

# FINANCIAL SERVICES GUIDE

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Castlreagh Financial Group Trading as Kauri Asset Management ABN: 76 604 407 516.  
Corporate Authorised Representative (CAR: 1275519) of Kings Road Group AFL No. 460 940.





## ABOUT THIS INFORMATION GUIDE

Castlereagh Financial Group Trading as Kauri Asset Management (Kauri) ABN: 76 604 407 516. Corporate Authorised Representative (CAR 1275519) of Kings Road Group AFL no. 460 940 is a privately owned and operated Australian company and makes all recommendations and advice on a thorough knowledge of its client's goals, objectives, financial situation and ability to sustain financial risk.

It bases its investment recommendations on quality, researched products and also provides recommendations for appropriate and affordable insurance cover. Kauri specialises in providing objective financial advice to families who desire to create long term wealth utilising a number of strategies and techniques where appropriate to help achieve this objective.

### KAURI PROVIDES ADVICE IN THE FOLLOWING AREAS:

- Holistic Financial Planning Services
- Superannuation Advisory
- Managed/Hedge Funds
- Life, TPD, Income Protection and Gadget Insurance

- Trading in securities, derivatives and the Foreign Exchange Market
- IPO and corporate offerings
- Accounting and Taxation Advice
- SMSF set up

We are not legal professionals. However, we will work with your legal adviser to meet your estate planning needs. Should you require a referral to a taxation specialist or an estate planning professional, we will be happy to introduce you to an appropriate adviser.

### FINANCIAL SERVICES GUIDE

The information in this Financial Services Guide is provided to help you decide whether to use our services. As a client, or potential client of Kauri, you have the right to ask us about our service, the type of advice we give you, and what we expect to be paid for giving that advice and/or service.

You also have the right to know what you can do if you have a complaint about our services. The distribution of this Financial Services Guide has been authorised by Kauri.

You should also be aware that you are entitled to receive a Statement of Advice whenever we provide you with any advice that takes into account your objectives, financial situation and needs. The Statement of Advice will contain the advice, the basis on which it is given and the information about fees, commissions and associations which may have influenced the provision of the advice.

In the event we do make a recommendation to acquire a particular financial product (other than securities), we will also provide you with a Product Disclosure Statement containing information about the particular product, which will enable you to make an informed decision in relation to purchasing that product.

You will also be provided with a copy of our Privacy Policy. It is important that you read all of the documents that are provided to you so that you can make an informed decision regarding accepting our recommendations and advice. If you need more information than is provided in this Guide, please ask as we will be happy to assist.



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### INVESTMENT MANAGER

**MICHAEL SMITH**  
*Kauri Asset Management*

Level Eight, 25 Bligh Street,  
Sydney, NSW 2000 Australia

Phone: 02 8379 1868

Email: info@kauriam.com.au

Website: www.kauriam.com.au



### INVESTMENT STRATEGIST

**AFIQ MALEK**  
*Kauri Asset Management*

## WHO WILL BE RESPONSIBLE FOR ADVICE GIVEN TO ME?

Your adviser will be acting on behalf of Kauri Asset Management Pty Ltd and is therefore responsible to you for advisory services your adviser provides in relation to the following investments if chosen:

### WHAT FINANCIAL SERVICES ARE AVAILABLE TO ME?

YOUR ADVISOR IF CHOSEN IS AUTHORISED TO OFFER ADVICE AND SPECIFIC RECOMMENDATIONS ON BUT ARE NOT LIMITED TO:

- Holistic Financial Planning Services
- Superannuation Advisory
- Managed/Hedge Funds
- Life, TPD, Income Protection and Gadget Insurance
- Trading in securities, derivatives and the Foreign Exchange Market
- IPO and corporate offerings
- Accounting and Taxation Advice
- SMSF set up

EXAMPLES OF THE TYPES OF PRODUCTS THAT MAY BE RECOMMENDED ARE:

- Cash management trusts
- Managed investments
- Direct shares
- Superannuation
- Retirement income streams
- Portfolio administrations services
- Margin lending

We only recommend an investment to you after considering its suitability for your individual investment objectives, financial situation and needs. Our advisory service will include ongoing reviews of your financial situation, your progress towards goal achievement, your portfolio performance, insurance needs and any new goals or objectives you may have.

Kauri may also recommend a specialised gearing strategy to those clients who meet our risk management criteria. This strategy seeks to increase the returns from investment, whilst maintaining a risk management overlay. The sought results are a significant increase in tax effective income that can be used to enhance wealth accumulation or to accelerate the payment of non-tax deductible debt.

The investor is only recommended these strategies where they have a suitable level of tolerance for investment volatility, adequate cash flow, a stable work environment and a five to seven year investment horizon.

This strategy requires a disciplined approach to cash flow management and a commitment to formal periodic reviews. The additional risks associated with this strategy will be clearly explained and documented for those clients for whom it is appropriate.

### WHO WE ACT FOR WHEN PROVIDING FINANCIAL SERVICES?

Kauri acts on its own behalf when providing a financial service to you.

## WHAT ARE OUR FEES?

We work on either a commission and/or a fee for service basis. We will discuss all fees prior to any work has commenced.



### INITIAL SERVICE FEES?

- Between \$1,000 and \$9,999 for a single client
- Between \$1,000 and \$14,999 or a family client



### ONGOING SERVICE FEES?

- Between \$1,000 and \$9,999 for a single client
- Between \$1,000 and \$14,999 or a family client

### FUNDS UNDER MANAGEMENT FEES?

Between 0.5% to 3% of funds under management fees are only payable on invoice from Kauri after we provide the service.

OUR ADVISORY SERVICE WILL INCLUDE ONGOING REVIEWS OF YOUR FINANCIAL SITUATION, YOUR PROGRESS TOWARDS GOAL ACHIEVEMENT, YOUR PORTFOLIO PERFORMANCE



#### HOW MUCH COMMISSION WILL WE RECEIVE?

We are entitled to receive up to 88% upfront commission (inclusive of GST) from personal insurance product providers whose products we recommend to you where advice is given on personal insurance products and up to 25% ongoing commission (inclusive of GST).

You have the right to know, and will be advised on a case-by-case basis, of the actual commission and benefits that we, and your adviser, receive for recommending financial products.

Product providers may also pay us an Ongoing Commission. The funding for Ongoing Commissions comes from the product providers. You will be made aware of fees and/or commissions prior to your acceptance of our recommendations.

From time to time, depending on the recommendations you accept, we may receive other remuneration from providers. We will disclose any such remuneration to you prior to your acceptance of our recommendations and all fees and/or commissions will be disclosed in your Statement of Advice.

Kauri has relationships with various Third-Party Service Providers with which you may be required to open an account with for the purpose of receiving dealing services. These relationships in no way influence the provision of financial services by Kauri to you.

#### WILL I RECEIVE 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 investment needs before we recommend any investment to you. You have the right not to provide us with this information 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 your full personal information and the impact on our recommendations. You should read the warnings carefully.

#### DO YOU HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH PRODUCT ISSUERS OR OTHER PARTIES THAT MAY INFLUENCE THE SERVICES PROVIDED TO ME?

Kauri may have a relationship with a Referral Agent. These relationships in no way influence the opinion of financial services by Kauri to you.

Kauri does not accept any non-monetary or other benefits such as prizes, awards, hospitality events from any product or service provider which may have the potential to influence recommendations in anyway.

#### WHAT SHOULD I KNOW ABOUT ANY RISKS OF THE INVESTMENTS OR INVESTMENT STRATEGIES YOU RECOMMEND TO ME?

Any significant risks associated with any of our recommendations will be explained and discussed with you are part of our discussions with you and will be fully detailed in your Statement of Advice. If at any time you are unclear about the risks you may be taking, you should discuss them with us before you implement any recommendation.

#### WHAT HAPPENS IF I SPECIFICALLY REQUEST AN INVESTMENT NOT RECOMMENDED BY MY ADVISER?

If you specifically request to purchase an investment not on the Recommended list, your adviser can offer an execution only service, based on an hourly rate. Before such a service can be provided you must give your adviser written confirmation of your understanding under which this service is sought.

#### HOW CAN I PROVIDE INSTRUCTIONS ABOUT MY ACCOUNT AND INVESTMENTS?

You may specify how you would like to give us instructions. For example by telephone, email or other means.

#### AM I PROTECTED FROM YOU GIVING NEGLIGENT INVESTMENT ADVICE?

Kauri Pty Ltd has professional indemnity insurance to protect you in the unlikely event of negligent investment advice being given.

#### WHAT INFORMATION IS MAINTAINED IN RELATION TO ME ON YOUR FILES?

Kauri, through your adviser will maintain a record of your personal profile, which includes details of your investment objectives, financial situation and needs. A record is also maintained of any recommendations made to you. Your file is available for examination should you wish to do so.

#### WHAT KIND OF COMPENSATION ARRANGEMENTS DO WE HAVE?

Kauri currently has professional indemnity insurance that covers work done by its representatives and employees. This meets legislative requirements under Section 912B of the Corporations Act 2001.



## COMPLAINTS

#### WHO CAN I MAKE A COMPLAINT TO IF I HAVE A COMPLAINT ABOUT THE ADVISORY SERVICE?

If you have any complaint about the service you should take the following steps:



Contact your adviser and tell your adviser about your complaint.



If your complaint is not satisfied within three working days, please contact The Compliance Officer at Kauri Asset Management Pty Ltd, or put your complaint in writing and send it to us.

We will try to resolve your complaint quickly and fairly.



If you still do not get a satisfactory outcome you have the right to complain to the Australian Financial Complaints Authority (AFCA).



#### TO LODGE A COMPLAINT WITH KAURI ASSET MANAGEMENT, CONTACT:

02 8379 1868

INFO@KAURIAM.COM.AU

KAURIAM.COM.AU

#### TO LODGE A COMPLAINT WITH THE AFCA (AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY) CONTACT:

TOLL FREE 1800 931 678

INFO@AFCA.ORG.AU

AFCA.ORG.AU



## KAURI ASSET MANAGEMENT STATEMENT OF PRIVACY POLICY

At Kauri Asset Management we recognise that your privacy is very important to you – it is to Kauri as well. We handle personal information provided by and about people every day. By personal information we mean information or an opinion about a person whose identity is apparent or can reasonably be ascertained.

### HOW DO WE PROTECT YOUR PRIVACY?

Kauri is committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. The following Privacy Policy expresses our policies on the management of your personal information.

We are bound by, and committed to supporting, the Australian Privacy Principles set out in the Privacy Amendment (Private Sector) Act 2000. Our aim is to both support, and ensure that we comply with, the APP that form the basis of laws introduced to strengthen privacy protection for the general public. The information set out below is largely a summary of our obligations under the APP.

We believe that this Statement will address any potential concerns you may have about how personal information you provide to Kauri Asset Management is collected, held, used, corrected, disclosed and transferred.

You can obtain more information on request about the way we manage the personal information we hold. If you seek any further information please contact us in one of the ways set out below.

HOW CAN I FIND OUT MORE  
INFORMATION?

[WWW.OAIC.GOV.AU/PRIVACY-LAW/PRIVACY-ACT/AUSTRALIAN-PRIVACY-PRINCIPLES](http://WWW.OAIC.GOV.AU/PRIVACY-LAW/PRIVACY-ACT/AUSTRALIAN-PRIVACY-PRINCIPLES)



### WHICH OF MY INFORMATION DOES KAURI COLLECT AND WHY?

As one of Australia's leading Financial Services Advisory Services In the course of our activities we collect and hold personal information on both our clients, through our wide network of professional financial services advisers, and on the professional members of our organisation, including information on Kauri members, broker representatives, proper authority holders, multi-agents and product providers.

Our main purposes for collecting that personal information include to assess the suitability of applicants for membership of the Kauri and to update our records, to facilitate their training programmes or assessment of courses of study, to disseminate topical information and details of events of interest, to regulate the activities of members and to facilitate the provision of a referral service to interested members of the public.

For our advisory clients, such details are collected for the purpose of determining which is the most appropriate financial advice for that client and which of the many available strategies, including the selection of products, services and facilities is optimal for the client's use.

We will only collect personal information from you that is necessary for one or more of our functions and activities. We will only collect personal information from you by lawful and fair means, without being unreasonably intrusive, such as when you complete a client Fact Finder, application form, insurance proposal, finance proposal, membership application, registration form or questionnaire etc.

At or before the time we collect personal information from you we will take reasonable steps to inform you why we are collecting that personal information, who else we might disclose that personal information to and what will happen if you do not provide personal information to us.

Where reasonable and practicable, we will only collect personal information about you, from you. Wherever it is lawful and practicable, we will give you the option of not identifying yourself or not providing personal information when entering transactions with us. However, failure to provide full and complete information we request may mean that we are unable to provide services to you fully and properly. Once we hold personal information we will take reasonable steps to keep it accurate, complete and up-to-date.



### HOW KAURI USES THE INFORMATION AND WHAT SHOULD I KNOW?

We will only use your personal information for the main purpose we told you it was needed for, except where you consent to us using that personal information for another purpose, where the other purpose is related to the main purpose and you would reasonably expect us to use the personal information for that other purpose, or where it is permitted or required by law, or we reasonably believe it is necessary on health or public safety grounds to use the personal information for another purpose.

In order to fulfil the purposes set out above we may provide access to your personal information to third parties with whom we have a business relationship, for example those who maintain and update our database, who assist with mail-outs, who arrange, participate in and sponsor conferences and who deliver educational and other services. You accept that not all recipients of your information may have privacy policies equivalent to Kauri Asset Management and you consent to the disclosure of your personal information for those purposes.

In relation to direct marketing, where practicable we will seek your consent before we use your personal information for this purpose. You may tell us at any time you do not wish to receive any further direct marketing materials – if you do, we will stop sending you such materials.

#### WHAT IF I WISH TO VIEW OR CHANGE MY INFORMATION?

If you ask, we will tell you what personal information we hold about you, and what we do with it. We will facilitate access to you by allowing an inspection of your personal information in person, or by providing copies or a summary of relevant documents, depending on what is most appropriate in the circumstances, following receipt of your request. Any charge we make for providing access will be reasonable.

If you can show us that the personal information is inaccurate, we will take reasonable steps to correct it. Note that we need not provide access to personal information in several types of situation, for example where a request is frivolous, or where to provide access would pose a threat to health or public safety, unreasonably interfere with another person's privacy, or be a breach of the law. If we refuse access we will advise you of our reasons for doing so.

#### HOW DOES THE KAURI WEBSITE COLLECT MY INFORMATION?

When you visit our website, details may be recorded about your visit, such as time and date, your server address, pages accessed, time spent and type of browser.

This information is used in an anonymous form for statistical purposes and as such cannot identify you individually. We may use cookies to identify your browser so that next time you visit our website we remember your log in details. A cookie is a small file which remains on your computer and contains information enabling our website to recognise your browser. If you do not wish to use cookies, you can adjust the settings on your browser to reject cookies or notify you when they are being used.

#### DOES KAURI PROTECT MY INFORMATION?

We will protect personal information from misuse and loss, and destroy or permanently de-identify personal information we no longer need.

#### HOW DO YOU IDENTIFY ME?

As you would already know the government departments have a variety of ways to identify us as members of Australia. Some of those ways include Tax File Numbers (TFNs), Australian Company Numbers (ACNs) and Medicare Numbers.

This information filing system was created by those government departments specifically for their own needs and purposes.

We do not consider it appropriate to use those government identifiers with Kauri and consider the use of such identifiers can cause confusion and, in some circumstances, a breach of your privacy. As such we have our own identifiers to recognise our clients and our professional members.

WE WILL PROTECT  
PERSONAL INFO FROM  
MISUSE AND LOSS, AND  
DESTROY PERSONAL  
INFORMATION WE NO  
LONGER NEED

#### IS MY INFORMATION SENT OVERSEAS OR SHARED THROUGH THE INTERNET?

We will not send any personal information about you overseas unless you consent to this, or we reasonably believe that the other country has privacy laws substantially similar to our own, or we provide the information in other circumstances giving like protection. Our website contains a number of links to other websites, including the websites of our commercial partners. When this occurs be sure to check the privacy policy of those websites, as we are not responsible for privacy practices of those other parties.

#### WHAT IF I AM NOT HAPPY ABOUT THE HANDLING OF MY INFORMATION?

We are committed to providing members, and other parties whose personal information we hold, a fair and responsible system for the handling of their complaints. If at any time you have any complaints in relation to privacy, please contact our Privacy Officer at one of the points referred to below.

We will seek to address any concerns that you have through our complaints handling processes, but if you wish to take matters further you may refer your concerns to the Office of the Federal Privacy Commission.

#### HOW TO CONTACT US ABOUT THE HANDLING OF INFORMATION

If you seek any further information from Kauri about this Statement or our privacy policy generally please contact our Privacy Officer.

#### ADDITIONAL PRIVACY INFORMATION

Further information on privacy in Australia may be obtained by visiting the web site of the Office of the Australian Information Commissioner.



TO FIND OUT WHAT PERSONAL  
INFORMATION OF YOURS IS  
BEING HELD, CONTACT:

02 8379 1868

INFO@KAURIAM.COM.AU

KAURIAM.COM.AU

AUSTRALIAN INFORMATION  
COMMISSIONER CONTACT:

WWW.OAIC.GOV.AU

