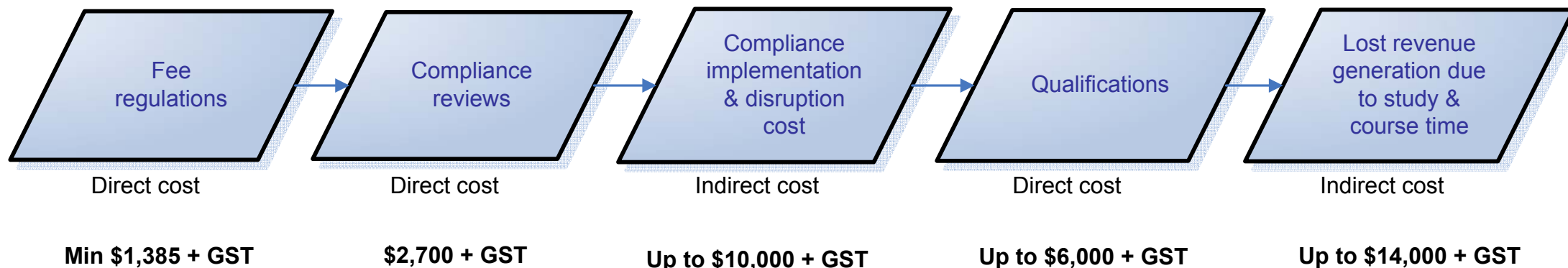


Direct and indirect costs of regulation to the adviser over the next 12 to 18 months



PLUS ASSOCIATED COSTS OF: IT, Staff training, Administration

Depending upon the organisation and the individual adviser, Strategi estimates the total cost to become fully compliant to AFA status could be anywhere between \$2,500 - \$34,000 over a 12-18 month period.

Strategi recommends that advisers avoid focusing too much on the costs associated with regulation, which they are unlikely to find much reduction to or discount in, if at all. Instead, advisers should accept the costs of regulation as normal operating costs in the new reality of our industry and focus on revenue generating activities to compensate and offset the increased costs.