

This Financial Services Guide (FSG) is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence. It provides you with information about Naos Asset Management Limited ABN 23 107 624 126 (Naos Asset Management), 'we', 'our', or 'us' to help you decide whether to use the financial services we provide. This FSG outlines the types of services and products we can offer to you. It also explains how we (and other relevant persons) are remunerated for these services and includes details of our internal and external complaints handling procedures and how you can access them. To invest in any of our financial products you must complete the application form attached to the relevant Product Disclosure Statement (PDS). The PDS contains information about the particular product and will assist you in making an informed decision about that product.

Who are we?

Naos Asset Management is a boutique fund manager dedicated to superior stock selection. Naos commenced trading in January 2005. Naos takes an active, high conviction approach to investing. Adopting a long/short investing approach, Naos aims to enhance the returns of all our investors. Any financial services offered will be provided by a representative of Naos. Naos Asset Management has an Australian Financial Services Licence granted under the Corporations Act to provide these services to you.

To contact us you can:

- call 02 9947 2566
- visit our website at www.naos.com.au
- write to us at PO Box R598, Royal Exchange, NSW 1225
- email us at ENQUIRIES@naos.com.au.

What financial services and products do we offer?

Naos is authorised to offer financial services including:

- > dealing in financial products
- > giving advice on financial products
- > operating registered managed investment schemes.

We offer 4 managed investment schemes. We can help you to apply for these products and can also give you general financial advice in relation to our products. We do not provide financial planning services and only give general financial product advice.

How can you transact with us?

You can give us instructions by telephone, mail, fax or via our website. Any dealings with us by telephone or fax will be governed by our standard 'telephone and fax terms and conditions'. These terms and conditions are contained in the PDS for each product and are also available on the website at www.naos.com.au. There are also terms and conditions of use for our website. These terms and conditions can be obtained on the website.

How are we remunerated for the services we provide?

If you invest in a product we offer, Naos will receive remuneration in relation to your investment in that product, through the management fees and, where applicable, the performance fees. The remuneration we will receive for the products we offer is set out in the PDS for the particular product. Naos does not receive any fees, nor do we charge you additional fees for providing financial product advice.

What commissions, fees or other benefits are received?

Employees of Naos Asset Management Limited, who give you advice, do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of pre-determined objectives.

You may receive advice in relation to the products we offer from financial advisers that do not work for Naos Asset Management Limited. These advisers may receive remuneration from us. The adviser's remuneration is included in the fees you pay when investing in our products. The amount of this remuneration is set out in the PDS for the particular product. Your adviser is also required to set out the remuneration and commissions they receive in the SOA which they must give to you. We do not pay commissions or provide other benefits to third parties for referring investors to us.

What kind of compensation arrangements are in place for a breach of our legal obligations?

Where we are liable to meet a claim, payment will generally be paid from our cash flows and available resources. For claims we may rely on and claim under the professional indemnity insurances that we hold. These insurances are between us and the insurer and are intended to respond to civil liability resulting from significant claims for compensation made against us for financial services provided by us or our representatives. These insurances provide cover even if one of our representatives has ceased to act or work for us. Our compensation arrangements comply with the legal requirements set out in section 912B of the Corporations Act.¹

How is your personal information dealt with?

The privacy of your personal information is important to us. We collect personal information so that you can be provided with the products and services you request. The law also requires us to collect personal information. We may disclose personal information to other parties (confidentiality arrangements apply) for certain purposes that we outsource, including bulk mailing, market research and information technology support and in order to comply with our legal obligations. We also seek expert help from time to time to help us improve our systems, products and services. Your personal information may be disclosed to these third parties in such circumstances. Your personal information will not be shared with other third parties (except with our related bodies for prudential and risk management purposes or as otherwise set out in this statement). The law also requires us to collect and verify personal information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information about identity helps us to protect against identity theft, money laundering and other illegal activities. Depending on whether you are an individual or an organisation, the information we collect will vary. During the course of your dealings with us, we may also collect and verify further information about you or other persons who act on your behalf.

We may be permitted or required to disclose customer information by law, eg under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, money laundering or terrorism financing. Your personal information may also be used by us to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist you with any queries and take measures to detect and prevent fraud and other illegal activity. We may also be allowed or obliged to disclose or receive information by law and to report on prudential or risk management matters. If you notify us that you have a personal financial adviser, then details of your investment will be provided to them. Personal information may also be disclosed to medical practitioners, claim investigators, reinsurers and insurance reference bureaux. We aim to ensure that the personal information we retain about you is accurate, complete and up-to-date. If you provide us with incomplete or inaccurate information, you may be in breach of the law and we may not be able to provide you with the products or services you have requested. If you have concerns about the completeness or accuracy of the information we have about you or would like to access or amend your information, simply call us on 02 9947 2566 or send an email to enquiries@naos.com.au. If you would like a copy of our Privacy Policy Statement, visit our website at www.naos.com.au or call the above number.

You will be taken to agree to the collection, use and disclosure of your personal information as set out above when you apply to make an investment.

What should you do if you have a complaint?

If you have an enquiry, a problem we can help you with, or would simply like to give us feedback, then you can contact us by:

- > calling us on 02 9947 2566. Monday to Friday, 9 am to 5pm, Sydney time
- > emailing us at enquiries@naos.com.au
- > writing to us at NAOS Asset Management Limited, Level 4, 139 Macquarie Street, Sydney NSW 2000.

We value your comments and work hard to address any problems we become aware of, but if we are unable to resolve a problem to your satisfaction you can take it further by contacting the Complaints Resolution Officer using the above contact details. We ensure that any complaint is properly considered and responded to swiftly, in most cases this will be within 14 days. If you would like more information on our complaints procedure please contact us. We hope that you are satisfied with how we address your complaint, but if our response is not adequate, or if you have not received a response after 45 days, you can have your complaint reviewed by the Financial Ombudsman Service (FOS). You can phone FOS toll free on 1300 780 808.

1 Section 912B requires financial services licensees who provide financial services to retail clients to have arrangements for compensating those persons for loss or damage suffered because of breaches of relevant legal obligations by a licensee or its representatives.