

Financial Services Guide

Netwealth Investments Limited | 20 June 2016

This Financial Services Guide ('FSG') has been prepared and issued by Netwealth Investments Limited (ABN 85 090 569 109) ('Netwealth'), AFS Licence No. 230975.

Purpose of this FSG

This FSG contains important information about Netwealth and the products and services we provide, remuneration that may be paid to us or other persons in relation to our services and how complaints are dealt with. The purpose of the FSG is to help you decide whether to use our products and/or services.

If you require further information about Netwealth or the products and services we provide, please refer to our website (www.netwealth.com.au) or contact us. Our contact details are at the end of this FSG.

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In this FSG 'Netwealth platform products' means the Netwealth Superannuation Master Fund and the Netwealth Wrap Service.

Other disclosure documents you may receive

Netwealth product disclosure documents

You may receive a Product Disclosure Statement ('PDS') when Netwealth issues, or offers to issue, an interest in one of its managed investment schemes or superannuation products. You may receive an IDPS Guide in connection with an offer to invest in the Netwealth Wrap Service. These documents contain general information about the products including:

- features and benefits of the products;
- how the products work;
- risks associated with the products; and
- fees and costs you will pay and remuneration Netwealth may receive.

These disclosure documents are available from your adviser, on our website or by contacting Netwealth directly.

Disclosure documents for underlying investments

When you use the Netwealth platform products you will choose underlying investments you want to hold within your Netwealth platform product account.

Before investing in any unlisted financial product offered via the Netwealth platform products, you must be given and you should read the current product disclosure statement (PDS) or other disclosure document for that financial product, which will include information about that product such as risk/return profile, the associated costs and other detailed information. Your financial adviser should give you the current PDSs or other disclosure documents for that financial product. These documents will also be available on our website.

Before investing in listed securities via the Netwealth platform products, you should have regard to publicly available information about those listed securities.

Statements of advice

If you receive personal advice from your financial adviser, you should also be given a statement of advice or similar document by your adviser, which sets out the basis of the advice and information about the remuneration that your financial adviser will receive.

Netwealth does not provide personal advice and will not give you a statement of advice.

About Netwealth and the services we provide

Netwealth was founded in 1999 to provide astute investors with a better way to save for, invest and protect their current and future wealth and financial wellbeing.

Netwealth is part of the Netwealth Group (headed by Netwealth Group Limited), which provides a range of innovative and award winning investment, superannuation and advice solutions and today looks after over \$9 billion on behalf of more than 30,000 members and investors.

Netwealth is a member of the Financial Services Council.

Things our AFSL authorises us to do

Netwealth is authorised under its Australian Financial Services Licence (AFSL) to provide retail and wholesale clients with the following financial services:

- general financial product advice in relation to securities, superannuation, interests in managed investment schemes (including investor directed portfolio services (IDPSs)) and certain life insurance products;
- deal in superannuation and interests in managed investments schemes (including IDPSs); and
- deal on behalf of another person in basic deposit products, non-cash payment products, certain life insurance products, interests in managed investment schemes (including IDPSs), securities and superannuation.

Netwealth is also authorised to:

- operate registered managed investment schemes, limited to the Netwealth Managed Account, and schemes which only hold financial assets and/or mortgages; and
- provide custodial or depository services.

Netwealth acts on its own behalf in providing these financial services and is responsible to you for the financial services it provides to you.

The financial products and services we provide

Netwealth provides comprehensive reporting, transactional and administrative services which enable our clients to buy, hold and sell investments from an extensive menu of investment options and manage insurances, via a single account.

These services are provided through the Netwealth Superannuation Master Fund and the Netwealth Wrap Service.

Netwealth also issues and operates a range of managed funds, including the Global Specialist Series funds, and the Netwealth Managed Account. These products are included in the options available through the Netwealth platform products.

The capacities we act in when we deal with you

The capacities in which Netwealth acts include the following:

- Registrable Superannuation Entity (RSE licence number L0000192) and trustee of the Netwealth Superannuation Master Fund;
- Operator of the Netwealth Wrap Service;
- Responsible Entity of the managed funds issued by Netwealth;
- Responsible Entity of the Netwealth Managed Account; and
- Custodian for the Netwealth Superannuation Master Fund, the Netwealth Wrap Service and for the managed funds issued by Netwealth.

Netwealth is an ASTC General Settlement Participant with the Australian Securities Exchange Ltd.

Financial advice we provide

Netwealth may give you general advice about the products and services we provide. This general advice will not take into account your individual objectives, financial situation or needs.

Netwealth will not provide you with personal advice. You should consult a financial adviser before making a decision about whether to invest in Netwealth's products and/or use Netwealth's services.

You are not required to have or appoint an adviser to use the Netwealth products and Netwealth will deal with you directly, but we will not provide you with personal advice.

The Netwealth Group includes other entities who are authorised to provide personal financial advice.

How you provide instructions to us

When you use a Netwealth platform product you may elect to have online access to your account and to be able to transact online. If you elect to be able to transact online, then you will be able to provide certain instructions through your online account.

You can also instruct us by email, phone or fax, subject to meeting certain security requirements and depending on the nature of the instruction.

If you have appointed your adviser as your adviser representative, then they will be able to undertake certain transactions and provide certain instructions to Netwealth on your behalf. The things an adviser representative can do on your behalf are set down in the product disclosure document.

Remuneration we pay or receive

The remuneration Netwealth receives may differ depending on which product or service you participate in. The disclosure document for each product provides detailed information about the fees and remuneration relating to the product or service. You may obtain a copy of the disclosure document from our website www.netwealth.com.au or by contacting us.

Fees you pay to Netwealth

If you use a Netwealth product, we will receive the fees that you pay in relation to the services we provide in connection with the product. These fees are described in detail in the disclosure document for the product.

Payments we receive from investment managers

We may receive initial and ongoing fees from fund managers and other investment managers of certain underlying investment options available in the Netwealth platform products, as detailed in the disclosure document for the Netwealth platform product. This may include payments from authorised deposit taking institutions (banks) who provide term deposits through the platform products.

These fees are paid to us from the fund managers' or investment managers' own resources, for services we provide to them, and are not an additional cost to you.

Payments we receive from insurers

Netwealth may receive an administration fee from an insurer who provides life insurance through the Netwealth platform products as detailed in the disclosure documents for the Netwealth platform products. This fee is paid by the insurer to Netwealth for providing services to the insurer under an administration agreement in relation to the insurance policies. This is not an additional charge to you and is paid to us by the insurer.

Advisers employed by our related parties may also receive commissions or other benefits from the insurer.

Payments we make to Model Managers

If Netwealth appoints a Model Manager in connection with the Netwealth Managed Account, Netwealth may pay the Model Manager a component of the investment management fee received by Netwealth in relation to each model they manage, for the ongoing provision of investment expertise and advice regarding the investments of the model.

Payments we make to advisers and AFS licensees

Advice fees may be agreed by you and an adviser that you have nominated, for services provided by the adviser or their AFS Licensee in relation to your interest in Netwealth products. You can instruct us to deduct upfront and ongoing advice fees from your Netwealth platform product account and pay them to your adviser's AFS licensee.

You may instruct us to terminate any or all of the advice fees at any time.

If you have not instructed us to pay advice fees, then no advice fees will be charged.

In addition to the advice fees described above, we may from time to time provide benefits, such as education, training and technology support, to a financial adviser or their AFS Licensee out of our or our associates' funds.

A financial adviser and/or an AFS Licensee may also hold shares in Netwealth Group Limited as a result of previous arrangements which may have had reference to the amount of sales the adviser or AFS Licensee generated in our various products. The costs of any such benefits are borne by the shareholders of Netwealth and are not an additional cost to you. Your financial adviser can provide you, on request, with further details or explanation of any interests of the kind described above.

Under certain 'grandfathered' arrangements made before 1 July 2013, Netwealth may pay to holders of an AFSL an amount to recognise the level of sales the licensee has generated in our various products. Such payments are up to 0.3% p.a. of funds invested in Netwealth platform products and are paid by us from our own resources.

Netwealth will only make payments or benefits available to advisers or licensees where it determines that they comply with the requirements of the relevant laws regarding conflicted remuneration.

Payments we make to employees

Our employees are remunerated on a salary and bonus basis, and do not receive any proportion of any fees or other benefits (if any) paid to us in connection with the financial services referred to in the disclosure documents. Fees or commissions paid to us may also indirectly benefit employees and other related bodies and associates. For example, if we achieve certain financial performance objectives, a bonus may be paid to those employees involved in assisting us to achieve these objectives.

Employees and directors of Netwealth may also be shareholders of Netwealth's parent company and may indirectly benefit from fees and other benefits received by Netwealth through enhancement in the value of their shares in its parent company.

Fees paid to our related parties

Related parties of Netwealth may be paid by Netwealth for performing various functions and services in relation to Netwealth products, subject to meeting any applicable requirements of the relevant law regarding transactions with related parties. These may include providing administration, management, information technology and other services.

Related parties may receive benefits from organisations, such as fund managers, including the opportunity to subscribe for securities. This is not done in competition with our clients or in any way that would adversely affect our clients.

The Netwealth Group includes related entities who are authorised to provide personal financial advice. Advice fees may be paid by Netwealth to these related parties as described under 'Payments we make to advisers and AFS licensees'.

In all dealings in relation to our products we deal with related parties on an arm's length basis. Fees paid to related parties of Netwealth in connection with our products are paid at commercial rates.

Benefits from corporate actions

Netwealth may benefit where we act as principal in a corporate action as described in the disclosure documents for the platform products.

Changes to the law relating to payments and benefits

From 1 July 2013 there have been changes to the law relating to the payments and benefits described above. Where allowed by law any existing arrangements may continue. Netwealth will only make or receive payments and benefits where they are allowed by law.

Statement of particulars about remuneration

You may request a statement from Netwealth setting out the particulars of any remuneration (including commissions) or other benefits that may be paid, before receiving any of the financial services described in this FSG.

Arrangements with other financial products providers

Netwealth has arrangements with the issuers of other financial products that might reasonably be expected to be capable of influencing it in providing its financial products. In particular, Netwealth enters arrangements with issuers of a range of financial products under which those financial products are made available through the Netwealth platform products. The financial products made available currently include managed funds, life insurance products (both group and individual) and bank deposit products. In some cases, Netwealth receives fees or other benefits from the issuers of those financial products which are described above and in the disclosure documents for the Netwealth platform products. Netwealth also has agreements with the responsible entities of the managed funds that the Global Specialist Series funds invest in, under which Netwealth receives fees and benefits. These fees and benefits are also described above and in the disclosure documents for the Netwealth Global Specialist Series Funds.

How we deal with complaints

We have arrangements in place to consider and seek to resolve any complaints about the services we provide to you. If you have a complaint about Netwealth, our products or our services, you may contact us by email, by telephone or in writing to:

The Manager – Investor Services
 Netwealth Investments Limited
 PO Box 336
 SOUTH MELBOURNE VIC 3205
 Phone: 1800 888 223
 Email: contact@Netwealth.com.au

We will acknowledge your complaint as soon as practicable, and will respond to you within 45 days of receipt of the complaint.

If you are not satisfied with the result of our internal complaints procedure, you may be able to refer your complaint to the Financial Ombudsman Service (FOS) or, where it involves the Netwealth Superannuation Master Fund, to the Superannuation Complaints Tribunal (SCT). You may also refer your complaint to the SCT, if you have not received a response to your complaint from Netwealth in relation to the Netwealth Superannuation Master Fund within 90 days.

To save yourself valuable time you should contact us directly with your complaint, before referring a complaint to FOS or the SCT.

Financial Ombudsman Service

Netwealth is a member of FOS, an independent dispute resolution service (member number 10709).

You can contact FOS by calling 1800 367 287, going to www.fos.org.au or you can send your enquiry or complaint to:

Financial Ombudsman Service Limited
 GPO Box 3
 MELBOURNE VIC 3001

Superannuation Complaints Tribunal

The SCT is an independent body established by the Federal Government, and provides a forum for the resolution of disputes between trustees and members of superannuation funds. The SCT will deal with your complaint impartially and has the authority to make a binding ruling. You can get more information by calling 1300 884 114, going to www.sct.gov.au or writing to:

Superannuation Complaints Tribunal
 Locked Bag 3060
 GPO MELBOURNE VIC 3001

Complaints about underlying investments

As investments in a financial product made through a Netwealth platform product are held in our name, where you invest in a particular product through a Netwealth platform product, generally you will not have access to the dispute resolution procedures provided by the product provider for the investors investing directly in that product. An exception is where the product provider has agreed to make their complaints procedures available to investors who invest through the Netwealth platform product.

If you have a complaint in relation to a product that you have invested in through a Netwealth platform product, then Netwealth will assist you in attempting to resolve your complaint with the product provider. This will include informing you if the product provider's dispute resolution procedures are available to you, helping you contact the product provider and, where necessary, providing information about your investment in the product.

While we take reasonable steps to facilitate investors in resolving their complaints with product providers, Netwealth has no control over and is not responsible for the actions of any product provider in resolving complaints.

Complaints about margin loans.

Netwealth has agreements in place with certain lenders to permit investors who wish to borrow funds to acquire investments to hold those investments through the Netwealth Wrap Service.

If you have a margin loan linked to investments held in a Netwealth Wrap Service account, you will have set up this margin loan directly with the lender. If you have a complaint about the margin loan, you should deal directly with the lender using the dispute resolution procedure described in the lender's Financial Services Guide. Netwealth will assist you in dealing with the lender by providing you with contact details for the lender and information about the investments. Netwealth is not responsible for the actions of the lender.

Complaints about insurance

If you have personal insurance in the Netwealth Superannuation Master Fund under the Netwealth Group Policy, you should contact Netwealth. Your complaint will be dealt with under our standard complaint process as described above.

If you have an insurance policy linked to a Netwealth platform product using "LifeWRAP" (which is described in the disclosure document for the Netwealth platform product), you will have set up this policy directly with the insurer. If you have a complaint about the insurance policy, you should deal directly with the insurer using the dispute resolution procedure described in the insurer's PDS. Netwealth will assist you in dealing with the insurer by providing you with contact details for the insurer and information about the payment of premiums. Netwealth is not responsible for the actions of the insurer.

Complaints about advice from your adviser

If you have a complaint about advice that you have received from your adviser, you should contact the adviser or their AFS Licensee. The Financial Services Guide provided by your adviser will outline their dispute resolution procedure. Netwealth is not responsible for your adviser, the advice that they provide or the actions that they may take.

Compensation and insurance arrangements

We hold a professional indemnity insurance policy suitable for our business. This seeks to ensure that we are able to compensate you if you suffer any loss as a result of us (or any of our representatives), breaching certain of our legal obligations to you. These arrangements satisfy the requirements set out under section 912B of the Corporations Act.

Under regulatory prudential requirements, as trustee of the Netwealth Superannuation Master Fund, Netwealth must meet an Operational Risk Financial Requirement (ORFR). This requires a trustee of a superannuation fund to maintain financial resources specifically allocated to address losses to the fund arising from operational risks. The ORFR is met by maintaining an operational risk reserve within the fund or through trustee capital or a combination of both.

Privacy

When you complete an application for a Netwealth product, Netwealth will be collecting personal information from you. While you are an investor with Netwealth, we may collect additional personal information from you by other means.

Netwealth is committed to ensuring that the personal information we collect is handled responsibly and in accordance with the Privacy Act 1988. As part of our commitment to ensuring the safety of our clients' private and confidential information and as a mechanism to ensure compliance with the Privacy Act, we have established and implemented a Privacy Policy.

We will not be able to process your application or administer your portfolio if you do not provide us with your relevant personal information. We will collect, use and disclose your personal information in accordance with our Privacy Policy.

You may request access to the personal information we hold, subject to certain exceptions under the Privacy Act.

Our Privacy Policy explains our policies and practices with respect to the collection and management of personal information we may collect from you. Our Privacy Policy also contains information about how to complain if you have a concern about Netwealth's handling or use of your personal information.

A copy of the Netwealth Privacy Policy is available on our website or by contacting us.

Contact details: Netwealth Investments Limited

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