

FINANCIAL SERVICES GUIDE

INTERNATIONAL STOCK REPORT

What is the purpose of this Financial Services Guide?

This Financial Services Guide (FSG) provides you with information about International Stock Report (ISR) to help you decide whether to use the services it offers.

It explains:

- the services offered by ISR;
- how ISR is remunerated; and
- how complaints against ISR are dealt with.

This is an important document and ISR has authorised its distribution to you.

Who is ISR?

ISR is an Australian boutique financial services company. It is licensed under the Corporations Act to provide the services outlined below. ISR's goal is to assist clients to build wealth and to manage risk through the publication of stock advisory newsletter services focussing on stocks and indices worldwide. ISR holds Australian Financial Services Licence 310748 and acts for itself when providing the services under the AFS licence.

What services can ISR provide?

Under its AFS licence, ISR is authorised to carry on a financial services business to provide general financial product advice in relation to basic deposit products, securities and derivatives, through the publication of the stock advisory newsletters, as well as referring clients to selected licensed brokers (**Services**). The publications comprise the following:

- US Momentum Trader – a daily service with individual trade targets of 5-20%, lasting anywhere from 1 - 30 days.
- US Sniper Trader – a daily service with short term, individual trade targets of 3%, lasting anywhere from 1 – 5 days.
- US Weekly Trader – a weekly service with medium to long term targets of 20+%, lasting 6 or more weeks.
- World Indices Trader – a daily CFD service with individual trade targets of 5-20%, lasting from 1-30 days and comprising Indices CFDs.
- Asia Trader – a daily service with individual trade targets of 5-20%, lasting anywhere from 1-30 days.
- Australia Trader – a daily service with individual trade targets of 5-20%, lasting anywhere from 1-30 days.

The publication also contains what is known as “model portfolio” in relation to particular securities. A model portfolio of a stock is a recommendation on entry, exit, target and stop loss prices derived from technical analysis. You may, but are

not obliged to trade the recommended model portfolio.

ISR's research process

ISR provides financial market research services to subscribers based predominantly on technical analysis. Our research analysts are well trained and dedicated to providing the highest quality research incorporating the latest up-to-date information to ensure at the time of publication we are providing the most accurate information.

Technical Analysis (also known as “charting”) examines the trading history (i.e. price and volume) of a particular security by overlaying various programmed statistical tools that together give likely indications of future movements in the market for that security. This analysis aims to identify future market behaviour, based on on-going refinement of historical analysis, which has been and is likely to be a precursor to a significant positive or negative move in the price for that security. The analysis is only as current as the market data analysed, so if the analysis of the day's market trading is done that night, consideration must be given to overnight domestic and international developments when considering the trading opportunities for the next day.

Technical Analysis tools and research give no consideration to the activities and commercial environment of the issuer of the security, focussing solely on the behaviour of buyers and sellers in the market for that security across various time horizons. That said, the market and commercial environment cannot be disregarded.

Full details of the publication may be viewed at our website www.internationalstockreport.com.au.

General financial product advice

The decision to enter or exit a trade is a decision for you. ISR only provides you with information based on technical analysis, which is of a general nature only. We do not take into account your personal objectives, financial situation and needs. It is, therefore, strongly recommended that a licensed financial adviser or broker be consulted about your risk tolerance, capital allocation decisions and before a trade is executed.

Will you provide me with advice which is suitable to my needs and financial circumstances?

ISR is only authorised to provide you with **general advice** in relation to its Services. We cannot provide advice of any kind in relation to any other interests, financial products or other investments. Therefore, we will not take into account your particular investment objectives, financial situation and needs when giving you information and advice about the Services. Any information you have requested or have discussed with us will be regarded as general advice. Before deciding whether to participate, you should assess whether the information or general advice is appropriate to your particular needs, objectives and financial circumstances. If you would like assistance with this, you should consult an appropriately licensed financial advisor or broker before you participate.

How do I give information to ISR?

You can give us your information or make enquiries by telephone, post, fax or email, using the details provided below.

In some cases, however, you will need to complete and return certain documents, such as the subscriptions agreement.

How will I pay for the Services?

Subscription fees apply to all ISR Services as follows:

| | |
|----------------------|-------------------|
| US Momentum Trader | AUD \$1250.00 p/a |
| US Sniper Trader | AUD \$1250.00 p/a |
| US Weekly Trader | AUD \$880.00 p/a |
| World Indices Trader | AUD \$1250.00 p/a |
| Asia Trader | AUD \$1250.00 p/a |
| Australia Trader | AUD \$1250.00 p/a |

All subscription fees are inclusive of GST.

You may cancel your subscription at any time. ISR does not refund any unused portion of prepaid subscriptions.

How do ISR and its employees get paid?

The subscription fees paid may ultimately benefit ISR, its directors and employees. Please note that ISR employees receive a salary. Employees may also receive benefits based upon bonuses at the discretion of ISR directors, having agreed to standards of service and feedback, the level of revenue they generate and reaching a range of personal performance targets.

Commissions and benefits

We do not receive commissions or benefits from third parties.

Disclosure of Interest

Except as disclosed in this FSG, we do not have any relationships or associations which might reasonably be expected to be capable of influencing the way we provide our Services to you.

Who can I complain to if I have a complaint about the Services provided to me?

If you have a complaint about the Services provided to you, you should take the following steps:

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved, you may lodge a formal complaint with the Complaints Manager and forward it to:

The Complaints Manager
International Stock Report
GPO Box 723
HOBART TAS 7001
Ph: 03 6231 2755

3. If you still do not get a satisfactory outcome after 90 days, you may be able to lodge a complaint with The Financial Ombudsman Service (FOS). You can write to FOS at PO Box 579, Collins Street West, Melbourne VIC 8007 or call them toll free on **1 800 335 405**.
4. Please note that the Subscription Agreement that you enter into for the Services requires you to refer a dispute or difference in respect of the agreement to

arbitration, if you do not refer the dispute or difference to FOS, or if the dispute or difference does not fall within the jurisdiction of FOS. Any decision of FOS or the arbitration in respect of a dispute or difference relating to the Services will be final and binding.

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