

Australian Financial Planning Group Pty Ltd

Financial Services and Credit Guide

About this document

Version 27.0

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Purpose of This Guide

This Financial Services and Credit Guide (FSCG) provides you with important information about Australian Financial Planning Group Pty Ltd and its Authorised Representatives.

This FSCG contains information about:

- Who we are and our contact details;
- The services we provide;
- Documents you may receive;
- How we and our representatives are paid;
- Any potential conflict of interest we may have;
- How we resolve complaints, and;
- How we manage the privacy of your information.

The FSCG should be read in conjunction with the Adviser Profile.

This guide will help you decide whether to use any of the services we provide.

About Australian Financial Planning Group Pty Ltd and your Financial Adviser

Your Financial Adviser is authorised through Australian Financial Planning Group Pty Ltd (ABN: 66 050 139 850), who is the holder of Australian Financial Services Licence and Australian Credit Licence number 247430.

Head office (NSW):

Level 13, 227 Elizabeth Street, Sydney NSW 2000

Telephone: 02 8268 7000

Fax: 02 8268 7099

Email: info@afpg.com.au

Victoria:

Level 2, 437 St Kilda Road, Melbourne VIC 3004

Telephone: 03 8866 0000

Fax: 03 8866 0099

A Guide to our relationship with you

Who is responsible for the services provided?

Australian Financial Planning Group Pty Ltd (AFPG) is responsible for the financial and credit services provided. AFPG has authorised the distribution of this FSCG.

Under its Licence's, AFPG has authorised corporate entities and individuals to provide financial and credit services.

Your Financial Adviser is authorised by AFPG to provide personal advice on financial products. Your Financial Adviser may also be authorised to provide credit advice. Please refer to the individual Adviser Profile.

AFPG is authorised to provide advice and deal in the following financial and credit services:

- Residential and Investment Lending
- Insurance
- Superannuation
- Investment Management
- Retirement Planning
- Self-Managed Super Funds
- Budgeting
- Financial Planning

AFPG Investment Philosophy

The AFPG investment philosophy employs Separately Managed Accounts (SMA's), which are customised investment portfolios where the assets are owned by the individual investor. An investment is allocated across a model portfolio, which will determine allocation between investment products.

When selecting products, we're generally limited to the range of products on our Approved Product List (APL).

Our APL is a list of quality researched products, but our APL doesn't include all products available in the market. We won't recommend products that aren't appropriate for you and if there isn't a product on our APL that's appropriate for you, we have a process for considering other products that may be appropriate.

The AFPG Group of Companies

AFPG financial planning is a member of the AFPG group of companies.

We can provide access to comprehensive financial advice and a wide range of financial products and services.

Your Financial Adviser may refer you to an Associate of AFPG (or a third-party) for the provision of the following services:

- Investment Services (Separately Managed Accounts)
- Real Estate Investment (Direct Property)
- Accounting and Tax Planning
- Estate Planning (Third-party)

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 the recommendations contained in your advice documents.

You should read the warnings contained in your advice documents 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 advice document.

What information is kept on file for me?

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 this information?

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. Details of our 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.

From time to time 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 to continue to receive such information.

Continuity of service

AFPG reserves the right to appoint an alternate representative to service your requirements. In these circumstances, we will write to you advising you of the change.

Professional Indemnity Insurance

AFPG maintains professional indemnity insurance to cover us and our representatives for the services we provide as required by the Corporations Act 2001.

Anti-Money Laundering

AFPG follows best practice in regard to anti-money laundering.

Documents you may receive

If you decide to obtain personal financial advice from AFPG, your adviser will need to determine your needs, objectives and relevant financial circumstances.

At the initial advice appointment, your adviser will typically gather the relevant information by using a client data collection form.

You will be asked to provide accurate information about your personal and financial situation and keep your adviser informed of any changes to your relevant circumstances.

Your adviser will also need to verify your identity, or confirm details of any related entities.

When your adviser provides personal financial advice to you, you may receive one or more of the following documents:

- Statement of Advice (SoA)
- Record of Advice (RoA)
- Strategic Advice Plan (SAP)
- Execution only Document (EoD)
- Product Disclosure Statement (PDS)
- Fee Disclosure Statement (FDS)
- Renewal Notice (Opt-in)



Australian Financial Planning Group

The SoA will set out the advice that has been tailored to your specific circumstances and provide you with details of all relevant disclosures including details of any fees and commissions payable.

Where you receive ongoing or further advice an SoA or RoA may be provided.

A SAP may be provided where we have given you general or personal advice that does not relate to a financial product, or, where we refer you to an Associate or an external party. The SAP may be in the form of an email.

Tax Implications of our advice

Under the Tax Agent Services Act 2009, AFPG is authorised by the Tax Practitioners Board to provide tax (financial) advice services on matters that are directly related to the nature of the financial planning advice

An EoD may be issued where the service provided is merely accepting the decision or direction of the client and the processing of any product transaction documentation. In this situation there is no responsibility taken by AFPG for the appropriateness of the product decision of the client.

A PDS will be provided if a financial product recommendation is made and will include detailed information on the product including features, benefits, conditions, costs and cooling off rights (if applicable).

An FDS will be issued to you in instances where you enter into an ongoing fee arrangement with your adviser for a period greater than 12 months. The FDS will

contain information about the services you were entitled to receive, the services you actually received and the fees you paid during the period. The FDS will be provided to you annually.

Should you commence an ongoing fee arrangement for the first time after 1 July 2013 (or in circumstances where the ongoing fee arrangement is significantly varied after 1 July 2013), your adviser will also issue a Renewal Notice (also known as Opt-in) every 2 years.

The Renewal Notice will give you the option of renewing the ongoing fee arrangement. You may request in writing a copy of any advice document up to seven (7) years after the advice has been provide.

How AFPG and its Representatives are paid

How we charge for services provided?

We offer a range of payment options.

All fees and/or commissions charged will be fully detailed in any advice document you receive.

All fees disclosed are inclusive of GST.

The payment options may include:

Fee for Service

A Fee for Service may be charged for time spent on advice related activities and will be disclosed and agreed upon prior to the commencement of any services provided by AFPG.

A Fee for Service is based on an hourly rate of up to a maximum of \$330.00.

Investments and Superannuation

Establishment Fee

AFPG may charge a one-off fee of up to \$1,000 or 5.5% for the establishment of an Investment or Superannuation account.

The Establishment Fee is an asset based fee structured as a percentage of the size of the investment portfolio on which advice is being given by your adviser. This is a deduction from your investment. The product issuer passes this amount on to AFPG.

Ongoing Service Fee

The ongoing service fee is an asset based fee structured as a percentage of the size of the investment portfolio on which advice is being given by your adviser. This is a deduction from your investment. The product issuer passes this amount on to AFPG. The ongoing service fee continues to be paid until you redeem the investment or no longer require AFPG to be your adviser. The fee varies over time according to the value of your investment. This fee may be up to 1.1% per annum.

Portfolio Service Fee

Where charged, this fee is deducted from your balance based on a maximum of 2% per annum of the value of your investments.

Dealer Facilitation Fee on Wrap Accounts

Where charged this fee is deducted from your investment or superannuation balance based on the value of your account as a fixed dollar amount on an ongoing basis. The product provider will deduct this fee from your account.

The product provider then pays the full amount of the fee to AFPG for ongoing financial advice and services provided to

provided to you. We will not consider any other tax matters in our advice to you. Where tax implications are discussed they are incidental to our recommendations and

only included as an illustration to help you decide whether to implement our advice.

you in relation to your account. You can agree with the financial adviser on the amount of this fee.

Insurance

A. Initial Commission

Initial commissions are a one-off payment. They are calculated as a percentage of the premium paid by you. The commissions are deducted from the premium paid.

B. Ongoing Commissions

Ongoing commission is payable during the life of your product.

AFPG may receive initial and ongoing commissions for the insurance products we recommend, which may be up to 88% (inclusive of GST) of the initial annual premium and up to 22% (inclusive of GST) of the ongoing renewal premium.

For example: If the initial premium was \$1,000 we may receive up to \$880 and on renewal may receive up to \$220.

Loan or Credit Assistance

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 1.0% which is received on settlement of the loan. There is also generally an ongoing commission of up to 0.40% per annum of the outstanding balance of the loan which is paid to us monthly.

To illustrate these fees please see the example below based on initial commission of 1.0% and ongoing commission of 0.40%:

	Upfront	Ongoing
Loan Amount (\$100,000)	\$1,000	\$400 per annum

In each instance of credit assistance provided to you, regardless of the amount of commission paid, AFPG will provide in writing the appropriate disclosure of any commissions, fees, and other benefits or payments that we receive.

Direct Property

AFPG has arrangements with AFPG Property Pty Ltd (AFPG Property), and third-party Buyers Agents, for the referral of AFPG clients seeking real estate investments.

If you agree to proceed with a recommendation from AFPG Property, or from a third-party Buyers Agent, AFPG will charge an Implementation Fee.

The Implementation Fee is a one-off payment and is a flat fee of \$11,000. The Implementation Fee is paid from a rebate received from the property developer.

How will my adviser be remunerated for the services provided?

All fees and commissions received for the services provided are made to AFPG.

AFPG 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 98% of the upfront revenue received by AFPG, and up to 98% of the trailing commission subject to certain volume and quality 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 received by AFPG. 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.)

Any benefit that is material to your consideration of our recommendations will be disclosed.

Annual Fee Disclosure Statement (FDS)

AFPG is 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. Insurance arrangements do not require an FDS.

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 AFPG and will not involve any additional cost to you. Any referral fees payable will be fully detailed in your SoA.

Credit Services

AFPG is authorised 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.
- Bankwest
- Choice Lend.
- Commonwealth Bank of Australia Ltd.
- ING DIRECT
- Liberty
- ME Bank.
- My State
- National Australia Bank Ltd.
- Bank of Melbourne.
- Westpac Banking Corporation Ltd.

Associations, Interests and Conflicted Remuneration

Does AFPG have any relationships or associations with any Financial Product Issuers or related parties?

In order to provide you with appropriate and comprehensive financial advice, and a wide range of financial products and services, AFPG maintains referral relationships with a number of related party and third-party product and service providers.

Separately Managed Accounts

AFPG has an arrangement with Atticus Wealth Management Pty Ltd (Atticus) for use of the Atticus Separately Managed Account (SMA) products, which AFPG may recommend to certain clients.

Atticus is a related party of AFPG. Atticus may receive product management fees of up to 0.79% of AFPG client funds held in these SMA products. 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.

Direct Property

AFPG has arrangement with AFPG Property Pty Ltd (AFPG Property) for the referral of AFPG clients seeking real estate investments.

AFPG Property provides Property Analysis and Buyer's Agent Services. For the Property Analysis service, AFPG Property may charge up to 1.65% of the purchase price for the property. For the Buyer's Agent service, AFPG Property may charge up to 3.30% of the purchase price for the property.

AFPG Property will endeavour to obtain a rebate from the Property Developer of any property that you agree to purchase.

With AFPG Property acting as your appointed limited agent to provide direction to the developer, this rebate will then be used to pay the Implementation Fee, the Buyer's Agent Fee and the Property Analysis Fee. The total of these fees will not exceed the amount of the rebate. Any excess rebate will be paid to you.

Collection of Credit 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 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.

We may be 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.

The Implementation Fee, the Property Analysis Fee and Buyer's Agent Fee are only charged if the property proceeds to settlement.

AFPG has arrangements with Buyers Agents for the referral of clients seeking real estate investments.

AFPG Property will provide Property Analysis Services for this real estate investment. For the Property Analysis service, AFPG Property may charge up to 1.65% of the purchase price for the property.

The Buyer's Agent will provide Buyer's Agent Services for this real estate investment. For the Buyer's Agent service, the Buyer's Agent may charge up to 3.30% of the purchase price for the property.

The Buyer's Agent will endeavour to obtain a rebate from the Property Developer of any property that you agree to purchase.

With the Buyer's Agent acting as your appointed limited agent to provide direction to the developer, this rebate will then be used to pay the Implementation Fee, the Buyer's Agent Fee and the Property Analysis Fee. The total of these fees will not exceed the amount of the rebate. Any excess rebate will be paid to you.

The Implementation Fee, the Property Analysis Fee and Buyer's Agent Fee are only charged if the property proceeds to settlement.

Accounting and Tax Services

AFPG has an arrangement with AFPG Accounting Pty Ltd for referral of AFPG clients requiring accounting services and taxation advice.

AFPG Accounting is a related party of AFPG. AFPG Accounting may receive service fees for the provision of accounting and tax services. The shareholders of AFPG Accounting may receive a financial benefit. The financial benefit may be in the form of dividends or distributions from AFPG Accounting to the shareholders however, this benefit is unable to be quantified.

Representatives (Financial Advisers) of AFPG may receive a benefit in the form of incentive payments based on referring AFPG clients to AFPG Accounting, however, this benefit is unable to be quantified.

Estate Planning Services

AFPG has an arrangement with View Legal for the referral of AFPG clients seeking estate planning services. AFPG may receive up to \$1,000 for each referral.

Representatives (Financial Advisers) of AFPG may receive a benefit from AFPG in the form of incentive payments based on referring AFPG clients to View Legal, however, this benefit is unable to be quantified.

Arrangements with Product Providers

AFPG has arrangements with TAL and Zurich where we receive a payment based on total volume of insurance policies placed with that provider.

The arrangements only apply to policies that came into force prior to 1 January 2018.

Other forms of remuneration or benefits

AFPG and its representatives may receive non-monetary benefits where:

- The amount is less than \$300 and identical or similar benefits are not given on a frequent basis;
- The benefit has a genuine education or training purpose (including attendance to conferences) and is relevant to providing financial product advice;
- The benefit consists of the provision of information technology software or support and is related to the provision of financial product advice in relation to the financial products issued or sold by the benefit provider.

Payments or benefits received are disclosed in a register. A copy of the register is available upon request.

Privacy Statement

We recognise that privacy is very important to you.

The Privacy Amendment Act, 2012 sets out a number of Australian Privacy Principles. The privacy requirements were introduced to increase the privacy rights of the public. AFPG support the requirements and comply with them fully.

Further information regarding privacy may be obtained by visiting the website of the Office of the Australian Information Commissioner – www.oaic.gov.au.

This Privacy Statement discloses how the personal information you provide to us, and our representatives, is collected, used, held, disclosed and disseminated.

Your Personal Information

In order to provide comprehensive financial planning advice to you, we are required to collect and retain certain personal information from you.

Personal information retained by AFPG 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.

How We Collect Personal Information

AFPG 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.

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 AFPG Complaints Officer.

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 may include articles, questionnaires or 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 may disclose your personal information to organisations outside AFPG.

The organisations to which we may disclose information include:

- Australian Securities and Investments Commission (ASIC). The Corporations Act provides ASIC with the authority to inspect certain personal information that is kept on our files about you.
- 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 AFPG 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.

Our employees and our outsourcing companies/contractors are obliged to respect the confidentiality of any personal information held by AFPG.

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.

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 AFPG, 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

AFPG 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.

Privacy 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 Australian Information Commissioner.

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

Complaints Officer:

Mr Richard Smith
AFPG Head of Compliance & Quality
Telephone: 02 8268 7000
Facsimile: 02 8268 7099
Address: Level 13, 227 Elizabeth Street, Sydney NSW 2000

AFPG is a member of the Financial Ombudsman Service

If you feel you do not get a satisfactory outcome you may escalate your complaint as follows:

If your complaint relates to personal Financial Advice or Credit Assistance you may contact the Financial Ombudsman Service on 1800 367 287 or write to GPO Box 3, Melbourne, Victoria 3001.

If your complaint relates to personal information held you may contact the office of the Privacy Commissioner on 1300 363 992.

You can contact the Australian Securities and Investments Commission (ASIC) at their free call info line on 1300 300 630 to find out which complaints scheme may be available to assist you to settle your complaint.