

Financial Services Guide

Dated 17 September 2012

The financial services referred to in this Financial Services Guide are provided by our financial planners on our behalf.

Your financial planner is:

Name:

Business:

Address:

Telephone:

Fax:

Email:

Authorised Representative No:

Corporate Authorised Representative No:

Important information about the Financial Services Guide

This Financial Services Guide (FSG) is an important document. It tells you about Bridges Financial Services Pty Limited (Bridges) trading as 'Bridges Personal Investment Services', also referred to as 'we' or 'us' or 'our'.

The FSG helps you decide whether to use our financial services. It provides information on:

- who we are
- the financial services and products you can receive
- how we, your financial planner (and our associates) are paid and any conflicts that may exist
- details of how to get advice and give instructions
- details on how we protect your personal information
- how you can make a complaint about us, and
- what we can do and what we expect from you.

Other documents you may receive from us

Initial advice

We will provide you with a Statement of Advice (SoA) whenever we provide any personal advice to you.

The SoA will contain the advice, the basis of the advice, information about fees, payments and associations we have that may influence the advice we provide to you. After providing you with our initial advice in an SOA, any subsequent personal advice that we provide to you will be documented in a Record(s) of Advice (ROAs), provided there has not been a significant change in your personal circumstances or the basis upon which our initial advice was provided.

Copies of the SOA and ROAs will be retained on your client file and you may request a copy by contacting your financial planner.

Further advice

If you require further advice, your financial planner must ensure that your personal circumstances and the basis on which the original advice was given have not significantly changed. Therefore, your financial planner may need to check your circumstances again prior to providing any further advice.

A record of this further advice will be kept for seven years. You may request a copy of the RoA from your financial planner.

We are not required to provide you with an SoA or an RoA where the advice relates to certain basic deposit products, non-cash payment facilities or other approved financial products.

Product Disclosure Statement

We will provide you with Product Disclosure Statement (PDS) or other offer document if we recommend you buy a particular financial product. The PDS will help you to make an informed decision about whether or not to buy the financial product. The PDS contains information about the features, costs, risks and benefits of the financial product.

1. About us

We are one of Australia's largest national financial planning groups and hold an Australian Financial Services Licence (AFSL) to provide you with the financial services outlined below. We are a Participant of the Australian Securities Exchange Limited (ASX). We are responsible for the issue of this FSG.

Our details are:

Head office: Level 22, 207 Kent Street
Sydney NSW 2000

Telephone: 02 9028 1000

Facsimile: 02 9028 3098

Postal address: Locked Bag 4004
Queen Victoria Building NSW 1230

Internet address: www.bridges.com.au

Bridges is part of IOOF Holdings Ltd (IOOF), a leading provider of wealth management products and services in Australia.

Listed on the Australian Securities Exchange (ASX: IFL) in the top 200 listed ASX companies, IOOF provides services to over 700,000 clients Australia-wide.

2. The financial services and products we offer

The financial services we are authorised to advise and deal in are:

- basic deposit products
- government debentures, stocks or bonds
- interests in managed investment schemes
- retirement savings accounts
- securities, including shares
- superannuation products
- standard margin lending facilities
- life insurance and risk products, and
- derivatives and foreign exchange products contained on our licence.

Financial services will be provided by us directly or through our authorised representatives, such as your Bridges financial planner.

3. What your financial planner is authorised to do

Your Bridges financial planner acts on our behalf and can provide you with the services listed above.

Generally, your financial planner is authorised to provide financial advice on and deal in only those financial products on our Approved Product List.

Your financial planner has access to a range of financial products to help you achieve your financial goals based on your personal circumstances, needs and objectives.

4. How Bridges and your financial planner get paid

When your financial planner provides financial services to you, certain fees may be charged for providing these financial services, however, please note the following:

- The amount of the fees charged depends on the nature of those financial services.
- Your SoA will set out the exact amount of fees, payments and other benefits that we and your financial planner will receive. If you have been referred to us by a third party, the SoA will also set out any applicable amount paid to that third party.
- Your financial planner will receive a share of fees and in some instances payments may be paid from us for the financial services they provide to you. Alternatively, your financial planner may receive a salary from us, or their employer if employed by a third party, together with a performance bonus.

From time to time, we and your financial planner may also receive other benefits from product issuers, such as sponsorship of conferences or subsidised training.

We maintain an Alternate Forms of Remuneration Register. The Register, which you can review by contacting us, outlines some alternative forms of remuneration (including the incentive payments referred to above) that we may pay to or receive from licensees, fund managers or representatives (each of whom also maintains a register).

Your Bridges financial planner will also have an option to sell their Bridges financial planning business back to us as a buyer of last resort (BOLR). The price that we will pay under this BOLR option is the market value of the business.

5. What fees are paid for our services

Our fees charged generally include the following:

- ▶ When you only require specific personal advice and an SoA is completed for this, you may be charged a fee which will be disclosed in the SoA.
- ▶ Ongoing fees may be received based on the ongoing service provided, the value of the funds you invest and the financial products you use. This can be an asset based fee paid directly from your investment portfolio. Alternatively this may be a direct debit payment from your bank account or invoiced to you, depending on the arrangement you have agreed upon with your financial planner.
- ▶ When you choose to use our Portfolio Watch Service to review and report on your investments, we may charge a fee which is explained in the documentation relating to this service.
- ▶ When you use our stockbroking services, we will charge a stockbroking transaction fee and any brokerage agreed between you and your financial planner for each transaction (purchase or sale of securities) which is explained in the documentation relating to the stockbroking service. We are required to maintain a Trust Account to hold money that is used for your share trading. At times, money may be held on your behalf within this Trust Account, which is an interest bearing account. Any interest earned on this account is retained by us.
- ▶ Whenever you purchase an insurance policy, a payment may be paid by the insurance company to us. The payment amount will depend on:
 - the particular insurance company and insurance policy, and
 - typically the payment received is a fixed percentage of the premium paid for the insurance policy. This can range from 0% to 123.75% of the premium you pay. It will be paid out of the premium you pay and at the time you pay it.

We may provide you with financial services from related and non-related product providers. Australian Executor Trustees Limited, IOOF Investment Management Limited, Perennial Investment Partners Limited and Questor Financial Services Limited are our related companies.

Our related companies are the registrable superannuation entity licensee and/or responsible entity or investment manager of financial products we may recommend.

We may receive a payment from any of the above parties as a result of you investing in one or more of their products. Our financial planners will fully explain all fees that are charged to you each time you use a financial product(s).

6. Fees you pay for using other financial products

The amount of fees charged will depend on the financial products you acquire and the issuer of those financial products.

These fees charged will depend on the services you require and what is agreed between you and your financial planner, and may include the following:

- ▶ contribution fee: based on the amount invested
- ▶ administration fee: based on the balance of your investment, depending upon the type of financial product. The amounts will generally be calculated monthly and payable quarterly
- ▶ switching/transfer fee: based on the switch amount or transfer amount between investments in a financial product(s), and
- ▶ all other fees identified by a product issuer in the relevant PDS for the financial product.

Bridges financial planners may receive a portion of any of the above fees from us.

7. Who gets paid when you are referred to us

If you have been referred to us by one of our referral partners, we may pay them referral fees, details of which will be included in the SoA.

We may also make an incentive payment to referral partners based on the total amount their members invest in The Portfolio Service (TPS). These referral payments do not result in a fee increase to you.

Referral fees are paid to referral partners on a monthly basis and incentive payments are usually paid six monthly.

8. When you're given advice we will address your personal financial situation, needs, goals and objectives

In all cases where you seek financial product advice from your financial planner, they will make reasonable enquiries about your relevant personal circumstances in order to fully understand your personal financial situation, needs, goals and objectives.

The advice that your financial planner provides will always be provided to you in writing in the SoA, unless it is further advice as outlined earlier.

However, you have the right not to tell us information about yourself if you do not wish to but still require your financial planner to provide you with personal financial product advice.

In these cases, the SoA will contain a specific warning that draws your attention to the risks of not providing full information about yourself. The warning will state that if you do not give your financial planner accurate and complete information relating to your personal circumstances, the advice you receive may not meet your intended objectives and that your financial planner has not been able to determine whether the advice is appropriate.

Therefore, before acting on any advice you receive, you should consider the appropriateness of the advice and read carefully the warnings contained in the SoA before making any decision relating to the advice.

In all cases where your financial planner provides an SoA to you and a recommendation is included in the SoA for you to acquire a financial product, an investment report or PDS for that financial product will be provided to you.

It is important that you read and understand this document before implementing any recommendation made in the SoA. Your financial planner will readily explain any part of this document that you do not understand.

If you don't wish to receive our advice, we may still act on your instructions to deal in financial products.

However:

- ▶ you face the risk that the financial product you select may not be appropriate for you, and
- ▶ we will require you to sign a document that records your intention not to seek advice from us for the particular financial product(s).

9. Best execution policy

The ASIC Market Integrity Rules (Competition in Exchange Markets) 2011 (Competition Integrity Rules) require that we (Bridges Financial Services Pty Limited) take all reasonable steps to obtain the best possible execution for our clients.

Our best execution policy sets out the measures we will take to ensure the best possible outcome for clients who place orders through Bridges stockbroking. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as our obligation of 'best execution'. Specific terms used within this policy are as defined in the Competition Integrity Rules.

Scope

Best execution is only owed when we accept an order to execute a transaction on your behalf or in other circumstances where we have otherwise expressly agreed to accept best execution obligations.

When you give a specific instruction, we will take reasonable steps to follow your instruction notwithstanding that executing your instruction may not result in best execution.

Our obligation

When executing orders on your behalf in relation to financial products, we will take all reasonable steps to achieve the best execution of your orders.

We have in place policies and procedures which are designed to obtain the best possible execution result on a consistent basis subject to, and taking into account, the financial product, the market for the financial product and your instructions to us. These policies and procedures provide, in our view, the best balance across a range of sometimes conflicting factors.

Subject to any instruction to the contrary from you, we will generally give price a higher relative importance when obtaining the best possible result for orders executed on your behalf. However, we may also take into consideration a range of different factors, including, the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order.

We will monitor the effectiveness of our execution arrangements and assess on a regular basis whether our policies and procedures provide for the best possible result for orders we execute on your behalf.

Our markets

Under the Competition Integrity Rules, and up until 31 October 2012, we may continue to trade wholly on the central limit order book of ASX without having regard to whether best execution can be found in other markets. We will undertake a review of our trading on or before 31 October 2012 to determine whether best execution requires that we commence trading on additional markets such as Chi-x.

If we choose to trade on additional licensed markets in the future, we will undertake to ensure that you obtain best execution irrespective of the market on which a financial product is traded.

We will not structure or charge commissions in such a way as to discriminate unfairly between markets.

Your instructions

Where you give us specific instructions relating to an order, or a particular aspect of an order, we will execute so far as is reasonably possible in accordance with those instructions. This may prevent us from taking the steps that we have put in place to obtain the best possible result for the execution of your orders.

Aggregation and allocation

We maintain policies surrounding the aggregation of orders within our operating procedures. Where we enter into multiple ASX transactions, and the transactions are executed on one or more licensed markets, you authorise us to accumulate those transactions on a single confirmation and to specify the volume weighted average price for the transactions.

Any changes to this policy will be included on our website.

10. How we protect your personal information

We keep a record of your personal profile which includes, if you provide them, details of your objectives, financial situation and needs. We also keep records of any financial product recommendations we make to you.

We will ensure the privacy and security of your personal information in accordance with our Privacy Policy, a copy of which can be provided on request.

You may access your personal information we hold about you at any time in accordance with our Privacy Policy. Our contact details are set out in Section 15 or you may email our privacy officer at privacyofficer@bridges.com.au

As a financial service provider, we have an obligation under the Anti-Money Laundering and Counter-Terrorism Finance Act 2006 to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's licence. We will also retain copies of this information.

11. How you give instructions

Generally, you may give us your instructions verbally or in writing, such as by facsimile, email or letter. However, in some instances we require your instructions to be in writing.

12. Restrictions Bridges financial planners have on what they do

We shall avoid or not do any of the following:

- ▶ advise you on taxation issues, although we will consider these in providing you with financial services, and
- ▶ act on your behalf, unless we are specifically told to do so by an authorised third party.

For your own protection, you should not:

- ▶ sign any blank forms or documents
- ▶ appoint any financial planner to act as your attorney or authorised signatory, and
- ▶ give us unclear or misleading instructions or false information.

13. What we expect from you

We will expect that you will do the following:

- ▶ give us complete, up-to-date and accurate details of your personal objectives, financial situation and needs
- ▶ keep us informed of any changes in your personal situation, and
- ▶ use our advice to make your investment decisions.

14. What happens if you want to make a complaint

If you have a complaint about any of the financial services provided to you by your financial planner, you should first contact your financial planner who provided the service to you.

If the complaint is not satisfactorily resolved by your financial planner within two (2) business days of making the complaint, you should contact us at the address set out below:

Complaints Officer
 Bridges Financial Services Pty Limited
 Locked Bag 4004 Queen Victoria Building NSW 1230
 Telephone: 02 9028 1000
 Facsimile: 02 9028 3098

When your complaint is received by us it will be entered into our complaints database. All details of the complaint will be sent to our Complaints Officer who will investigate the circumstances of the complaint.

If our Complaints Officer is unable to reach a satisfactory resolution of the complaint within forty-five (45) business days of receipt (or 90 days where we inform you more time is required), you may contact The Financial Ombudsman Service:

The Manager
Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808 (local call rate)
Email: info@fos.org.au
Website: <http://www.fos.org.au>

You can also make a complaint to the Australian Securities and Investments Commission (ASIC) at any time by contacting their information line on 1300 300 630.

There is no charge to you for accessing the services offered by the above organisations.

15. What kind of compensation arrangements are in place?

We maintain professional indemnity insurance in accordance with the law. Our professional indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for us and our financial planners/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised financial planner/employee who has ceased working with us, but for work done while engaged with us.

16. Further questions

If you have any further questions about the financial services which we and our financial planners provide, please call our Client Advisory Services on 1800 221 151. Please retain this document for your reference and any future dealings with us.