



Financial Services Guide

Version 2 – 1 July 2021



What is the purpose of this Financial Services Guide (FSG)?

This Financial Services Guide aims to provide you with information to help you decide whether the financial services we offer meet your needs. It includes information on:

- Who is Stonehouse and how to contact them;
- Who is your Adviser and how they can be contacted;
- The types of financial services and products we can provide to you;
- How we are paid; and
- Who to contact if you are unhappy with our services.

Who will be providing the financial services?

Stonehouse holds an Australian Financial Services Licence and is responsible for any advice your Adviser provides. A summary of the Stonehouse Licence details are as follows:

Stonehouse Financial Partners Pty Ltd - Australian Business Number: 32 637 863 613

Australian Financial Services Licence Number: 520339

ADD: Level 20, 110 Mary
Street, Brisbane QLD 4000

PO: GPO Box 460,
Brisbane QLD 4001

P: (07) 3871 4944

F: (07) 3871 4955

Email: service@stonehousegroup.com.au

Web: www.stonehousegroup.com.au

Who is Stonehouse?

Stonehouse is a privately-owned financial planning and investment management firm that can be traced back to 1974. Stonehouse in its current form was forged through the consolidation of two successful financial planning firms and obtained its own Australian Financial Services Licence in 2006.

Since then, Stonehouse has flourished through its core values of private ownership and the tailoring of individual wealth management strategies incorporating the very highest quality financial assets available throughout the Australian and international investment markets. The consistent and prudent approach to the management of client's financial matters has seen Stonehouse grow its presence to include various locations throughout Queensland and New South Wales including Brisbane, Sydney, Noosa and the Gold Coast.

Not Independent

Although Stonehouse is privately-owned, we are unable to meet the definition of 'Independence' under Section 923A of the Corporations Act for the following reason:

- We may receive commissions when we recommend personal insurance policies, i.e. Life, TPD, Trauma, Income Protection, etc.



Personalised Advice

You will receive a Statement of Advice (SoA) for any personal advice provided that takes into account your objectives, financial situation and needs. An SoA is a record of our advice, and sets out the basis on which it has been developed, the fees payable, and any potential conflicts of interest that you need to be aware of when deciding whether to rely on the advice. If we provide further advice to you and your personal circumstances have not altered significantly or the basis of our advice does not change, we may provide the advice to you verbally but a record of this advice can be made available to you on your request. To request this information please contact us by phone, email or fax (details provided below). This information will be held on file up to 7 years.

If we recommend a particular financial product to you (other than securities) we will provide you with a Product Disclosure Statement (PDS) which will assist you in making a decision about a particular product. The PDS contains information about the product's key features, significant benefits, risks and fees.

Who is my Adviser?

Your Adviser acts on behalf of Stonehouse. They are professionally qualified, highly experienced and properly authorised to advise on your financial and investment needs. Ongoing education and development for all Advisers is part of the Stonehouse culture. Adviser qualifications meet and often exceed ASIC requirements and each Adviser keeps routinely informed on changes to economic, legislative and investment market conditions.

Stonehouse is committed to providing you with professional advice and personal service, both now and in the future, to help you achieve your financial objectives. For further information regarding your Adviser please refer to the Adviser Profile provided with this Financial Services Guide.

What financial services can Stonehouse provide?

Stonehouse offers a broad range of financial advisory services, including:

- Overall financial strategy and planning;
- Investment portfolio advice and management
- Personal superannuation and Self-Managed Super Funds (SMSF's);
- Retirement planning;
- Wealth accumulation / creation;
- Taxation minimisation;
- Wealth protection, including life, disability and critical illness insurances;
- Cash flow management;
- Debt reduction;
- Estate planning;
- Gearing; and
- Succession planning.



Stonehouse is licensed to deal in the following financial products:

- Managed investment trusts, including Investor-directed portfolio services;
- Superannuation;
- Deposits;
- Government debentures, stocks & bonds;
- Securities;
- Life insurance investments;
- Life insurance risk products;
- Retirement savings accounts; and
- Margin lending.

Each financial product we recommend has undergone extensive research. Only products included on our Approved Product List (APL) are recommended by our Advisers to ensure the highest quality advice. We will only recommend a product to you after considering its suitability to your individual needs, objectives, and financial situation.

Regular reviews of our recommendations are conducted to ensure the ongoing suitability of our advice to your situation.

Will the advice be tailored to your financial circumstances?

Yes. To ensure we provide you with suitable financial advice we will ask you questions about your individual financial situation, needs and objectives before we make any recommendations. You have the right not to provide this information, however, without all relevant information, we may be unable to provide you with appropriate advice. We will notify you in the SoA of the possible consequences of not disclosing your full personal details, and you should consider the implications carefully.

Are there risks associated with implementing recommendations?

We will explain any significant risks associated with implementing our recommendations and also discuss and develop an appropriate risk profile for you. You should ask us to clarify any risks that you do not understand.

What personal information do you keep on file?

We keep a record of your personal information, including details of your financial situation, needs and objectives. We will also keep file notes of any discussions of significance we have with you and recommendations made. If you wish to review your file, please ask your Adviser.

Stonehouse is committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy outlines how we manage personal information and is available on request by contacting Stonehouse on (07) 3871 4944 or visiting our website at www.stonehousegroup.com.au.

Providing instructions to Stonehouse (e.g. to buy or sell my investments)?

You may specify how you would like to give us instructions, for example in writing, by telephone, email or other means. Instructions provided by telephone will be noted and acted on accordingly.



How will I pay for the service?

The specific fees payable to Stonehouse will be explained by your financial Adviser and disclosed in your SoA. Stonehouse may charge for services provided through any one, or combination of the following:

➤ Professional fees:

Stonehouse Advisers may charge professional fees for strategic advice provided based on an estimation of the time required to research, formulate, prepare and present the advice. These fees are advised to you during the consultation process and are payable on the presentation of our advice. Depending on the services you require, set fees range from nil to \$27,500 (incl. GST). Our maximum hourly charge for services is \$550 (incl. GST) per hour.

➤ Investment advice:

Fees payable for the provision of investment advice is typically charged as a combination of the following:

○ Implementation fees

Stonehouse may be remunerated for the implementation of your investment. This fee may vary dependant on the nature of the advice and the type of investment recommended. Typically, implementation fees are a quoted fixed amount or range from 0% to 4.4% (incl. GST) of the initial investment value and are deducted from the investment capital upon implementation (e.g. \$50,000 with an implementation fee of 3.3% equals \$1,650 incl. GST).

○ Ongoing Advice Fees

Stonehouse may charge a fee for the ongoing servicing and review of your financial assets and situation. This is usually referred to as an Ongoing Advice Fee (OAF). The maximum annual OAF is 2.2% per annum of the funds under management (incl. GST) or an agreed indexed fee of up to \$55,000 (incl. GST).

○ Brokerage / Transaction Fees

For clients with a direct share portfolio under the management of Stonehouse who are not paying an Ongoing Advice Fee, a brokerage / transaction fee of up to 2.2% (incl. GST) will apply for each trade (e.g. a \$10,000 share purchase with a transaction fee of 2.2% equals \$220 incl. GST).

➤ Wealth protection advice:

Remuneration that may be paid to Stonehouse for the implementation of wealth protection insurance is funded by the product provider, based on the level of premium. This remuneration is not an additional cost to you.

○ Initial Remuneration

Stonehouse may receive initial commission of between 0% and 66% of the first year's premium (e.g. \$1,000 with initial commission of 66% equals \$660).

○ Ongoing Remuneration

Stonehouse may receive ongoing commission of between 0% and 33% of each subsequent year's premium (e.g. \$1,000 with ongoing commission of 22% equals \$220 per annum).



> Pro-bono advice:

As a service to the community, Stonehouse Advisers may undertake the provision of financial services on a pro bono basis. This is most commonly available to charities, educational and religious groups which provide not-for-profit services to the community.

A note on fees: While this document provides you with an outline of all possible fees payable through the provision and implementation of financial planning advice, actual fees payable will be discussed with you and also clearly disclosed in your Statement of Advice (SoA). All payments are received by Stonehouse.

Because Stonehouse Financial Partners Pty Ltd receives commissions from life insurance companies it is not 'independent', 'impartial' or 'unbiased' in the provision of its services. The Corporations Act states that if a licensee receives commissions from a product issuer it cannot claim to be independent, impartial or unbiased.

How is my Adviser paid?

All Advisers are salaried employees. In addition, they may receive bonuses based on the achievement of Key Performance Indicator's (KPI's) in several areas including quality of advice, compliance, teamwork, client satisfaction, financial, workflow and education targets.

From time to time Advisers may receive 'soft-dollar' incentives and gifts of up to \$300 only. This includes occasional items such as sporting event tickets and the like. Stonehouse keeps a register that is available for viewing on request.

Does Stonehouse receive any other remuneration?

Stonehouse is a privately owned financial planning practice. There is no ownership of Stonehouse by any financial institution, nor does Stonehouse own or distribute any of its own financial products.

Relationships with Product Providers

Our Advisers may receive minor refreshments, entertainment or training conducted by product providers, if they are less than \$300 in value from any single source over the course of a year. These are disclosed in our public register.

Stonehouse does negotiate reduced charges on some investments or products it may recommend. Any benefits negotiated are passed onto clients. Stonehouse does not accept any form of incentive in these arrangements.

Stonehouse has no relationships with any product providers however Stonehouse Directors, Andrew Stewart and Ben Hancock, are also Directors and partial shareholders of Core Value Asset Management Pty Ltd, the investment manager of the Core Value Portfolio (CVP) - a managed investment scheme registered with and regulated by the Australian Securities and Investment Commission (ASIC). Neither Andrew or Ben receive any referral fees or remuneration in relation to the fund however as shareholders they are entitled to a portion of any profits generated from the investment management operations. If an investment in the CVP is recommended, Andrew and Ben may benefit as shareholders.

Stonehouse advisers may recommend investments in the CVP and where an adviser receives an interest, it will be disclosed in your Statement of Advice (SoA) or Record of Advice (RoA).



Professional Indemnity

Stonehouse holds Professional Indemnity (PI) Insurance that meets the compensation requirements of the Corporations Act and ASIC's Regulatory Guide 126. The PI insurance also provides cover for a period of time in relation to the conduct of past representatives/employees who may no longer work for Stonehouse. If you have any questions about our compensation arrangements, please ask your Adviser.

Who can I speak to if I have a complaint about the Advisory Service?

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

1. Contact Stonehouse and inform your Adviser of your complaint.
2. If your complaint is not satisfactorily resolved by your Adviser please contact our Complaints Co-ordinator at Stonehouse on (07) 3871 4944, or complaints@stonehousegroup.com.au, or via post at GPO Box 460, Brisbane QLD 4001. We will try and resolve your complaint quickly and fairly.
3. If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority Limited on 1800 931 678, or in writing at GPO Box 3, Melbourne VIC 3001. Stonehouse is a member of this complaints resolution service. The Australian Securities & Investments Commission (ASIC) also has a free info line (1300 300 630) which you may use to make a complaint or to obtain information about your rights.