

## Implemented Portfolios Pty Limited

ABN 36 141 881 147 AFSL 345143

## Financial Services Guide

23 August 2024

### About this financial services guide

This Financial Services Guide ("FSG") is intended to inform you of important information relating to the services provided by Implemented Portfolios Pty Limited ("Implemented Portfolios", "IPL", "we", "our" or "us"), prior to us providing you with a financial service. It has been composed to comply with the requirements of the Corporations Act 2001 (Cth) (Corporations Act) and the Australian Securities and Investments Commission (ASIC) Corporations (Managed Discretionary Accounts) Instrument 2016/968.

This FSG contains important information about:

- Who we are and how we can be contacted
- What financial services and financial products we are authorised to provide to you
- What discretion we have
- Who provides personal advice to you and when this must be reviewed
- Detail on the outsourced arrangements in place
- Any potentially significant risks associated with holding a Managed Discretionary Account (MDA)
- How we (and any other relevant parties) are remunerated
- How you can provide instructions on your portfolio and how corporate actions will be handled
- Conflicts of interest and how they are managed
- Details of our internal and external dispute resolution procedures, along with how you can access them
- Our compensation arrangements
- Fees and costs of the MDA Service, with a worked example

It is designed to assist you in deciding whether to use the services offered by Implemented Portfolios and contains information about remuneration paid in relation to our services together with information on what to do if you have a complaint about our services.

Our aim is to make you feel at ease with the services

we offer. In doing so we are providing you with this easy-to-understand FSG, designed to help you understand the financial services we can provide and to answer frequently asked questions. If you would like more information or clarification, please don't hesitate to contact your financial adviser.

### Incorporation by reference

The Implement Portfolios Investment Programs Booklet and Implemented Portfolios Terms and Conditions dated August 2024 is incorporated by reference into this FSG. The Investment Programs Booklet and Terms and Conditions can be obtained from your financial adviser or by contacting Implemented Portfolios.

### About Implemented Portfolios

Implemented Portfolios Pty Limited (ABN: 36 141 881 147, AFSL Number: 345143) is part of the Lonsec Group, which is owned by ASX listed Generation Development Group (ASX:GDG). Lonsec is a leading Australian investment research and consulting service providing financial advisers, fund managers and superannuation funds with practical, actionable insights that add real value to their investment and advice solutions.

Implemented Portfolios holds an Australian Financial Services Licence (AFSL No. 345143) authorising us to provide advice on and deal in the following classes of financial products:

- Deposit and Payment Products
- Government Debentures, Stocks or Bonds
- Managed Investment Schemes, including Investor Directed Portfolio Services (IDPS)
- Managed Discretionary Account (MDA) Services
- Retirement Savings Account Products
- Securities and
- Superannuation

The licence permits us to operate a Managed Discretionary Account (MDA) service and provide custodial or depository services.

### **Nature of advice**

Implemented Portfolios does not provide personal advice to clients and only provides general product advice in relation to the products and services that we offer. The advice contained in this FSG:

- has been prepared without taking account of your objectives, financial situation or needs; and
- because of that, you should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs; and
- you should obtain all documents set out in the "Documents you will receive and what they contain" section (below) and consider these documents before making any decision about whether to enter into the investment program.

### **What Services Does Implemented Portfolios Offer?**

Implemented Portfolios provides an Individually Managed Account (IMA) service to both wholesale and retail clients, operated on a MDA service basis. The IMA is available through Implemented Portfolio's IP Direct platform, as well as other external regulated administration platforms.

The IMA service requires you to delegate the investment management and trading discretion for the securities and other financial products to us as the MDA provider. The IMA service includes the following functions:

- Management of investment portfolios within the parameters of an agreed investment program;
- Execution of transactions as part of the portfolio management process; and
- Election to participate in certain corporate actions with respect to investments held in your account.

If you elect to invest via the IP Direct platform, we will also provide portfolio administration and reporting services, incidental custody of investments, and handling of cash (client monies) on your behalf.

You must enter an MDA Contract by completing an MDA Application Form prior to Implemented Portfolios being able to provide services to you. The MDA Contract will contain an Investment Programs booklet which covers the investment strategy, methodology and risks of each available investment program.

### **What Discretion Does Implemented Portfolios Have?**

Implemented Portfolios has absolute discretion with respect to the selection and trading of portfolio assets, including listed or unlisted securities, within the parameters set out in the Investment Programs booklet.

### **Who Is My Adviser?**

The financial services that you receive from Implemented Portfolios are recommended by your financial adviser. Implemented Portfolios has chosen not to provide personal financial product advice to clients.

Your financial adviser must be an Australian Financial Services Licence (AFSL) holder or an Authorised Representative of an AFSL holder who has been appointed by you to provide financial product advice. Information about your financial adviser, including the services that they can provide, the costs to you for those services and their remuneration is included in their FSG.

Your financial adviser must provide you with personal financial product advice and a Statement of Advice. To make sure that advice is appropriate for you, your financial adviser must make reasonable enquiries about your current financial situation and future needs. If you do not provide all the requested information or provide information that is inaccurate it could adversely impact the advice your financial adviser gives to you.

Your financial adviser will provide details of the investment program(s) and in their Statement of Advice will tell you about:

- The basis for their recommendation that the investment program is suitable for your needs and circumstances;
- Any fees and commissions received for the financial services provided to you;
- Any associations your financial adviser has with financial product issuers or other parties which may have influenced the advice given to you; and
- Any significant risks associated with their recommended solutions, as well as the risks associated with not acting on the recommended solutions.

If they don't, you should ask them to explain these details to you.

If you decide to proceed with the recommendation for our IMA Service, you will be required to enter into a MDA Contract containing an Investment Programs booklet which will include the nature and scope of the discretions that will be authorised and any significant risks associated with our service.

If you are recognised as a wholesale investor by satisfying the criteria set out in section 761G of the Corporations Act and apply for the IMA Service on this basis, the disclosure and advice documents that you receive from your adviser may differ to those outlined above.

### **Review Required**

The Australian Securities and Investments Commission (ASIC) requires that a review is conducted at least once every 13 months to determine if the investment program that you have selected remains suitable considering your personal objectives, needs and relevant personal circumstances. This review will be completed by your financial adviser.

If your circumstances change (or if you become aware that you may have provided inaccurate or incomplete information) you should inform your financial adviser as the investment program could cease to be appropriate for you as a result of those changes.

### **Documents You Will Receive and What They Contain**

You will receive multiple FSGs, including one for your financial adviser, one for Implemented Portfolios (this one) and one from your administration platform provider (should you elect not to use Implemented Portfolios IP Direct service). Your financial adviser will provide you with:

- A document which will contain details of the investment programs available, the nature and scope of the discretions that will be exercised and potential significant risks (Investment Programs booklet);
- A Statement of Advice that has been prepared by your financial adviser specifically for you that will explain the basis upon which they consider the IMA service is appropriate, the risks associated with the service as well as the specific investment program (portfolio) that is appropriate for you and the risks associated with it;
- An MDA Contract that will include the conditions under which the service is provided. The MDA

Contract:

- may not be suitable for you if you have provided limited or inaccurate information relating to your relevant personal circumstances; and
- may cease to be suitable if your relevant personal circumstances change;
- An MDA Application Form, and any additional application documentation if required (for example if you choose an external platform provider to administer your IMA portfolio), for the establishment of the IMA.

If you decide to proceed with your financial adviser's recommendations, you will need to complete the application documentation relevant to the IMA service as appropriate.

### **Who Provides the Custody Services?**

In some cases Implemented Portfolios, as a MDA Provider, may provide incidental custodial services to clients. These are delivered via a "Sub-custody agreement (Managed Account Service)" whereby an appointed Sub-Custodian provides custody and depository services to Implemented Portfolios. Citibank N.A., Hong Kong branch (ABN 34 072 814 058) is the appointed Sub-Custodian, though Implemented Portfolios may enter into arrangements with alternative sub-custody providers.

Where Implemented Portfolios have engaged a Sub-Custodian, the Investments (excluding cash which is held in a separate S981B-compliant account for dealing with client monies) will be held within an omnibus arrangement by the Sub-Custodian. In this case Implemented Portfolios will ensure that the relevant requirements under ASIC Corporations (Managed Discretionary Accounts) Instrument 2016/968 relating to additional controls are adhered to.

In other cases, where Implemented Portfolios provides its IMA service operated via an account administered by an external platform provider, the custody and depository services (and other administration such as portfolio reporting) will be provided by the external regulated platform provider.

## What Functions of the Service Are Outsourced?

Implemented Portfolios chooses to outsource several functions involved in the operation of the IMA service to external providers. When making these selections Implemented Portfolios assesses a peer group of market-leading suppliers who can offer competitive pricing, to drive any eventual decision; and these include consideration of any conflict or potential conflict as outlined in our Conflicts of Interest Policy.

Implemented Portfolios currently has the following outsourced arrangements in place:

- External investment managers – for the construction and ongoing management of specific asset class exposures and / or investment programs. The Investment Programs booklet provides the details of the investment managers and the programs that utilise the services of the external investment managers.
- Sub-custodian – for the provision of custody and depository services as outlined in the previous section of this document.

Implemented Portfolios regularly reviews its service providers against agreed service standards to ensure that the outsourced service providers continually exercise requisite skill and care in completing their responsibilities.

## What are the Potentially Significant Risks Associated With an MDA?

You should be fully aware that within the parameters described in the Investment Programs booklet and the Statement of Advice from your financial adviser you will not be consulted about portfolio transactions carried out on your behalf. As with all investing there is a risk that trading decisions made by us, or the relevant investment manager of your chosen investment program, on your behalf could result in a capital loss.

Your portfolio may also be subject to the following discretionary investment risks:

**Discretion Risk:** as with all managed investments, there is a risk that discretionary trading decisions made by the investment manager on your behalf, including decisions on corporate actions, may not be

in line with your personal view.

**Investment Manager Risk:** the investment manager may not anticipate market movements or execute the investment strategy effectively, which may mean the investment objective is not achieved.

**Volatility Risk:** investment returns that can reasonably be expected from each asset class based on historic returns. During periods of extreme volatility, the market returns for an asset class may vary significantly from the returns achieved by the investment programs / your IMA portfolio.

**Counterparty Risk:** the assets in your IMA portfolio are beneficially held on your behalf and are ringfenced from both the corporate assets of the MDA Provider and the Custodian.

All investments have a certain degree of risk associated with them. You must be prepared for the risk that you lose money or that your investment does not meet your investment objectives. Generally, investments that have the potential for higher long-term returns may also carry the greater level of short-term risk. Some of the potential risk associated with investing, in addition to those listed above, include;

- Company risk
- Inflation risk
- Market risk
- Legislative risk
- Operational risk
- Diversification risk
- Interest rate risk
- Currency risk
- Liquidity risk

Investing with a professional investment manager leveraging a diversified portfolio of securities may mitigate some of these risks.

The appropriate level of risk for you will depend on a range of factors including your age, investment objectives, investment timeframe, and your level of risk tolerance. Your financial advisor will explain more around the risk of investing and help you understand the specific risks associated with the investment program you select.

## How Are We Paid?

The fees you pay to Implemented Portfolio when investing in the IMA service include:

- An ongoing Portfolio Management Fee for the provision of the IMA service and management of your investment; and
- Brokerage for each listed or unlisted security that is bought or sold (dependent on execution arrangements with an external Platform) and any associated settlement fees.
- Portfolio administration fee (where an external platform account is not being used)
- Cash account fee (where an external platform account is not being used) calculated on the balance of the cash holdings in the cash account.
- Additional service fees may apply where you ask us to do something special for your IMA portfolio such as to transfer securities into or out of the IMA portfolio.

These service fees cover the construction, administration and reporting for your portfolio, the investment manager fee (where appropriate), the custodial arrangements (where appropriate), and the relationship with the platform provider (where appropriate). In some cases Implemented Portfolios may remit a service fee to an external investment manager (where applicable) for their portfolio management/construction services. This does not create an additional fee payable by you.

From time-to-time Implemented Portfolios may receive a distribution commission payment on certain placements in initial offers that are taken up within the IMA service. This does not create an additional fee payable by you.

If you choose an external platform provider to administer your IMA portfolio the relevant administrative, service and custodial fees will apply to your account in line with the fees set out in the relevant platform disclosure documents. These are not fees that are charged by or paid to Implemented Portfolios.

You may incur a fee for the advice provided to you by your financial adviser, but this does not represent a fee that we have charged you for investing in the IMA portfolio. This fee may be paid out of the assets of the IMA portfolio where we have been instructed by you to do so. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of

Advice given to you by your financial adviser.

We recommend that you check with your financial adviser if you will be charged a fee for the provision of their advice.

Indirect costs form part of management fees and costs and include fees and expenses from any investment which qualifies as an interposed vehicle (e.g. any underlying fund the IMA portfolio may invest in). These indirect costs include the ETF Cost (being the costs associated with investing in ETFs, which are deducted from the ETF assets) as well as the Cash Account Fee (where the IMA portfolio is administered by IPL). These fees are not charged by Implemented Portfolios, but by the product provider of the relevant investment.

We will give you 30 days' written notice of any increase to fees where practicable. This notice may be given by email, letter, by web-based reporting or other electronic form of writing.

The law restricts payments by us to other AFSL holders that are 'conflicted'. We do not pay commissions to financial advisers. We maintain a Conflicts of Interest Policy. The Policy, which outlines some alternative forms of remuneration that we may, subject to law, pay to or receive from licensees, fund managers or representatives (if any is paid or received at all in relation to the IMA portfolio).

Full details on the fees and costs applicable to your IMA portfolio can be found in the *Investment Program Booklet*. The fees will also be detailed for you by your financial adviser in their Statement of Advice, together with any other advice fees that your adviser may negotiate with you.

Goods and services tax (GST) is payable for most fees and expenses charged to you. Unless otherwise stated, all references to fees or expenses are expressed as inclusive of GST and net of any reduced input tax credits (RITCs).

## How You Can Provide Instructions on Your IMA and How Corporate Actions Are Treated

As a client of the IMA service you can only provide instructions to Implemented Portfolios regarding the service you receive from us via your financial adviser. The FSG from your financial adviser will indicate how you may provide instructions to them about your portfolio.



The decision on how to treat any corporate actions arising from 'model' assets held within the IMA portfolio will be made by the investment manager on your behalf and no communication on voting rights will be passed to you. For corporate actions arising from 'non-model' assets within the IMA portfolio an instruction may be sought from your financial adviser.

A full description of our policy in relation to corporate actions is available upon request.

### Potential Conflicts of Interest

We have relationships with various parties whereby we pay or receive fees including investment managers, brokers, banks, financial advisers and custodians.

Implemented Portfolios maintains a Conflicts of Interest Policy in accordance with our legal obligations. Conflicts of Interest issues are specified in the Conflicts Register. Conflicts that have been considered include:

- An association with an investment that is included in the MDA service – ownership or common directors/representatives;
- Use of the MDA service generally - cost benefit to the client versus alternatives such as retail funds and IDPS;
- Commissions and soft dollar benefits paid by product providers; and
- Method of charging for services.
- Certain conflicts of interest which are prohibited by law will always be avoided. They include:
  - Placing an instruction with a broker to buy or sell shares at the 'market price' (i.e. no specific price) and placing an instruction to buy or sell shares in that same entity/entities for personal benefit before the client's order has been transmitted to the broker;
  - Insider trading provisions of Corporations Act;
  - Hawking provisions of Corporations Act;
  - Misleading and Deceptive Conduct provisions of the Australian Securities and Investment Commission 2001 (Cth) (ASIC Act);
  - Misleading representations provisions of the ASIC Act;
  - Unconscionable Conduct provisions of the ASIC Act; and
  - False and Misleading provisions of the ASIC Act

References for those items prohibited by law are:

- Corporations Act, Divisions 7 and 8 of Part 7.8; and
- ASIC Act, sections 12BB – 12DN.

### Our Dispute Resolution Procedure Should You Wish to Make a Complaint

If you are not satisfied with the services provided to you by Implemented Portfolios, you should take the following steps:

1. Contact your financial adviser and tell them about your complaint.
2. If your financial adviser has not satisfactorily resolved your complaint within 5 days, please contact our Complaints Manager on (02) 9164 9800 or put your complaint in writing and send it to:  
The Complaints Manager  
Implemented Portfolios Pty Limited  
Level 39, 25 Martin Place, Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

3. If the complaint cannot be resolved to your satisfaction within 30 days, you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA can be contacted on 1800 931 678 (free call), email at [info@afca.org.au](mailto:info@afca.org.au) or you can write to them at:

Australian Financial Complaints Authority  
Limited  
GPO Box 3, Melbourne VIC 3001

### Compensation Arrangements

Implemented Portfolios has professional indemnity insurance cover in place in respect of financial services provided to our clients. This insurance covers claims in relation to the conduct of our past and present representatives. These arrangements comply with the requirements of section 912B of the Corporations Act.

### Record Keeping

Implemented Portfolios has a Document Retention policy in place. In general terms, we will ensure that we retain accurate and comprehensive records of client profiles, transactions and holdings information for a period of seven years in accordance with legal requirements. This will include a copy of the statement of advice provided to us as part of your application.

## Our Privacy Policy

The privacy of your personal information is important to us. We respect your privacy and detailed information is set out in the Lonsec Group Privacy Policy in relation to how we collect, use and disclose your personal information.

The Lonsec Group Privacy Policy which applies to Implemented Portfolios is available upon request and free of charge by contacting our client services team. It can also be downloaded at:

[www.lonsec.com.au/important-documents/](http://www.lonsec.com.au/important-documents/)

Under the Corporations Act your financial adviser is required to collect sufficient information to identify your needs, objectives and financial circumstances so that they can provide appropriate financial advice.

Your financial adviser will provide your personal information to us to enable us to provide you with the products and services that are appropriate to your needs. We endeavour to retain accurate, complete and up to date personal information about you so your financial adviser will ask you to review and update the information from time to time.

If the information provided to us is incomplete or inaccurate this will impact on your financial adviser's understanding of your requirements and may result in advice that is not appropriate to your needs and circumstances. If this does occur you will need to make your own assessment concerning the appropriateness of your financial adviser's advice.

You may (subject to permitted exceptions) access your information by contacting us. We may charge a fee for providing access.

We may provide personal information to:

- Your financial adviser;
- Organisations (who are bound by strict confidentiality) to whom we outsource certain functions such as our sub-custodian, our auditors, legal advisers and other professional service providers we engage. In these circumstances, information will only be used for the purposes of providing you the services described in this document;
- Third parties when required to do so by law, e.g. legislation or court order; and
- Overseas recipients in accordance with the Privacy Act. Generally, we only do this where we have outsourced a business activity or function to an overseas provider and we reasonably believe that the recipient protects the information in a way that is substantially similar to Australian laws and principles.

- ATO in compliance with Australian Tax requirements and international reporting requirements such as FATCA/CRS.

## How You Can Contact Us

IMPLEMENTED PORTFOLIOS PTY LIMITED

Address: Level 39, 25 Martin Place  
Sydney NSW 2000

Telephone: 02 9164 9800

Email: [info@implementedportfolios.com.au](mailto:info@implementedportfolios.com.au)

Web: [www.implementedportfolios.com.au](http://www.implementedportfolios.com.au)

If you have any further questions about the financial services Implemented Portfolios provides, please contact your financial adviser or our head office.

***Please retain this document for your reference and any future dealings with Implemented Portfolios.***