

FINANCIAL SERVICES GUIDE





ABOUT PROFILE FINANCIAL SERVICES

Profile Financial Services is a boutique firm of financial and investment strategists, with a long history of delivering quality advice and measurable value to our clients and their families. We were originally established on 20 August 1986, and were granted our own Australian Financial Services Licence in March 2003. Our mission is to deliver strategic financial and investment advice to our clients in an honest, ethical, and disciplined manner.

We operate at the premium end of the market, providing high-quality, tailored, fee-based, financial solutions to clients who are typically professionals, executives and small business owners and operators.

As Profile is both independently owned and holds its own financial services license, we are free to research products from any provider and recommend those that we believe best suit our clients, without constraint.

Profile is a strong supporter of the professional development of our industry, and is a principal member of the Financial Planning Association of Australia as well as the Boutique Financial Planning Principals Group.



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Date prepared: 15 April 2011

THE PROFILE FINANCIAL SERVICES GUIDE

ABOUT THIS DOCUMENT

This Financial Services Guide is the first of three important documents you will be given if you decide to use our services. Each document serves a specific purpose in the financial planning process.

This Financial Services Guide (FSG) should help you decide whether to use any of the financial services we provide. It contains information about:

- our company and how we work with you;
- the strategies, products and services we can advise you on;
- how we, and your adviser, are paid;
- any other benefits we may receive, and any interests or associations we have that could affect our advice; and
- what you should do if you are not satisfied with our services.

OTHER DOCUMENTS YOU MAY RECEIVE

Any personal advice you receive will be set out clearly in a Statement of Advice (SoA) or Record of Advice (RoA), which takes into account your needs, objectives and financial situation. It will contain:

- your personal advice and the basis on which it is given;
- detailed information about fees and commissions; and
- details of any associations with financial product providers or other parties.

If we recommend a particular financial product to you (other than securities), we will provide you with a Product Disclosure Statement (PDS). The PDS provides information about the product - such as how it operates, its features, risks, benefits and costs - to help you make an informed decision in relation to the acquisition of that product.

Before you make any decision relating to a financial strategy or products, you should read the SoA or RoA and PDSs. These documents will help you make an informed decision.

WHO IS RESPONSIBLE FOR THE ADVICE I RECEIVE?

Profile Financial Services Pty Ltd ("Profile") is responsible for the advisory and financial services your Profile financial adviser provides.

Profile holds an Australian Financial Services Licence. The AFS licence number is 226238.

A summary of Profile and our contact details appear on the previous page of this document.

WHAT PROFESSIONAL INDEMNITY COVER DOES PROFILE HOLD?

Profile holds professional indemnity insurance cover to ensure it can meet the following circumstances:

- losses or damage suffered by retail clients arising from breaches of obligations under the Corporations Act 2001,
- breaches by Profile, its staff and its authorised representatives/ representatives,
- fraud by Profile, its staff and its authorised representatives/ representatives, and
- any award made against Profile by an external dispute resolution scheme.

Subject to its terms and conditions, this insurance will continue to provide coverage for any adviser who has ceased work with Profile for work done whilst employed by us.

WHO IS MY FINANCIAL ADVISER?

Financial advice is provided by:

- Gloria Barker
- Garry Ohlsen
- Kurt Ohlsen
- Phillip Win
- Isabelle Zhang

Each of these advisers is a representative of Profile and can provide you with personal financial advice.

PERSONAL AND GENERAL FINANCIAL ADVICE

We will only recommend an investment or product to you after considering its suitability for your individual investment needs, objectives and financial circumstances. This is called "personal advice" and it is only provided by the financial advisers mentioned in the previous section. We will not provide you with

personal advice in any of our updates, newsletters, marketing material, research notes and so on, or when you visit our website or call one of our other staff. Any advice that may be given in these circumstances is "general" financial advice which does not consider your financial objectives or needs and is not tailored to your personal circumstances.

In making recommendations and providing advice, Profile and our advisers are acting on your behalf as our client.

PERSONAL INFORMATION

In order to provide you with personal advice that is suitable to you, we need to find out a range of details about your individual investment objectives, financial situation and needs. If you choose not to divulge this information to us, we are required to warn you about the possible consequences of us not having your full personal financial information - including the risk that our recommendations might be incomplete or incorrect, and not meet your needs. You should read any warnings carefully.

We must also confirm your identity to meet our obligations under the Federal Anti-Money Laundering and Counter-Terrorism Act. We will also need supporting documentation in some instances.

Personal information you provide to us is maintained on our records, as well as details of any recommendations made to you, correspondence with you and so on. This information is treated with complete confidentiality in accordance with our Privacy Policy (a copy of this policy is available on our website at www.profileservices.com.au).

PROVIDING INSTRUCTIONS TO PROFILE

You can give Profile instructions to act by fax, email or in writing. In most cases we cannot act on telephone instructions as we require a written record of your requirements including a time and date. In some instances where time is critical you may instruct us over the phone and we will confirm your instructions back to you in writing.

If you are transacting in shares listed on the ASX, in some circumstances a transaction might need to be amended or cancelled without your consent by your broker, to comply with ASX rules. We will notify you if we become aware this has occurred.

OUR FINANCIAL SERVICES

We offer a broad range of financial advisory services:

- General financial strategy and planning;
- Wealth accumulation / creation;
- Debt reduction;
- Budgeting and cashflow management;
- Corporate and personal superannuation;
- Self Managed Superannuation Funds (SMSFs);
- Estate planning;
- Retirement planning;
- Business and personal insurance;
- Gearing; and
- Investment strategy and portfolio administration.

OUR FINANCIAL PRODUCTS

Profile is licensed to advise and deal in the following products:

- Deposit and payment products;
- Derivatives (limited to old law securities options contracts and warrants);
- Government debentures, stocks and bonds;
- Life insurance investment products;
- Life Insurance risk products;
- Managed investment schemes;
- Investor-directed portfolio services;
- Superannuation and retirement savings account products;
- Securities; and
- Margin lending.

Profile also holds an Australian Credit License which authorises us to advise on credit products.

Profile advisers have differing levels of accreditation from Profile and may be able to advise you in some or all of these areas. If your adviser believes you may benefit from a product or service in which they are not personally accredited, they will work with an accredited adviser to ensure you receive advice in all suitable areas.

LIMITATIONS

Our advisers only advise and deal in products that appear on our Approved Products List. This list is extensive and is regularly reviewed and updated based on our research of leading financial product providers.

We do not provide advice on general insurance products (such as home and contents insurance, car/boat insurance, health insurance and so on).

We also recommend that you seek independent tax and legal advice regarding our recommendations. You should confirm any entitlement to social security and any other government benefits directly with the relevant government department.

Any recommendations we make should be considered current for one month only. After this time you should not act on the recommendations without written confirmation from us.

HOW YOU PAY FOR PROFILE'S SERVICES

This section outlines the potential fees that could apply in relation to advice we give you, and any products we recommend. Amounts include GST. Not all of these fees will apply to you; the applicable fees will depend on your individual circumstances. Full details of any fees you will pay are outlined in your SoA.

Initial advice

There is no fee for your initial meeting with Profile.

If you ask us to prepare advice for you, we will provide you with a quote to approve before we go ahead – this fee is called the **Strategy and Plan Fee**.

The Strategy and Plan Fee is a flat dollar amount based on the expected complexity of the advice to be provided. The minimum fee is \$2,500, and the maximum fee is \$50,000. (Most fees are in the range \$3,000 - \$8,000.) This fee can be deducted from your investment portfolio, or you can choose to be invoiced directly.

Upon payment of the Strategy and Plan Fee, the SoA becomes your property- you are not obliged to proceed any further with Profile. You may choose to implement the recommendations yourself, or you may request that Profile implements the recommendations.

Advice implementation

If you wish, Profile can implement the recommendations in your SoA. The cost to do this is called the **Implementation Fee**, and it is based on the following scale of funds to be invested:

ASSETS TO BE INVESTED	FEE
First \$1m	1.100%
Next \$1m (\$1m – less than \$2m)	0.825%
Next \$1m (\$2m- less than \$3m)	0.550%
Next \$1m (\$3m- less than \$4m)	0.275%
Amounts \$4m and above	0.110%, or a flat dollar fee across the whole portfolio

Any Strategy and Plan fee already paid is deducted from the Implementation Fee due.

The Implementation Fee can be deducted from your investment portfolio, or you can choose to be invoiced directly.

Ongoing service

If you choose to become a review service client of Profile, you will receive a range of regular services and contacts each year, including:

- **Portfolio reviews:** All investments under advice are fully updated and reviewed for all entities, and detailed reporting provided. Your goals and circumstances are also reviewed, and rebalancing/changes to underlying strategies may be recommended.
- **Access to Profile staff:** You can contact a Profile staff member with any questions about your investments, assistance with paperwork, liaising with accountants etc.
- **Events:** These are regular face-to-face seminars and lunches/dinners where Profile presents or facilitates financial and investment content. These events are at Profile’s cost; we do not accept gratuities or cost sharing with fund managers or product providers for these events.
- **Research notes:** Regular summaries of Profile’s investment committee meetings are sent to you via email.
- **Newsletter:** We produce a quarterly newsletter with relevant content on financial topics. We source and write our own original content – it is not an outlet for insurer or fund manager material and not a standard item sent by multiple planning groups.
- **Online access:** If you wish, you can access up-to-date information on your investments managed by Profile, via secure login to Xplan (a small additional fee may be charged depending on your investments).

The fee for these services is called the **Profile Partner Fee**, and it is based on the following scale of assets under Profile’s advice:

ASSETS UNDER PROFILE’S ADVICE	FEE
First \$1m	1.100%
Next \$1m (\$1m – less than \$2m)	0.825%
Next \$1m (\$2m- less than \$3m)	0.550%
Next \$1m (\$3m- less than \$4m)	0.275%
Amounts \$4m and above	0.110%, or a flat dollar fee across the whole portfolio

The Profile Partner Fee can be deducted from your investment portfolio, or you can choose to set up a monthly direct debit from your bank account.

Additional capital investments

Once your portfolio has been established, if you invest new capital an **Additional Capital Investment Fee** will be charged on the same AUM scale as noted above.

This fee covers reviewing your portfolio, advising on the appropriate investment of your money, and producing a SoA or RoA limited specifically to the new monies being invested.

The Additional Capital Investment Fee can be deducted from your investment portfolio or you can choose to be invoiced directly.

Investment management

To efficiently construct and manage investment portfolios for clients, Profile (in conjunction with an external asset consultant) has developed a series of diversified investment portfolios called the Profile Portfolio Solutions. More information about the Portfolios is available in the PDS for these Portfolios.

Profile has a preference for recommending these Portfolios where they are appropriate to meet clients’ needs. However we have an extensive Approved Product List and alternative investments will be recommended if appropriate. Our advisers have no financial or other incentive to recommend the Portfolios in preference to any other investment.

If your adviser has recommended an investment in one of these Portfolios, Profile will receive an **Investment Management Fee** of 0.3844% of the investment balance from the Responsible Entity of the Portfolios.

(As investment manager of the Portfolios, Profile is entitled to receive 0.7688% p.a. (including GST) of the net asset value invested in the Portfolios. Profile remits 50% (or 0.3844%) of this fee to the asset consultant for their investment services provided, including additional investment resources, financial models, risk management systems and comprehensive research. This leaves a net payment of 0.3844% to Profile.)

This fee is deducted from the Portfolios before investment returns are calculated – it is not a separate charge.

Investment performance

If your adviser has recommended an investment in one of the Profile Portfolio Solutions, Profile may be entitled to receive a **Performance Fee** of 5.125% of any outperformance of the Portfolio's month end unit price above the higher of the High Water Mark and Cash Hurdle:

- **High Water Mark** - The highest month end unit price previously achieved by the Portfolio, adjusted for any distributions.
- **Cash Hurdle** - The unit price of the Portfolio at the beginning of the month as increased by the rate of interest that could have been earned on 30 day Australian Bank Bills if invested at the beginning of that month (pro-rated weekly).
- **Calculation detail** - Calculated on any outperformance of the Portfolio's month end unit price before Performance Fees above the higher of the High Water Mark and Cash Hurdle, multiplied by the average number of units on issue for the month.

(As investment manager of the Portfolios, Profile is entitled to receive a total performance fee of 10.25% of the outperformance calculated as outlined above. Profile pays 50% (or 5.125%) of this fee to the asset consultant for their investment services provided, including additional investment resources, financial models, risk management systems and comprehensive research. This leaves a net payment of 5.125% to Profile.)

This fee is deducted from the Portfolios before investment returns are calculated – it is not a separate charge.

In some cases, we may negotiate an **Individual Performance Fee** arrangement with clients who invest outside the Profile Portfolio Solutions products.

Any such arrangement is individually negotiated with you and outlined in a separate agreement with Profile.

Other fees

Depending on the investments you use, you may incur other fees such as buy/sell spreads, switching fees, withdrawal fees, brokerage, performance fees and so on. The relevant PDS and SoA contain full details of all the fees you could pay on underlying investments.

PAYMENTS PROFILE RECEIVES FROM PRODUCT AND OTHER PROVIDERS

Initial commission

Investment products: It is Profile's policy not to accept initial commission on investment products. In some cases, the managers of the products we recommend pay initial commission to all advisers and cannot individually waive this amount. This commission can vary depending on the product and manager, in a range of between 0% and 5.5% of the initial investment amount. In these cases we will rebate the initial commission against your Implementation Fee. Any initial commission payable will be disclosed in your SoA.

Insurance products: If a life insurance company product has been recommended to you, the issuer of the product may pay Profile Financial Services Pty Ltd an initial commission. This commission ranges between 0% and 110% of your first year's premium. The commission is not an additional amount – it is included in your initial premium. Any commission paid is outlined in your SoA, and any Strategy and Plan fee already paid is rebated against the initial commission paid.

Ongoing commission

Investment products: It is Profile's policy not to accept ongoing commission on investment products. In some cases, the managers of the products we recommend pay ongoing commission to all advisers and cannot individually waive this amount. This commission can vary depending on the product and manager, in a range of between 0% and 1.1% pa of the investment balance. In these cases we will rebate the ongoing commission against your Profile Partner Fee. Any ongoing commission payable will be disclosed in your SoA.

Insurance products: If a life insurance company product has been recommended to you, the issuer of the product may pay Profile an ongoing commission. This commission ranges between 0% and 100% of

your annual premium. The commission is not an additional amount – it is included in your annual premium. Any commission payable is outlined in your SoA, and any Profile Partner Fee is rebated against the ongoing commission paid.

Stockbroking

Profile does not charge any additional fee when the services of a stockbroker are used to deal in shares. Any broking fee payable to the stockbroker is outlined in your SoA.

Administration platform rebate

Profile uses Macquarie Wrap Solutions (MWS) as an administration and reporting service provider for some clients' investments. MWS currently pays Profile a rebate based on the total volume of funds held on the platform. The amount of the rebate can change. As at the date of this document the rebate applied to the total of client balances above \$15,000, and the total amount was:

- 0.165% pa for accumulated balances up to \$75m, and
- 0.2475% pa for accumulated balances from \$75m to \$150m.

The rebate is not an additional fee to clients; MWS pays this to Profile from the total fees it receives. Profile uses the rebate to help defray its administrative costs including processing transactions and redemptions, producing reports for clients and their accountants and so on.

van Eyk Blueprint series rebate

van Eyk is an investment research and asset consulting house which Profile has previously used to assist in investment portfolio construction for clients. The Blueprint Series Funds have been used to implement van Eyk's research for some clients.

As Profile now constructs investment portfolios directly for clients, we are moving away from using the Blueprint series funds and they are generally not recommended to new clients.

Profile receives a rebate of up to 0.110% p.a. of ongoing investment balances in the Blueprint Funds. This rebate was introduced by van Eyk after Profile had already been using the Funds for some time, and was not a factor in Profile's decision to start or continue recommending the Funds.

The rebate is not an additional fee to clients; van Eyk pays this to Profile from the total fees it receives.

Profile uses the rebate to help defray the costs of our investment research.

RELATIONSHIPS THAT MIGHT INFLUENCE OUR ADVICE

Related companies

Profile Financial Services Pty Ltd (the licence holder) is associated with Profile Financial Services (Aust) Pty Ltd ACN 003 155 404 – a company which employs Profile staff. Neither company, nor any other associated body corporate, has any relationships or associations with product issuers that could be expected to influence us in the provision of the financial services.

Referrals

Profile does not pay fees to third parties for client referrals.

Investment research

Profile has entered into an agreement with Select Asset Management Pty Ltd ("Select") to provide us with specialist investment and asset consultancy services. Our agreement with Select gives us access to valuable additional investment resources, financial models, risk management systems and comprehensive research – as well as greater pricing power when negotiating with fund managers that we invest with through the Profile Portfolio Solutions. Details of the fees and our relationship with Select can be found in the PDS.

HOW YOUR FINANCIAL ADVISER IS PAID

Remuneration

Profile financial advisers receive a salary from Profile Financial Services Pty Ltd. In addition they may receive a bonus based on achievement of KPIs in a number of areas including quality, teamwork, client satisfaction, financial, workflow and learning and development targets based on Profile's overall balanced scorecard.

If an adviser is also an owner of Profile, they may receive dividend payments in respect of their shares in the company. This payment is unrelated to their employment with Profile.

Other benefits

To ensure our recommendations are free from undue influence, our staff and advisers cannot receive incentives that have a potential to influence

recommendations. Specifically, the receipt of the following are prohibited for all our staff:

- trips whether overseas or within Australia; and
- incentives or gifts with a value above \$100.

Product providers occasionally also offer other benefits such as training sessions and technical assistance. These provide tangible benefits for clients and we do not consider that they are likely to unduly influence recommendations. As a result advisers and staff are permitted to attend these educational functions.

As a principal member of the Financial Planning Association of Australia (FPA), Profile and our advisers are required to keep separate registers of any material incentives or indirect benefits which are paid or received. The registers are publicly available for inspection on request and must be provided within seven days of the date requested.

COMPLAINTS AND DISPUTE RESOLUTION

If you have any complaint about the services we provide to you, you should take the following steps:

- First, contact your adviser to explain your concerns.
- If your complaint is not satisfactorily resolved within 3 business days, please contact Profile's Compliance Manager on (02) 9683 6422 or put your complaint in writing and send it to us at PO 2500, North Parramatta NSW 1750. Alternatively you can email your complaint to compliance@profileservices.com.au. We will try to resolve your complaint quickly and fairly.

If you still do not get a satisfactory outcome you can complain to the Financial Ombudsman Service (FOS) GPO Box 3, Melbourne, Victoria, 3001. Their telephone number is 1300 78 08 08. This service is provided to you free of charge.

In addition to the above, The Australian Securities and Investments Commission (ASIC) has a free call Infoline on 1300 300 630 which you may use to make a complaint and/or obtain information about your rights.

As a principal member of the Financial Planning Association of Australia (FPA) we are bound by a professional code of conduct and rigorous technical and ethical standards. If you have a complaint that

relates to these areas, you can also raise it with the FPA, at:

The Investigations Manager
Financial Planning Association of Australia Ltd
GPO Box 4285
Sydney 2001

The FPA has no power to award any compensation to consumers, but it can fine and expel members for breaching the Code of Professional Practice.

NEXT STEPS

If you have any more questions about Profile and our financial services, please don't hesitate to contact us:

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We look forward to welcoming you as a client!