

Lonsec Group - Managing Conflicts of Interest

ASX listed Generation Development Group Limited ABN 90 087 334 370 is the parent company of Lonsec Holdings Pty Ltd which includes Implemented Portfolios Limited (IPL) ABN 36 141 881 147, AFSL 345143, Lonsec Research Pty Ltd (Lonsec Research) ABN 11 151 658 561, AFSL 421445 and its Corporate Authorised Representatives SuperRatings Pty Ltd (SuperRatings) ABN 95 100 192 283, CAR 1309956 and Lonsec Investment Solutions Pty Ltd (LIS) ACN: 608 837 583, CAR 1236821.(collectively “Lonsec”).

Lonsec is proud of its place as a trusted provider of Research and other services. Core to this is a highly conflict aware culture, aligning the provision of our services with the needs and interests of product issuers, financial advisers and others who benefit from our high conviction research, including investors.

Business Model

Lonsec maintains strict separation between its two key Research teams, Lonsec Research and SuperRatings, operating under executive reporting structures.

Both SuperRatings and the Lonsec Investment Solutions teams are involved in the provision of consulting services and maintain strict information barriers and separation of services from the Research teams. Consulting teams are not made aware of ratings ahead of distribution and have no input or influence on the ratings process.

Lonsec maintains a separate relationship team that deals with commercial contract negotiations. Lonsec finance team is responsible for the invoicing of clients. This commercial team is not involved in any aspect of the research process which determines a product rating.

Management of Conflicts

Lonsec has in place a comprehensive set of policies and procedures around how to identify, control, and monitor conflicts of interest. These policies are consistent with our obligations under ASIC Regulatory Guide 79, to manage either perceived or actual conflicts of interest. Key controls include:

Documented ratings methodologies	Robust information barriers
Client confidentiality	Gifts and Entertainment procedures
Personal Account Trading controls and disclosure	Conflicted remuneration

The way Lonsec manages specific conflicts will vary depending on the nature of the conflict, this may include avoiding, disclosing, or controlling the conflict. All Lonsec employees receive training on conflicts of interest on induction and an annual refresher.

Communicating and identifying our conflicts

Lonsec is aware of the inherent potential conflicts of interest associated with the provision of ratings and our remuneration for these services. The manner in which we receive any remuneration is clearly disclosed in our Financial Services Guides.

Standing conflicts because of referral agreements, commercial relationships or ownership are communicated in our Financial Services Guides, in ratings report disclosures and/or consulting reports.

Looking for more information?

Contact us on 1300 826 395 for more information on how we manage conflicts.

iRate subscribers can also access more information on how we manage conflicts in the Lonsec Research Methodology in the iRate document library.