

Financial Services Guide

Effective as at 14 March 2019

This Financial Services Guide (FSG) is dated 14 March 2019 and is an important document that we are required to provide to you and covers the following Australian Financial Services Licenced entities which are part of the InvestSMART Group:

- InvestSMART Financial Services Pty Ltd ABN 70 089 038 531 (AFSL # 226435) (AFCA membership #10433)
- InvestSMART Funds Management Limited ABN 62 067 751 759 (AFSL # 246441) (AFCA membership #11750)
- InvestSMART Publishing Pty Ltd ABN 12 108 915 233 (AFSL # 282288) (AFCA membership #11985)
- InvestSMART Advice Pty Limited ABN 81 119 670 334 (AFSL # 334107) (AFCA membership #14404)

And the following Corporate Authorised Representatives:

- Eureka Report Pty Ltd ABN 84 111 063 686 (CAR 001241581 of InvestSMART Publishing Pty Ltd)
- YourShare Financial Services Pty Ltd ABN 32 122 332 503 (CAR 309028 of InvestSMART Advice Pty Limited)
- InvestSMART Insurance Pty Ltd ABN 86 156 522 548 (CAR 419910 of InvestSMART Advice Pty Limited)
- The Intelligent Investor Holdings Pty Limited ABN 57 109 360 983 (CAR 001255838 of InvestSMART Financial Services Pty Limited)
- Kohler & Company Pty Ltd ABN 54 610 863 128 (trading as The Constant Investor, CAR 001244896 of InvestSMART Publishing Pty Ltd)

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 the InvestSMART Group including:

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

Who is the InvestSMART Group?

The InvestSMART Group Ltd ABN 62 111 772 359 (**ASX: INV**) (the InvestSMART Group) is Australia's leading provider of general financial advice to retail clients and self-managed super funds. We have a strong track record of providing high quality share research, portfolio management tools, and investment opportunities to private investors. The business offers free investment management tools at www.investsmart.com.au, in addition to managed funds, mortgages, term deposits and insurance products.

Subscription research is provided through some of Australia's pre-eminent share research and wealth advice services – www.intelligentinvestor.com.au, www.theconstantinvestor.com and Eureka Report. The InvestSMART Group and/or our clients may receive rebates of commissions on certain financial products.

Our Services

The InvestSMART Group AFSL holders are licenced to provide general financial product advice to retail and wholesale clients for the following classes of financial products:

- deposit and payment products limited to: basic deposit products;
- derivatives;
- general insurance products;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes including investor directed portfolio services;
- life insurance products including: investment life insurance products and life risk insurance products;
- mortgages;
- retirement savings accounts (RSA) products (within the meaning of the Retirement Savings Accounts Act 1997 (Cth));
- securities; and
- superannuation;

and deal in a financial product in respect of retail and wholesale clients by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:

- deposit and payment products limited to: basic deposit products;
- general insurance products;
- life insurance products including investment life insurance products, total and permanent and disability insurance, and life risk insurance products;
- interests in managed investment schemes excluding investor directed portfolio services;
- mortgages; and
- securities,

and issue and operate registered managed investment schemes and provide custodial services.

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. General financial advice means that we can only provide advice and information on how financial products work. We cannot advise if they are suitable for you. The advice we provide has been prepared without taking into account your particular objectives, financial situation or needs. We recommend you consult a financial adviser or stockbroker who is licensed to provide you with personal advice to help you determine your risk profile, objectives and needs.

Association with product issuers

The InvestSMART Group is a publicly listed company on the ASX. As such, we are not controlled by any fund managers, insurers or banks so the services we provide are not directly influenced by product issuers.

With the exception of our insurance providers for our comparison tool service and our partnership with The Term Deposit Shop Pty Ltd (ACN 159 123 001, Authorised Representative No. 438880) (the **Term Deposit Shop**) for the provision of our term deposit service, there

is no relationship or association between the InvestSMART Group and product issuers for whom the InvestSMART Group distributes products that might reasonably be expected to be capable of influencing our provision of financial services to you.

Mortgages are written through Outsource Financial Pty Ltd (ABN 42 131 090 705, Australian Credit Licence 384324).

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, where required, 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 in writing via PO Box 744, QVB, Sydney NSW 1230.

You can provide us with instructions as follows:

- For InvestSMART by telephone on 1300 880 160 or through our website www.investsmart.com.au,
- For Intelligent Investor by telephone on 1800 620 414 or through the website www.intelligentinvestor.com.au,
- For Eureka Report by telephone on 1800 458 656 or through the website www.eurekareport.com.au,
- For InvestSMART Insurance by telephone on 1300 880 160 or through our website www.investsmart.com.au,
- For Yourshare by telephone on 1300 554 774 or through the website www.yourshare.com.au,
- For The Constant Investor by telephone on 1300 880 160 or through our website www.theconstantinvestor.com,
- For InvestSMART Funds Management on 1300 880 160 or through the website www.investsmart.com.au.

How are we paid for the services we provide?

Investment management fees earned on the InvestSMART Professionally Managed Account Portfolios and commissions paid to us by product issuers, and subscriptions to Intelligent Investor and Eureka Report primarily remunerate the InvestSMART Group. We may also receive fees for advertising, marketing and distributing third party products and services. The InvestSMART Group, through InvestSMART Financial Services, InvestSMART Insurance and YourShare, will rebate 100% of initial commissions on managed funds paid by fund managers as additional units in the fund, but will not rebate initial commissions on managed funds paid by the product provider in cash.

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 90% (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.

The InvestSMART Group may rebate a portion of these ongoing commissions.

The InvestSMART Group receives an investment management fee of between 0% - 0.97% (GST inclusive) on any amounts invested in

the InvestSMART Professionally Managed Account Portfolios, and up to 0.97% plus performance fees on the managed funds issued by InvestSMART Funds Management Ltd.

The InvestSMART Group may receive commissions for investment products acquired by retail clients from 1 July 2014, in particular for certain managed fund products where the client had an interest in the managed fund prior to 1 July 2014, or for financial products where the remuneration paid to the InvestSMART Group is not conflicted. Clients may request particulars of the remuneration we receive within a reasonable time after the client has been provided with this FSG and before any financial service identified in the FSG is provided to the client.

The Term Deposit Shop

Under our arrangements with the Term Deposit Shop, the InvestSMART Group is paid 50% of any commission earned by the Term Deposit Shop from clients who invest in a term deposit through our website. Commissions earned by the Term Deposit Shop range between 0.1% - 0.2%, based on the size of the deposit. The commission earned by the Term Deposit Shop is generated either by the client where the Term Deposit Shop's interest rate factors in the commission or they are directly paid by the authorised deposit-taking institution involved in the investment.

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, mortgage broking or term deposits, the InvestSMART Group may earn a commission based on the ongoing brokerage or fee you pay. The percentage of commission that will be earned by us will range from 0% to 50% of the amount you pay.

How are our representatives remunerated?

Our representatives are remunerated by salary from the InvestSMART Group and do not directly receive any commissions or fees. They may be eligible for bonus payments, which are discretionary and based on performance measured by a number of different criteria.

What insurance arrangements do we have in place?

Each Australian Financial Services Licencee in the InvestSMART Group holds professional indemnity insurance in place in respect of the financial services we provide to retail clients which complies with section 912B Corporations Act. The professional indemnity insurances cover 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 the InvestSMART Group
- Help the InvestSMART Group manage and enhance its services
- Communicate with you, and
- Provide you with ongoing information about products and services available from the InvestSMART Group, 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 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 InvestSMART Group Privacy Policy online at www.investsmart.com.au/privacypolicy.

If you would like a copy of our Privacy Policy, you may call us or mail the Compliance Officer at PO Box 744, QVB, Sydney 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 us and ask for our Compliance Officer.

Each AFSL in the InvestSMART Group is a member the Australian Financial Complaints Authority, an external complaints resolution scheme, with membership numbers shown on page 2 of this document.

If you are not satisfied with our response to a complaint, you may refer the complaint (at no cost) to Australian Financial Complaints Authority (AFCA), GPO Box 3, Melbourne VIC 3001. You can contact them through their website at www.afca.org.au or you can call them on 1800 931 678.

How do you contact us?

To find out more about any of our products or services, please visit our websites www.investsmart.com.au, www.intelligentinvestor.com.au, www.theconstantinvestor.com, www.eurekareport.com.au, or www.yourshare.com.au. Otherwise, call our client services team on 1300 880 160 or write to us at:

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