



Financial Planning
Services Australia

Financial Services Guide

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Financial Services Guide

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

Financial Planning Services Australia Pty Ltd (FPSA)
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Note: This document has two parts being the “Adviser Profile” and the Licensee FSG. Both documents should be read in conjunction to give the potential client 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
- 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 services 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 relevant fees, commissions and other benefits payable as a result of the advice
- Any associations, relationships and conflicts of interest that may impact on the advice given, and
- Other relevant information.

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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 more specific advice, 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 services by providing advice about and arranging for a person to deal in deposit products, securities, managed investment schemes, life insurance and investment products, debentures, stocks and bonds, standard margin loans, retirement savings accounts and superannuation. 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*.

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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 on behalf of FPSA as authorised representative or as an agent or in any other capacity (ie. as employee or contractor). Examples of services that are not authorised include:

- Products that are not on FPSA's Approved Product List
- 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 services to you, it is important for you to understand that these services are not provided on behalf of FPSA in any capacity and FPSA is not responsible for any of them.

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

FPSA allows its advisers flexibility in agreeing with their clients how they are remunerated for services provided. In this regard

you may agree to pay your adviser a fee for service; or you may agree to commission being paid to your adviser by the platform or product provider; or you may agree to a combination of both.

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 commissions that your adviser or FPSA may otherwise receive.

2. Commissions

Upfront commission may be paid to FPSA by the issuer of the relevant financial product that has been recommended by your adviser. The commission may be paid by the product provider and deducted from the initial amount you have invested or based on the insurance premium you have paid. The actual amount of upfront commission will vary depending on the product and may be agreed with your adviser. Upfront commission can commonly be up to 5% of the value of the initial investment in an investment product and for insurance products it can vary from 30% to 120% of the first year's premium. For example, if you invested \$100,000 in an investment product, the upfront commission could vary from \$0 to \$5,000 and if you pay a premium of \$1,000 for an insurance product, the upfront commission can vary from \$300 to \$1,200.

Ongoing commission may also be paid to FPSA by the product provider for the period that you hold the investment. This is intended to remunerate your adviser for the ongoing support that you receive in relation to that investment or insurance policy. Ongoing commission rates commonly vary between 0 and 2% per annum of the total funds invested in an investment product and for insurance products between 0 and 75% of the annual premium.

Where an investment in the platform known as the FPS Portfolio Manager is recommended, your adviser may receive a commission of up to 0.17% per annum of the value of your investment. For example, if you have a \$100,000 investment, your adviser may receive up to \$170.00 per annum.

Where investments in Colonial First State's FirstChoice Investments, FirstChoice Personal Super or FirstChoice Pension

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are recommended, your adviser may receive a commission of up to 0.2% per annum of the value of your investment. For example, if you have a \$100,000 investment, your adviser may receive up to \$200.00 per annum.

Where investments in Macquarie Investment Management Ltd's Macquarie Wrap Products are recommended, your adviser may receive a commission of up to 0.165% per annum of the value of your investment. For example, if you have a \$100,000 investment, your adviser may receive up to \$165 per annum.

Your adviser, or their employer financial planning practice (if applicable), may receive a commission of up to 0.2% per annum on total funds under management with the **netwealth Group** as a result of recommendations made to you to invest in **netwealth Group** financial products and services. For example, on a \$100,000 investment, your adviser or their financial planning practice may receive up to \$200.00 per annum in commission.

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, then details will be provided in the Adviser Profile part of this *FSG*.

4. Alternative forms of remuneration

Your adviser may receive alternative forms of remuneration from time to time. If they do, and if the alternative forms of remuneration equal or exceed \$300 per item, the alternative form of remuneration 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 tell you in the *SoA* about any commissions, fees and any 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. How is remuneration administered?

The invoices that you will receive in relation to the fees charged will be issued either by your financial adviser or their employer financial planning practice.

All fees are paid to *FPSA*, as licensee, and are then paid to your adviser, subject to the terms of any agreement between your adviser or their employer and *FPSA*.

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 events and conferences by way of sponsorship. These sponsors may change from time to time and the current *FPSA* sponsors include: AIA, Australian Unity, Bennelong, Invesco, **netwealth Investments Limited**, Instreet, Macquarie, Russell Investments, Asteron Life and Wilson HTM.

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 (if relevant), with more specific details in your *SoA*.

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

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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 provide 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 setting out the problem to us at the following address:

The Senior Compliance Manager
Financial Planning Services Australia Pty Ltd
PO Box 336
South Melbourne Vic 3205

You can also contact us on 1300 662 262 or admin@fpsa.com.au

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).