



*“If it’s got a really large commission in it, don’t read it. The chances someone is paying a high commission to give you a big advantage is **really** low.”*

Charlie Munger

Over recent months Lighthouse Investment Services has been going through the process of applying for our own Australian Financial Services Licence (AFSL) from the Australian Securities and Investments Commission (ASIC) under our licensee company, Lighthouse Investment Group Pty Ltd. We believe that having our own AFSL gives us a greater degree of independence in meeting our obligations to ASIC in terms that are meaningful to what you want from our business.

This was not a decision we took lightly. We have had a long and productive relationship with Meritum Financial Group, under whose AFSL we operated since setting up Lighthouse Investment Services in late 2007. We remain extremely grateful to Meritum for the opportunity they gave us all those years ago. I doubt Lighthouse Investment Services would be here today if they had not provided us with a home back then.

As I was pleased to advise you by email in early March, ASIC approved our application and we now operate under Lighthouse Investment Group’s AFSL.

When we set up Lighthouse Investment Services eight years ago we wanted our service to be:

- Personal – to be tailored to the individual financial situation and needs of each client,
- Value-based – to buy \$1 for 50 cents (or sell it for \$2) if we can,
- Values-based – our clients’ investments to reflect their ethical character.

These remain our aspirations, and we feel that we can best achieve them under our own licence. We are proud to say that our business is not owned or aligned with any bank, fund manager or insurance company and we insist on doing our own research on securities we recommend to clients. Our fees are transparent and we have no incentives to recommend one security ahead of another. In light of some of the recent media attention financial institutions have been getting (particularly large ones with less than perfect incentives) we are becoming even more pleased that we have taken this decision.

March 2016