



Financial Services Guide

11 | 2018

01 What is a Financial Services Guide?

This Financial Services Guide (FSG) has been prepared by Lonsec Research Pty Ltd ABN 11 151 658 651 (“Lonsec Research, the provider, we, us or our”). This FSG sets out the financial services and types of financial products that we are authorised to provide under our Australian Financial Services Licence No. 421445 (AFSL). This FSG will inform you of the service we provide to you in deciding whether to use any of our services. It also sets out the procedures we follow when dealing with complaints and the costs to you when you use our services.

1.1 Who is Lonsec Research?

Lonsec Research is licensed by the Australian Securities and Investments Commission (“ASIC”) under the Corporations Act 2001 (Cth.), as an Australian Financial Services Licensee (No. 421445). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406).

Lonsec Research provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Our expert team of experienced investment analysts and consultants provides insight and analysis, practical asset allocation and portfolio construction advice.

1.2 This FSG is in two parts

Part One

Part one sets out important information about our services including financial services and the advice on the types of financial products that we are authorised to provide under our AFSL. It also contains information describing how we are paid and the procedures we follow when dealing with complaints.

Part Two

Part two sets out information about any fees, charges, and commissions we may receive, charge or rebate in relation to us providing those services and any potential conflicts of interest we may have. Both Part One and Part Two should be carefully read and both Parts form the entirety of this FSG.

02 Part One – Financial Services Guide

2.1 What financial services is Lonsec Research authorised to provide?

Lonsec Research's AFSL authorises it to provide general financial product advice and deal (which also means it can acquire, vary, dispose or arrange on your behalf) in the following financial product classes:

- Securities
- Deposit and payment products limited to basic product products
- Derivatives
- Interests in managed investment schemes including investor directed portfolio services
- Superannuation and Retirement savings products
- Foreign exchange products

Lonsec Research is responsible for the financial services provided to you and the distribution of this FSG.

2.2 Provision of general advice

Lonsec Research provide general advice in relation to financial services provided to you. General advice can include information about our products or services, the markets in which we operate and our opinions about our outlook for those products or services, markets and research. We will not provide you with Personal advice.

Lonsec Research publications are generally used by financial advisors to determine financial products they recommend are suitable for you. Before making an investment or trading decision based on Lonsec Research's general advice, you must consider whether the advice is appropriate in light of your financial and general circumstances or the financial product advice provided by your financial advisor.

2.3 Terms and conditions applying to our services

You do not need to agree to any terms and conditions to receive services from Lonsec Research. All Lonsec Research publications carry a disclaimer which sets out the conditions applicable to your use of the publication.

2.4 Some risks associated with investing

Investment risk includes the risk that an asset declines in value or fails to appreciate at the rate anticipated or fails to generate anticipated income. You should be aware that, regardless of you receiving general advice, that there are inherent risks associated with investing which include:

- Market Risk – the risk that your investment may decrease in value due to movements in the share market or other markets where you have invested
- International Risk – the fact that domestic markets are vulnerable to international events or fluctuations

- Sector Risk – risks associated with an industry’s specific products or services
- Specific Asset Risk – risks associated with the specific investments
- Research, model portfolios and newsletter limitations – the research published by us is the opinion of specialist analysts, is time specific and cannot be guaranteed. Before acting on any advice contained in a research document or newsletter, you and your financial advisor should assess whether the advice is appropriate in light of your own objectives, needs and financial circumstances.

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2.5 Product disclosure statements

If you are seeking to acquire a specific financial product, you should obtain a copy of, and consider, the Product Disclosure Statement (PDS) prepared by the financial product issuer before making any investment decision.

In some circumstances, we may provide you with a PDS for selected financial products. The PDS sets out important information about the particular financial product including the features, benefits, fees and risks associated with it, to assist you in making an informed decision. A PDS for the financial products is available from your financial adviser or the PDS issuer.

2.6 How are Lonsec’s staff paid?

Lonsec Research staff are paid a salary and do not directly receive any commissions or fees. Staff may be eligible for a bonus payment in certain circumstances. Bonus payments are discretionary and are not guaranteed.

2.7 How are any commissions, fees or other benefits calculated for providing the financial services?

Our primary source of income is from fees charged to subscribers of our research, including:

- product issuers who participate in the research process;
- clients receiving our investment consulting services.

2.8 How do we manage our compensation arrangements?

Where we are liable to meet a compensation claim or payment, it 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 Lonsec Research must hold. These insurances are between Lonsec Research 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.

These insurances provide cover even if one of our staff leaves Lonsec Research. Our compensation arrangements comply with the arrangements required by Australian Securities and Investment Commission (ASIC) and the Corporations Act 2001 (Cth).

2.9 How is client information dealt with?

We are committed to protecting the privacy, accuracy and security of the personal information you provide to us. The information is protected in accordance with our Privacy Policy.

Telephone conversations with us may be recorded to allow records to be kept of the advice given and orders taken.

We have adopted the principles set out in the Privacy Act 1988 (Cth.) and related laws as part of our continuing commitment to client service and maintenance of client confidentiality.

If you would like further information regarding this privacy policy please refer to our website: lonsec.com.au, or contact our Privacy Officer on 1300 826 395, or write to us at PO Box 46 Collins Street West Vic 8007.

2.10 What should you do if you have a complaint?

If you are not satisfied with the service or advice you receive from us, you are entitled to complain. We have established procedures to ensure that all inquiries and complaints are properly considered and dealt with.

To save yourself valuable time, gather all the facts and documents about the complaint, think about any questions you want answered and decide what you want us to do. Then Contact us by:

Telephone: 1300 826 395

Complaints Manager

Lonsec Research Pty Ltd

Mail: PO Box 46, Collins Street West, Vic 8007

Email: Complaints@lonsec.com.au

If your complaint is not resolved to your satisfaction you may refer the matter to the Australian Financial Complaints Authority (AFCA), an ASIC authorised complaints resolution organisation for the financial services industry. You may contact AFCA as follows:

Online

www.afca.org.au

Email

info@afca.org.au

Phone

1800 931 678

Mail

Australian Financial Complaints
Authority
GPO Box 3
Melbourne, Victoria, 3001.

02 Part Two – Financial Services Guide

2.1 Fees and Charges

Both Part One and this Part Two form the entirety of this FSG and both should be carefully read by you.

Lonsec Research does not charge fees to persons accessing its publications through the Lonsec public website or where a person receives Lonsec Research publications through a third party.

Lonsec Research receives fees from fund managers or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions for providing research content to subscribers including fund managers and financial product issuers. Lonsec receives fees for providing investment consulting advice to clients, which includes model portfolios, approved product lists and other advice. Lonsec's fees are not linked to the financial product rating outcome or the inclusion of financial products in model portfolios, or in approved product lists. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Because of the specific nature of its charges, disclosure of Lonsec Research fees is not possible.

Lonsec Research maintains a conflicts of interest policy to manage its potential conflicts, including direct conflicts such as, its clients paying for research services and the outcome of research published.

2.2 Other Fees

Lonsec Research may receive fees and commissions from a number of unrelated product issuers in respect of or attributable to the provision of financial services.

Lonsec Research provides comprehensive research and rating services on fund managers and financial products, and therefore we choose not to accept any fees or benefits (e.g. trailing commissions) from that products issuer as a result of a client application. We usually receive fees from the product issuer for rating the fund manager and the financial product.

This FSG is current at 1 November 2018.