



InvestSMART

It's your future.

FINANCIAL SERVICES GUIDE



This Financial Services Guide ('FSG') is dated 1 October 2014 and is an important document that we are required to provide to you under the terms of our Australian Financial Services Licence.

The purpose of this FSG is to provide you with important information to assist you in deciding whether to use any of the services offered by InvestSMART including:

- How to contact us
- Product disclosure and advice
- The financial services and products we offer
- Our business relationships
- How we are paid and
- Our procedures for dealing with disputes and how you can access those procedures.

Who is InvestSMART™?

InvestSMART Financial Services Pty Ltd ('InvestSMART') was set up to provide Australian retail investors with low cost access to quality financial information and products.

We are now one of the largest online financial services companies in the country with more than 125,000 subscribers and covering more than 4,000 managed funds and investment products.

Our Services

Authorised Services

- General financial product advice
- Deal in a financial product

Authorised Products

- Deposit products
- Managed investments
- Superannuation and retirement savings account products
- Life insurance
- Securities
- Government debentures, stocks and bonds

Our staff, directors and associates provide general financial advice only. We will not provide you with any personal advice. This means that we will not take into account your objectives, financial situation or needs. Accordingly, a Statement of Advice will not be provided.

Association with Product Issuers

There is no relationship or association between InvestSMART and product issuers for whom InvestSMART distributes products that might reasonably be expected to be capable of influencing InvestSMART's provision of financial services to you. InvestSMART is the investment manager on the InvestSMART Diversified Portfolios issued by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956).

InvestSMART may receive a commission payment or fees from these product issuers as a result of you investing in one of their products or products they distribute, as outlined below.

How do you do business with us?

Offers of financial products through InvestSMART will be made in, or accompanied by, a copy of the Product Disclosure Statement or prospectus in relation to that product. The purpose of a Product Disclosure Statement or prospectus is to provide detailed information about the nature of the particular financial product, its costs and the risks associated with purchase.

Anyone wishing to acquire financial products will need to read the entire Product Disclosure Statement or prospectus carefully and complete the application form in, or accompanying, the disclosure document. If you have any special instructions with respect to your investment you will need to provide those instructions to InvestSMART in writing via **PO Box Q744 , Queen Victoria Building NSW 1230**.

You can give us instructions by telephone on **1300 880 160** or through our website **www.investsmart.com.au**.



How are we paid for the services we provide?

Fees earned on the InvestSMART Diversified Portfolios and commissions paid to us by product providers primarily remunerate InvestSMART. We also receive fees for advertising, marketing and distributing third party products and services. InvestSMART rebates 100% of initial commissions on managed funds paid by fund managers as additional units in the fund, or by cash refund.

Initial commissions, including entry fees and sales commissions, are a one off payment and are calculated as a percentage of the funds you have invested.

Initial commissions are calculated as follows:

- Investment products – between 0% and 5% (GST inclusive) of your investment amount; or
- Insurance products – between 0% to 122.5% (GST inclusive) of the premium that you pay.

Ongoing commissions (sometimes referred to as trailing commissions) are paid for the length of time you hold the product. They are usually paid directly to InvestSMART by the product provider out of the revenue the product provider earns. In some cases, they may be deducted from your investment, or the premium, or management fees you pay to the product provider.

Ongoing commissions and fees are calculated as follows:

- Investment products – between 0% and 1.1% (GST inclusive) of your investment amount; or
- Insurance products – between 0% to 35% (GST inclusive) of the renewal premium.

TrailCap™ provides investors with the means to freely monitor trailing commissions on their managed fund investments. Investors may also receive a cash payment from InvestSMART for a proportion of the trailing commissions we receive from participating fund managers on your investments.

TrailCap Participating Fund Managers

- Advance Asset Management Limited
- AMP Capital Investors Limited
- AMP Life Limited
- Australian Unity Funds Management Ltd
- AXA-National Mutual Funds Management Ltd
- BlackRock Investment Mgmt (AUS) Ltd
- BT Funds Management Ltd
- Colonial First State Investments Limited
- Fidante Partners Limited
- Hunter Hall Investment Management Ltd
- Macquarie Investment Management Limited
- Man Investments Australia Ltd
- MLC Investments Limited
- MLC Limited
- OnePath Funds Management Limited
- Perpetual Investment Management Ltd

InvestSMART receives an investment management fee of 0.60% (GST inclusive) on any amounts invested in the InvestSMART Diversified Portfolios.

InvestSMART will not receive any commission for investment products acquired by retail clients from 1 July 2014, except for certain managed fund products where the client had an interest in the managed fund prior to 1 July 2014.

How are we remunerated for referrals made to external specialists?

Should you choose to take up a product or service provided by an external specialist such as online broking services, InvestSMART may earn commission based on the ongoing brokerage or fee you pay. The percentage of commission that will be earned by InvestSMART will range from 0% to 50% of the amount you pay.



How are our representatives remunerated?

Our representatives are remunerated by salary from InvestSMART and do not directly receive any commissions or fees. They may be eligible for an annual bonus payment, which is discretionary and based on performance.

What insurance arrangements do we have in place?

InvestSMART holds professional indemnity insurance in place in respect of the financial services we provide to retail clients which complies with section 912B Corporations Act. InvestSMART's professional indemnity insurance covers work done by our representatives or employees during the period of their employment, even if they cease to be employed by us. It does not cover work done by representatives or employees after they cease to be employed by us.

How do we protect your privacy?

We are committed to safeguarding the privacy of your personal information. We collect your personal information for the purposes of providing you with financial services and we will use the information to:

- Provide you with the products or services you have requested
- Personalise and customise your interaction with InvestSMART
- Help InvestSMART manage and enhance its services
- Communicate with you, and
- Provide you with ongoing information about products and services available from InvestSMART, and other purposes set out in our Privacy Policy.

If the personal information you provide is incomplete or inaccurate, we may not be able to provide you with the services you seek.

We store your personal information in Australia and though some of our multinational service suppliers may store this information overseas. We are unable to determine in which countries this

information may be held. We are unlikely to disclose your personal information overseas.

Our Privacy Policy contains details of how you can access and ask for correction of your personal information, and how you can complain about privacy-related matters.

You may view our complete Privacy Policy online at www.investsmart.com.au/documents/IS_Privacy_Policy.pdf.

If you would like a copy of our Privacy Policy, you may call us on 1300 880 160 or mail the Compliance Officer at PO Box Q744, Queen Victoria Building NSW 1230.

What should you do if you have a complaint?

We have established procedures to ensure all enquiries and complaints are properly considered and dealt with. If you have an enquiry or complaint about the operation or management of our products or services, please phone **1300 880 160** and ask for our Compliance Officer.

InvestSMART is a member the Financial Ombudsman Service, an external complaints resolution scheme.

If you are not satisfied with our response to a complaint, you may refer the complaint (at no cost) to Financial Ombudsman Service (FOS), GPO Box 3, Melbourne VIC 3001. You can call FOS on 1800 367 287.

How do you contact us?

To find out more about any of our products or services, please visit our website www.investsmart.com.au, call our friendly client services team on **1300 880 160** or write to us at **PO Box Q744, Queen Victoria Building NSW 1230**.

InvestSMART Financial Services Pty Ltd

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