



# **LIMBERG ASSET MANAGEMENT PTY LTD**

## **Financial Services Guide**

**Effective September 2022**

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## **About this Financial Services Guide**

This Financial Services Guide (“FSG”) is an important document which we are required to provide to you. It contains information about Limberg Asset Management Pty Limited (referred to as “Limberg Asset Management”, “we”, “our” or “us”).

This FSG is designed to help you decide whether to use our financial services and products and includes information on:

- Who we are and how we can be contacted;
- The services and types of products we are authorised to provide you;
- The potential risks associated with investing through an MDA service;
- How we and your Adviser are paid and any conflicts that may exist;
- Our internal and external complaints handling procedures and how you may access them; and
- Our privacy policy and procedures.

The FSG has been prepared to comply with the Corporations Act (“Act”) and Australian Securities and Investments Commission Class Order CO 2016/968.

## **Who are we?**

Limberg Asset Management is able to provide a range of financial planning, investment advisory and asset management services to individuals, superannuation funds and other entities.

We hold an Australian Financial Services Licence (“AFSL”) No: 339083 issued by the Australian Securities and Investments Commission (“ASIC”) under which we are authorised to advise and deal in deposit products, derivatives, government debentures, stocks or bonds, life insurance and life risk products, interests in managed investment schemes, securities, superannuation, and miscellaneous products - MDA services.

As a Licensee, we must comply with our AFSL, the Corporations Act 2001 and Corporate Regulations, financial services laws and ASIC Regulatory Guides.

## **Our Advisers**

### **Terry Limberg**

Terry Limberg is managing director of Limberg Asset Management. Terry has over thirty years’ experience in the financial services industry, focusing on advising clients on their investment needs.

### **Christopher Limberg**

Chris Limberg is a director of Limberg Asset Management. He holds a Bachelor of Arts and a Masters of Financial Planning. Chris has over fifteen year’s experience in the financial services industry.

## **Kieran Limberg**

Kieran Limberg is a Financial Adviser at Limberg Asset Management. He holds a Bachelor of Commerce and an Advanced Diploma of Financial Planning. Kieran has over ten year's experience in the financial services industry.

### **Services we offer**

We offer a range of financial services including the following:

- financial planning advice;
- superannuation, rollover and allocated pension advice;
- investment strategies for self-managed superannuation funds;
- investment advice on Australian shares and managed funds;
- assistance with the acquisition or disposal of investments;
- a Managed Discretionary Account (MDA) service for managing a portfolio of listed shares and securities and cash type products; and
- advice on life, disability and income protection insurance.

Your Adviser is able to provide you with a financial advice that takes into account your objectives, needs and financial situation ("your personal circumstances"). He can help you design an investment portfolio to suit your personal circumstances and make recommendations on investments to achieve your goals.

Should you already own shares, managed funds or other investments, we are able to review your existing portfolio to determine whether the investments continue to be appropriate for you.

It is important to realise that your Adviser can only make recommendations based on the information provided by you. Without complete and accurate information, the advice given may not be appropriate for your circumstances.

It is important to note that we do not provide personal taxation advice to our clients nor estate planning. However, your Adviser can work in conjunction with your tax adviser to in relation to these matters.

### **Other documents you may receive**

When we give you personal advice you will receive a Statement of Advice (SOA) which sets out our recommendations, the basis on which those recommendations were made, information about fees and commissions and any relationships we may have with third parties that may have influenced the advice.

You should read the SOA carefully, including any warnings, before you decide to proceed with the implementation of the advice.

If there is a change in your personal circumstances after an initial SOA has been provided, you should notify your Adviser of the change. Should the changes to your circumstances require a change in our advice an updated SOA will be provided to you.

Where additional or further personal advice is given to you, which is consistent with your previous SOA, you will not be given another SOA. This generally occurs when:

- your Adviser provides advice recommending that you buy or sell listed securities;
- your personal circumstances and the basis on which the further advice is given have not significantly changed since the previous advice was given.

We prepare a record of this further advice which is kept. You may request a copy of the Record of Advice (ROA).

Where we recommend that you invest in a managed fund we will give you a Product Disclosure Statement (PDS) which contains information such as the features, fees and costs, the benefits and risks of the particular product. We recommend that you read the PDS before you decide to invest.

### **Managed Discretionary Account (MDA) service**

Limberg Asset Management operates two distinct Managed Discretionary Account (MDA) services for clients.

Limberg Asset Management: MDA Share Portfolio Limberg

Asset Management: MDA FirstWrap Portfolio

If you are considering using either service we develop an Investment Program with you.

#### MDA Share Portfolio

Under the MDA Share Portfolio service you give us discretion to manage your investment portfolio on your behalf, in accordance with the terms and conditions of the MDA Agreement and your Investment Program. We make and implement investment decisions for your portfolio without referring to you prior to making each change.

Your investment portfolio is a discrete portfolio belonging to you (i.e. there is no pooling of assets with other clients). You have legal title and ultimate control of the investments, including cash, in your MDA. Our MDA service does not involve using a custodial or depository service.

Your securities are held in your name. We arrange CHESSE sponsorship of your listed shares and other listed investments with a stockbroker. Sponsorship makes buying and selling shares easier and far more convenient for you. The risk of late settlement of a sale is reduced as all of your holdings are held through the stockbroker. Changing your registration details, such as changing your address is also much simpler.

A Cash Management Account may be established for you to hold the funds which are used to buy securities and settle transactions.

### MDA FirstWrap Portfolio

Under the MDA FirstWrap Portfolio service you give us discretion to manage your superannuation, pension or investment portfolio on your behalf, in accordance with the terms and conditions of the MDA Agreement and your Investment Program. We make and implement investment decisions for your portfolio without referring to you prior to making each change.

### **Custody Arrangements**

Limberg Asset Management do not provide custodial or depository services relating to the MDA services.

If your investments are managed under the MDA Share Portfolio service the ASX listed component of your investment portfolio is a discrete portfolio held in your name under CHESS arrangements with the executing broker or Macquarie Bank in the case of cash. You have beneficial title and ultimate control of the investments, including cash in the MDA.

If your investments are managed under our MDA FirstWrap Portfolio service your superannuation investment portfolio is a discrete portfolio held and administered by Avanteos Investments Limited (AIL) as trustee. AIL is an associated entity of the Commonwealth Bank of Australia. You have beneficial title and ultimate control of the investments, including cash in the MDA. AIL acts as trustee and custodian.

### **Benefits of the MDA services**

The MDA services is particularly useful if you do not wish, or are unable, to be actively involved in the ongoing management of your investment portfolio.

We have direct access to a range of market research from a number of sources. The service gives us the ability to respond to movements in the market, including movements caused by political, economic, international and domestic events on a timely basis and with consideration to your personal financial circumstances.

The MDA services includes a portfolio administration service which relieves you of the administrative burden of accounting for transactions, dealing with associated paperwork and processing corporation actions such as dividends. Online access can be provided to the investor and third parties.

Each quarter you will receive a report that summarises the transactions undertaken during the quarter. You will also receive an annual report detailing transactions during the financial year.

You can provide specific instructions to change your portfolio at any time.

There is no joining or exit fee should you wish to commence or leave the MDA services.

### **MDA Agreement and Investment Program**

To invest in the MDA services you must enter into the MDA Agreement which specifies the terms and conditions under which you agree to invest.

Your Adviser will provide you with a SOA, including an Investment Program, which complies with the Act. It will contain:

- an opinion on whether the MDA service is suitable for your personal circumstances and the basis for this opinion;
- information on the nature and scope of the discretions we will be authorised and required to exercise and any investment strategy to be applied in exercising those discretions;
- information on any significant risks associated with the MDA Service and Agreement;
- warnings that the MDA service may not be suitable for you if you have provided limited or inaccurate information about your personal circumstances or if your circumstances change.

Under the MDA Agreement we are required to act honestly and in your best interests, exercise due care and diligence, give priority to your interests, and not use information about you to disadvantage or cause detriment to you.

In addition should you wish to use the Limberg Asset Management: MDA FirstWrap service you will be provided with a PDS FirstWrap and an FSG by Limberg Asset Management. You will be required to complete the FirstWrap application form.

### **Instructions on your MDA service**

We are authorised under the MDA Agreement to make all decisions about the purchase and sale of investments on your behalf. This includes decisions regarding the subscription for new shares, managed investment scheme (for example from floats or rights issues) and corporate actions arising from investments held in your investment portfolio.

You may however give us instructions in respect to particular investments. You should be aware that we will not be responsible for any outcome that results from acting on your instructions.

You may also provide specific instructions to us to change your Investment Program at any time. This may be in response to a number of factors, including a change in your personal circumstances or movements in the market.

### **Review of your MDA service**

Your Adviser will review the MDA service and Investment Program each year and offer you the opportunity to meet and discuss any aspect of the service to ensure that it remains suitable for your personal circumstances.

### **Providing instructions to us**

Instructions can be provided to Limberg Asset Management in person, by telephone, post, or email. Please note that instructions sent by post or email will not be deemed to be received until we have confirmed receipt. It is essential that you provide us with clear instructions.

### **Risks associated with investing**

Risks can be broadly categorised into the following:

- Investment risks associated with the securities, managed funds and other investments into which your funds are placed; and
- Risks associated with the MDA service, if you choose to use this alternative to manage your investment portfolio

### **Investment risks**

The market is constantly evaluating the strengths and weaknesses of each security in relation to various risk factors. Any investment may incur daily price changes as new information becomes available to investors. Shares, listed securities and other financial products can rise or fall in value. The measure of this change in value is often referred to as volatility. The more volatile the asset, the greater is the likelihood of significant gains or losses.

Possible risks associated with investing in financial products include:

- Overall Market Factors - the risk of loss by reason of movements in the share market generally caused by political, economic, taxation or legislative factors.
- International Factors - the vulnerability of a company to international events or market factors such as movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.
- Sector Specific Factors - these may include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology.

- **Stock Specific Factors** - these would include, amongst many other matters, the strength of the company's management and board, the company's profit history, tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill or exploration results and competition from within the sector.
- **Liquidity risk** – it may not be possible to sell investments in unlisted securities and other investments when required. This may result in losses being occurred or you not having access to your funds as and when you require.

### **Risks associated with investing through the MDA service**

The risks in relation to the MDA service include:

- **Investment management risk**

Your investment portfolio held under the MDA service may not perform in accordance with your expectations and you may suffer losses. An investment made on your behalf will carry all of the usual risks as if you personally made the investment decision.

You rely on Limberg Asset Management to invest and manage your portfolio in accordance with the Investment Program included in your SOA.

As with any discretion, there is a risk that it may be misused. We have implemented controls and procedures to reduce the likelihood of this occurring and to ensure that the service is operated in accordance with our AFSL and Compliance Policy.

- **Key man risk** – the performance of the MDA Share Portfolio service maybe dependent upon a key individual. Accordingly ill health or death of the individual could impact on the operation of the service.
- **Concentration risk** – If an investment portfolio is concentrated in a limited number of securities it is possible that the poor performance of one of the securities may significantly affect the performance of the investment portfolio.
- **Systems and technology risk** – the failure or integrity of administration and computer systems. We take risk management seriously and use the services of experienced providers with established systems and comprehensive security and back-up arrangements.

### **How we earn our income**

Generally we do not charge fees for your initial and ongoing consultations with us and you are under no obligation to act on our recommendations.

Details of remuneration we will receive are fully disclosed in your SOA. Our remuneration may include:

Limberg Asset Management MDA



- MDA Share Portfolio Service: A fee, paid quarterly, of up to 1.5% (GST excluded) per annum of the value of your portfolio at the end of each quarter is charged for management of your portfolio. A brokerage fee of up to 1.1% of the value of a security transaction is payable at the time of each buy/sell transaction to the executing broker. A portion of this fee is rebated to us by the broker of which we may retain up to \$150.00 (GST excluded) as a transaction fee. Any amount received that exceeds our transaction fee will be refunded to your account.
- MDA FirstWrap Service: A portfolio management fee is payable monthly in arrears of up to 0.825% p.a. (GST excluded) of the value of the portfolio. This is not paid to us but paid the First Wrap provider.
- Insurance: a hybrid commission structure is payable to Limberg Asset Management based on the premium of any insurance policies taken out. A Maximum of 72.5% of the 1<sup>st</sup> year's premium is payable and 22% for each year after.
- Direct share transactions: If we buy or sell shares on your instructions the stockbroker's brokerage fee will be 1.1% of the value of the transaction. The stockbroker may pay us a percentage of the brokerage. The brokerage charged by the stockbroker appears on the contract note that you receive for each transaction.
- Referral fee: We do not generally pay a referral fee to a party that has referred you to us. However if we do so then, we will advise you of this and include the details in your SOA.

### **Professional Indemnity**

Limberg Asset Management has professional indemnity insurance in compliance with the Corporations Act and ASIC requirements. The policy covers negligence and misappropriation by our representatives and employees.

### **Dealing with your personal information**

The privacy of your information is important to us. We collect personal information in order to provide you with the services and products that are suitable for your needs and requirements.

We have adopted the principles and procedures that comply with the Privacy Act 1988. For details of our Privacy Policy please refer to [www.Limberg.com.au](http://www.Limberg.com.au) or ask your Adviser for a copy of the Policy.

### **Concerns or Complaints**

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

- Contact your Adviser and explain the nature of your concern or complaint.
- If the matter is not resolved satisfactorily within five working days, then contact Terry Limberg or Chris Limberg on 02 9232 2079 or put your complaint in writing and send it to us at GPO Box

5221, 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 Australian Financial Complaints Authority (AFCA): Telephone 1300 56 55 62, e-mail [info@afca.org.au](mailto:info@afca.org.au) or online at [www.afca.org.au](http://www.afca.org.au).

**Contact details**

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