



Financial Services Guide

October 2018

This Financial Services Guide (FSG) is an important document which is required by Australian financial services laws to be provided to retail clients only (as defined by the Corporations Act 2001) by Oracle Investment Management Pty Ltd (ABN 15 149 971 808, AFS Licence No. 430574) (“Oracle Investment Management”, “we”, “our”, or “us”).

This FSG provides you with information about us and the financial services we provide, to assist you in deciding whether or not to use these services.

This FSG will help you understand:

- who we are and how we can be contacted
- the financial services and products that we are authorised to provide
- our responsibilities and the types of advice we can give
- how we are remunerated for these financial services
- what disclosure documents and statements you will receive
- what to do if you have a complaint, and
- how we deal with your personal information ie. your privacy.

This FSG contains general information about the financial services and products we offer. When providing these financial services and products, we act on our own behalf. We are responsible for all the financial services provided to you under our AFS Licence.

Our affiliate company, Oracle Advisory Group Pty Ltd (ABN 71 617 787 176) (“Oracle Advisory Group”) does not hold its own AFS Licence and provides the financial services as Oracle Investment Management’s authorised representative. When Oracle Advisory Group provides advice to you and arranges financial products on your behalf we act for you.

If you have any questions after reading this FSG, please contact us at the address at the end of this document.

Who are we?

Oracle Investment Management Pty Limited (ABN 15 149 971 808) holds Australian Financial Services Licence No. 430574 from the Australian Securities and Investments Commission (ASIC). For more information about ASIC, and for a copy of our AFS Licence please visit ASIC’s website www.asic.gov.au Oracle Advisory Group Pty Ltd (ABN 71 617 787 176) is its Authorised Representative No 1263101.

Oracle Investment Management specialises in the construction of model investment portfolios. Our model investment portfolios (“Farnam Managed Accounts”) are generally accessible to investors through a PDS issued by other entities (not by us) which is designed to assist you to make an informed decision about the product, including its features and risks, the costs, and details of other fees and

charges which may apply, including (if applicable) any fees, commissions or other benefits payable to us. To invest you must complete an application form attached to the issuer's PDS.

You should seek advice from your financial and taxation advisor before you make a decision to invest in the Farnam Managed Accounts. You may choose Oracle Advisory Group, our affiliate full service investment advisory group, to provide you with financial and taxation advice as described in this FSG.

What financial services and products are we authorised to offer?

Under its AFS Licence, Oracle Investment Management is authorised to offer you personal and general financial product advice on, and to apply for on your behalf, the following types of financial product:

- Deposit and payment products
- Securities
- Managed investment schemes, including investor directed portfolio services
- Government debentures, stocks and bonds
- Foreign exchange products (general advice only)
- Derivatives
- Margin lending
- Superannuation, including SMSFs, and
- Life risk and investment products.

Oracle Advisory Group is authorised by Oracle Investment Management to provide you with the following financial planning services:

- Cash management – budgeting, debt management
- Wealth accumulation strategies – full financial plan, one off investment, gearing
- Ongoing investment management, including stockbroking services provided through one of Australia's leading stockbrokers, through the Oracle Managed Portfolio Service, or through an external wrap platform (also called an investor directed portfolio service)
- Superannuation for individuals consolidating or optimising superannuation, finding lost superannuation
- Superannuation for corporations including employee benefits
- Retirement planning – income and investments
- Retirement – transition to retirement, social security advice, aged care planning
- Life and personal risk insurance, including life risk, TPD, income protection and business insurances such as key person and business equity insurance, and
- Estate planning

by applying for any of the types of financial product listed above on your behalf.

What are our responsibilities and what types of advice can we give?

If we provide personal financial product advice, you will be given by Oracle Advisory Group a Statement of Advice ("SoA"), or in some cases a shorter document called a Record of Advice. Personal financial product advice is advice that takes into account one or more of your financial objectives, financial situation and needs. The SoA will contain the advice, the basis on which the

advice is given and information about fees, commissions and any associations which may have influenced the advice. When we provide further advice to you, Oracle Advisory Group may not give you a SoA, however Oracle Advisory Group will record the advice and you can ask us for a copy of the advice by calling or emailing us.

If Oracle Investment Management or Oracle Advisory Group provide you with general advice (i.e. advice that is not personal advice) we or Oracle Advisory Group are generally obliged to warn you in the same manner as the advice is provided (i.e. in writing or verbally) that our general advice, provided to you as a retail client, does not take into account your particular objectives, financial situation or needs.

How do you give us instructions?

You can give us or Oracle Advisory Group instructions in person, by phone, mail or email. It is important that you provide us with complete and accurate information about your circumstances and you take the time to check any assumptions we make and the basis for our advice. If you don't, our advice may not be appropriate for your needs.

Naturally, your circumstances may change over time. When this happens, our initial advice and recommendations may no longer be appropriate for you. We can periodically review your financial position, personal circumstances, financial goals and investment strategies to decide whether those strategies and goals and the financial products you hold are appropriate. Or, you can contact us for a review when your circumstances change.

How are we remunerated for the services we provide?

Our remuneration varies depending on the services we provide.

If you invest in a financial product such as a managed investment scheme which is invested in accordance with our model investment portfolio (for example, the Farnam Managed Accounts), we will receive from the scheme issuer remuneration in relation to your investment in that financial product. This remuneration (which is disclosed in the scheme's Product Disclosure Statement and, if applicable, is explained in your Oracle Advisory Group SoA) may include investment management fees and investment performance fees based on the amount you invest and/or the performance of the financial product. The scheme issuer sets out in its PDS the issuer's entitlement to fees, indirect costs, and other benefits from its scheme, including transactions with, and use of the services of, its service providers which may include us and our related parties.

Oracle Investment Management Pty Ltd's employees and directors are remunerated by way of annual salary and performance bonuses, and may receive other employee benefits from us.

We charge for Oracle Advisory Group's services as follows:

Financial and Investment Advice

We charge for initial advice a fixed fee of up to \$6,600 incl. GST for our initial financial and investment advice. The amount of the initial advice fee will vary according to the complexity of your circumstances and the nature and extent of the advice we provide. We will agree the scope of the advice and the fee with you before we prepare our advice.

Ongoing Adviser Service Fees

Our fees for providing ongoing advice on your financial strategy and portfolio to ensure that they remain appropriate for your needs and circumstances will depend on the complexity of your needs and how your investments are managed and administered.

We offer 3 main management and administration options, which we will discuss with you at the time of our initial advice to assist you to select the approach which is appropriate for you:

- **Farnam Managed Accounts** – This is a managed investment scheme which offers portfolio options invested in accordance with Oracle Investment Management Pty Limited’s model investment portfolios. Interests in the scheme are offered and issued by an independent responsible entity which operates the scheme and manages and administers your investment. It is generally suitable for clients who do not want to be involved in day-to-day decisions regarding the management of their investments.

If you invest in Farnam Managed Accounts, we will charge an ongoing adviser service fee of up to 1.1% (incl. GST) of the value of your portfolio. The responsible entity of the Farnam Managed Accounts will also charge you an investment management and administration fee, the amount of which will be disclosed in its Product Disclosure Statement and explained in your SoA.

- **Oracle Managed Portfolio Service** – This is an in-house investment management and administration service. It is generally suitable for clients who want to be involved in decisions regarding the management of their investments.

Our fees for this service are tiered according to the value of the investments which we manage and administer for you, as set out in the table below:

Amount Invested	% Fee p.a. incl. GST
\$0-\$500,000	1.32%
plus \$500,001-\$1,000,000	0.99%
plus \$1,000,001-\$2,000,000	0.66%
plus \$2,000,001 and over	0.44%

- **Wrap Platform** – If neither of the above services is suitable for you (or your investments are currently managed through a wrap), we may recommend that you use an external wrap platform (also called an investor directed portfolio service).

We will charge a fee of up to 1.1% (incl. GST) of the value of your portfolio for our ongoing advice service. The wrap platform will also charge an administration and other transaction fees, which will be disclosed in its Product Disclosure Statement

Execution Fees

If you ask us to buy or sell shares or warrants on your behalf, we may charge brokerage of up to 1.75% of the value of the trade (with a minimum charge of \$99). We may also charge an off market transfer fee of \$88 when a share is transferred off market.

Life Insurance

If we arrange life insurance for you, we will receive commission from the insurers with whom we place your insurance in the first and subsequent years that the policy is on foot. These commissions are included in the premium for the policy and are not an additional charge to you.

The amount will vary depending upon the type of insurance arranged and when the policy is issued, but will not exceed the amounts shown in the table below:

Date of Policy Issue	Initial Commission	Ongoing Commission
	% of Premium	
Calendar year 2018	up to 80%	20% p.a.
Calendar year 2019	up to 70%	20% p.a.
After 1 January 2020	up to 60%.	20% p.a.

These amounts exclude GST and statutory charges.

“Grandfathered” Remuneration

If any of our advisers advised you while they were an authorised representative of Morgans Financial Limited, we may also receive an ongoing commission for financial products that they arranged for you before 1 July 2014. These can range between:

- Investment and superannuation – up to 0.44% per annum of the funds invested.
- Investment and superannuation held through a platform – up to 0.44% of the funds invested.
- Margin lending – up to 0.33% of the interest payable on your outstanding loan amount.
- Life insurance – up to 30% of the premium you pay each year.
- Cash accounts – up to 0.25% of the funds held.

Oracle Advisory Group advisers are paid an annual salary and may be eligible to receive a performance bonus if they meet pre-set agreed key performance indicators. We may also ask you to agree that they also receive a share of the fees you pay us or the commissions we receive.

Some Oracle Advisory Group advisers are shareholders in Oracle Investment Management Pty Limited, its authorising licensee and provider of the Farnam Managed Account product that we may recommend to you.

Disclosure of conflicts of interest

Potential conflicts may arise between the interests of our clients, ourselves and our related parties, and other parties (including service providers appointed by issuers). Oracle Investment Management and Oracle Advisory Group have documented processes in place for controlling, avoiding and disclosing conflicts of interest. Oracle Investment Management’s Board is ultimately responsible for the management and resolution of conflicts of interest arising in the operation of business conducted under its AFS Licence.

Oracle Investment Management, Oracle Advisory Group or any related parties or any director, officer, employees or any of them or their related parties may hold (directly or indirectly) shares in Oracle Investment Management Pty Ltd, and/or invest in the Farnam Managed Accounts, and/or hold investments in financial products that are included within a Farnam model investment portfolio or which are recommended to clients. We have statutory and common law fiduciary duties to manage

conflicts of interest and, if there is a conflict, give priority to investors' interests and/or duties (as applicable).

What insurance arrangements do we have in place?

Oracle Investment Management holds professional indemnity insurance in place in respect of the financial services we provide, including Oracle Advisory Group financial planning services. Our professional indemnity insurance meets the requirements of the Corporations Act and covers us for any errors or mistakes by our employees and representatives after they cease working with us provided we notify the insurer of the claim when it arises and this occurs within the relevant policy period.

What do you do if you have a complaint?

Oracle Investment Management acknowledges that you have the right to complain if you are dissatisfied with the service you receive from us, including from Oracle Advisory Group advisers. If you wish to make a complaint about any of our services, you can either discuss the matter with your Oracle Advisory Group adviser or contact Oracle Investment Management's Complaints Officer on 1300 651 402 or email: complaints@farnam.com.au. We will acknowledge receipt of your complaint immediately, and attempt to resolve it quickly and fairly.

If we do not resolve your complaint to your satisfaction, you may be able to refer your complaint to the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme of which we are a member. For more information about AFCA, call 1800 931 678, visit their website at www.afca.org.au, email info@afca.org.au or write to GPO Box 3, Melbourne, VIC 3001. AFCA is free of charge and any decision they make is binding on us, but not on you.

How do we deal with your personal information?

We are committed to protecting your privacy. We use the personal information you provide to us and to Oracle Advisory Group to advise you on your financial circumstances, goals and strategies. We provide your information to the product issuers with whom you choose to deal (and their representatives). We do not trade, rent or sell your information or disclose it to overseas recipients. If a recipient is not regulated by laws that protect your information in a way that is similar to the Privacy Act, we will seek your consent before disclosing your information to them.

If you do not provide us with full information, neither we nor Oracle Advisory Group can properly advise or assist you with your financial services needs. For more information about how to access the information we or Oracle Advisory Group hold about you, how to have it corrected and how to complain if you think we have breached the privacy law, ask us for a copy of our Privacy Policy by contacting us on 1300 651 402 or visiting our website at www.farnam.com.au.

How can you contact us?

If you have any questions, please contact us.

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This FSG was prepared on 22 October 2018. Its distribution was authorised by Oracle Investment Management Pty Ltd.