

Financial Services Guide

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The financial services explained in this Financial Services Guide are provided by:

Financial Planning Services Australia Pty Ltd

ABN 55 010 521 810 Australian Financial Services Licence No. 225982

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Note: This document has two parts being this part and the “Adviser Profile”. Both parts should be read in conjunction to give you a full understanding of the services being offered.

Purpose of this Financial Services Guide

This *Financial Services Guide* (FSG) contains important information for you about:

- *Financial Planning Services Australia Pty Ltd (FPSA)*, your financial adviser and the services we offer you;
- How FPSA and our associates are paid;
- Any potential conflict of interest we may have in the provision of services to you; and
- Our complaints handling procedures and how you can access them.

You should read this FSG (which includes your financial adviser’s Adviser Profile) and the client service agreement, which is a document that sets out in detail the terms upon which FPSA and your financial adviser will provide financial services to you. FPSA has authorised the distribution of this FSG by your financial adviser.

You will have noticed already that we use some abbreviated terms in this FSG. This is to make this FSG easier to read. Abbreviated terms are in italics so that you can easily identify them.

Providing financial services to you

In providing financial services to you, your financial adviser may give you personal financial advice. This personal advice will be provided to you in writing in a document called a *Statement of Advice* (SoA). Its purpose is to place you in a position to make informed decisions about your financial future.

The SoA will explain:

- Your current financial situation, personal circumstances, needs and objectives;
- The basis for your financial adviser’s recommendations and suggested strategy;
- The process used to reach these recommendations and strategy;
- How these recommendations and strategy meet your needs and objectives;
- Any risks or consequences of accepting the advice that you should know about;
- All remuneration and other benefits that may be received by your adviser, FPSA or related bodies corporate or associates as a result of the services provided;
- Any associations, relationships and conflicts of interest that may impact on the advice given; and
- Other relevant information.

If your financial adviser recommends that you invest in a specific financial product, they will give you a *Product Disclosure Statement* or a similar disclosure document such as a prospectus (these documents are referred to here as a *PDS*). These documents provide important information to help you make an informed decision about whether to invest in a particular product.

It is important for you to understand the information in these documents, so you should carefully read the SoA and PDSs provided to you before making any decision relating to recommended strategies or financial products. If you are unsure about any

of the information in the SoA or the PDSs, you should ask your financial adviser to explain it to you.

Where further advice is provided to you in situations where there has not been a significant change in your circumstances, the further advice may be recorded in a *Record of Advice* (RoA) which is kept on file for seven years. If you wish, you may request a copy of your RoA from your adviser by phone, fax, email or post.

If you do not want holistic financial advice, but rather require advice that is more limited in scope, your adviser will tailor the SoA accordingly. Your adviser can also provide you with “no advice” services which we call “transaction services” or “execution only services”. You can provide these instructions orally or in writing. However, if you do not obtain personal advice, you face the risk that the financial products you select will not be appropriate to your needs and objectives.

Who is FPSA?

FPSA is a wholly owned member of the **netwealth** group, the parent entity of which is **netwealth** Holdings Limited (ACN 133 790 146), an unlisted public company. **netwealth** Holdings Limited and its subsidiaries are referred to in this FSG as ‘**netwealth Group**’. The **netwealth Group** provides a wide range of financial products and services to Australian investors and the financial planning industry.

FPSA holds an Australian Financial Services Licence (number 225982) issued under the Corporations Act 2001 (*Corporations Act*).

FPSA provides financial planning services through its financial advisers and their financial planning practices located across Australia. *FPSA*'s financial advisers are authorised representatives of *FPSA* under the Corporations Act. *FPSA* also holds an Australian Credit Licence (number 225982) issued under the National Consumer Credit Act 2009 for the purposes of providing services on credit products such as mortgages, personal loans or credit cards. Where credit assistance is provided, you will receive a separate Credit Guide and other documentation that explains how we provide credit services.

Your financial adviser may be an employee of a financial planning practice, which may also be a corporate authorised representative of *FPSA*. These relationships will be explained to you in more detail in the Adviser Profile part of this *FSG*. When authorised financial services are provided to you by *FPSA* financial advisers and their financial planning practices, they are provided to you on behalf of *FPSA*.

Financial services and products provided by *FPSA*

What financial services can your adviser provide?

FPSA's Australian Financial Services Licence authorises *FPSA* to provide financial product advice for, and to deal in relation to financial products in the following classes - deposit products; securities; managed investment schemes (including investor directed portfolio services); life products (including life risk insurance and investment life insurance products); debentures, stocks or bonds issued by a government; standard margin loans; retirement savings accounts and superannuation; provided the products are on *FPSA*'s Approved Product List or are otherwise approved by *FPSA*. This enables *FPSA* to provide you with services in the following areas:

- Financial planning
- Investments (including managed funds and shares)
- Superannuation
- Personal life risk insurance
- Retirement strategies

- Gearing strategies (these are strategies using borrowing to invest)
- Savings and wealth creation and protection
- Estate planning
- Social security
- Margin lending
- Ongoing review services
- Transaction/execution only services.

As an authorised representative of *FPSA*, your financial adviser may only be authorised to provide some of these services to you. The Adviser Profile part of this *FSG* outlines the financial services that your adviser is authorised to provide on behalf of *FPSA*. You should read the Adviser Profile carefully and if you have any questions you should discuss them with your adviser in the first instance, or with *FPSA*.

What services and products are **not** provided by or on behalf of *FPSA*?

Your adviser is only authorised to provide the services outlined in the Adviser Profile in their capacity as an authorised representative of *FPSA* and is **not** authorised to provide any other services or any other products on behalf of *FPSA* as authorised representative or as an agent or in any other capacity (ie. as employee or contractor). Examples of products and services that are **not** authorised include:

- Products that are not on *FPSA*'s Approved Product List or have not otherwise been approved by *FPSA*
- Accounting services
- Legal advice
- Taxation advice
- Mortgage origination services*
- General insurance services
- Direct property services (including advice and other services in relation to the sale and purchase of real property)
- Gold bullion and other precious metals advice
- Foreign exchange advice
- Advice on collectables, including art.

* Except where a credit representative of *FPSA*'s Australian Credit Licence.

If your financial adviser or their associates provide any of these products or services to you, it is important for you to understand that these products or services are **not** provided on behalf of *FPSA* in any capacity and ***FPSA* is not responsible for those products or services.**

Why do you need to provide us with information?

We have an obligation under the Corporations Act to seek information from you for the purposes of providing personal financial advice. It is up to you to specify how you wish to provide us with this information and instruct us accordingly. Information and instructions can be provided to us by telephone, fax, post or email. It is in your interests to provide us with all relevant information about your personal and financial circumstances so as to assist us to assess your situation and be able to make suitable recommendations.

How we protect your privacy is outlined in our Privacy Policy. This is referred to later in this *FSG*.

Remuneration received by *FPSA* and your adviser for financial services provided to you

There are various ways that *FPSA* and your adviser may be remunerated for financial services provided to you.

1. Fee for service

Your adviser may charge you fees for services based on an hourly rate, a fixed dollar amount, the value of funds invested or a combination of these methods. The payment method and frequency can be agreed between you and your adviser.

If you are charged a fee for service, your adviser may rebate to you part, all or none of any other remuneration that your adviser or *FPSA* may otherwise receive.

Note: Your adviser is prohibited from charging you asset-based fees on borrowed amounts to the extent those amounts are used or to be used to acquire financial products after 1 July 2013.

2. Other forms of remuneration

On 1 July 2013 new “Future of Financial Advice” legislation (*FOFA*) came into effect, which prohibits *FPSA* and its authorised representatives from accepting “conflicted remuneration”, subject to certain exceptions.

Under *FOFA*, “conflicted remuneration” is any benefit, monetary or non-monetary, that could reasonably be expected to influence the choice of financial product recommended or the financial product advice. This includes commissions, bonuses and rebates, and most volume-based benefits, but there are some exceptions, such as remuneration for retail life insurance products.

Under *FOFA*, *FPSA* and your adviser may continue to accept conflicted remuneration under arrangements that were in place before 1 July 2013 and to add new clients to these existing arrangements up to 30 June 2014.

FPSA or your adviser may continue to receive the benefits outlined below where they are under arrangements entered into prior to 1 July 2013:

Type of remuneration	Rate per annum on your investment balance/ insurance premium	Example using \$100,000 investment or \$1,000 premium
Upfront remuneration*	For investment products - up to 5% of the value of the initial investment. For insurance products - from 30% to 120% of the first year's premium.	Up to \$5,000. From \$300 to \$1,200.
Ongoing remuneration**	For investment products - between 0% and 2% per annum of the total funds invested. For insurance products - between 0% and 75% of the annual premium.	Up to \$2,000. Up to \$750.
FPS Portfolio Manager	Up to 0.47% per annum of the value of your investment, depending on the amount of cash.	Up to \$470.
Colonial First State's FirstChoice Investments, FirstChoice Personal Super or FirstChoice Pension	Up to 0.2% per annum of the value of your investment.	Up to \$200.
Macquarie Investment Management Ltd's Macquarie Wrap Products	Up to 0.165% per annum of the value of your investment.	Up to \$165.
The <i>netwealth</i> Group	Up to 0.2% of the value of your investments with the <i>netwealth</i> Group.	Up to \$200.

* Upfront remuneration may be paid to *FPSA* by the issuer of the relevant financial product that has been recommended by your adviser. The remuneration may be paid by the product provider and deducted from the initial amount you have invested or may be based on the insurance premium you have paid. The actual amount of upfront remuneration will vary depending on the product and may be agreed with your adviser.

** Ongoing remuneration may also be paid to *FPSA* by the product provider for the period that you hold the investment or insurance product. This is intended to remunerate your adviser for the ongoing support that you receive in relation to that investment or insurance policy.

If your adviser receives any of the above benefits, this information will be detailed in your SoA.

3. Other fees

Referral fees and rebates may also be paid to your adviser or their Corporate Authorised Representative. If any are relevant to your adviser or their Corporate Authorised Representative, then details will be provided in the Adviser Profile part of this FSG and/ or in your SoA.

4. Other benefits

Your adviser may receive alternative forms of remuneration from time to time. Non-monetary benefits worth more than \$300 are considered “conflicted remuneration” under *FOFA* unless they are covered by an exception e.g. for training and education. Receipts of non-monetary benefits worth between \$100 to \$300 will be recorded by *FPSA* in a register at least each quarter, in line with the *FSC/FPA Industry Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry*. Alternative remuneration registers are maintained by fund managers, IDPS (platform) providers, financial advisers and licensees. *FPSA*'s register is available to you for inspection at *FPSA*'s offices within 7 days of your request.

5. Where are details about remuneration disclosed?

If you receive personal advice from your adviser, they will inform you in the SoA about any remuneration and other benefits that *FPSA* or the employer financial planning practice or the adviser may receive from the issuer of a financial product and, where possible, in actual dollar amounts. Details are also in the Adviser Profile part of this FSG.

6. Details of remuneration paid

If you have an entered into fee arrangement with your adviser that is for a period of more than 12 months, you will be provided with a “fee disclosure statement” containing details of the amount of fees you paid and details of services you were entitled to receive and of services received in the previous 12 month period.

Otherwise you may receive details of fees you have paid, from your adviser and/or in statements issued by your product providers.

Relevant associations and relationships of your adviser and FPSA

Your adviser will usually be the principal or an employee of a financial planning practice or partnership that is authorised to provide financial services on behalf of FPSA. In most cases that employer practice or partnership will be unrelated to FPSA. However, in some cases the practice may be part of the **netwealth Group** in which case it will be an associate of FPSA. **netwealth Group** will receive fees if you invest in a **netwealth Group** product. In addition, **netwealth Holdings Limited** is an unlisted public company and some financial planning companies or their principals hold shares in it. Any associations between your financial adviser and the **netwealth Group** will be disclosed to you in the Adviser Profile.

FPSA has relationships with different organisations that help FPSA and our advisers in different ways. This support may include subsidising training and education events by way of sponsorship. These sponsors may change from time to time.

Some FPSA advisers may have referral arrangements with other professionals. In some circumstances referral fees may also be paid. General information will be included in the Adviser Profile, with more specific details in your SoA (if relevant).

How do we protect your privacy?

The privacy of your personal information is important to us. We have systems and processes in place to protect your privacy.

We need to collect personal and financial information to administer our client relationships and provide you with appropriate products and services. For example, we may need to provide information to fund managers, platform operators and insurance providers for the purpose of giving effect to your financial plans. We also need to collect

copies of identification material to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Unless you tell us you do not want us to send you information on products and services, we may use your personal details to send you information on products and services. We will not “sell” your information to third parties. You can access the information that we hold about you on request. For detailed information on how we handle your personal information and to whom this information will be provided, please read our Privacy Policy online at www.fpsa.com.au or request a copy from us on 03 9657 1400.

What if you have a complaint?

We follow the ‘client first’ principle and pride ourselves on the quality of our service. However, even with the best of intentions there is the possibility of disagreement or dispute with you about our services. If you have any complaint about the services provided to you, we want you to tell us as soon as you can and we will endeavour to resolve it as quickly as possible. If at any time you have any complaint about the services provided to you, you should take the following steps:

1. Please first contact your adviser and discuss your concern.
2. Hopefully, your adviser will be able to rectify the problem. If for any reason your concern is not resolved to your satisfaction within five business days, you should write a letter to us setting out details of your concern at the following address:

The National Compliance and Risk Manager
Financial Planning Services
Australia Pty Ltd
PO Box 2711
Sydney NSW 2000

Alternatively, you can contact us on 1300 662 262 or admin@fpsa.com.au to discuss your concerns.

3. FPSA will investigate and seek to resolve your complaint within 45 days from when we receive the notification.

4. If, after 45 days, we have been unable to resolve your complaint to your satisfaction, you may address your complaint to Financial Ombudsman Service at the following address:

Financial Ombudsman
Service Limited
GPO Box 3
Melbourne Victoria 3001
Ph: 1300 78 08 08
www.fos.org.au

Professional indemnity Insurance

The Corporations Act requires Australian Financial Services Licensees, such as FPSA, to have adequate arrangements in place to compensate retail clients in the case of certain loss caused by FPSA or an FPSA authorised representative. FPSA maintains professional indemnity insurance that complies with these Corporations Act requirements, including section 912B. The insurance also covers claims in relation to the conduct of representatives and employees who are no longer authorised or working for FPSA (but who did at the time of the relevant conduct).