



FINANCIAL
SERVICES
GUIDE

FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) is an important document which we are required to give you under the requirements of our Australian Financial Services License. It provides you with information about David W Lee & Associates Pty Ltd trading as DWL Financial Services (DWL) to help you decide whether to use any of our financial products or services.

This FSG explains the types of products and services we can offer you. It also explains who we are and how we can be contacted; what services and types of products we are authorised to provide to you; how we (and any other relevant parties) are remunerated; and details of our internal and external dispute resolution procedures and how you can access these.

If you choose to use any of our products or services, you may also receive a product disclosure statement (PDS) or the relevant offer document relating to the product or services. Please read these documents carefully.

If we provide you with personal financial advice, we will take into account your needs, objectives and financial situation and we will also provide you with a Statement of Advice (SOA).

The SOA will contain the advice, the basis on which it is given and information about fees, commissions and any other matters which may have influenced our advice.

If a representative provides further advice to you and your circumstances have not changed we will record this advice (Record of Advice) on your file.

You can request a copy of your SOA or Records of Advice up to 7 years after the representative originally gave you the advice.

This Financial Services Guide complies with ASIC Class Order 04/194 and the requirements of Ca s942B, Regs 7.7.04, 73710AB-AC and RG175.

The distribution of this Financial Services Guide has been authorised by DWL Financial Services who is the licensee.

Contact Details

Address: DWL Financial Services
Level 16
115 Pitt Street
Sydney NSW 2000

Phone: 02 9223 2100

Fax: 02 9223 2164

1. Introduction

DWL was established in 1983 to assist clients in protecting and growing their wealth. We pride ourselves on providing sound investment advice and a high level of personal service. Over the years, we have earned a reputation for honesty, integrity and good investment performance for our clients.

If you choose the right investment adviser, you are well on the way to achieving your financial goals. We believe we are well qualified to help you to achieve these goals.

Simply, our philosophy is to ensure that you, as one of our clients, succeed in realising your financial objectives. This in turn ensures our own success. Our whole emphasis is one of looking after our clients' interests.

As a valued client or potential client of DWL you have the right to ask us about the type of advice that we will give you, our charges and what you can do if you have a complaint about our services.

Key information about DWL and our services is set out below in a 'question – answer' format. Please ask your adviser if you need more information or clarification.

2. Before we give you our advice

a) *Who is my adviser?*

Your adviser is a representative of DWL. The details of your adviser are summarised at the back of this guide.

b) *Who do you act for when you provide financial services for me?*

We act for you 'the client'.

c) *Who will be responsible for the advice given to me?*

Your adviser will be acting on behalf of DWL which will be responsible for any advice that is provided to you. DWL is the holder of Australian Financial Services license number 239948.

d) *What advisory services are available to me?*

We offer you the following services:

- financial planning advice;
- investment advice;
- superannuation, rollover, and allocated pension advice;
- arranging the purchase or sale of shares; and
- a Managed Discretionary Account (MDA) service which is the management of a portfolio of shares listed on the Australian Stock Exchange.

We advise and deal in shares, debentures, superannuation, life insurance and managed fund products. If necessary, we can help you in your dealings with Centrelink or Veterans' Affairs.

We will only recommend investments to you after considering your needs, investment objectives, and financial situation.

We will give you a Statement of Advice that clearly sets out our recommendations and, if we recommend investing in a managed fund, we will give you the relevant Product Disclosure Statement that explains the investment in detail. Only products on our Recommended Product List will be recommended.

If we buy shares listed on the Australian Stock Exchange directly for you, we may charge you a fee for this service. However, this fee is not for the ongoing management of these investments and therefore we do not manage these for you. Although we are happy to assist with any queries, you are solely responsible for them.

e) *How will I pay for the service?*

Your initial introductory meeting with your advisor is free and you are under no obligation to act on our recommendations at subsequent consultations.

How we bill you will depend on the services provided to you.

'Fee for Service' is for personal financial advice and is generally an annual fee which is for an agreed service with your advisor; the cost will depend on the complexities of the advice and your situation and may include some or all of the below investments.

If you invest in a managed fund through us, then the fund manager will generally pay us a commission, of between 0% and 4%, from the service fee they charge investors. Depending on what is agreed with you, a

proportion of this commission may be rebated to you and in some cases, a service fee charged instead. The fund manager may also pay us a trailing commission of typically 0.2 – 0.6% per annum. If you take out insurance through us then the insurance company will pay us a proportion of your premium(s) as commission. Details are fully disclosed in writing in the Statement of Advice before any transactions are undertaken.

If we manage a portfolio of shares on your behalf, then we will charge you a management fee of up to 1.1% per annum (inclusive of GST) payable quarterly and based on the total value of your portfolio at the end of each quarter. A transaction fee of up to 1.1% (inclusive of GST) of the value of any shares purchased or sold may also apply.

DWL may from time to time hold part of your money in a trust account. This will generally be only for short periods of time and will be predominately to assist us to settle transactions on your behalf. DWL will be entitled to any interest earned on these funds whilst held in the trust account.

We may pay a referral fee to a party that has referred you to us; this fee may be a fixed fee or a percentage of commissions we receive. DWL does not generally practice this, however if we do, we will advise and disclose the details of this in writing to you in the Statement of Advice.

When we purchase or sell shares on your behalf through a stockbroker, the brokerage and GST charged

by the stockbroker appears on the contract note that you receive for each transaction. The stockbroker may pay us a percentage of the brokerage charged on these transactions. For example, if we use CMC Stockbroking, they pay us 25% of the brokerage charged, which means that if you pay \$55.00 (inclusive of GST) we will receive \$13.75 (inclusive of GST) on this transaction.

3. When you receive our advice

a) *Do I get detailed information about actual commissions and other benefits my adviser receives from making the recommendations?*

Yes. You have the right to know the amounts of brokerages, commissions and other benefits your adviser receives. We will provide this information to you when we make specific recommendations.

b) *Will you give me advice which is suitable to my investment needs and financial circumstances?*

Yes. However, to enable us to do so, we need to know about your needs, investment objectives and overall financial situation and you need to speak to your advisor about changes in your needs, investment objectives and financial situation to enable your advisor to provide you with appropriate advice.

Naturally, you have the right not to give us this information. However, in that case, our advice or

recommendations may be inappropriate and this could have adverse consequences for you. You should carefully read any warnings that we give you.

c) *Are there any risks associated with the investments or investment strategies that you recommend to me?*

As an investor, you must understand that all investments involve a level of risk. The value of your investment can go down as well as up. Past performance is no guarantee of future performance. There are a number of risks that may potentially affect the value of your investment and the return you receive from that investment.

Whilst it is not possible to identify every risk relevant to investing, we will explain the risks associated with the investments and strategies we recommend to you and they will be outlined in the Statement of Advice that we provide you with. You should ask us to clarify any risks that are not clear to you.

e) *What information do you maintain in my file and can I examine my file?*

We will maintain a record of your personal profile, including details of your individual investment objectives and overall financial situation. We will also maintain a record of any recommendations that we make to you.

We have a privacy policy which complies with the National Privacy principals under the Privacy Act, which

as required by law, ensures the privacy of your personal information. A copy of this policy is available on request.

Please ask us if you wish to examine your file and we will arrange this for you.

f) *Can I tell you how I wish to give you instructions?*

Yes, you may wish to specify how you would like to give us instructions and from whom. For example: by telephone, by facsimile, by email or by other means.

4. Managed Discretionary Accounts (MDA)

a) *What are Managed Discretionary Accounts?*

We provide Managed Discretionary Account (MDA) services to our clients. This service provides the construction of a portfolio of shares listed on the Australian Stock Exchange for our clients which we manage on a discretionary basis. This is based on an MDA contract which gives DWL the discretion to manage portfolios in accordance with an agreed investment program.

b) *What are the risks associated with investing through the MDA service?*

When you enter into an MDA contract, we will buy and sell shares on a discretionary basis i.e. without consulting you. This will expose you to a range of risks

that may potentially affect the value of your investment and the return you receive from that investment.

Whilst it is not possible to identify every risk relevant to investing, there are a number of risk factors that will affect your investment returns. The value of your investments can be affected by market risk associated with changes in economic cycles, interest rates, investor sentiment and events of a legal, political, social and technological nature.

The value of an individual investment can also be affected by changes in a company's management or its business environment. The market liquidity of the investment may also be a factor.

Shares are a medium to long term investment and their prices can rise and fall significantly over the period of your investment.

c) *Can I tell you how I wish to give you instructions?*

All decisions about the purchase and sale of investments are made under the MDA contract at our discretion. This includes decisions regarding the subscription for new shares (for example from floats or rights issues). However, should you wish to give us any specific instructions, you can advise us in writing, by email, facsimile or telephone.

You should be aware that we will not be responsible for any outcome that results from acting on your instructions.

d) *Do I need a contract to have a Managed Discretionary Account?*

Yes, you must enter into a specific contract for the provision of MDA services before we can provide you with any of these services. The contract will include an investment program that complies with Division 3 of Part 7.7 of the Corporations Act 2001 (Cth) and will contain:

- Statements about the nature and scope of the discretions we will be authorised and required to exercise under the contract and any investment strategy that is to be applied in exercising those discretions;
- Information about any significant risks associated with the service;
- The basis on which we consider the service to be suitable for the client; and
- Warnings that the service may not be suitable if you have provided limited or inaccurate information relating to your personal circumstances or may cease to be suitable if your circumstances change.

e) *Who will be responsible for reviewing my investment program?*

Your adviser will be responsible for reviewing your investment program.

f) *Does this service include custody or depository services?*

No. All assets will be registered in your name.

5. If you have any concerns or complaints

Who can I complain to if I have a complaint about the advisory service?

You should take the following steps if you have any concern or complaint about the service provided to you:

- i) Contact your adviser and explain the nature of your concern or complaint.
- ii) If the matter is not resolved satisfactorily within three working days, then contact our Practice Manager, Kylie Nolan on (02) 9223 2100 or put your complaint in writing and send it to us at GPO Box 4610, Sydney NSW 2001. We will endeavour to resolve your complaint quickly and fairly.

If you are still dissatisfied with the outcome, you have the right to complain to the Financial Ombudsman Service: GPO Box 3 Melbourne VIC 3001, telephone 1800 367 287, fax 03 9613 6399, e-mail: info@fos.org.au

The Australian Securities & Investment Commission (ASIC) has a free call info line on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

Fees paid to us by product issuers

Insurance Products

Initial upfront remuneration

Based on an initial premium of \$1,000, assuming a Hybrid Fee structure is chosen by your adviser the initial Upfront Premium paid to the licensee (DWL) is \$750; depending on the structure chosen, the fee paid to us ranges from \$330 to \$1,100 (33% to 110%).

Renewal remuneration

Based on an initial premium of \$1,000, assuming a Hybrid Fee structure is chosen by your adviser, the Renewal Remuneration paid to the licensee (DWL) is \$247.50; depending on the structure chosen, the fee paid to us ranges from \$143 to \$330 (14.3% to 33%).

The above assumes that your adviser has not applied a premium discount to your policy.

Platform products

Based on an initial investment of \$100,000 with \$75,000 into a fund and \$25,000 in cash, DWL the licensee will initially receive a contribution fee of \$1,875 (2.5% of \$75,000) and each year the \$100,000 remain invested a \$600 trailer fee (0.6% of the \$100,000). The contribution fee is a one off and can range up to 4.29%, the trailer ranges up to 0.6%, the adviser service fee is to be negotiated with your adviser and if there is an insurance premium it is 22%.

Our representative

David Lee

David is a representative as well as being a director and major shareholder in the company. David receives a proportion of commissions or service fees received by DWL and also shares in the company's profits. See below for commission details.

The table below shows the % fee your advisor earns from the amount the company receives from product issuers.

	David Lee
MDA fee	50%
Transaction fee	50%
Upfront brokerage fee	50%
Adviser service fee	50%
Trailer fee	35%



DWL Financial Services

ABN 52 002 535 266

AFS Licence Number 239948

Head Office

Level 16, 115 Pitt Street

Sydney NSW 2000

Mailing Address

GPO Box 4610

Sydney NSW 2001

Telephone

02 9223 2100

Facsimile

02 9223 2164

Email

enquiries@dwl.com.au

Website

dwl.com.au

Serving clients professionally for over 30 years