

Australian Financial

(Australian Financial Planning Group Pty Ltd ABN 66050139850)

Financial Services & Credit Guide

Providing Financial and Credit Services on Behalf of:

Australian Financial Planning Group Pty Ltd

Head Office

Telephone: 02 8268 7000 Fax 02 8268 7099

Level 13, 227 Elizabeth St, Sydney NSW 2000

Australian Financial Services Licence 247 430

Australian Credit Licence 247 430

ABN: 66 050 139 850

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About this document

Date of Issue & Version

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Purpose of This Guide

The main purpose of this document is to ensure you are given adequate information about the financial and credit services being offered. This should be read in conjunction with the Adviser Profile.

This Financial Services and Credit guide contains information about:

- The services we offer you;
- How we and our associates are paid;
- Any potential conflict of interest we may have;
- Our internal and external dispute resolution procedures and;
- How you can access them

This guide should help you decide whether to use any of the financial and credit services we provide.

You should also be aware that you are entitled to receive a Financial Plan (Statement of Advice) whenever we provide you with any financial product advice. Your Statement of Advice will contain personal advice, the basis on which it is given and information about fees, commissions and associations that may have influenced the provision of the advice. If we recommend to you a particular Financial Product we will give you information about the particular Financial Product - a *Product Disclosure Statement* (PDS) - to help you make an informed decision about the Financial Product.

If we provide further personal advice to you after we have issued an initial Statement of Advice and your circumstances have not significantly changed, we may provide the advice to you orally. We will also disclose any fees and remuneration relevant to the advice. We will record these details in a Record of Advice and keep this for seven years after providing the advice to you and you can request a copy of that Record from your adviser.

About Australian Financial

Your adviser is authorised through Australian Financial Planning Group Pty Ltd, an Australian Financial Services Licence and Australian Credit Licence holder (Licence no. 247430).

Head office (NSW):

Level 13, 227 Elizabeth Street, Sydney NSW 2000

Victoria:

Level 2, 437 St Kilda Road, Melbourne VIC 3004

A guide to our relationship with you

Who is responsible for the services provided?

Australian Financial Planning Group Pty Ltd is responsible for the financial and credit services provided.

Australian Financial Planning Group Pty Ltd has authorised distribution of this Financial Services and Credit Guide.

Your financial adviser is an authorised representative and credit representative of Australian Financial Planning Group Pty Ltd.

What services can Australian Financial Planning Group assist you with?

- Setting financial goals
- Savings strategies
- Salary packaging
- Divorce planning
- Estate planning
- Retirement and pre-retirement planning
- Self Managed Super Funds
- Wealth Creation
- Wealth Management
- Cash Flow Management
- Mortgages and Finance
- Leasing
- Credit Assistance
- Risk Planning and Management

Australian Financial Planning Group is authorised to provide advice and deal in the following Financial Products and credit services:

- Managed Investments
- Superannuation
- Retirement Savings Accounts
- Deposit Products
- Government Debentures & Bonds
- Life Products Including Investment and Risk
- Securities
- Standard Margin Lending
- Mortgages and Finance
- Leasing
- Credit Assistance



Australian Financial Planning Group

Only products approved by Australian Financial Planning Group Pty Ltd can be recommended by your Financial Adviser.

What information should I provide to ensure I receive appropriate personal advice?

Your Financial Adviser will complete a Client Questionnaire with you, which will record your personal objectives, lifestyle goals, details of your current financial situation and any relevant information, so that you can receive the most appropriate advice.

You have the right to withhold information; however, this may compromise the appropriateness and effectiveness of your Statement of Advice.

You should read the warnings contained in your Statement of Advice carefully before making any decision relating to a financial strategy or product.

How can I give you instructions about my Financial Product/s?

To implement a product recommendation, you will be required to sign an "Authority to Proceed" which will form part of your Statement of Advice.

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

We maintain a record of your personal profile including details of your objectives, financial situation and needs. We also maintain records of any recommendations provided to you.

Who may access the information I provide?

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of this policy can be found at the end of this document.

It is important to note that in order to best meet your needs and provide you with financial services and advice we may need to disclose your personal information to other parties. Typically, these parties may include fund managers, life companies, related entities and other licensees. Similarly, we may bring to your attention products and services or other information which may be relevant to your Statement of Advice. At these times, you will be given the opportunity to choose whether or not to continue to receive such information.

Continuity of service

Australian Financial Planning Group Pty Ltd reserves the right to appoint another representative to service you. In these circumstances, we will write to you advising you of the change.

Remuneration Schedule

How will I pay for services provided?

We offer a range of payment options. All fees disclosed are inclusive of GST. The payment options may include:

Fee for Service:

A Fee for Service may be paid and is based on the time spent on the preparation of the Statement of Advice you receive. The hourly rate is up to a maximum of \$275.00 (inclusive of GST).

The Fee for Service payable will be agreed upon and disclosed on a Service Agreement prior to commencement of the Statement of Advice.

Where the implementation of advice leads to the placement of investments, any commissions payable by the fund managers that Australian Financial Planning Group Pty Ltd would normally receive, in most cases may be rebated (in the form of additional units in the fund to which the rebate will apply) to you.

Commissions (excluding Loans and Credit Assistance):

A. Upfront Commissions:

Upfront commissions are a one off payment payable at the time of purchase. They are calculated as a percentage of the funds you have invested and/or the premium paid by you. The commissions are deducted from the amount invested and/or premium paid.

Investment and Super products – between 0% and 5.0% of the investment amount.

Insurance products – between 20% and 125% of the premium you pay.

B. Ongoing Commissions:

Ongoing commission is payable during the life of your product as part of the product provider's ongoing charges.

Investment and Super products – between 0% and 1.10 % pa (inclusive of GST) of the investment amount.

Insurance products – between 0% and 40% pa of the renewal premium.

Example:

This example is based on an initial investment amount of \$10,000 and maintaining an amount invested of \$10,000. We will assume the upfront commission is 4.4% with an ongoing commission of 0.55% pa.

Australian Financial Planning Group Pty Ltd will receive an upfront commission of \$440. In addition to the upfront commission payment, Australian Financial Planning Group Pty Ltd will also receive an ongoing commission of \$55 pa for as long as you hold the product.

Brokerage:

The Fund Manager or Life Company you invest or contact will pay Australian Financial Planning Group Pty Ltd an initial commission/brokerage and also an ongoing service fee, which makes up the gross revenue received.

Australian Financial Planning Group Pty Ltd will in turn pay your Adviser a percentage of this gross revenue from 50% up to a maximum rate of 98%.

Loan or Credit Assistance Commissions:

The credit providers that we recommend to you pay us a commission calculated as a percentage of the amount of credit you receive. Generally, there is an initial commission of up to 0.80% which is received on settlement of the loan. There is also generally an ongoing commission of up to 0.30% per annum of the outstanding balance of the loan which is paid to us monthly.

To illustrate the application please see the example below based on initial commission of 0.80% and ongoing commission of 0.30%:

Ongoing	Upfront	
Loan Amount (\$100,000)	\$800	\$300 per annum

Some loans or credit contracts may provide more than the generally outlined commissions to Australian Financial Planning Group. In each instance of credit assistance provided to you, regardless of the amount of commission paid, Australian Financial Planning Group will provide in writing the appropriate disclosure of any commissions, fees, and other benefits or payments that we receive.

Asset Based Fee:

The Asset Based Fee is structured as a percentage of the size of the investment portfolio on which advice is being given by your adviser as follows:

- Up to 5.0% of the investment portfolio up to \$250,000
- Up to 3.0% of the investment portfolio of the next \$500,000
- Up to 2.0% of the balance.

Review Fee:

A review fee may be charged to review your Statement of Advice to ensure the financial strategies and products remain appropriate to your needs. The review fee can be charged as a commission (a maximum of 1.0% plus GST) or a fee for service (based on an hourly rate of \$275 inclusive of GST).

Service Agreement:

A Service Agreement may be completed by you and your adviser to establish the level of service and the fee basis agreed upon. Once this is completed, your adviser will develop your Statement of Advice. All fees and/or commissions charged will be fully detailed in the Statement of Advice you receive. Where a Fee for Service is payable an invoice will also be included when you are provided with your Statement of Advice.

How will my adviser be remunerated for the services provided?

All fees, commissions and brokerage payments received for the financial services provided are made to Australian Financial Planning Group Pty Ltd. Australian Financial Planning Group Pty Ltd will retain a percentage of these payments and forward the balance to your Authorised Representative or corporate authorised representative as detailed below. Your adviser may be remunerated by salary, commissions and / or a combination.

Australian Financial Planning Group will then pay the corporate authorised representative or your adviser a combination of commissions, bonuses and other benefits for the provision of financial services of up to 50% of the upfront revenue received by Australian Financial Planning Group Pty Ltd and up to 20% of the trailing commission subject to certain volume criteria being satisfied.

What other benefits may my adviser receive?

In addition to the remuneration detailed above, your adviser may receive other benefits. The cost of these benefits is paid out of the amount retailed by Australian Financial Planning Group Pty Ltd. These benefits may include:

- Offset of costs for professional and self development programs related to the financial planning industry.
- Offset costs associated with business equipment and training (as a participant of the Technology and Education Dividend):
- Payment of professional membership fees, prizes, awards, conferences and hospitality events (e.g. tennis, football etc.)

In the event, any benefit received has a value in excess of prescribed thresholds, the benefit will be listed on an Alternative Remuneration Register available upon request. Any benefit that is material to your consideration of our recommendations will also be disclosed in your Statement of Advice.

Annual Fee Disclosure Statement (FDS)

Your adviser is also required to provide you with an FDS. The FDS can be in a number of formats, such as a letter, via email or online. The FDS does not have to be returned by the client. The document must include the actual fee being paid by the client in the 12-month period of the FDS that is being sent out. The fee must be in dollar terms, not a percentage. The FDS must also include the services available to the client and the actual services used by the client.

Associations and Interests

Do you have any relationships or associations with any Financial Product Issuers?

Shareholding in Associated Advisory Practices Ltd

As a result of past recommendations in certain financial products, AFPG has obtained a shareholding in Associated Advisory Practices (No. 1) Ltd, a service company that provides compliance training and business development support to AFPG. This shareholding will entitle AFPG to receive a share of the distribution of any profits via annual dividend. The amount of the dividend receivable is solely at the discretion of the AAP Board of Directors.

Conflicted Remuneration

AFPG has an arrangement with Hub 24 for use of the Atticus SMA, which we may recommend to certain clients. Hub 24 will remunerate Atticus up to 0.79% of the funds held in this product based on the funds under advice.

Atticus is a related party of AFPG. The shareholders of Atticus may receive a financial benefit. The financial benefit may be in the form of dividends/distributions from Atticus to the shareholders however, this benefit is unable to be quantified.

Zurich Life

For every dollar of gross new insurance premium paid to Zurich Life by clients of Australian Financial Planning Group Pty Ltd, Australian Financial Planning Group Pty Ltd may receive up to 5.0% of the initial premium.

For example, for every \$1,000 in 1st year's insurance premium received by Zurich Life the marketing allowance received would be a maximum of \$50.

TAL – Accelerated Protection

Additional bonuses may be paid by TAL in relation to the overall level of business that Australian Financial Planning Group Pty Ltd has placed in TAL products. Any such bonuses will be paid to Australian Financial Planning Group Pty Ltd. Amounts of new business premium in excess of \$100,000 may result in Australian Financial Planning Group Pty Ltd receiving higher upfront commission rates. The higher percentage could be between 10%-17.5%. If Australian Financial Planning Group Pty Ltd qualifies for the new business bonus, they may qualify for an additional bonus if they have clients with insurance premiums totalling over \$250,000 in TAL insurance products. This inforce bonus could be between \$10,000-\$100,000 and is paid annually. The amounts of the new business and inforce bonus may be increased by up to 150% if Australian Financial Planning Group Pty Ltd achieves a specified target level of retention of TAL policies

From time to time, financial product issuers offer our representatives invitations to social and sporting events and the occasional gift such as a bottle of wine or hampers on special occasions. The approximate value of these during the year is \$1,000.

Dealer Facilitation Fee on Wrap accounts

Where charged this fee is deducted from your balance based on the value of your account as a fixed dollar amount on an ongoing basis. This fee is charged by the product provider. The Product provider deducts the net cost from your account. The product provider then pays the full amount of the fee to Australian Financial Planning Group Pty Ltd for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee.

Will anyone be paid for referring me to Australian Financial?

A third party referrer may receive a referral fee or commission for introducing you. The fee will be paid to the referrer by Australian Financial Planning Group Pty Ltd and will not involve any additional cost to you. Any referral fees payable will be fully detailed in your Statement of Advice.

Compensation Arrangements

Australian Financial Planning Group Pty Ltd has appropriate professional indemnity insurance in place which takes into account the volume and nature of the business, the number and style of its clients and number of Authorised Representatives it employs. If you require further information regarding compensation arrangements, please contact the Australian Financial Responsible Manager.

Credit Guide

Australian Financial Planning Group is registered to provide credit assistance to clients. We choose the credit provider based on research and your objectives. The main credit providers that we recommend depending on our research and analysis are:

- AMP Bank Ltd.
- Australia and New Zealand Banking Group Ltd.
- ChoiceLend.
- Commonwealth Bank of Australia Ltd.
- NAB Broker.
- ME Bank.
- National Australia Bank Ltd.
- St George Bank Ltd / Bank of Melbourne.
- Westpac Banking Corporation Ltd.

Collection of Information and Assessment

We and our representatives must provide you with credit assistance that is not unsuitable for your financial situation and objectives. To do this, a preliminary assessment must be conducted. For our representative to conduct this assessment they must collect information about your financial situation and the objectives you have for seeking credit. If you do not provide the requested information, we may not be able to provide any credit assistance to you.

You can request a copy of the preliminary assessment conducted by our representative within 7 years of the date that the written quote was provided to you for credit assistance. If you make the request within 2 years of the written quotation we will provide the copy of the assessment within 10 business days. If the request is made after the 2 years but before the end of the 7 years we will provide a copy within 21 business days. If you make the request after 7 years have passed, we are not obligated to retain a copy so may not be able to provide it to you.

Payment for Credit Services

We are remunerated by a combination of fees charged directly to you and/or commissions received from the credit providers with whom you enter into a credit contract. Please see the Remuneration Schedule beginning on Page 6 for more information on how your representative is paid.

Complaints and Other Information

What should I do if I have a complaint?

If you have any complaints about the services provided to you or about personal information held you should take the following steps:

1. Contact your adviser and tell them about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, please contact the head office of Australian Financial Planning Group Pty Ltd on 02 82687000 or put your complaint in writing and send it to us at Level 13, 227 Elizabeth Street, Sydney NSW 2000. We will try to resolve your complaint quickly and fairly.

Australian Financial Planning Group Pty Ltd is a member of the Financial Ombudsman Service

3. If your complaint relates to personal Financial Advice or Credit Assistance you may contact the Financial Ombudsman Service on 1300 780808 or write to GPO Box 3, Melbourne, Victoria 3001
4. If you do not get a satisfactory outcome you may escalate your complaint as follows:
 - If your complaint relates to personal information held you may contact the Office of the Privacy Commissioner on 1300 363 992, or
 - You can contact Australian Securities and Investments Commission (ASIC) at their freecall infoline on 1300 300 630 to find out which complaints scheme may be available to assist you to settle your complaint

Please retain this document for your reference and any future dealings with Australian Financial Planning Group Pty Ltd

Privacy Policy

Commitment

Australian Financial Planning Group Pty Ltd is committed to providing you with the highest levels of client service. We recognise that your privacy is very important to you. The Privacy Amendment Act, 2012 sets out a number of Australian Privacy Principles (APPs). The new privacy requirements were introduced to increase the privacy rights of the public. Australian Financial Planning Group Pty Ltd will support the new requirements and comply with them fully. Further information regarding privacy may be obtained by visiting the website of the Office of the Federal Privacy Commissioner at www.privacy.gov.au.

Australian Financial Planning Group Pty Ltd believes that this Privacy Policy discloses how the personal information you provide to us, and our representatives, is collected, used, held, disclosed and disseminated.

Australian Financial Planning Group Pty Ltd is required to meet particular legislative and regulatory requirements. In order to provide comprehensive financial planning advice to you, we are required to collect certain personal information from you.

Your Personal Information

Personal information held by Australian Financial Planning Group Pty Ltd may include the following information:

- your name, date of birth, current addresses, telephone/mobile/fax numbers, e-mail address;
- information regarding your dependents and family commitments;
- your occupation, employment history and details, family commitments and social security eligibility;
- your financial needs and objectives;
- your assets and liabilities (current and future), income, expenses;
- your superannuation and insurance details;
- your social security entitlements; and
- your risk profile details.

If you choose not to provide certain personal information or provide incorrect information, the advice and/or recommendations may be inappropriate or inadequate.

How We Collect Personal Information

Australian Financial Planning Group Pty Ltd collects personal information in a number of ways, including:

- directly from you, when you attend a face-to face interview;
- directly from you, when you provide information through a data collection form;
- directly from you, when you provide information by phone;
- directly from you via an email or the internet;
- directly from fund managers, superannuation funds, life insurance companies and other product issuers once authorisation has been provided by you; and
- directly from our referral partners (only name and phone number) only after referral partner has authorisation from you.

How We Use Your Personal Information

Primarily, your personal information is used in order to provide comprehensive and/or limited financial planning services to you.

From time to time, we may provide you with direct marketing material. This will include articles, questionnaires and newsletters that may be of interest to you. If, at any time, you do not wish to receive this information any further, you may contact us with this request. We will endeavour to meet your request within 2 weeks.

When Do We Disclose Your Personal Information

We are required to meet a level of professional standards. From time to time, we may need to provide the Association with access to your personal information to ensure that we are meeting our compliance requirements.

The Corporations Act has provided the Australian Securities and Investments Commission with the authority to inspect certain personal information that is kept on our files about you.

For the purposes set out above, we may disclose your personal information to organisations outside Australian Financial Planning Group Pty Ltd. The organisations to which we disclose information may include:

- superannuation fund trustees, insurance providers, fund managers and other product providers in order to implement your financial plan/recommendations;
- compliance consultants to ensure that our representatives are meeting our compliance standards;
- temporary staff to handle workloads during peak periods;
- professional advisers, including your solicitor or accountant as authorised by you;
- professional outsourcing companies located in Australia and outside of Australia;
- information technology service providers to manage our IT systems;
- government and regulatory authorities and other organisations, as required or authorised by law;
- another authorised representative of Australian Financial Planning Group Pty Ltd if necessary;
- a potential purchaser/organisation involved in the proposed sale of our business for the purpose of due diligence; and
- a new owner of our business that will require the transfer of your personal information.

In addition, our employees and the outsourcing companies/contractors are obliged to respect the confidentiality of any personal information held by Australian Financial Planning Group Pty Ltd.

How We Store and Secure Your Personal Information

We keep your personal information in your client file. These files are accessible to authorised personnel only and are appropriately secured out of hours.

Your personal information may also be held on our computer database. All computer-based information is protected through the use of access passwords. Data is backed up regularly and stored securely off site.

It is a legislative requirement that we keep all personal information and records for a period of 7 years. Therefore, if you are no longer a client of Australian Financial Planning Group Pty Ltd, we will maintain your personal information on or off site in a secure manner for 7 years. After this, we will ensure it is destroyed in a secure manner.

Ensure Your Personal Information Is Correct

Australian Financial Planning Group Pty Ltd takes all reasonable precautions to ensure that the personal information we collect, use and disclose is accurate, complete and up-to-date. To ensure we can maintain this level of accuracy and completeness, we recommend that you:

- inform us of any errors in your personal information as soon as possible; and
- update us with any changes to your personal information as soon as possible.

Access to Your Personal Information

You have a right to access your personal information, subject to certain exceptions allowed by law. We ask that you provide your request for access in writing (for security reasons) and we will (subject to certain exceptions) provide you with access to that personal information. Access to the requested personal information may include:

- providing you with copies;
- providing you with the opportunity for inspection; or
- providing you with a summary.

Complaints Resolutions

Please contact our Privacy Officer if you wish to complain about any breach or potential breach of your privacy rights. Your complaint will be responded to within 3 days. If you are not satisfied with the outcome of your complaint, you are entitled to contact the Office of the Privacy Commissioner.

Contact Details

Privacy Officer:	Mr Matt Carter
Address:	Level 13 227 Elizabeth Street, Sydney NSW 2000
Telephone:	02 8268 7000
Facsimile:	02 8268 7099