



Shadforth Financial Group

Financial Services Guide

A Guide to Our Relationship with You

Version 5.0 – 12 September 2011

This Financial Services Guide provides important information to help you decide if you want to use our financial services. It includes details of:

- The financial services and products we offer
- Our fees
- Adviser(s) who may be appointed to assist you with financial services
- How we and our associates are paid, and any interests, associations or relationships that could affect our advice
- Our internal and external dispute resolution procedures and how to access them
- Our privacy policy



Shadforth Financial Group

What other documents might I receive from Shadforth?

If you decide to obtain personal advice from us we will provide our initial advice and any significant subsequent advice to you in a written report called a Statement of Advice (SoA). Your SoA will set out our advice, the basis on which it is given, our fees and/or commissions, as well as information about any associations or relationships that could affect it. It is important to note that we can only provide personal financial advice after making enquiries, and after giving consideration to your current financial situation and future requirements.

If you receive additional ongoing financial advice from us and a Statement of Advice isn't provided to you, we will record details of that advice in a Record of Advice document. You can request a copy of any relevant Record of Advice documents within seven years of receiving the advice from us.

You should also note that if we recommend a particular financial product to you, we will generally provide a Product Disclosure Statement containing information about the particular product in order to help you make an informed decision.

About us

This publication (the Guide), has been produced by Shadforth Financial Group Limited ABN 27 127 508 472 (Shadforth, 'we', 'us', and 'our'). Shadforth:

- Is responsible for the financial services provided to you by Shadforth and our representatives
- Will act on your behalf and has authorised the distribution of this Guide
- Holds an Australian Financial Services Licence (No.318613) issued by the Australian Securities and Investments Commission
- Is a wholly-owned subsidiary of Snowball Group Limited ABN 81 006 490 259 (Snowball)

You can contact us by:

Phone: (02) 9919 8888

Fax: (02) 9919 8899

Web: sfg.com.au

Mail: Shadforth Financial Group Limited
Level 17, 100 Pacific Highway
North Sydney NSW 2060

Our products & services

We offer you the flexibility and convenience of accessing high-quality financial advice and services to help you generate and maintain wealth over time.

Services offered or arranged by us include:

- Advice on investment objectives and strategies to help you achieve your financial goals
- Advice on structuring your investments and superannuation for maximum tax effectiveness and flexibility
- Regular review of your financial planning strategies, objectives and portfolio investments
- Share market trading and portfolio construction
- Administration of, and reporting on, your investments – including performance and asset allocation position
- Advice on wealth creation strategies and cash flow management issues
- Advice on the preparation or review of investment programs in Managed Discretionary Accounts (MDA).
- Retirement planning advice
- Life Insurance advice

Products & services continued

We can advise and deal in relation to the following financial products:

- Deposit Products
- Government Debentures, stocks or bonds
- Securities
- Superannuation and Retirement Savings Accounts
- Derivatives
- Managed Investments including Investor Directed Portfolio Services and MDA Services
- Investment Life Insurance and Life Risk Products
- Standard Margin Lending Facilities

In some cases, advisers and other persons authorised to provide services on our behalf are only authorised to provide a certain range of services. In these circumstances, it is important to review any restrictions to the authority issued to the representative (a copy of which is available on request).

Our advice

Who will be my adviser?

Your adviser will be an employee of Shadforth or an employee of a related body corporate of Shadforth, authorised to provide you with some or all of the financial services we offer.

By law they must either hold an Australian Financial Services (AFS) Licence or be a person authorised by an AFS Licence holder.

Is the advice restricted in any way?

Shadforth does not provide financial services in relation to Foreign Exchange or General Insurance Products.

Who is responsible for the financial services provided?

Shadforth, the holder of Australian Financial Services (AFS) Licence No. 318613. If you are an existing or new client of Shadforth, any financial services provided to you are provided by Shadforth acting in its own capacity.

As Shadforth's business has been developed in accordance with agreements between Shadforth and other subsidiaries of Snowball Group Limited (the Snowball Group of Companies), pre-existing clients of related companies of Shadforth may continue to observe references to that company (or companies) on statements, invoices, reports and correspondence sent to you by us, fund managers or platform providers.

This is because the contractual arrangements those pre-existing clients have with that related company continue, although their financial services are now provided by Shadforth.

Our advice continued

In this case, Shadforth will provide financial services on behalf of that related entity. These agreements also mean that some or all of the fees and payments received by Shadforth or a related company, may be remitted to other members of the Snowball Group of Companies, resulting in related companies indirectly benefiting from fees paid in respect of the financial services provided to you.

Do you have any relationships that might influence the advice?

It is important to understand the relationships that exist as they may be considered an influence to our advice. These are:

a) Our relationships with other professionals

We may pay a fee to other professionals for referring you to us.

b) Our relationships with related companies

Companies in the Snowball Group of Companies include Financial Acuity Ltd (Acuity), Shadforths Ltd (Shadforths), Officium Capital Limited (Officium) and The Money Managers Limited (TMM).

Where we recommend a product or service, in some circumstances a related company may benefit from our recommendation and/or receive a fee for that product or service. Circumstances where this might occur include where we:

- Recommend a product issued by Acuity or Officium
- Arrange for you to participate in an Initial Public Offer (IPO) and Shadforths has been engaged as an underwriter to the offer
- Recommend a product or service distributed by a related company
- Recommend that a financial service be provided by a related company

Agreements that we and other members of the Snowball Group of Companies have with each other mean that some or all of the fees and payments received by Shadforth or another member of the Snowball Group of Companies, in respect of services provided to you, may be remitted to another member or members of the Snowball Group of Companies, resulting in related companies indirectly benefiting from remuneration paid in respect of the financial services offered in this Guide.

Investors should note that Shadforth, its employees, representatives, directors and their associates may have interests in the products we recommend.

c) Our relationships with others

Members of the Snowball Group of Companies have agreements with a number of financial product issuers and service providers. They include:

- Asgard Capital Management Limited
- Avanteos Investments Limited (Symetry)
- BT Funds Management Ltd (BT Funds)
- BT Portfolio Services Ltd (BT)
- Colonial First State Investments Limited
- DFA Australia Ltd (Dimensional), and
- UBS Securities Australia Limited (UBS)

Details of the fees and relationships of these other companies can be found in the relevant Product Disclosure Statement for the product recommended which will be provided to you as appropriate.

Our advice continued

How will you prepare and provide me with suitable advice?

We examine your financial position and create a structured plan designed to achieve your financial goals in life over defined timeframes. We do this by helping you to identify and prioritise your goals, developing realistic strategies and helping you to assess the merits of each alternative – making any changes you require to the strategies. A regular review will ensure that your strategy remains consistent with your goals and objectives as they change over time.

Are there any limitations to your advice?

We only advise and deal in products and services that are listed on our Approved Products and Services List. This list, which is continually reviewed and updated, is the result of research of a wide range of financial products, and administration arrangements, of leading financial product issuers. From this process we select the best and most appropriate for the majority of our clients. For more information on our Approved Products and Services, please contact your advisor.

As there may be other products and services that could also be suitable, you should observe any warnings and consider any significant risks contained in our advice prior to implementing any of our recommendations – as any investment decision carries with it a degree of risk – either the risk of capital loss or the risk of the expected benefits not being obtained. We also recommend that you seek independent legal and tax advice about our recommendations and confirm any entitlement to government benefits with the relevant department.

What information should I provide to receive personalised advice?

You need to provide us with details of your personal objectives, financial situation and any other relevant information, so that we can offer you the most appropriate advice possible. Naturally, you may choose not to provide this information, or limit the scope of the advice provided by us. However, if you don't provide us with complete or accurate information, it is important to be aware of the risk that the advice you then receive may not be appropriate to your needs, objectives and financial situation. Similarly, if you do not obtain financial advice from us, however you instruct us to apply for or acquire a financial product on your behalf, without this advice, we will not fully take account of your needs, objectives and financial situation in acquiring for or applying for these financial products and there is a risk the financial products you select will not meet these needs and objectives.

What information do you maintain in my file and can I access it?

We maintain details of your identity and other personal information, as well as a record of the advice given to you. We are committed to protecting your personal information and will only disclose it to other members of the Snowball Group of Companies, their professional advisers and other organisations that provide services on our behalf or on your behalf as required by law.

Should you wish to examine the personal information maintained in your file, please ask us and we shall make arrangements for you to do so. Your personal information is held in the strictest confidence in accordance with our privacy policy. As a new client, we will provide you with a copy of our privacy policy with this FSG.

You can also obtain a copy from our website, by contacting your adviser, or by asking us. Any changes to our privacy policy will be posted in an updated version of the policy on our website. You should therefore check our website if you wish to review the current version of the policy.



Other

How can I give you instructions?

You can give us instructions by telephone, fax, email or other means as agreed with us. Some financial products have their own rules about how to give instructions. Please refer to the Product Disclosure Statement of the relevant product for those details.

Are there any special rules that apply to transactions in shares listed on the ASX?

Rules designed to ensure a fair and orderly market, may mean that in the event of an error or omission, the ASX Market Participant with whom your instruction is placed may be required to amend or cancel a trade or crossing without your consent – at the instruction of ASX. We will notify you once we are aware that this has or may occur.

Our remuneration

Where your adviser is an employee of a member of the Snowball Group of Companies, his or her remuneration will include a salary and may include a bonus based upon performance and achievement of various objectives. The variable/bonus component of the employee's remuneration is typically measured against a combination of pre determined objectives including the services provided to clients by the employee and the revenue received by the employee's employer in excess of a specified objective. Revenues received from sources not on the Group's Approved Products List or from minor revenue providers to the Snowball group of Companies are not included for the purpose of calculations. Your adviser's remuneration may also include a share of dividends from Snowball (where he or she holds shares in that company).

How will I pay for the services provided?

Before we provide any services we will agree with you how we get paid. We offer a variety of service levels and fee structures that can be tailored to suit your individual circumstances. Fees may comprise one, or a combination of, of the following:

- A fee based on the value of the funds you invest
- A fee based on the time we spend developing your plan
- An agreed fee-for-service e.g. a management fee paid annually or in instalments
- Brokerage for transactions of securities listed on the Australian Stock Exchange (part of the brokerage you pay to UBS)
- Commission paid to us by financial product issuers out of their fees, for so long as you hold the product
- If a related company holds your money in trust pending purchase of a financial product, the related company receives the interest earned

Remuneration received by the licensee or a related company may therefore include:

- A payment of between 24% & 87.5% of the net administration fee that you pay for Asgard eWRAP; Asgard Elements; Corporate Super; Master Trust Accounts; & Snowball eWRAP products
- A payment of between 0.405% & 0.598% p.a. of funds under administration for BT Wrap & SuperWrap products
- A payment of up to 0.1%p.a. in relation to the First Choice range of products
- A payment of up to 0.2%p.a. of funds under management for Dimensional Strategic Trusts
- A share of administration fees of the Symetry Portfolio Service (Symetry retains up to 0.2%p.a.), and
- A share of brokerage fees incurred for share transactions through UBS

We will explain the fees associated with a particular product or service provided to you in their entirety. You have the right to request further information about the remuneration we receive, so if there is anything that is unclear or if you require more information about the service levels we offer, please contact your adviser. The Statement of Advice provided to you will contain details of our fees and any payments made to us by Product issuers. If you require financial advice from us, we will generally give a Statement of Advice to you before we proceed to act on your instructions. We will explain to you how you can pay for the financial services you require, typically, payments are made by cheque as we are unable to accept cash.

Typical examples of fees

<p>Preparation of an Initial Statement of Advice</p>	<p>From \$2,200: The actual amount will depend on the time involved and complexity of the advice required. Example: John and Mary require a statement of advice, a fee of \$2,750 is agreed.</p>
<p>Annual fee-for-service</p>	<p>The annual fee-for-service charge agreed for an individual investor is from (the minimum of) \$2,500. As the actual amount will depend on a number of factors that includes the time involved and complexity of the financial services required, the fee may be considerably higher in some cases. Example: John and Mary require ongoing advice and an annual fee for service charge of \$11,000 is agreed.</p>
<p>Fees for share and derivatives transactions</p>	<p>Brokerage fees generally vary between 0.55% (for large transactions) and 2.75% (for small transactions) - subject to a minimum brokerage fee that might be set from time to time. We will tell you what brokerage fees will be incurred for share transactions, and any commission payment that is payable to us as a result of our advice (being a portion of the brokerage). Example: John and Mary dispose of a small holding of shares worth \$2,000 that they inherited. In this example, brokerage fee of \$55 is incurred (the minimum) and an amount of \$22 is paid to us.</p>

<p>Commission for Life Risk Insurance Products</p>	<p>An initial commission of between 0 and 130% of the first year's annual premium and then ongoing commission of between 0 and 40% of the annual premium paid. Example: John purchases life insurance with an annum premium of \$2,000 paying an ongoing commission of 20% (\$400 p.a.).</p>
<p>Commission for Managed Investments Products</p>	<p>An initial commission of between 0 to 5% of the amount invested and then ongoing commission of between 0 and 1.1% p.a. of the fund value. Example: John and Mary invest \$250,000 in a product paying an ongoing commission of 0.55% p.a. (i.e. \$1,375 p.a.).</p>
<p>Commission for Margin Lending</p>	<p>An ongoing commission of between 0 and 0.5% p.a. of the loan value. Example: John and Mary have a loan balance in a margin loan of \$200,000 that pays commission of 0.25% p.a. (\$500 p.a.).</p>

Our remuneration continued

What other benefits does Shadforth receive?

Should Shadforth, a related company or an adviser receive other benefits from product issuers (including payments toward professional development), except for minor benefits of less than \$300 in value, the benefit will be noted in a register. Should you wish to see this register, please contact us.

Will anyone be paid for referring me to you?

In some situations, clients are referred to us by someone else. If this occurs, and we pay a fee or commission in relation to that referral, we will tell you who will receive that fee or commission, and the possible amount.

Do you have Professional Indemnity Insurance?

Shadforth will take reasonable steps to ensure that we have Professional Indemnity Insurance cover that we believe meets the requirements of s912B Corporations Act to provide compensation to persons who successfully claim for losses suffered due to breaches of licensee obligations by representatives and staff who are or were a representative or employee of Shadforth.

Our accountability

What should I do if I have a complaint?

We are committed to providing our clients with the highest standards of client service. This involves being completely transparent in the way in which we charge for our services, and being proactive and forthcoming with important information which we believe may assist you with decision-making during our relationship with you.

Should you feel less than completely satisfied with the service you receive, it is important to notify us immediately to have the issue raised and resolved.

You should take the following steps.

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, please contact the compliance manager:

The Compliance Manager
Shadforth Financial Group Limited
Locked Bag 32011
Collins Street East VIC 8003
Phone: 1300 308 440

We shall endeavour to resolve your complaint quickly and fairly. If the complaint is not resolved to your satisfaction, you have the option of referring your complaint to the Financial Ombudsman Service (FOS). Their telephone number is 1300 780 808. FOS will be able to advise you as to whether or not they can be of assistance. We are a member of this service. If the complaint involves ethical conduct, you also have the option of raising your concern in writing with the Financial Planning Association of Australia Limited (FPA). The FPA can be contacted at: PO Box 109, Collins Street West, Melbourne, VIC 8007.

For further information about your rights you can contact the Australian Securities and Investments Commission on their Infoline at 1300 300 630.



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AFS Licence Number 318613

For further information please call 1300 308 440
or visit us online at www.sfg.com.au

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Supplementary Financial Services Guide

A Guide to Our Relationship with You

This supplementary Financial Services Guide (SFSG) dated 29 November 2011 is supplemental to the Financial Services Guide (FSG) dated 12th September 2011 prepared by Shadforth Financial Group Limited ABN 27 127 508 472 (Shadforth, **'we', 'us', and 'our'**).

You should read this SFSG together with the original FSG.

The purpose of this SFSG is to inform you a change of name for two related entities. Effective on or about the 29th November 2011, Snowball Group Limited will have a change of name to SFG Australia Limited and Officium Capital Limited will change name to Mosaic Portfolio Advisers Limited.

About Us

The statement that describes Shadforth as a subsidiary is to be replaced with a statement that we are "a wholly owned subsidiary of SFG Australia Limited ABN 81 006 490 259 (SFG)

Our Relationships

All references in the FSG to "Snowball Group of Companies" are to be replaced with "SFG Group of Companies".

The statement about a relationship with DFA Australia Ltd is to be deleted.

References to "Officium Capital Limited (Officium)" are to be replaced with "Mosaic Portfolio Advisers Limited (Mosaic)".

Our Remuneration

The statement about receipt of a "payment of up to 0.2%p.a. of funds under management for Dimensional Strategic Trusts" is to be deleted.



Shadforth Financial Group

Shadforth Financial Group Limited

ABN 27 127 508 472 AFSL No 318613

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29 November 2011.