

Financial Services Guide

(Inclusive of Credit Guide)

Purpose of this Financial Services Guide (FSG) The purpose of this FSG is to assist you in deciding whether to use any of the financial services we offer. After reading this FSG, you will know:

- Who we are and how to contact us
- What financial and credit assistance services can be provided to you and how these services will be provided to you
- How we (and any other relevant persons) may be remunerated
- Whether any relevant associations or relationships exist that may influence our advice
- How we maintain your personal information
- How to access our internal and external complaints handling arrangements

About Lonsdale and your Adviser

Lonsdale Financial Group Limited (ABN 76 006 637 225) (“Lonsdale”) is an Australian Financial Services Licensee, Licence No 246934, and an Australian Credit Licensee, Licence No 246934

Lonsdale is a principal member of the Financial Planning Association of Australia Limited (FPA) and is bound by its Professional Code of Conduct and Ethics.

Lonsdale’s Head Office is located at
Level 41, 120 Collins Street, Melbourne, VIC, 3000
Ph: (03) 9916 6300
Fax: (03) 9621 1205

Lonsdale appoints Authorised Representatives to act on its behalf for the provision of authorised financial services. Your Adviser is an Authorised Representative of Lonsdale. Lonsdale is therefore responsible for the financial services provided by it and its authorised representatives. Lonsdale has authorised your adviser to distribute this FSG.

Under its Credit Licence, Lonsdale also appoints Credit Representatives to provide credit assistance services on its behalf. Your Adviser is also a Credit Representative of Lonsdale.

Details of your Adviser are set out in the attached “Adviser Profile”. The Adviser Profile forms part of this FSG and they should be read together.

You are entitled to receive a ‘Statement of Advice’ on the first occasion that we provide you with personal advice, or a ‘Record of Small Investment Advice’ if the advice relates to amounts under certain thresholds. These documents will:

- Explain the advice and the basis of the advice,
- Provide information about our remuneration (including commissions), and
- Disclose any associations or relationships that could potentially influence us in providing the advice.

After providing you with our Statement of Advice, any ongoing personal advice that we may provide will be documented in a further ‘Statement of Advice’ or a ‘Record of Advice’ depending on the nature of the advice.

Copies of all advice documents will be retained on your client file and if you have not already been provided with one you may ask for a copy of these documents at any time.

We will also provide you with, or explain how to access, a Product Disclosure Statement ('PDS') issued by the product issuer for any financial product we recommend. The PDS contains information about the costs, benefits, risks and other features of the recommended financial product. You should read this information to enable you to make an informed decision prior to purchasing the recommended financial product.

Where we provide you with credit assistance services, your adviser will conduct an 'unsuitability assessment' to determine whether the credit contract they recommend is suitable for you. We will generally provide this written assessment to you as part of your Statement of Advice or Record of Advice document.

If your adviser determines that the credit contract will not be suitable for you, either because you couldn't repay the credit without suffering financial hardship, or it just doesn't meet your needs or requirements, then he or she cannot provide credit assistance to you in relation to that contract.

If you have not been provided with a copy of your unsuitability assessment, you may request a copy free of charge within 7 years of being provided a quote. We will provide this to you within 7 business days if you request it within two years of the quote, or within 21 business days after this time.

What financial and credit services are we authorised to provide and how will these be provided to you?

Lonsdale can offer financial services and advice that covers the following areas:

- Wealth Creation including advice on securities
- Retirement Planning including superannuation and strategies for transitioning to retirement
- Risk management & Protection of Assets
- Retrenchment & Redundancy advice
- Social Security / Centrelink entitlements
- Debt consolidation and budgeting

From these financial services, certain kinds of financial products may be recommended to you.

Lonsdale can provide advice and arrange transactions on the following class of financial products:

- Superannuation and Retirement Savings Account products
- Securities
- Managed Investments (including an Investor Directed Portfolio Service)
- Margin lending facilities (standard)
- Government Debentures, Stocks or Bonds
- Deposit Products
- Life Insurance products including investment life and life risk

Our Authorised Representatives can only provide advice on financial products within these classes where they appear on the Lonsdale "Approved Product List." The Approved Product List includes a large range of investment and insurance products for which the appropriate research and analysis has been undertaken.

An Authorised Representative of Lonsdale cannot advise you on, or influence you in favour of, a financial product which:

- is not on the approved product list; or
- is a managed discretionary account, or any arrangement where your Adviser can make changes to your portfolio before obtaining your consent; or
- is a product they are not authorised to provide advice on. Your Adviser's Adviser Profile will tell you the class of financial products your Adviser can advise on. Alternatively, you can find details in the Australian Securities and Investment Commissions website at www.asic.gov.au

Credit Services

Lonsdale has an arrangement with Lonsdale Finance Choice Pty Ltd (a credit provider) to provide credit services. Lonsdale Finance Choice Pty Ltd has associations with a number of lenders to assist you with your lending needs including:

- Home and Investment Loans
- Reverse Mortgages
- Personal and Commercial Leasing

Please be aware that Lonsdale shall not be responsible where an Adviser provides any services to you which are outside of their authorisation limits. You should therefore refer to the Adviser Profile and ask your Adviser to specifically confirm that the service or product does not fall within one of the above exclusions, prior to acting on any advice.

Can I provide my Adviser with instructions?

You may provide your Adviser with specific instructions by letter, email, telephone, fax or other means (as agreed with your Adviser).

How are we paid and how will you pay for the service?

Generally, there are three ways that you may elect to pay for the services we provide you. You can discuss these options with your Adviser to determine an option that suits you. The options available are as follows:

- 1. A Financial Planning Advice Fee based on either the time that was spent preparing your Statement of Advice (or other advice document) or on the value of the funds in which you choose to invest.** If this option has been agreed to, you will be invoiced for the agreed fee at the time you are provided with your SOA or other advice document. Your Adviser sets this fee and it is detailed in the Adviser Profile later in this document.
- 2. You may pay our fees out of the product in which you invest.** The product provider may pay Lonsdale out of:
 - a) a contribution (entry) fee which will be deducted by the product provider from your initial investment amount when you proceed with a transaction and also usually any subsequent amount you invest in the product; and/or
 - b) management costs which will be deducted by the product provider from your account on an ongoing basis (e.g. monthly, quarterly or annually); and/or
 - c) an Adviser Service Fee that you agree to with your Adviser for ongoing advice and service in relation to your investment in certain products.

- d) In relation to risk products (e.g. insurance), the product provider may pay commissions to Lonsdale based on the premium payable for that product. There may be either or both an initial and ongoing commission payable to us. Please note that while the commissions are payable based on the premium you pay, the commissions do not form part of your premium and are not an additional fee to you.

The contribution (entry) fees and management costs are normally calculated as a percentage of the relevant amount you have invested in the product. Most of these fees are paid direct to Lonsdale. Lonsdale then pays a portion to the relevant authorised representative and/or Adviser.

3. You may pay for the services by a combination of the above options.

For information about the fees applicable to financial products recommended, please ask your Adviser, refer to the Adviser Profile in this FSG and the relevant PDS. Also, your advice documents will contain full details of any fees and charges you pay.

Other (additional) commission payments

Lonsdale may also receive additional commission payments from investment platform providers. In some cases your Adviser may be entitled to a portion of these payments. These payments are usually based on the amount invested with the product provider. More detail will be provided in a SOA if the relevant products are recommended to you.

Other Benefits

Lonsdale receives 'sponsorship' in the form of cash payments from some of the product providers listed on the Approved Product List. Amounts may vary per product provider Your Adviser does not share directly in the sponsorship payments, but may benefit indirectly through the provision of subsidised conference attendance and training costs.

If you purchase or sell direct securities through us, we may receive a fee for these transactions.

Your Adviser may also receive a range of other benefits from product providers such as marketing support or sponsorship, entertainment, conferences, accommodation and travel.

Credit Services

Lonsdale will not charge you any fees or other charges for referral to Lonsdale Finance Choice Pty Ltd, however fees and charges will be applicable to services provided by Lonsdale Finance Choice Pty Ltd. These will be detailed to you within their Credit Guide upon referral.

Lonsdale will not receive any direct remuneration from Lonsdale Finance Choice for referring you to them. As Lonsdale Finance Choice Pty Ltd is 50% owned by Lonsdale, Lonsdale has a profit share arrangement with Lonsdale Finance Choice Pty Ltd. Your adviser may receive up to 10% upfront and ongoing commission for any referrals to Lonsdale Financial Choice Pty Ltd.

Your Adviser may also have separate arrangements with lenders or brokers who can assist you with credit services. They may receive remuneration from these credit providers for referring you to them. Your adviser may charge a fee for providing financial services (as detailed above) however generally you will not be charge a separate discrete fee by your Adviser for providing credit assistance to you. If relevant, this information will be contained within the attached Adviser Profile.



Do any relationships or associations exist which may influence the financial advice we provide?

As well as the payment arrangements detailed above, you should know about the following arrangements:

- Lonsdale is a wholly owned subsidiary of DKN Financial Group Limited (DKN). DKN is listed on the Australian Stock Exchange. DKN, as the sole shareholder may benefit from any profits Lonsdale earns.
- Wrap Account Pty Ltd (Wrap) is a wholly owned subsidiary of DKN. Wrap may benefit from any of its products that Lonsdale includes on its Approved Product List and recommends to clients. DKN, as the sole shareholder in both Wrap and Lonsdale may benefit from any profits either Wrap or Lonsdale earn.
- Zurich Financial Services (Zurich) is a minority shareholder of DKN and also has products that may be on Lonsdale's Approved Product List that may be recommended by our Advisers. Therefore, Zurich may benefit from any profit that DKN makes as well as any Zurich products recommended by Lonsdale's Advisers.
- The corporate Authorised Representative entity (the Entity) described in the Adviser Profile may receive share options in DKN based on the Entity's contributions to DKN's revenue, as well as its compliance standards and cultural alignment to DKN. As such, the Entity's shareholders may benefit if it receives DKN options and exercises them. The number and value of these options, if offered, are at DKN's discretion and will be determined in part by the level of DKN's overall performance. More detail will be provided upon your request, or in an SOA, if relevant.
- Lonsdale Finance Choice is 50% owned by Lonsdale.

A third party provider (e.g. an accountant) may receive a commission for referring you to the Adviser. Specific details of any such associations are detailed in the attached Adviser Profile.

We maintain a public register outlining the forms of alternative remuneration that are payable to and by Lonsdale. A copy of this register can be accessed upon request.

How do we maintain information about you?

National Privacy Principles apply to the collection of personal or sensitive information. In effect, this means that information provided by you in the course of receiving financial planning services must be used only for the following purposes:

- to provide you with information, products or services that you might reasonably expect or request;
- to fully understand or anticipate your needs during our relationship;
- to manage rights and obligations under any laws applying to the services provided; or
- to conduct research, or planning and marketing, which includes direct marketing, although you do have the right to specifically instruct that your details aren't used for these purposes

The type of information which will usually be requested will include significant details about your financial, taxation, health, employment and estate planning matters. This may include details relating to your partner or family members.

You are entitled to request access to your file for the purpose of reviewing and correcting the information held. However, you cannot access information where it would have an unreasonable

impact upon the privacy of another person, or if the information is relevant to legal obligations or legal proceedings.

We will, from time to time, disclose information about you to our Authorised Representatives and to other professionals, insurance providers, superannuation trustees, product issuers and our service providers in connection with providing our services to you.

If your Adviser leaves Lonsdale and commences to provide financial services under another licensee, your information may be transferred to the new licensee. You will be advised of any such transfer prior to it taking place.

You are entitled to obtain access to the information which we hold about you by contact the Privacy Officer on (03) 9916 6300 or by writing to our:

Privacy Officer, Lonsdale Financial Group Limited
PO Box 179 Collins Street West, Melbourne VIC 8007

For more information regarding our collection, use, storage and disclosure of your personal information, our Privacy Policy can be accessed on our web site www.lonsdale.com.au

How can you access Lonsdale's complaints handling arrangements?

Lonsdale and your Adviser are members of the Financial Ombudsman Service (FOS).

If you have a complaint regarding the provision of financial services or credit assistance services to you, you should take the following action:

1. Speak to your Adviser about your concerns, or
2. Contact us on 03 9916 6300 and ask to speak to our Professional Standards Manager.

If after speaking to your Adviser or our Professional Standards Manager, your complaint is not resolved within three (3) days, please put your complaint in writing and send it to us, addressed to:

Professional Standards Manager, Lonsdale Financial Group Limited
PO Box 179 Collins Street West, Melbourne VIC 8007

Whilst every endeavour will be made to resolve the matter promptly and impartially, if you are not satisfied with how your complaint is dealt with, you can elect to refer the matter, free of charge, to the FOS. FOS can be contacted on 1300 780 808. You can also write to them at:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001

If your concerns involve your Adviser's conduct, you may wish to raise this with the Financial Planning Association of Australia Limited (FPA). You can write to them at:

Financial Planning Association
PO Box 109 Collins Street West, Melbourne VIC 8007

Alternatively, other matters can be referred to the industry regulator, the Australian Securities and Investments Commission (ASIC) on free-call 1300 300 630 or visit the website www.asic.gov.au

Professional Indemnity Insurance

Lonsdale has Professional Indemnity Insurance in place to cover us and our representatives for liability arising from the financial services we provide. This includes claims relating to the conduct of representatives who no longer work for Lonsdale, but did so at the time of relevant conduct. We understand it is adequate to meet our requirements as a financial services licensee.



Adviser Profile

Inclusive of Credit Guide for Credit Representative

This Adviser Profile (inclusive of Credit Representative Credit Guide) is part of the Lonsdale Financial Group Ltd (Lonsdale) Financial Services Guide (FSG) and should be read in conjunction with this document.

Who is my Adviser?

The Authorised Representatives are Russell Orr and Stephen Mason and they operate under the trading name of Customised Financial Planning from the following two business locations:

Engadine

Suite 9,
35-37 Princes Highway
Engadine NSW 2233
Telephone (02) 9548 5933
Facsimile (02) 9548 5737

North Parramatta

52 Sorrell Street
North Parramatta NSW 2151
Telephone (02) 9890 4411
Facsimile (02) 9890 4433

Postal Address:

P.O Box 591
Engadine NSW 2233

P.O Box 2392
North Parramatta NSW 2151

Stephen John Mason

Authorised Representative No. 257926
Credit Representative No. 366267
Stephen has the following qualifications
experience and memberships:

- Bachelor of Business
- Certified Practising Accountant
- Public Practice Certificate
- Member of CPA Australia
- Certified Financial Planner
- Authorised Representative since 1991
- Member of the Financial Planning Association (FPA) since 1995

Russell Malcolm Orr

Authorised Representative No. 257925
Credit Representative No. 366268
Russell has the following qualifications,
experience and memberships:

- Bachelor of Economics
- Diploma of Education
- Diploma of Financial Planning
- Certified Financial Planner
- Authorised Representative since 1991
- Member of the Financial Planning Association (FPA) since 1995
- Member of the Self Managed Superannuation Fund Professionals Association of Australia (SPAA) since 2003.

Your advisers are Credit Representatives of Lonsdale.



What kinds of financial products and services can you provide?

Your Adviser is authorised by Lonsdale to provide general and personal financial product advice to wholesale and retail clients on the following class and types of products. Your Adviser can also arrange for you to buy and sell such financial products.

Deposit Products

Life Products including:

- Investment life insurance products
- Life risk insurance products

Superannuation products, including

- Public Offer Superannuation Funds
- Account Based Pensions and Complying Annuities
- Corporate Superannuation Funds
- Self Managed Super Funds

Retirement Savings Accounts

Managed Investment Products including IDPS

- Managed Trusts
- Master Trusts, Wrap Facilities
- Property Syndicates
- Tax Effective Investments

Margin Lending facilities (standard)

Government Bonds, Stocks or Debentures

Securities

- ASX listed shares, instalment warrant and fixed interest

As a Credit Representative, your Adviser is also authorised to provide you with credit assistance services through arrangements with Lonsdale preferred lender and other brokers.

How will I pay for the financial services?

Remuneration and payment will be agreed before you become a client. The particulars of the fees, commissions and any other relevant remuneration and benefits will be disclosed to you in a Statement of Advice should we proceed to provide you with personal advice. Also, the Product Disclosure Statement (PDS) of any financial product recommended will detail the fees payable to the product provider for that particular product.

A summary of the way we are paid is outlined below. All fees quoted are inclusive of GST.

Initial Advice Fees

Your initial appointment is free which includes a one hour consultation to:

- Discuss your present circumstances and goals
- Understand what you would like to achieve from your wealth plan
- Introduce you to our practice; our team, our advice approach, our services and associated fees
- Determine if you would like us to proceed with developing strategies for your wealth plan.

Statement of Advice fee

We charge a fee for the preparation of a Statement of Advice (**SOA**). This fee is charged where you have agreed to receive advice from us. The Statement of Advice fee is calculated based on complexity of your situation and therefore the time required to prepare your SOA. This is calculated based on an hourly rate of **\$250 - \$300**, while a minimum fee of **\$1,650** will apply. We will be in a position to provide you with an estimate of your likely SOA fee after our initial discussion with you and we would encourage you to discuss it with us.



Where we provide you financial services and advice, up to and including the preparation of a SOA but you do not choose to proceed and implement the advice, the agreed SOA fee will apply and be payable by you.

Implementation

Once we prepare and present our advice in an SOA, and you choose to proceed with implementation, 'Implementation fees' will be charged for the work required. Depending on the amount of work required, the Implementation Fee is calculated based on our hourly rate ranging between **\$250 - \$300**.

For example, if 10 hours of work is required for implementation, you would be charged between \$2,500 and \$3,000, dependent on the hourly rate applicable. Prior to charging an implementation, we will discuss the requirements with you and disclose this fee to you within the Statement of Advice.

Ongoing Advice

We offer all clients an ongoing review service. Our ongoing advice program consists of two components - a fixed Ongoing Service Package Fee plus a Portfolio Management Fee.

Ongoing Service Package

Our ongoing review service allows us to keep track and review your financial plan to ensure that we continue to work towards achieving your goals. We encourage all clients to take up one of our Ongoing Service Packages.

We have a range of packages to suit the varying stages of a person's life and their subsequent advice needs. After discussions with you, we will recommend an Ongoing Service Package to suit you and your financial needs. Further details on our service offer will be outlined in the Ongoing Service Agreement.

Our Ongoing Service Packages generally range from **\$800-\$5,000** per annum and this amount is dependent on your stage of life, the complexity of your situation and your ongoing advice requirements. Where ongoing services you require fall outside of our standard packages, or where we or you feel you require a greater level of service, additional fees may apply. Again, these additional fees will be charged based on our standard hourly rates. Any additional fees that apply outside the services packages will be disclosed to you prior to any of these activities taking place.

Portfolio Management Fee

In addition to the service package fees applicable, a portfolio management fee is also payable. This fee is calculated based on the value of your 'invested' portfolio. This fee is payable for the ongoing management of your investment and superannuation portfolio(s) which includes the regular tracking and investment rebalancing in line with your objectives and the review of existing investments and consideration of alternative investment options.

The portfolio management fee payable is up to **0.55% pa** of your invested portfolio including cash.

Ongoing Service Fee Example

If you have a total portfolio balance of \$200,000 and have agreed to an Ongoing Service Advice Package most suitable to your current situation, then you could expect to pay the following:

Ongoing Service Package (Retirement)	\$2,200 per annum
Portfolio Management Fee (\$200,000 x 0.55% pa)	\$1,100 per annum

Ongoing Services Fees payable *\$3,300 per annum*

Advice in respect of risk insurance products

Where risk insurance products (e.g. life insurance) are recommended, the insurance provider pays an 'initial commission', which is normally a percentage of the value of the first year premium. Where an insurance policy is renewed, the insurance provider also pays 'renewal commission', which is calculated as a percentage of the renewal premium amount for the insurance policy.

We refer most clients to a risk insurance specialist, **MBS Insurance**, (MBS), for all risk insurance advice. Once you have received advice by MBS, it will be their responsibility to regularly review your ongoing risk needs, as mutually agreed by yourselves and MBS Insurance representative.

Where you are referred to MBS Insurance and you purchase an insurance policy(ies), we will be entitled to 30% of the initial and renewal commission which MBS Insurance would otherwise be entitled, from business written as a result of the referral. The referral fees we are entitled to will be disclosed to you in the MBS Statement of Advice.

Shares

A brokerage fee of **1.1%** will apply for each trading instruction (ie. Buy or Sell), with a minimum fee of **\$110** per trade. **0.55%** of this fee is payable to the Sharebroker and **0.55%** of this fee is payable to us. Depending on the Ongoing Service Package you subscribe to, this brokerage fee may be reduced to **0.55%** for each trading instruction, with a minimum fee of **\$55** applicable to each trade. In this latter case the fee is charged and payable to the sharebroker and not to us.

The applicable brokerage fees will be disclosed to you in your Ongoing Service Agreement and Statement of Advice.

What kind of credit assistance services can you provide me?

Through our arrangement with Boss Solutions Pty Ltd your Adviser can provide you with the following services:

- Debt consolidation
- Home and Investment Loans
- Self Managed Super Fund Loans
- Personal lending needs
- Commercial and personal leasing
- Debt Recycling



How will I pay for credit assistance services?

You will not be charged a discrete fee for credit assistance services. Rather, your Advisers will receive ongoing brokerage as set out in the following paragraph.

Will my adviser receive any commissions or other benefits for providing credit assistance services?

Your Adviser will receive remuneration in the form of commissions/fees from BOSS Solutions Pty Ltd where they refer clients to them:

Total commissions paid by financial institutions are:

- Initial – 0.5% - 0.65% of loans financed
- Ongoing (2nd year and on) – 0.15% - 0.2% of loan outstanding

Of the above your adviser will receive 50% of initial and 80% of ongoing.

Example:

A loan facility of \$250,000 is arranged for which the financial institution may pay initial brokerage of 0.65%, which equals \$1,625. Your adviser will receive \$812.50 of this.

In the second year the average balance of the loan may be \$200,000. The financial institution pays 0.2% ongoing brokerage, which equals \$400 of which your adviser receives \$320.

Do any additional relationships exist which may influence your recommendations to me?

No.



Client Acknowledgement (to be retained by your Adviser)

I/We acknowledge that I/we have received a copy of this FSG CG Version 1(dated 01/01/2011), Adviser Profile CG Version 1 (dated 23/03/2011) on:

_____ (insert date given)

I/We acknowledge that I/we have been informed that Lonsdale Financial Group Limited is only responsible for authorised financial services of the Authorised and Credit Representative as set out in this FSG and Adviser Profile.

I/We acknowledge that Lonsdale Financial Group Limited is not responsible to me/us in relation to any other business activities of the Authorised and Credit Representative, their staff or your Adviser, including but not limited to accountancy, administration, legal and actuarial.

Client name(s):		
Client signature(s):		
Date:		

