



Financial Services Guide

10 | 2020

01 Financial Services Guide

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research), holder of Australian Financial Services Licence No. 421445, to assist you in determining whether to use our financial services and products. This is an important document and you should read it carefully.

1.1 What is a Financial Services Guide?

This document has as its main purpose to:

- Tell you more about us;
- Help you to decide whether to use any of the financial services we provide;
- Inform you of how we are paid;
- Compensation arrangements; and
- How we manage complaints

1.2 About Lonsec Research and the Services Provided

Lonsec Research provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583).

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1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- Securities
- Deposit and payment products limited to basic product products
- Derivatives
- Interests in managed investment schemes including investor directed portfolio services
- Superannuation and Retirement savings products

- Foreign exchange products
- Life products including:
 - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
 - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by: arranging for another person to apply for, acquire, vary or dispose the above types of products for or by retail and wholesale clients.

1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account an individual's financial situation, objectives or needs. Individuals should, before acting on the information, consider its appropriateness having regard to their own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, individuals should obtain and consider a copy of the relevant Product Disclosure Statement from the financial product issuer.

1.5 How Lonsec Research is paid

Lonsec Research receives fees from fund managers or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions for providing research content to subscribers including fund managers and financial product issuers. Lonsec's fees are not linked to the financial product rating outcome or the inclusion of financial products in model portfolios, or in approved product lists. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Because of the specific nature of its charges, disclosure of Lonsec Research fees are not ascertainable.

Lonsec Research may refer clients to our sustainability research partner Sustainable Platform Pty Ltd for their services. Sustainable Platform will pay to Lonsec Research the following percentage of annual revenue received as a result of the referral: Year one – 15% Year two – 10% Year three – 5%.

Lonsec Research analysts are paid a salary and do not receive any commissions or fees. Sales staff may have a sales commission plan, relevant to sales to Wholesale customers, as offered by Lonsec from time to time at its discretion. Staff may be eligible for a bonus payment in certain circumstances. Bonus payments are discretionary and are not guaranteed.

1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the *Corporations Act 2001*.

1.7 What should you do if you have a complaint?

Lonsec Research's internal complaints handling process is designed to ensure that an individual's concerns are treated seriously, and that the complaint is addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If an individual has a complaint about the service provided by Lonsec Research, the complaint should be notified to::

Complaints Manager

Lonsec Research Pty Ltd
L 7, 90 Collins Street, Melbourne Vic 3000

Tel: 1300 826 395

Email: Complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 45 days, the individual can complain to the Australian Financial Complaints Authority (AFCA).

AFCA provides an independent dispute resolution service and can be contacted on:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

ASIC also has a free call info line: **1300 300 630**, which you can use to make a complaint about us.

1.8 Conflicts of Interest

Lonsec Holdings is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services. Lonsec Holdings has in place a comprehensive set of policies, procedures and information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79, to manage either perceived or actual conflicts of interest.

Generation Development Group Limited, a shareholder of Lonsec Holdings, is the parent company of Generation Life Ltd who issue a series of products rated by Lonsec Research. Lonsec Research manages this potential conflict by disclosing to investors accessing our research, and implementing our comprehensive ratings process, information barriers and monitoring program. For more information refer to Lonsec Research Ratings Methodology available on iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Sunsuper Superannuation Fund Pty Ltd (Sunsuper) as the provider of default superannuation services to its employees. Lonsec Holdings appointment of Sunsuper is not an endorsement of, or opinion on, the fund.

Lonsec Holding subsidiaries are remunerated by Sunsuper who has entered into the comprehensive documented ratings process by SuperRatings and Lonsec Research, The rating and report is issued by an analyst who is aware of Sunsuper's appointment as default provider but who does not have a personal investment in the fund. Sunsuper also remunerates SuperRatings for access to data, surveys and logos.

This FSG was prepared on 12 October 2020.