invoices into one invoice (see Section 3.14 Billing Instructions).

#### Children and dependents

To directly own shares, a person must be 18 years of age or older. You may wish to open an account with us on behalf of your child, minor or dependent. To do so the account needs to be opened in the name of the parent or guardian with the account description in the name of the minor or dependent.



## 2.2 Instructions to applicants

1. When completing this application form manually, please:
  - Print using CAPITAL letters and with a black pen. Mark any selections with a cross “x”.
  - **All Applicants must complete Section 3.2.1. This is the person responsible for the account.**
  - Cross out and initial mistakes. Do not use liquid paper.
2. If you have any questions please ask your Portfolio Manager.
3. Applications must be in the name of a natural person(s), company or other legal entity. For natural persons include the surname and at least one given name.
4. We are required by Law to properly identify each applicant and thus, you are requested to provide a residential address. If you provide a residential address you can also provide a postal address as well.
5. Please observe the following guidelines when completing the account name in Section 3 (Account Opening Form). If you already have securities properly registered elsewhere, please use the same name.

Type of investor	Correct form of registration	Samples of incorrect form of registration
<b>Natural person</b> <ul style="list-style-type: none"> <li>Use given names in full.</li> <li>No initials</li> </ul>	Mr. John Eric Smith	J. E. Smith
<b>Joint holdings</b> <ul style="list-style-type: none"> <li>use full and complete names.</li> </ul>	Mr John Eric Smith Mrs Joanne Edith Smith	John Eric Smith & Joanne Edith Smith
<b>Company</b> <ul style="list-style-type: none"> <li>use the full title.</li> <li>No abbreviations</li> </ul>	XYZ Pty Ltd	XYZ P/L or XYZ Co
<b>Trusts</b> <ul style="list-style-type: none"> <li>use the trustee(s) personal / company name</li> <li>Do not use name of trust</li> </ul>	Mr John Eric Smith < Smith Family A/C >	John Smith family trust
<b>Deceased estates</b> <ul style="list-style-type: none"> <li>use the executor(s) personal name(s)</li> <li>Do not use name of deceased</li> </ul>	Mr John Eric Smith < Est Frank Smith A/C>	Estate of the late Frank Smith or Frank Smith deceased
<b>Minor</b> <ul style="list-style-type: none"> <li>use the name of the responsible adult</li> <li>Do not use name of minor</li> </ul>	Mr John Eric Smith < Peter John Smith A/C>	Master Peter Smith
<b>Superannuation funds</b> <ul style="list-style-type: none"> <li>use the name of the trustee of the fund</li> <li>Do not use name of fund</li> </ul>	XYZ Pty Ltd < XYZ Staff Superfund A/C>	XYZ Staff Superfund
<b>Partnerships</b> <ul style="list-style-type: none"> <li>use partners personal names</li> <li>Do not use name of partnership</li> </ul>	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith and Son < John Smith & Son A/C>
<b>Clubs/ Unincorporated Bodies/ Business Names</b> <ul style="list-style-type: none"> <li>Use office bearer(s) personal name(s)</li> </ul>	Mr John Eric Smith < XYZ Investment Club >	XYZ investment Club



## 2.3 Signing instructions

To become a client of Intrinsic Investment Management you must sign and date all the Account Opening Form at Section 3.19.

**For One signature is required for:**

- **Natural Persons;**
- **A Company that has a sole Director;**  
(Must be signed by the Director who is also the Company Secretary of the Company or where permitted by its Constitution)
- **Companies whose Constitution permits one signature** on documents such as this;  
(Must be either a Director or Company Secretary of the Company)
- **Superannuation Funds or Trusts with a sole Trustee or Director;**
- **Superannuation Funds or Trusts whose Constitution or governing rules permits one signature** on documents such as this;  
(Must be either a Director or Secretary of the Company)
- **Minors;**
- **Deceased Estates**  
(Where permitted by the rules governing the Estate)

**Two signatures are required for:**

- **Joint Holdings;**  
In the case of joint applications no more than two persons may apply.  
(Joint applicants will be registered as joint tenants and the survivor(s) only will be recognised as holding title to the interest of the deceased investor);
- **Partnerships;**
- **Companies;**  
(Two Directors of the company or a Director and Company Secretary of the company);
- **Clubs, unincorporated bodies and business names;**  
(Two office holders or authorised by the Constitution or governing rules permitted to sign documents such as this. Must include the Secretary);
- **Other Applicants.**

## 2.4 Proof of identification

We are required by law to verify the identity of our clients. Please attach a copy of the following documents:

- **All accounts:**  
Copy of Drivers Licence or passport for each person, director, trustee or executor named.  
We require the person named in Section 3.2.1 to provide identification.
- **Companies, trusts and superannuation funds:**  
Australian Business Number.
- **Deceased estates:**  
Certified copy of Probate.



## 2.5 Account opening checklist – Client Use

The following checklist has been provided for your convenience:

### RECEIVED INTRINSIC FINANCIAL SERVICES GUIDE (FSG)

#### APPLICATION TO BECOME A CLIENT

##### SECTION 3 ACCOUNT OPENING FORM

- COMPLETED PART A OF THE ACCOUNT OPENING FORM (Compulsory)
- COMPLETED PART A - SECTION 3.2.1 – The person primarily responsible for the account
- COMPLETED PART B OF THE ACCOUNT OPENING FORM (Can be completed later)
- SIGNED ACKNOWLEDGEMENT SECTION - Section 3.19 (Compulsory)

##### SECTION 4 CLIENT PROFILE FORM

- Completed Part A of the Client Profile Form
- Completed Part B of the Client Profile Form

OR

##### SECTION 5 CREATE YOUR OWN PORTFOLIO

- Completed Create Your Own Portfolio Form

#### FROM INTRINSIC INVESTMENT MANAGEMENT:

- RECEIVED INVESTMENT MANAGEMENT AGREEMENT
- RECEIVED STATEMENT OF ADVICE
- RECEIVED INVESTMENT PROGRAM
- RECEIVED WELCOME LETTER

#### YOU HAVE:

- AGREED TO USE INTRINSIC'S PORTFOLIO MANAGEMENT SERVICES
- SIGNED INVESTMENT MANAGEMENT AGREEMENT
- APPOINTED A CUSTODIAN
- TRANSFERRED SECURITIES TO CUSTODIAN ( if relevant)
- OPENED CASH MANAGEMENT ACCOUNT
- DEPOSITED CASH INTO THE CASH MANAGEMENT ACCOUNT
- PROVIDED THE REQUIRED IDENTIFICATION – A total of 70 points is required

**70 Points Each:** Birth Certificate, Drivers License, Passport, Citizenship certificate

**40 Points Each:** Reference from a Bank or other Client of Intrinsic (must be client for at least 1 year);

ID card from the Public Service; a Pension Concession Card; Seniors Card; Health Care Card; Student Card; Group Certificate; Mortgage Certificate in applicant's name.

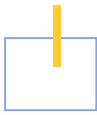
**25 Points Each:** credit card, debit card, Medicare card, telephone/gas/electricity account and council rates notice.











**3.5 Australian Business Number (ABN) (if applicable)**

If you have an Australian Business Number (ABN) please provide it here.

ABN   -    -    -

**3.6 Professional advisers (if applicable)**

**Accountant or Tax Adviser**

Telephone Business                   
Mobile                   
Facsimile

Email address

Postal address

**Financial Adviser (e.g. Financial Planner, Private Banker)**

Telephone Business                   
Mobile                   
Facsimile

Email address

Postal address

Financial Adviser Number:

**Adviser's Stamp**

**Legal or other Representative**

Telephone Business                   
Mobile                   
Facsimile

Email address

Postal address

**3.7 Type of Account and Anticipated Investment - Compulsory**

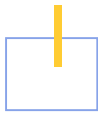
Please indicate if you are interested in our Personal Investment Account or Private Investment Management service.

Personal Investment Account  
(i.e. portfolio value: \$150,000 to \$1 million)

Private Investment Management  
(i.e. portfolio value: \$1 million plus)

**Anticipated investment with Intrinsic**

\$



**PART B Details about portfolio administration**

This Part B can be completed if you agree to use our portfolio management services. However, you are welcome to complete this Part B now. Compulsory questions are indicated.

**3.8 Linked cash management account - Compulsory**

If you would like us to assist you in opening a suitable cash management account please indicate it here.

Yes. Please contact me regarding setting-up a suitable cash management account

**OR**

Complete section 3.9 if you already have a cash management account that is suitable to be linked to your Intrinsic portfolio account.

**3.9 Existing cash management account (if applicable)**

This cash management account will be used to make deposits and withdrawals, to receive income and the proceeds of sales, to settle purchases and pay expenses in connection with your Intrinsic account. **This is the account dedicated to your investment activities with Intrinsic.**

Bank Name:

Address:

Account Name:

BSB Number:

Account Number:

This account has funds available or I / we will arrange for the deposit of:

Draw a cheque for:  
\$

Organise an electronic transfer for:  
\$

The cheque or electronic transfer should be made payable to the name of your account. Please do not make it payable to Intrinsic Investment Management.

**3.10 Regular deposits (if applicable)**

I wish to make regular deposits to my linked cash management account by direct debits.

Yes  
 No

If "yes", select frequency:

Monthly     Quarterly     Annually

Amount (minimum \$500)    \$

Commencing on:     /  /



### 3.11 Regular withdrawals (if applicable)

I wish to make regular withdrawals from my intrinsic portfolio.

- Yes
- No

If "yes", select frequency:

- Monthly
- Quarterly
- Annually

Amount (minimum \$500)      \$

Commencing on:        /   /

Payments will be made to your linked cash management account.

There may be times when your portfolio may not earn enough to match each payment and as a result payments may be made up of return of your original capital including capital invested in shares, reducing your investment. This more likely immediately after you make your investment.

### 3.12 Bank account for regular deposits and withdrawals (if applicable)

Complete this section if you have elected above to make regular deposits (Section 3.10) or regular withdrawals (Section 3.11). **This is the account to which your custodian will deposit your nominated withdrawal amount.** The amount will be paid from your linked cash management account. **For regular deposits, this is the account from which your nominated deposit will come from.** The amount will be deposited into your linked cash management account.

Bank Name:

Address:

Account Name:

BSB Number:

Account Number:

Your custodian will provide you with the necessary direct debit form to request that these cash movements be made.

### 3.13 Reporting - Compulsory

You can have free substantially continuous electronic access to your account information and quarterly reports over the internet, or receive written quarterly reports for which a small charge will apply. Please indicate your preference:

- Electronic access
- Written reports

Regardless of your selection, you will receive a free written annual report at the end of each financial year.

You can choose to provide electronic access for your financial adviser (in addition to yourself) or have us send your adviser the written reports instead of yourself.

- Please provide electronic access to my financial adviser
- Please send written reports to my financial adviser instead of me



**3.14 Billing instructions (if applicable)**

Our fees for managing this portfolio account will be billed to this account (and drawn from its linked cash management account). However, if you already have a portfolio account managed by us, you can instruct us to debit it for our fees for this portfolio account. The fees will be drawn from the cash management account linked to that portfolio account.

Please deduct your fees from the following Intrinsic portfolio account:

Name of Account:

Grid of 32 input boxes for Name of Account

Client ID (if known)

Grid of 16 input boxes for Client ID

**3.15 Deferred fee option (if applicable)**

Intrinsic offers clients a deferred fee option. This option allows clients to defer the payment of the first investment management fee until sufficient income has been generated in your account to pay all or part of the fee. There is no charge for using this option and it might suit clients who have predominantly provided an existing portfolio of shares to manage. Further details will be set out in the Statement of Advice.

I would like to discuss this option with my Portfolio Manager

**3.16 Help in establishing an investment entity (if applicable)**

If you have not yet established the entity that you are considering having us manage, (e.g. a self managed superannuation fund) we can assist you to do so. Please indicate below how we might help you.

For the purposes of investment management, please assist me in establishing a:

- Self Managed Superannuation Fund (DIY Super)
- I am also interested in obtaining Life insurance cover
- I am also interested in obtaining disability insurance
- Family Trust
- Company

**3.17 Find a custodian or details of existing custodian- Compulsory**

The custodian is directly responsible for the safe custody of your assets.

If you have not already appointed a custodian and require assistance in finding a suitable custodian please indicate below.

Please assist me in appointing a custodian for this account.

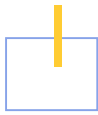
If you have already appointed a custodian, please provide the details below:

Custodian name

Account

Address

Your Client ID  HIN



**3.18 Financial adviser remuneration (if applicable)**

If you have agreed with your financial adviser to pay for services provided as a percentage of funds managed by us then please complete one or more of the following parts. There are a number of different ways of paying for adviser services.

**3.18.1 Initial payment to your adviser:**

If you have agreed to pay a contribution (or upfront) fee to a professional adviser in exchange for advisory or other services, please nominate the amount of fee to be deducted from the initial investment and paid to your adviser as upfront remuneration.

The following amount to be deducted from your initial investment:

Agreed upfront fee is:

As a percentage   .   %

**OR**

As a dollar amount \$

**3.18.2 Additional payments to your adviser for lump sums:**

If you have agreed to pay a contribution (or additional) fee to a professional adviser please nominate the amount of fee to be deducted from additional lump sum investments made.

The following amount to be deducted from your additional lump sum investments:

Agreed fee for additional lump sum investments is:

As a percentage  .   %

**OR**

As a dollar amount \$

**3.18.3 On-going payments to your adviser from regular investment payments**

If you have agreed to pay a contribution (or upfront) fee to a professional adviser from your regular investments (see Section 3.10) please nominate the amount of fee to be deducted from your regular investments.

The following amount to be deducted from your regular investment payments:

Agreed fee for regular investments is:

As a percentage  .   %

**OR**

As a dollar amount \$

**3.18.4 On-going payments to your adviser:**

If you have agreed to pay ongoing fees to a professional adviser in exchange for ongoing advisory or other services, please nominate the amount of fee to be deducted from investments made.

The following monthly amounts to be deducted from your investment if you so indicate.

The agreed on-going payment to your adviser is:

As a percentage  .   %

**OR**

As a dollar amount \$





## SECTION 4 CLIENT PROFILE FORM

### 4.1 Wholesale clients

Clients who come within the meaning of “wholesale client” in the Corporations Act do NOT need to complete this Section 4. You are welcome to complete this section or if you already know how you want your portfolio to be managed, you can move to Section 5, Create your own portfolio.

Under the Corporations Act a wholesale client is, in effect, either:

- an individual with net assets of at least \$2,500,000 or an annual gross income for the last two years of at least \$250,000 ;
- a business that is not a “small business” (i.e. has at least 20 employees or, in the case of a manufacturing business, at least 100 employees);
- a person acquiring a financial product for at least \$500,000; or
- a “professional investor” (i.e. a financial services licensee, a listed company and other entities defined by the Corporations Act) or a trustee of a superannuation fund with net assets of at least \$10,000,000.

If you consider that you are a wholesale client, under the Corporations Act, it is necessary for your accountant to complete a certificate as set out in Form 2 contained in Section 6.

### 4.2 Retail clients

Unless you come within one of the categories referred to in Section 4.1, you are regarded under the Corporations Act as a “retail client”.

As a retail client you can choose to complete the remainder of this Section, which seeks information that we will use to assist us in providing a Statement of Advice to you. You do not have to complete all parts of this section. However, the more you complete the greater the information we can use in our Statement of Advice to you. Alternatively, you can skip this section and complete Section 5 instead.

Section 5 allows you to select one or a combination of investment programmes you wish Intrinsic to implement on your behalf. This may suit clients who:

- have already received appropriate professional advice;
- have conducted their own investigations as to the appropriateness of the selected investment program;
- are sufficiently experienced to make their own investment decisions without completing the client profile; and/or
- do not wish to complete the Part B of the Client Profile Form and wish to use our portfolio management services immediately.

If you elect to complete Section 5, our Statement of Advice will reflect your choice of investment programme. It will be limited in the level of analysis it provides for your consideration.

In relation to **Joint Accounts**, each individual applicant should provide their share of the assets and liabilities in the columns provided in the Table in Section 4.7.

### 4.3 Why we need this information

We are obliged by law to have a reasonable basis for giving financial advice. To enable us to fulfil this requirement we ask that you provide us with the information set out below so that we can understand your investment objectives, financial situation and needs. If you would like any assistance in completing the information please contact your Portfolio Manager. There is provision for adding additional information that you feel is relevant to the advice we might give and to our management of your portfolio. You are free to refuse to provide all or some of the requested information. You are free to refuse to provide all or some of the requested information. However, if you do so, we are required by



law to warn you that our ability to give you appropriate personal advice will be limited. In those circumstances, you will need to assess the appropriateness of our recommendations relative to your needs before acting on them. Please tell us in the future if changing circumstances means that any of the information you have provided here needs to be amended.

## PART A Investment experience, horizon & objectives

### 4.4 Investment experience - Compulsory

Please indicate the length of time you have had relevant personal experience investing in the Australian equities market.

- A. None
- B. 1 year or less
- C. 1 to 5 years
- D. More than 5 years

If you selected "None" or "Up to a year", do you agree that investment in the Australian equities market and associated financial products and derivatives can produce negative returns or returns that are less than expected?

- A. Yes
- B. No

If you responded "No", we think you are better suited to investing in asset classes other than Australian Equities.

### 4.5 Investment horizon - Compulsory

Please indicate the period for which you expect to hold the Australian equities portfolio. Other things being equally, the longer your investment horizon the greater the probability that you will achieve positive investment returns on your portfolio and the greater will be those returns.

- A. 1 year or less
- B. 1-5 years
- C. More than 5 years

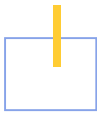
### 4.6 Investment objectives - Compulsory

As it relates to Australian equities, please indicate your primary investment objective:

- A. Capital appreciation
- B. Income
- C. Franked dividends
- D. Exceed consumer inflation
- E. Exceed share market index







## 4.8 Existing equity portfolio and investment funding

Please complete the following table:  
(In the case of joint accounts, please nominate the percentage ownership for each applicant).

<b>EXISTING EQUITY INVESTMENTS</b>		<b>A</b>	<b>B</b>
		<b>%</b>	<b>%</b>
Managed investment schemes	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>
Controlled directly	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>
Other	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Total Australian Equities</b>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Number of Companies held directly</b>		<input type="text"/>	<input type="text"/>
<b>Number of Managed Investment schemes</b>		<input type="text"/>	<input type="text"/>

### INVESTMENT FUNDING

Will you be potentially using equity finance (e.g. a margin loan) for Intrinsic to invest on your behalf?

- Yes
- No

If "yes":

1. What is the actual or planned value of the loan?

\$

2. Would you like to discuss portfolio protection strategies? These strategies may potentially reduce the fall in portfolio value resulting from falling security prices.

- Yes
- No

3. Would you like us to assist you to locate a lender?

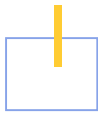
- Yes
- No

## 4.9 Investment preferences

Each client has different investment preferences. Understanding your preferred risk exposure as it applies to the money you intend to invest with Intrinsic is very important to us.

Some investors may be willing to accept higher levels of risk in search of higher levels of return - others may not.

Sections 4.10 and 4.11 are designed to help us understand how you think about risk. It is important to note that there are no right or wrong answers to the questions. Sections 4.12 to 4.15 are more specific and deal directly with the management of your portfolio.



## 4.10 Risk tolerance

The following hypothetical scenarios are designed to discover your tolerance to risk. The first two involve gambling. Please leave aside any objection you have to gambling. For each game please choose one alternative.

### Hypothetical Scenario 1

You have \$100,000 of your savings and find yourself in a casino. You have the opportunity to play the following coin games. (Note 5% of \$100,000 is \$5,000 and 0.05% of \$100,000 is \$50).

Game 1 Toss a coin, heads you win 5.0%, tails you lose 0.05%

- A. Yes. I will play this game
- B. No. I will not play this game

Game 2 Toss a coin, heads you win 5.0%, tails you lose 2.5%

- A. Yes. I will play this game
- B. No. I will not play this game

Game 3 Toss a coin, heads you win 5.0%, tails you lose 5.0%

- A. Yes. I will play this game
- B. No. I will not play this game
- C. I am indifferent to playing or not playing the game

Game 4 Toss a coin, heads you win 5.0%, tails you lose 6.0%

- A. Yes. I will play this game
- B. No. I will not play this game

Game 5 The can't lose game. Please choose one of the following

- A. 80% chance of gaining 15% or breakeven (20% chance)
- B. A certain gain of 10%

Game 6 The can lose game. Please choose one of the following

- A. 80% chance of losing 15% or breakeven (20% chance)
- B. A certain loss of 10%

### Hypothetical Scenario 2

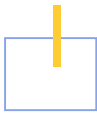
Your casino winnings have boosted your capital to 115% (i.e. your initial capital plus 15% winnings is now \$115,000). With this in mind please complete the following games: (Note 5% of \$115,000 is \$5,750 and 0.05% of \$115,000 is \$57.50)

Game 7 Toss a coin, heads you win 5.0%, tails you lose 0.05%

- A. Yes. I will play this game
- B. No. I will not play this game

Game 8 Toss a coin, heads you win 5.0%, tails you lose 2.5%

- A. Yes. I will play this game
- B. No. I will not play this game



Game 9 Toss a coin, heads you win 5.0%, tails you lose 5.0%

- A. Yes. I will play this game
- B. No. I will not play this game
- C. I am indifferent to playing or not playing the game

Game 10 Toss a coin, heads you win 5.0%, tails you lose 6.0%

- A. Yes. I will play this game
- B. No. I will not play this game

Game 11 The can't lose game. Please choose one of the following

- A. 80% chance of gaining 15% or breakeven (20% chance)
- B. A certain gain of 10%

Game 12 The can't win game. Please choose one of the following

- A. 80% chance of losing 20% or breakeven (20% chance)
- B. A certain loss of 10%

Game 13 The can lose more money game. Please choose one of the following

- A. 80% chance of losing 30% or breakeven (20% chance)
- B. A certain loss of 20%

### Hypothetical Scenario 3

A friend of yours sells \$100 notes. One-quarter of them are counterfeit, but neither of you can tell which ones.

Game 14 How much are you willing to pay your friend for a \$100 note?

- A. \$95
- B. \$0
- C. \$75
- D. \$50
- E. \$25

### Hypothetical Scenario 4

Suppose you have to choose between alternative Australian equity portfolios A, B or C, and that your investment objective is to achieve a return similar to, or better than, the share market return. Each portfolio has a different risk profile and chance of meeting or exceeding the market return.

Game 15 The risk return trade-off game

Please choose one portfolio.

- Portfolio A. Higher risk (i.e. more volatility) than the share market. A 66.7% chance of meeting or exceeding your return objectives
- Portfolio B. Lower risk (i.e. less volatility) than the share market. A 33.3% chance of meeting or exceeding your return objectives.
- Portfolio C Similar risk (i.e. similar volatility) to the share market. A 50.0% chance of meeting or exceeding your return objectives.



## 4.11 Investment attitudes

### 4.11.1 Attitude to a falling market

Assume that a 10% fall in the general level of the Australian share market overtime reduces the value of your Australian equity portfolio by 10%. Would you:

- A. Use the fall as a good opportunity to substantially increase the portfolio
- B. Put some more money into the share portfolio (default response)
- C. Expect the portfolio to eventually recover
- D. Do nothing. (i.e. wait and see)
- E. Sell and reinvest in more conservative assets.

### 4.11.2 Attitude to a “bear market”

The Australian equities market will experience periods of negative return, sometimes of more than 1 year in duration (i.e. bear market conditions). Are you prepared to accept the possibility of a negative return for more than a year in your Australian equities portfolio?

- A. Yes. I understand bear markets can be longer than a year in duration
- B. No. I am not prepared to accept any negative returns

If you answered “no” to this question, we suggest that you seek professional advice about investing in lower risk investments such as cash or capital guaranteed products.

### 4.11.3 Attitude to portfolio risk

After considering the size of your portfolio to be managed by us in relation to the size of your total investment portfolio (including other Australian equity holdings) please indicate the level of risk that you consider would be appropriate for your portfolio relative to the risk of the share market.

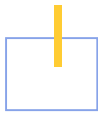
Please choose one:

- A. A portfolio with generally lower risk (i.e. lower volatility) than the share market (default)
- B. A portfolio with generally similar risk (i.e. similar volatility) to the share market
- C. A portfolio with generally higher risk (i.e. more volatility) than the market

### 4.11.4 Attitude to changing levels of investor confidence

Many factors can affect the general level of investor confidence. Changes in investor confidence often cause changes in share prices thereby changing the perceived riskiness of the market. In response to changes in market risk please select from the following (you can select B AND C if you wish):

- A. Disregard changes in investor confidence
- OR**
- B. Reduce investment in the share market when perceived risk has increased
- C. Increase investment in the share market when perceived risk has fallen
- OR**
- D. Act as Intrinsic sees fit (default response)



## 4.12 Investment approach

Please indicate which of the following investment styles you prefer.

### Growth

Emphasis is on companies that are expected to have above average growth in earnings, return on equity and so on. Often in bullish conditions these stocks attract a price premium over the general market for extended periods. They can be weaker performers in bearish conditions.

### Value

Emphasis is on companies that display the characteristics of value stocks (e.g. relatively high dividend yields, low price to book values and low price to projected earnings). Usually in bullish conditions these stocks are priced at discount to market averages. They can be relatively good performers, in bear market conditions and when investors re-rate value and cyclical companies forcing prices higher.

### Style neutral

We manage the portfolio with no preference for any particular investment style. Depending on expected market conditions, we will skew the portfolio towards the investment style we anticipate will do well in the short term, say towards value stocks. If we think market conditions are going to change, then we will skew the portfolio away from value toward say growth or cyclical or income stocks.

### Absolute return

Strong focus on investment returns. Portfolio constructed without regard to the composition of a market index. Main focus is on return. We will skew the portfolio towards the investment style we anticipate will do well in the short term and the portfolio is likely to hold less than 30 companies (i.e. is more concentrated).

### Income

Emphasis is on investments that produce above average income including income from property trusts and franked dividends. These investments tend not to produce strong capital growth.

### Fallen angels

Emphasis is on quality companies that have experienced a decline in market value often due to internal circumstances such as poor management or external factors like an economic downturn or falling resource prices. But they have potential to recover. These companies may under perform until their circumstances change or value is recognised by the market. The portfolio is likely to hold less than 20 companies (i.e. is more concentrated).

Please indicate your preferred investment style with the numeral 1.

- A. Growth
- B. Value
- C. Style Neutral (default response)
- D. Absolute Return – less than 30 securities
- E. Income
- F. Fallen angels – less than 20 securities

If you wish to indicate a preference for more than one investment style, please rank the alternatives by number, with 1 being the most preferred.



## 4.13 Investment preferences

Please indicate if you have any particular investment preferences. These may include specific companies or industries or investment approaches. For example, you may wish to exclude particular companies on the basis of ethical, environmental or social considerations.

<b>4.13.1 Prohibited Industries</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....	<b>4.13.3 Prohibited Companies</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....
<b>4.13.2 Preferred industries</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....	<b>4.13.4 Preferred companies</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....

### 4.13.5 Paying CGT

- A. Minimise where possible
- B. Try to avoid
- C. Not a consideration
- D. Indifferent (default response)

### 4.13.6 Trading of securities

- A. Preference for a trading approach
- B. Preference for a passive approach
- C. Normal trading (default response)
- D. Indifferent

### 4.13.7 Cash dividends

- A. Strong preference
- B. Prefer over DRPs
- C. Indifferent (default response)

### 4.13.8 Dividend Reinvestment Plans – DRPs \*

- A. Always participate
- B. Part participation
- C. Never participate
- D. Indifferent (default response)

### 4.13.9 Fully franked dividends

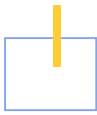
- A. Strong preference
- B. Prefer over unfranked
- C. Indifferent (default response)

### 4.13.10 Level of portfolio concentration\*\*

- A. 10 to 20 companies
- B. 20 to 30 companies (default response)
- C. 30 to 50 companies

\* If you are using a margin loan to fund your portfolio, then your lender may not allow you to participate in DRPs.

\*\* Other things being equal, the greater the number of companies held the greater the diversification and potentially, the lower the portfolio risk. However, increasing the number of companies held is more likely to bring returns closer to the share market index.



**4.14 Professional investment advice and own investigations**

4.14.1 **Compulsory** Prior to completing this Client Profile Form, have you received professional investment advice in relation to your current and anticipated level of investment exposure to Australian equities from an adviser such as a financial planner, accountant or other suitably qualified person?

- Yes
- No

If "no", go to question 4.14.3.

4.14.2 If you have been provided with investment advice from a professional adviser, do you consider that you have understood the implications of the advice given?

- Yes
- No

4.14.3 **Compulsory** Have you satisfied yourself about the appropriateness of your current and anticipated level of investment exposure to Australian equities as part of your overall investment portfolio and after consideration of your investment objectives, financial situation, needs and investment plan?

- Yes
- No

4.14.4 **Compulsory** Have you considered the potential impact on your investment objectives, financial circumstances, needs and investment plan should your current and anticipated exposure to Australian equities fail to perform as expected including capital loss?

- Yes
- No

**4.15 Self managed superannuation funds paying a pension**

Complete this section if the portfolio to be managed is a self managed superannuation fund and one or members are receiving pension income from the fund.

Member who is receiving a pension income	Amount	Frequency		
		M	Q	Y
1 .....	\$.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 .....	\$.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 .....	\$.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 .....	\$.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4.16 Other relevant information**

Please feel free to provide us with any other information that you believe to be relevant to your current or anticipated objectives, financial situation or needs or the management of your portfolio by Intrinsic. This information might be related to your personal, family or business circumstances and plans.

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## SECTION 5 CREATE YOUR OWN PORTFOLIO ACCOUNT

If you have elected not to complete PART B of Section 4 Client Profile, you can select an investment program or combinations of programs from the list below that you consider best suits your investment objectives and needs.

As we are obliged by law, we will provide you with a Statement of Advice however, it will be limited by the extent of the information you have provided us. In effect, it will reflect your investment choices and note that we are implementing your instructions.

### 5.1 Investment experience - Compulsory

Please indicate the length of time you have had personal experience investing in the Australian equities market.

- A. None
- B. 1 year or less
- C. 1 to 5 years
- D. More than 5 years

If you selected "None" or "Up to a year", do you agree that investment in the Australian equities market and associated financial products and derivatives can produce negative returns or returns that are less than expected?

- A. Yes
- B. No

If you responded "No", we think you are better suited to investing in asset classes other than Australian Equities.

### 5.2 Investment horizon - Compulsory

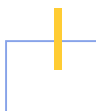
Please indicate the period for which you expect to hold the portfolio. Other things being equally, the longer your investment horizon the greater the probability that you will achieve positive investment returns on your portfolio and the greater will be those returns.

- A. 1 year or less
- B. 1-5 years
- C. More than 5 years

### 5.3 Investment objectives - Compulsory

Please indicate your primary investment objective:

- A. Capital appreciation
- B. Income
- C. Franked dividends
- D. Exceed consumer inflation
- E. Exceed share market index



## 5.4 Portfolio risk profile - Compulsory

Please choose your risk profile:  
(Choose one only)

- A. Generally lower risk (i.e. less volatility) than the share market.
- B. Generally similar risk (i.e. similar volatility as the share market).
- C. Generally higher risk (i.e. more volatility) than the market

## 5.5 Investment exposure to Australian equities - Compulsory

Please choose your exposure level:

- A. Always keep the portfolio as close to fully weighted as possible (do not complete 5.8 or 5.9)
- B. Change exposure as Intrinsic sees fit
- C. Maintain a cash buffer of at least 10%

Note: Intrinsic has a policy of not gearing portfolios. That is, we will not use derivatives to produce an equity exposure greater than that which could be achieved with equities (e.g. shares).

## 5.6 Investment approaches

We offer the following investment styles:

In all cases we seek to achieve a gross return from security selection greater than the S&P ASX 100 Index for the equities component of your portfolio. The actual return achieved will be the result of many variables mostly outside of our control including the choices you make by completing this section.

### Growth

Emphasis is on companies that are expected to have above average growth in earnings, return on equity and so on. Often in bullish conditions these stocks attract a price premium over the general market for extended periods. They can be weaker performers in bearish conditions.

### Value

Emphasis is on companies that display the characteristics of value stocks (e.g. relatively high dividend yields, low price to book values and low price to projected earnings). Usually in bullish conditions these stocks are priced at discount to market averages. They can be relatively good performers, in bear market conditions and when investors re-rate value and cyclical companies forcing prices higher.

### Style neutral

We manage the portfolio with no preference for any particular investment style. Depending on expected market conditions, we will skew the portfolio towards the investment style we anticipate will do well in the short term, say towards value stocks. If we think market conditions are going to change, then we will skew the portfolio away from value toward say growth or cyclical or income stocks.

### Absolute return

Strong focus on investment returns. Portfolio constructed without regard to the composition of a market index. Main focus is on return. We will skew the portfolio towards the investment style we anticipate will do well in the short term and the portfolio is likely to hold less than 30 companies (i.e. is more concentrated).

### Income

Emphasis is on investments that produce above average income including income from property trusts and franked dividends. These investments tend not to produce strong capital growth.

### Fallen angels

Emphasis is on quality companies that have experienced a decline in market value often due to internal circumstances such as poor management or external factors like an economic downturn or falling resource prices. But they have potential to recover. These companies may under perform until their circumstances change or value is recognised by the market. The portfolio is likely to hold less than 20 companies (i.e. is more concentrated).

Please complete the following table. You can choose one investment style or a combination of styles.



Please complete the following table.

**Table 5.6 Portfolio Allocation Table**

Investment Amount	Investment Style						TOTAL
	Growth	Value	Style Neutral	Absolute Return	Income	Fallen Angels	
	\$	\$	\$	\$	\$	\$	
Cash							
Margin Loan							
Value of existing portfolio to be transferred							
<b>Total Portfolio Value Compulsory</b>							
Regular Contribution amount							

### 5.7 Investment preferences - Compulsory

Please indicate if you have any particular investment preferences. These may include specific companies or industries or investment approaches. For example, you may wish to exclude particular companies on the basis of ethical, environmental or social considerations.

<b>5.7.1 Prohibited Industries</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....	<b>5.7.3 Prohibited Companies</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....
<b>5.7.2 Preferred industries</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....	<b>5.7.4 Preferred companies</b> (if any)	1) ..... 2) ..... 3) ..... 4) ..... 5) .....

#### 5.7.5 Paying CGT

- A. Minimise where possible
- B. Try to avoid
- C. Not a consideration
- D. Indifferent (default response)

#### 5.7.6 Trading of securities

- A. Take a trading approach
- B. Take a passive approach
- C. Normal trading (default response)

#### 5.7.7 Cash dividends

- A. Focus on cash dividends
- B. Prefer over DRPs
- C. Indifferent (default response)

#### 5.7.8 Dividend Reinvestment Plans – DRPs\*

- A. Always participate (default position)
- B. Part participation
- C. Never participate

#### 5.7.9 Fully franked dividends

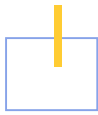
- A. Focus on fully franked dividends
- B. Prefer franked over unfranked
- C. Indifferent (default position)

#### 5.7.10 Level of portfolio concentration\*\*

- A. 10 to 20 companies
- B. 20 to 30 companies (default position)
- C. 30 to 50 companies

\* If you are using a margin loan to fund your portfolio, then your lender may not allow you to participate in DRPs.

\*\* Other things being equal, the greater the number of companies held the greater the diversification and potentially, the lower the portfolio risk. However, increasing the number of companies held is more likely to bring returns closer to the share market index.



If you answered "A" to question 5.5 there is no need to complete questions 5.8 and 5.9.

### 5.8 Falling and bear markets - Compulsory

When there is a significant decline in the general level of the Australian share market please:

- A. Use the fall as a good opportunity to substantially increase the portfolio
- B. Put some more money into the share portfolio
- C. Do nothing. (i.e. wait and see)
- D. Wait until the market has become a bear market\* and put some more money
- E. Wait until the market has become a bear market\* and fully weight in equities.

\* The market is generally considered to be in a bearish phase when there has been a general decline of 20% share prices from their market peak.

### 5.9 Changing levels of investor confidence - Compulsory

Many factors can affect the general level of investor confidence. Changes in investor confidence often cause changes in share prices thereby changing the perceived riskiness of the market. In response to changes in market risk please select from the following (you can select B AND C if you wish):

- A. Disregard changes in investor confidence
- OR**
- B. Reduce investment in the share market when perceived risk has increased
  - C. Increase investment in the share market when perceived risk has fallen
- OR**
- D. Act as Intrinsic sees fit (default position)



## SECTION 6 ADDITIONAL PROCEDURES

If you already have a custodian with suitable administrative systems and that custodian holds the portfolio to be managed by us, then there is no need to complete Sections 6.1 and 6.2.

If you do not have a custodian then you will need to complete Form 1. Your custodian will Chess sponsor you and in doing so you will receive a holder identification number (HIN). (The Chess System is the means by which security transactions are recorded are settled). Equities in your existing portfolio have either a HIN number (i.e. your share broker sponsored holdings) or as a SRN number (i.e. issued by the company or trust in which you have equity – known as issuer sponsored holdings). If you already have a HIN, you will retain it and all your existing instructions (such as participation in dividend reinvestment plans, receipt of annual reports) when you transfer sponsorship to the custodian.

If you are a wholesale client as defined by the Corporations Act (see Section 4.1) your accountant will need to complete Form 2 declaring you to be a wholesale client at the rear of this Section.

### 6.1 Existing portfolio details – Form 1

In order to manage your portfolio we need the purchase history of each security and detail about any specific requirements you may have in relation to individual securities. These details should be recorded on Form 1 - Acquisition History and Flagging Notification. Please complete and sign an Acquisition History and Flagging Notification Form. If you require additional forms make photocopies or print them electronically. Original signatures are required on each form.

#### Notes:

##### Capital Gains Cost Base

By telling us the cost base of each of your holdings we can better understand the tax implications of selling some or all of those shares. Your accountant or other suitably qualified adviser is probably the best source of this information. If you decide to provide this information by yourself and need help then you may wish to use guides such as the CCH Master Tax Guide or The Taxpayers' Guide to assist you. These books are available from major book shops. You also may find the Australia Tax Office publications and web site helpful.

The following information may assist you in completing Form 1. Please note that Intrinsic is not a professional advisor on these matters. You should satisfy yourself that the information you intend to provide is correct prior to completing Form 1.

1. If the equity was acquired by: an on-market purchase; accepting an initial public offer (i.e. IPO / float); taking up rights entitlements (issues); participation in a dividend reinvestment plan (DRP); or acceptance of a takeover offer.

The date of acquisition will be the date on the contract note or the date of allotment in the case of purchases, rights issues, DRP's and takeovers and so on.

2. If the equity was acquired by the issue of bonus shares, it will be necessary to use the dates of acquisition for each parcel of shares held at the time of the bonus and to allocate the bonus issue to each of those parcels.
3. Where the equity was acquired as a result of an inheritance:
  - If the deceased originally purchased the equities on or before 19/9/1985, use the market value as at the date of death; and
  - If the equities were inherited after 19/9/1985, use the original cost value at the date of acquisition.

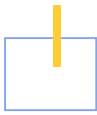
In calculating the cost base, include the purchase price, brokerage, stamp duty and GST.

### 6.2 Wholesale Client Declaration – Form 2

If you are a wholesale client (see Section 4.1) you will need your Accountant to complete Form 2.







## Form 2 WHOLESALE CLIENT DECLARATION

### Certificate pursuant to section 761G (7) of the Companies Act 2001.

I, \_\_\_\_\_ (Full name)

of \_\_\_\_\_ (Firm name)

\_\_\_\_\_ (Address)

hereby certify that:

1. I am one of the following (please select appropriate box):

a member of the Australian Society of Certified Practising Accountants (ASCPA), who is entitled to use the post-nominals "CPA" or "FCPA", and is subject to and complies with the ASCPA's continuing professional development requirements; or

a member of the Institute of Chartered Accountants in Australia (ICAA), who is entitled to use the post-nominals "CA" or "ACA" or "FCA", and is subject to and complies with the ICAA's continuing professional educational requirements; or

a member of the National Institute of Accountants (NIA), who is entitled to use the post-nominals "MNIA" or "FNIA" and is subject to and complies with NIA's continuing professional educational requirements.

2. I am familiar with the financial affairs of:

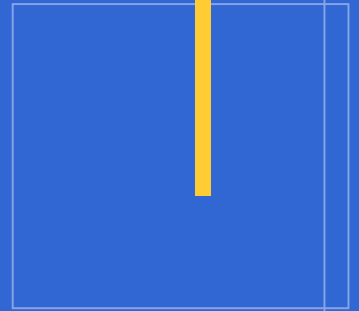
\_\_\_\_\_ (the "Client");

3. The Client has net assets of at least \$2,500,000; or has for each of the last two financial years had a gross income \$250,000.

**Signature:**

**Date:**    /    /





# Intrinsic Investment Management

*Intrinsically your choice*

**INTRINSIC**

INVESTMENT MANAGEMENT

