



financial services
guide

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why am I receiving this document

This Financial Services Guide (FSG) outlines the financial planning services provided by your Financial Adviser through PROSPERITY.

It is an important document which will help you decide if you want to use the services being offered. It contains information about PROSPERITY, the services your Financial Adviser provides, how your Financial Adviser, PROSPERITY and other relevant persons are paid for the services and how we deal with your complaints where you are not satisfied with the services provided.

You should read and understand this document before accepting any of the services offered. PROSPERITY has authorised the distribution of this FSG.

This document must be read in conjunction with the Financial Adviser Profile, which will provide you with more detail about your Financial Adviser. Together these documents form the full FSG.

You are encouraged to ask your Financial Adviser about the services being offered, the costs involved and any other information included in this FSG.

When your Financial Adviser provides you with financial planning services you may also receive:

- a Statement of Advice, which contains information about advice provided to you; and
- a Product Disclosure Statement, which provides information about products recommended to you.

Further information about these documents is set out later in this FSG.

Who is PROSPERITY?

PROSPERITY is the holder of an Australian Financial Services Licence (223082) issued by the Australian Securities and Investments Commission (ASIC).

Your Financial Adviser will provide financial planning services to you as an authorised representative of PROSPERITY. Your Financial Adviser acts on behalf of PROSPERITY which means PROSPERITY is responsible to you for the services described in this FSG.

PROSPERITY was established in 2002 and has steadily grown into one of Australia's largest privately owned financial services groups with a reputation for innovation and technical excellence.

PROSPERITY is a principal member of the Financial Planning Association (FPA).

How to proceed

It is important that you understand this FSG as it is a legal document. If any part of this document is not clear please speak to your Financial Adviser.

If you would like to know more about a particular investment concept please contact your Financial Adviser.

before receiving our advice

Who is my Adviser?

Your adviser (Financial Planner) is an employee of PROSPERITY. The details of your adviser are provided to you as a separate Adviser Profile document.

Who will be providing the Financial Service to me?

Your adviser will provide the financial service to you. Your adviser is an authorised representative of PROSPERITY.

Representatives act on behalf of you (the client) when providing these authorised services.

PROSPERITY was incorporated in January 2002, and was born from the merger between Financial Security Personal Investment Group and Sneddon McKeown Chartered Accountants. We have a strong commitment to adding value, and to making a positive impact on our clients' long-term financial futures. We strive to form a strong relationship with our clients – a financial partnership for life.

The Prosperity team has been carefully selected and includes a diversity of professional experience, combining a wealth of skill and expertise to provide a unique level of personalised, professional service to all clients.

From our client service and administrative team to strategists and advisers, each member of PROSPERITY is working for you. Some will become well known to you, while others working hard behind the scenes may not be familiar, but you can be assured we all work for the one goal.....your PROSPERITY.

Range of services and products

With the support of PROSPERITY your Financial Adviser is able to offer you an extensive range of financial planning services which may include:

- superannuation and rollover advice
- redundancy and retirement advice
- investment portfolio management
- wealth creation
- tax minimisation
- ongoing portfolio management
- estate and will planning
- debt management advice
- insurance or risk management
- life insurance and income protection advice
- remuneration planning

We are also authorised to deal in respect of the following classes of financial products:

- managed investments
- securities
- superannuation
- investment life insurance products
- life insurance risk products
- deposit products

Further information explaining the services provided by your Financial Adviser is included in the Financial Adviser Profile provided with this FSG.

While your Financial Adviser has flexibility in the service they provide to you, PROSPERITY remains responsible for the quality of advice provided by your Financial Adviser. PROSPERITY ensures your Financial Adviser:

- is only authorised to provide services to you where he/she is qualified to do so
- completes continuing education to maintain their qualifications
- is provided with excellent technical support and tools to provide financial planning advice
- is provided with high quality financial product research
- is monitored and supervised to ensure they use the support and tools provided
- complies with the requirements of the law and the standards of PROSPERITY.

PROSPERITY aims to provide you with quality advice by ensuring your Financial Adviser is backed by top-class training, research, support and supervision. PROSPERITY has extensive resources and dedicated teams to support your Financial Adviser, including technical services experts, compliance professionals, business paraplanners and financial planning software.

PROSPERITY also uses experts such as Zenith and AEGIS for financial product research. From this research, PROSPERITY maintains an extensive list of Approved Products for your Financial Adviser to select from.

You should understand that as most products are market linked there is no guarantee of performance and your investment may fall in value as well as rise.

What you will receive when provided with a financial service

Your Adviser will provide you with a recommendation to meet your needs and/or objectives. To achieve this, your Financial Adviser needs to consider and discuss your investment goals and your personal and financial circumstances.

Your Financial Adviser will:

- have access to a wide range of investment strategies and products which have been researched and approved by PROSPERITY
- only recommend products which meet your needs, objectives and circumstances
- provide you with a Statement of Advice to explain the basis for the advice, and information about fees and commissions and any associations which could have influenced the advice
- provide you with a Product Disclosure Statement, containing information about each product recommended to help you make an informed decision about whether to acquire that product
- explain any risks in relation to the recommendations made.

Important warning: You may decide to limit the scope of the advice provided by your Financial Adviser if you only want advice on specific areas or because you want to reduce the cost of receiving advice. If you do this you should understand that your Financial Adviser will not consider your full needs, objectives and circumstances when making recommendations.

You should always receive a Statement of Advice

Your Financial Adviser may meet with you several times to discuss possible investment options before finalising their recommendations. Any general discussions should not be considered as advice and you should not rely solely on information given to you in discussions.

You should only rely on advice documented to you in a Statement of Advice and explained to you by your Financial Adviser. You should take the time to read and understand all Statements of Advice given to you, before signing or acting on them.

On an ongoing basis, a Record of Advice (ROA) may be provided instead of an Statement of Advice if there have been no significant changes in your personal circumstances or the basis of the advice has not significantly changed since the last Statement of Advice was provided.

If you choose to use our services you may also receive from us a Product Disclosure Statement (PDS), Statement of Advice (SOA) and/or Record of Advice (ROA).

You have the right to request any of these documents.

How will I pay for the service and what remuneration, commission, fees or other benefits do you receive in relation to providing the financial services to me and how is that commission calculated?

Traditionally financial planning organisations receive commission or brokerage when investments are lodged on behalf of clients. These commissions and brokerages are paid out of the entry fees charged by fund managers and product issuers in order to access their products.

Our initial meeting is free of charge. After the first meeting, your adviser will discuss the fees and charges that will be applicable to your individual circumstances.

All of our advisers are salaried employees.

Due to the varying nature of individual client cases, commissions and brokerage, our fee for plan preparation, implementation and our portfolio review service process will be disclosed on an individual basis and may include the following:

Fee for Service

This fee is based on an estimation of our timed costs. Our estimation of cost is based on our hourly rates (GST inclusive), which are as follows:

Director	\$375
Financial Planner	\$275 - \$325
Administration	\$100 - \$150

Commissions

We may receive up to 11% (GST inclusive) of the invested amount from fund managers and other product issuers whose investment products we recommend to you, and up to 125% (GST inclusive) of the premium for insurance products we recommend. Some companies also pay us ongoing commission.

Combination of Fees and Commissions

Full disclosure of all fees will be contained in the Statement of Advice that we prepare for you. However, you will not be charged unless you have agreed to engage our service and this agreement will generally be contained in the initial Statement of Advice.

Portfolio Review Service Fee Scale

In general, our portfolio review service fee will range from .75% p.a. to 1.25% p.a. (GST inclusive) of your total funds under our advice. This fee will be exclusive of any previously disclosed ongoing brokerage that may be paid by any of the product providers that we have selected for you.

Share Management Service Fees

In general, our share market service fee will range from .75% p.a. to 1.25% p.a. (GST inclusive) of your total funds under our advice.

Prosperity Advisers Pty Ltd's calculation of fees and commissions is dependent on the level of service appropriate to the needs of the client. It has many levels of service each providing benefits befitting the clients it is designed to service.

Ongoing fees are calculated as a percentage of funds under management, this percentage is variable dependent on the level of service chosen. All levels of service, their associated calculations for fees and charges and the ongoing services provided are discussed in the first meeting and subsequently disclosed, prior to implementation of any recommendations, in the Statement of Advice.

You have a right to request for further information in relation to the remuneration and the range of amounts or rates of remuneration received by the licensee and/or authorised representative.

Do any relationships or associations exist which might influence you in providing me with the Financial Service?

PROSPERITY is not controlled by any financial institution/s such as a fund manager, bank, insurance company or trade/ credit union. None of these institutions has a vested interest in our business and are not therefore in a position to influence us in the provision of advice.

Domaine Diversified Property Fund

The Brockdorf Asset Management Trust is entitled to receive up to 50% of all fees, charges and other costs levied by Domaine on the Domaine Diversified Property Fund. The unit holders of the Brockdorf Asset Management Trust are common with the shareholders of PROSPERITY Advisers Pty Ltd (or entities associated with them).

Annual Management Fee - Fee is based on the gross asset value of the Fund, paid monthly in arrears based upon the value of the Fund as at the last day of the previous month.

Example: Where the gross asset value of the Fund is \$65 million, Brockdorf Asset Management Trust will be entitled to an Annual Management Fee of \$325,000 per annum.

Acquisition Fee – Fee is based upon the value of any direct property acquired by the Fund (including by way of take-overs or acquisition of companies or trusts) and is payable following the completion of any such acquisition.

Example: Where a property is acquired by the Fund for \$5 million, Brockdorf Asset Management Trust is entitled to an acquisition fee of \$125,000.

Performance Fee – A fee of 2% of the net sale price of any direct property disposed of by the Fund payable on sale completion, provided the net sale price exceeds the purchase price of the property plus acquisition costs and capital expenditure. A further 2.5% of the net sale price is also payable should the net sale price exceed the purchase price of the property plus acquisition costs and capital expenditure by 25%.

The performance fee is also payable if Domaine is removed or involuntarily retires as responsible entity for any reason, other than the improper performance of its duties. This fee will be payable on the date Domaine ceases to be the responsible entity and calculated as if all assets of the Fund were sold at the most recently available valuations.

Example: If the purchase price of a property is \$800,000, and there is a total of \$200,000 in acquisition costs and capital expenditure and the net sale price is \$1.15 million, Brockdorf Asset Management Trust will be entitled to a performance fee of \$11,500. Where the net sale price was \$1.5 million, Brockdorf Asset Management Trust would be entitled to a performance fee of \$33,750.

MADiSON eWRAP Platform

MADiSON portfolio services is the promoter of the MADiSON eWRAP Investment and MADiSON eWRAP Super/Pension and is entitled to receive the fees and charges detailed in the MADiSON eWRAP Investment Financial Services Guide and the MADiSON eWRAP Super/Pension Product Disclosure Statement.

The Brockdorf Unit Trust is the sole shareholder of MADiSON Portfolio Services. The unit holders of the Brockdorf Unit Trust are common with the shareholders of PROSPERITY Advisers Pty Ltd (or entities associated with them). MADiSON portfolio services may pay a discretionary fee to PROSPERITY Advisers Pty Ltd.

Alternative Remuneration Register

We are required to comply with the Investment and Financial Services Association Code of Practice on Alternative Remuneration (the Code) in the Wealth Management Industry. The code aims to eradicate any practices that may influence product providers and financial advisers acting outside of your best interests.

We may from time to time receive a benefit from product providers. This could include sponsorship of educational seminars, conferences or training days. Details of soft dollar benefits received exceeding \$300 are recorded in a register.

We are required by the code to maintain a register to record any material forms of alternative remuneration (being \$300 per item or more) that are paid or received by us. Our register is available for inspection by you and a copy can be requested by contacting Prosperity on 1800 855 844.

Marketing Support

PROSPERITY Advisers Pty Ltd may receive a payment for marketing purposes from fund managers and product providers. Full details will be provided to you in your Statement of Advice.

Volume Rebate

PROSPERITY Advisers Pty Ltd is entitled to receive additional income in the form of a share of the administration fee charged by Asgard.

Prosperity Advisers Pty Ltd is also entitled to receive additional income in the form of a share of the volume bonus received by Securitor Financial Group Ltd based on its contribution to the volume bonus pool (with respect to insurance placed with certain insurance providers). Full details will be provided to you in your Statement of Advice.

when receiving our advice

Will you give me advice that is suitable to my needs and financial circumstances?

Yes. But to do so we need to find out your individual investment objectives, financial situation and needs before we make recommendations to you.

You have the right not to divulge this information to us if you do not wish to do so. In that case we are required to warn you about the possible consequences of us not having full personal information. You should read the warnings carefully.

What should I know about any risks of the financial products or strategies you recommend to me?

We will explain to you any significant risks of financial products and strategies, which we recommend to you. If we do not do so, you should ask us to explain the risks to you.

Questions we will ask

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act 2006 to verify your identity and the source of any investment funds. This means that we will ask you questions in regard to your identity and circumstances and ask that you present identification documents such as passports and driver's licence to us. We may also retain copies of this information. We assure you that this information will be held securely and will only be divulged if we are required to do so under the law.

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

We maintain a record of your personal profile that includes details of your investment objectives, financial situation and needs. We also maintain records of any recommendations made to you.

We will also request your permission to hold your tax file number on record. Your tax file number will be held securely and will only be released to Financial Institutions who are recommended by Prosperity in structuring your investments. The authority to retain your tax file number is included in the “authority to proceed” as part of the Statement of Advice.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is enclosed for your information.

If you wish to examine your file, you should ask us, and we will make arrangements for you to do so.

No fee will be charged for an access request but PROSPERITY may charge you the reasonable costs of giving you any information you have requested.

Can I provide you with instructions and tell you how I wish to instruct you to buy or sell my financial products?

Yes. You may wish to give us instructions by telephone, fax or other means.

This will enable us to prepare the documentation to transact business on your investments, however, your signature will be required on such documentation.

Other information

PROSPERITY and your Financial Adviser endeavour to provide the best financial service to you. We are also committed to considering your complaints and resolving them as quickly as possible.

If you have a complaint about the service provided to you, take the following steps:

1. Contact your Financial Adviser about your complaint.
2. If your complaint is not resolved to your satisfaction within five days, please contact:
 - PROSPERITY Head of Compliance on (02) 4907 7222
 - OR put your complaint in writing and send it to:
 - Head of Compliance
 - Prosperity Advisers Pty Ltd
 - PO Box 234
 - NEWCASTLE NSW 2300
3. PROSPERITY will aim to resolve your complaint quickly and fairly.
4. If the complaint cannot be resolved to your satisfaction and it meets Financial Ombudsman Service (FOS) jurisdiction rules, you can take your complaint to the FOS. They can be contacted on 1300 780 808. This service is provided to you free of charge. PROSPERITY is a member of FOS.

PROSPERITY confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the Sum Insured for PROSPERITY and our Authorised Representatives/Representatives/Employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any Authorised Representative/Representative/Employee who has ceased work with PROSPERITY or work undertaken whilst engaged with us.

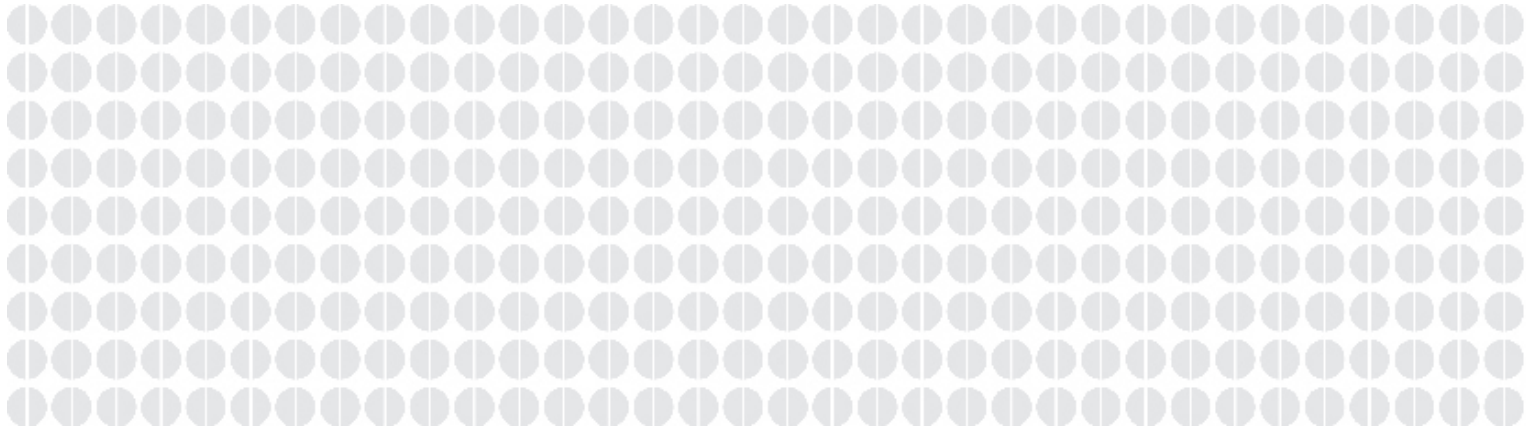
If your concerns involve ethical conduct you can raise your concerns in writing with the Financial Planning Association of Australia Limited (FPA). They can be contacted at PO Box 109, Collins Street West, Melbourne VIC 8007.

The Australian Securities and Investment Commission (ASIC) also has an Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights. Alternatively, you can detail your complaint in an email to infoline@asic.gov.au.

Distribution of this FSG

The Licensee (Prosperity Advisers Pty Ltd) has authorised the distribution of this FSG by its Authorised Representatives and Corporate Authorised Representatives - Prosperity Advisers QLD Pty Ltd (No. 330225); and ADP Prosperity Advisers Pty Ltd (No. 303758).

This FSG should be read in conjunction with your Adviser's profile.



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