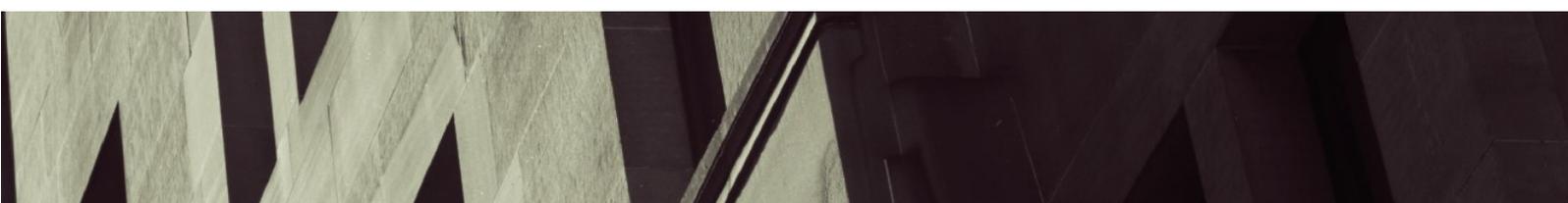


FINANCIAL SERVICES GUIDE

We protect legacies, and
help create new ones.



FINANCIAL ADVICE & PORTFOLIO MANAGEMENT



FINANCIAL SERVICES GUIDE

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LIPMAN BURGON AND PARTNERS PTY LIMITED
AFS Licence No. 234972 ABN 81 070 454 787

Financial Services Guide

This Financial Services Guide is designed to assist you in deciding which of the services offered best suits your needs. It contains important information about:

- who we are
- the services we offer
- the financial advisory process
- how we are remunerated
- how to contact us
- how you are protected if a dispute arises.

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About Lipman Burgon & Partners (LBP)

Lipman Burgon and Partners Pty Ltd (ABN 81 070 454 787) (LBP) is a privately owned advisory company that holds its own Australian Financial Services Licence (no. 234972). The company provides tailored financial solutions to meet the needs of individuals and families, associations, charitable trusts and foundations.

Formerly the wealth advisory division of Investec Bank (Australia) Limited, the company has an impeccable track record of providing sophisticated portfolio management services and strategic financial advice.

The founders, **Robert Lipman and Paul Burgon**, are two of Australia's leading financial advisers and portfolio management specialists.

Robert is the Executive Chairman of LBP and a Chartered Accountant (Financial Planning Specialist). In addition to establishing LBP, he founded the wealth management practices of Towers Perrin, Ord Minnett and Investec Bank (Australia) in the 1990s and early 2000s. Robert specialises in advising affluent clients including corporate executives, directors of public companies, the self-employed and the independently wealthy.

Paul is the company's Managing Director and a Certified Financial Planner (CFP®) with a Master of Applied Finance and a Graduate Diploma in Financial Planning. He is an expert in wealth structuring, asset allocation, executive remuneration, philanthropy and intergenerational wealth transfer. Before co-founding LBP, Paul worked with Goldman Sachs JBWere and Investec Private Bank.

The LBP advisory and support team is widely recognised for its knowledge and technical competence. Our people are committed to the values of honesty, accountability and tenacity. These values are fundamental to providing a premium wealth management and advisory service for our clients.

Financial Services We Offer

We offer a full range of services to manage your wealth cycle – from the creation of wealth through to its management, protection and preservation and ultimately, to its distribution. Using our expertise, we can provide you with a comprehensive financial plan which includes investment portfolio construction and review.

LBP is authorised to give advice – both general and personal – and deals in the following products:

- basic and non-basic deposit products
- certain types of derivatives
- superannuation – corporate and personal – including self-managed superannuation funds
- securities, e.g. shares and debentures
- managed investment schemes such as managed funds
- government debentures, stocks and bonds
- investment life insurance products
- standard margin lending facilities.

Our expertise in providing these services is available at different levels, depending on your needs, chosen investment strategy and preferred method of implementation.

Tailored Financial Advice

At LBP, we regard each client as unique. Our initial focus is to understand your long-term financial and lifestyle objectives. We then analyse your financial position in terms of cashflow and assets and liabilities, including all holding structures. Once the financial plan is established, we will regularly analyse movements in these assets and liabilities to ensure they remain suitable for your short and long-term financial needs. The ongoing review process is critical to ensure we achieve optimal results for our clients.

Investment Selection

Our approach to investment management involves the identification of the risk and return characteristics of each asset class and their impact on the broader portfolio needs of our clients. The macroeconomic and global investment research underpinning our recommendations is of the highest quality and sourced from the world's leading investment banks and independent research houses.

Statement of Advice and Portfolio Reviews

First time clients of LBP are provided with a Statement of Advice. This document sets out our financial advice, the basis of our recommendations and information about our fees, commissions or any other benefits or associations which may influence our advice. To ensure financial strategies continue to be leading-edge and appropriate to your changing needs, we undertake periodic reviews of your portfolio and financial position. Details of these reviews are documented in a further Statement of Advice or Record of Advice.

The periodic review allows your adviser to consider adapting your initial financial plan taking into account changes in your personal circumstances and future goals, as well as capitalising on external events such as changes in government policy and global economic conditions. Portfolio reviews are conducted regularly and you may request a copy of the Record of Advice if you wish. Copies are retained for a minimum of seven years and are available on request.

Personal Information

In order to accurately tailor a financial plan and an investment strategy to meet your specific needs, we will need details of your personal objectives and current financial situation. You have the right not to divulge this information to us. However, our financial advice can only be as accurate and relevant as the information you provide.

Communication for Instructions

You may specify how you would like to provide us with instructions to buy or sell your investments. Usually this is by telephone, mail, fax, email or other electronic means.

Execution of Instructions

Upon receipt of a clearly communicated instruction to transact we will organise for the transaction/s to be executed on a best endeavours basis. Where we are required to post original documents we rely on the Express Post service offered by Australia Post and cannot be held responsible for any delays from Australia Post.

In the case of listed equities, we will contact the relevant stockbroker to place the trades as soon as practical. For any investments which require documentation to be completed, we will endeavour to organise these to be sent to you within two business days, however, in circumstances where the transactions are complex or require further investigation, we reserve the right to prepare the documentation within a timely period and advise you of its expected delivery as soon as possible. Once we have organised the documents on your behalf, we take no responsibility where a fund manager, stockbroker or any other investment provider has updated or otherwise changed their offer documents or forms such that they are no longer acceptable.

In the case of initial public offerings or corporate actions we require a minimum of two business days prior to the cut off or closure date of such offers to organise payment and postage of any required documents and cannot be held responsible if there are delays in getting documents to us.

Investment Risks

Investments in all asset classes can appreciate in value as well as decline. The measure of such movements is known as volatility. The more the asset value changes over time, the more volatile the value of that asset and the more inherently risky the investment. Similarly, the less volatile the value of an asset, the less probability there is for any significant capital gain or loss from that investment. Such risk can arise from several factors, some of which are summarised below:

Overall Market Risk

Market risk occurs when all investments in a specific market move in the same direction. This can arise during times of interest rate movements, political changes, changes to taxation laws or international crises.

Specific Risk

Specific risk occurs when an individual investment underperforms the market. Some of these risks may be sector-specific and others specific to the actual investment. For example, **sector-specific** risks associated with equities are demand for the product the company produces, the industry's economic cycle and changes in technology. **Stock-specific** risks for equities relate to the strength of the company's board of directors and management team, the profit and loss record and market share.

Service Charges

Statement of Advice Fee

The charge for the financial analysis and presentation of a personal financial plan is between \$3,300 and \$7,700 (including GST) for clients who utilise our full service offering. Actual fees charged will be dependent on the complexity of the advice required and the level of assets invested with us.

Investment Administration

Efficient portfolio administration is a key component of investment management. Once established, a diversified and dynamic investment portfolio can be a complex administrative burden throughout the year.

LBP has engaged Netwealth Investments and Macquarie Bank to provide its clients with leading-edge administration services and technology. Using an administration platform consolidates all transactions, income and cashflows into one system, allowing for the automated creation of one set of reports and a simple end-of-year tax process.

In terms of paperwork, rather than the many and varied statements and reports you would receive if you held all of your investments separately outside an administration service, you will receive consolidated and easy-to-read portfolio reports at regular intervals, plus a detailed annual tax report to help in completing your tax return. In between, you and your adviser have secure online access, 24 hours a day, seven days a week, to the full details of your portfolio and a wide range of printable online reports.

The choice of which platform provider to select will depend on your individual circumstances and will be discussed directly with you by your adviser.

Portfolio Management Fee

We charge our clients an annualised fee based on the underlying value of the portfolio under our management. Our fees include regular reviews of all aspects of your financial affairs and the performance of your investment assets.

The following charges are annualised and are based upon the value of your portfolio under the management of LBP, as at the end of each payment period:

- 1.1% for the first \$5 million of funds under management
- 0.55% for funds above \$5 million under management.

Where client portfolios exceed \$2,500,000, we will discount our fees to cover the cost of the investment administration platform.

Please note that a minimum fee of \$16,500 p.a. will apply. All fees quoted are inclusive of GST.

Brokerage on Listed Investment Trading

For trades executed through the Macquarie Bank investment platform, brokerage is charged at 0.12% per trade up to a maximum fee of \$100. Trades executed through the Netwealth Investment Platform are charged at a flat rate of \$20 per trade.

Product Commissions

LBP rebates 100% of up-front commissions receivable on the placement of monies with existing publicly offered unit trusts. In most cases the rebate will reduce any entry fee to zero. At the time of providing advice, or as soon as practicable after that, we will advise whether an entry fee is applicable.

Lending and insurance

The present exceptions to the above are for lending and insurance services, due to the way in which these products and services are structured. We will generally be paid a commission by the financial product issuer or credit provider at the time you invest or commence a contract and during the life of your investment or contract.

Details will be in the product disclosure statement or your advice documents or credit quote. That is, the method of calculating the amount of your fees will be disclosed at the time the advice is provided or as soon as practicable after that.

Stamping fees

We may receive a fee for acting as a facilitator in a new public offer through a book build process. This maximises the opportunity for our clients to participate in the offer. Where we incur additional workloads or financial commitments to secure such benefits for our clients, we will be paid a stamping fee by the issuer up to a maximum of 1%.

Other benefits

Occasionally advisers receive non-monetary benefits like training. Non-monetary benefits greater than \$300 in value are recorded in a register, which meets the Financial Planning Association's Code of Practice on alternative forms of remuneration. This register is publicly available and we can provide you with a copy if you wish.

LBP reserves the right to vary the fees and charges in this schedule by providing at least 90 days prior written notice to you.

Additional Payment

LBP receives an additional payment of 0.05% (limited to a maximum of \$500 per annum) of a family group's funds under advice on the Netwealth platform, which is used towards the cost of support services provided by Pathway Licensee Services to LBP for compliance, training and software. Pathway is a subsidiary of Netwealth.

If this payment results from placement of your investment with Netwealth then the full details will be included in the Statement of Advice LBP gives to you.

Adviser Remuneration

Your adviser is remunerated by LBP via a combination of salary, bonus and/or distributions and dividends. The adviser does not receive commissions in respect of any financial products recommended to you.

Client Referral Remuneration

Where you have been referred to us by someone else and if we pay them a fee or commission in relation to the referral, we will make a separate disclosure to you. This fee or commission could be made up of a single one-off payment or calculated as a percentage of your annual fee paid to LBP.

Portfolio Management Services Agreement

We wish to be clear and transparent about how we charge for the financial services we provide. The charges for our portfolio management services are described fully in the Portfolio Management Services Agreement included at the end of this document.

If we provide additional services to those set out in the Agreement, we may charge additional fees, depending on the scope and nature of these services. For example, LBP may charge you a *fee for service* based on the amount invested and/or an *hourly rate* based on the time involved to provide the service. Our hourly rate is charged at \$440 per hour, including GST. If we impose an additional fee, we will make a separate disclosure to you at the time we provide the advice.

Protecting Your Personal Information

Your privacy is important to us and we are committed to complying with the *Privacy Act 1988*, *Privacy Amendment Act 2012* and the Australian Privacy Principles. We collect your personal information to comply with relevant laws (such as the new Anti-Money Laundering and Counter-Terrorism Financing Act 2006) and also to provide relevant financial product advice to you.

In providing services and products to you, we may need to disclose your personal information to professional advisers such as solicitors and accountants, both yours and ours. We may also need to disclose your personal information to other service providers of LBP such as mailing or printing houses, IT service providers, brokers and government agencies. We may also be obligated to disclose your personal information by law (e.g. court order or statutory notice). We may also use your personal information to provide you with information about other financial products and services that we think might interest you. In order to do this, LBP may disclose your personal information to other service providers.

If you do not wish to provide LBP with your personal information, we will not be able to provide you with the appropriate services or products. If you do not consent to LBP using and disclosing your personal information to other service providers or have any queries or complaints in relation to your privacy, please contact us on 02 9230 9600 or write to us at:

The Privacy Officer
Lipman Burgon & Partners Pty Ltd

Level 10 Challis House
4 Martin Place
Sydney NSW 2000

Professional Indemnity Insurance

LBP holds professional indemnity insurance which satisfies the requirements for compensation arrangements under Section 912B of the Corporations Act. Subject to its terms and conditions, the policy provides cover for civil liability resulting from third-party claims concerning the professional services provided by LBP, its employees and representatives. The professional indemnity insurance also provides cover for a period of time in relation to the conduct of past representatives/employees who may no longer work for LBP.

Financial Crimes Monitoring

Under anti-money laundering and counter terrorism laws, we have to meet strict identification requirements before we can provide services to you. Where we are legally obliged to do so, we may disclose the information we have gathered about you to regulatory or law enforcement agencies. You should also be aware that transactions may be blocked or declined where we have reasonable grounds to believe they breach Australian law or the law of any other country.

Complaints Handling

If you have any complaints about the service provided, you should take the following steps:

Contact your adviser about the nature of your complaint.

If your complaint is not satisfactorily resolved within three days, please contact the Complaints Officer (see How to Contact Us in this document).

If you are not satisfied with our internal complaint resolution procedures, you have the right to refer the matter to the Financial Ombudsman Service. This is an independent and external complaints resolution body of which we are a member. You can contact it at:

GPO Box 3
Melbourne VIC 3002
Ph: 1300 780 808
Email: info@fos.org.au

You may also contact the Australian Securities and Investments Commission (ASIC) by phoning 1300 300 630 to lodge a complaint.

How to Contact Us

Lipman Burgon & Partners Pty Ltd
Level 10 Challis House
4 Martin Place
Sydney NSW 2000

or

GPO Box 5377
Sydney NSW 2001
Ph: (02) 9230 9600
Fax: (02) 9230 9666

Email: robert.lipman@lipmanburgon.com.au OR paul.burgon@lipmanburgon.com.au

Portfolio Management Service Agreement

Lipman Burgon and Partners Pty Limited
(‘Lipman Burgon & Partners’)
ABN 81 070 454 787

Dated:

and

Portfolio Management Service

Lipman Burgon & Partners (LBP) agrees to provide its Portfolio Management Service to you on the following terms.

The service includes the following:

- financial analysis and presentation of a personal financial plan
- implementation of the financial plan
- quarterly portfolio update
- annual portfolio review.

Fees for Portfolio Management Service (All Fees Are Inclusive of GST)

Financial plan

The charge for the financial analysis and presentation of a personal financial plan is between \$3,300 and \$7,700. This is payable by you on presentation of the financial plan.

Portfolio management

We charge our clients an annualized fee based on the underlying value of the portfolio under our management. Our fees include regular reviews of all aspects of your financial affairs and the performance of your investment assets.

The following charges are annualised and are based upon the value of your portfolio under the management of LBP as at the end of each payment period:

- 1.1% for the first \$5 million of funds under management
- 0.55% for funds above \$5 million under management.

Where client portfolios exceed \$2,500,000, we will discount our fees to cover the cost of the investment administration platform.

Please note that a minimum fee of \$16,500 p.a. will apply. All fees quoted are inclusive of GST.

Brokerage on listed investment trading

For trades executed through the Macquarie Bank investment platform, brokerage is charged at 0.12% per trade to a maximum of \$100. Trades executed through the Netwealth Investment Platform are charged at a flat rate of \$20 per trade.

Product commissions

LBP rebates 100% of up-front commissions receivable on the placement of monies with existing publicly offered unit trusts. In most cases the rebate will reduce any entry fee to zero. At the time of providing advice, or as soon as practicable after that, we will advise whether an entry fee is applicable.

Lending and insurance

The present exceptions to the above are for lending and insurance services, due to the way in which these products and services are structured. We will generally be paid commission by the financial product issuer or credit provider at the time you invest or contract and during the life of your investment or contract.

Details will be in the product disclosure statement or your advice documents or credit quote. That is, the method of calculating the amount of your fees will be disclosed at the time the advice is provided or as soon as practicable after that.

Stamping fees

We may receive a fee for acting as a facilitator in a new public offer through a book build process. This maximises the opportunity for our clients to participate in the offer. Where we incur additional workloads or financial commitments to secure such benefits for our clients, we will be paid an underwriting fee by the issuer up to a maximum of 1%.

Other benefits

Occasionally advisers receive non-money benefits like training. Non-money benefits greater than \$300 in value are recorded in a register which meets the Financial Planning Association's Code of Practice on alternative forms of remuneration. This register is publicly available and we can provide you with a copy if you wish.

LBP reserves the right to vary the fees and charges in this schedule by providing at least 90 days prior written notice to you.

Additional payment

LBP receives an additional payment of 0.05% (limited to a maximum of \$500 per annum) of a family group's funds under advice on the Netwealth platform, which is used towards the cost of support services provided by Pathway Licensee Services to LBP for compliance, training and software. Pathway is a subsidiary of Netwealth.

If this payment results from placement of your investment with Netwealth then the full details will be included in the Statement of Advice LBP gives to you.

Disclaimers

Listed investment trading

Although LBP is not a licensed stockbroker, based on research we receive from our preferred stockbrokers, we do provide advice on listed securities. LBP is not responsible for the accuracy of the stockbroker research.

Investments/products that fall beyond the scope of this agreement

If you hold an investment in your portfolio that has not been the subject of research or recommendation by LBP (whether before or after it was acquired) that investment will fall outside the scope of this agreement and no fees will be charged by us, or be payable by you to us, in respect of that investment. LBP will have no responsibility whatsoever in relation to these investments.

Execution-only services

Where LBP provides 'execution-only' type services, these are provided on a 'no advice' basis. The client is responsible for determining that any investment decision they make is appropriate to their investment objectives, financial situation and particular needs. LBP is not responsible for these investment decisions.

Taxation advice

To the extent that your personal financial plan contains taxation advice or information, please be aware that this advice or information is provided for general guidance only. You must always obtain your own independent taxation advice. LBP is not a tax adviser and has no obligation to advise you of any changes to tax laws or policy.

The advice contained in your personal financial plan/statement of advice will be based on information provided by you or on your behalf concerning your investment objectives, financial situation and particular needs. LBP cannot be held responsible for any inaccuracies in or omissions from, the information you provide to us.

Termination of the Agreement

This agreement may be terminated by either party giving the other one month's notice in writing.

I/ We,

confirm that I/we have read the Lipman Burgon & Partners Financial Services Guide and Portfolio Management Services Agreement and enter into this agreement on the terms and conditions contained herein.

Entered into at

on

Signature of Client

Signature of Client