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# Financial Services Guide

## Part One

**This document is part one of a Financial Services Guide ('FSG') and should be read in conjunction with part two – "Authorised Representative Profile and Guide to Fees and Charges". Together these two documents form the full FSG.**

**This Financial Services Guide (FSG) is an important document intended to inform you of certain basic matters so you can make an informed decision as to whether to proceed with our financial planning services. The matters covered in this FSG include:**

- Who AFG Financial Planning ('AFGFP') are and how we can be contacted;
- The services AFGFP can provide to you;
- How AFGFP and any other relevant parties are paid;
- Any conflict of interest AFGFP may have; and
- AFGFP's internal and external dispute resolution procedures and how you can access them.

You have the right to ask about charges, the type of advice AFG Financial Planning's Authorised Representative will give you, and what you can do if you have a complaint about our services.

You should also be aware that your Authorised Representative must provide you with a Statement of Advice ('SoA') whenever you are given any advice which takes into account your objectives, financial situation and needs. In the event you are provided with a recommendation to acquire a particular financial product, or offer to issue or arrange the issue of a financial product, you will also be provided with a Product Disclosure Statement ('PDS'). The PDS will contain information about the particular product that will enable you to make an informed decision in relation to the acquisition of that product.

If you have been referred to AFG Financial Planning, the person that referred you may receive a fee or a percentage of the commission for the referral. If a referral fee is payable, you will receive more detailed information in your SoA, should you choose to proceed.

### **AFGFP's Commitment to You!**

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AFGFP recognises that you need to be treated as an individual with specific needs. We will do our utmost to be sensitive and welcoming while giving you honest, appropriate, professional and up to date advice. If you feel that we can serve you better, please let us know.

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# 1. Before You Get Our Advice

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An Authorised Representative of Australian Finance Group Financial Planning Pty Ltd [A.B.N 74 099 029 526] Australian Financial Services Licensee No 247105, will be providing the Financial Services to you.

Who will be providing the Financial Services to you?

Prior to receiving any advice, your adviser is required to provide you with **part two of this FSG** which is their Profile and Guide to Fees and Charges. This profile will identify:

- Your financial adviser
- The Financial Services they are authorised to provide;
- How financial advice is documented;
- What kinds of Financial Products those services relate to;
- How you pay for the services; and
- Any associations and incentives which may impact the services you receive.

Who does your adviser act for when they provide Financial Services to you?

Your adviser will provide financial planning services as either an Authorised Representative or a Sub-Authorised Representative of a Corporate Authorised Representative, on behalf of AFG Financial Planning. While your financial adviser has the flexibility in the services they provide to you, AFGFP remains responsible for the advice provided to you.

AFGFP is a Principal Member of the Financial Planning Association of Australia Ltd [www.fpa.asn.au](http://www.fpa.asn.au)

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# 2. When You Receive Our Advice

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Will you be provided with advice that is suitable to your needs and financial circumstances?

Yes, but to do so your adviser needs to find out your individual objectives, financial situation and needs before they recommend any financial products or services to you.

You have the right not to divulge this information if you do not wish to do so. In that case, your adviser is required to warn you about the possible consequences of not having your full personal information. You should read these warnings carefully.

What will you receive when provided with a financial service?

Your financial adviser will provide you with a recommendation which is appropriate to meet your needs and objectives. To achieve this your financial adviser will:

- Work with you to understand your needs and objectives and personal circumstances;
  - Explain and agree with you the scope of advice being provided and importantly what is not being provided;
  - Provide you with an SoA which documents their recommendations to you, the basis on which the advice is being given, information about fees and commissions, and any associations that may have influenced the provision of the advice; and
  - Provide you with a PDS containing information about each product recommendation to help you make an informed decision about whether to acquire that product.
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Your financial adviser may meet with you on a number of occasions to discuss possible investment options and strategies before finalizing their recommendations. All recommendations will be explained to you and documented in a SoA. You should not act on advice provided to you until you have received the SoA and had enough time to consider and understand the recommendation.

In some circumstances you may not receive a SoA.

In the following cases you may not receive an SoA:

- General Advice – such as advice provided in seminars and through newsletters that do not consider your personal circumstances.
- Further Advice – Recommendations may not be provided to you in writing, in cases where your personal circumstances have not significantly changed and the further advice is related to advice previously provided in a SoA. Further Advice will be recorded by your financial adviser. You may request a copy of that further advice at any time for up to 7 years from the date your adviser provided the advice to you.

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What should you know about any risks of financial products or strategies recommended to you?

Your adviser will explain to you any significant risks of financial products and strategies recommended to you. If they do not, you should ask them to explain those risks to you.

AFGFP has an approved product list and all products are supported by research from independent research providers such as Morning Star. Your financial adviser is restricted to the Approved Products List, unless they receive prior special approval from AFGFP to use an alternative product.

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How can you give us instructions about your Financial Product/s?

You may tell us how you would like to give us instructions. For example by telephone, fax or other means such as e-mail.

There may be occasions when you are provided with advice that is time bound. In these critical situations your adviser will provide all information that would normally appear in an SoA verbally, provide you with the relevant PDS/disclosure documents and provide you with an SoA within five business days.

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### 3. Fees Commissions & Incentives

The following information is a guide about the cost of receiving and implementing the advice you are provided. It also includes how your adviser is paid and what incentives they may receive.

More details on these areas are also noted in Part 2 of the FSG and when you receive an SoA. You may also request this information from your adviser at any time.

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What fees/commissions are charged for initial Advice?

A fee/commission may be charged by your financial adviser for the initial advice they provide and for the preparation of an SoA.

The amount you may be charged will be based on the scope and complexity of advice that is being provided to you, the value of the funds you elect to invest and/or the insurance premiums you pay. This fee is arranged before your financial adviser commences work. Payment terms are agreed upon at this time.

An implementation fee/commission may also be charged by your financial adviser where you agree to implement the advice that has been provided to you. This will be based on the value of the funds you invest and will be documented in the SoA.

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What fees/commissions are charged for subsequent services?

Your financial adviser can provide ongoing administration and advice services to ensure the strategy and products they recommend continue to meet your needs and circumstances. If you elect to receive ongoing services, you will be charged a fee/commission based on the scope and complexity of services and the value of your account balance or insurance premiums. The amount of the fee/commission will be agreed and documented in the SoA. The fee/commission may be deducted from your account each month or payable directly to your financial adviser. The fee/commission may continue to be payable until you notify your financial adviser that you no longer wish to receive ongoing services.

Additional contributions you make to your account may incur a further fee that will be charged to your account. The amount of that fee will be based on the value of the funds you invest and will be agreed with you and disclosed in the SoA.

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#### **Other Remuneration Received By AFGFP**

- *The following amounts are (inclusive of GST) in addition to the remuneration outlined in Part 2 of the FSG, but they do not represent an additional cost or charge to you since these amounts are paid direct from the product providers.*

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Do AFG and my financial adviser receive other benefits and incentives from product providers?

Yes, AFGFP has relationships with Australian Finance Group Limited, Macquarie Bank, Tower Australia and Allianz Australia:

Australian Finance Group Ltd (AFG) is the parent company of AFGFP;

- Macquarie Bank is a 10% shareholder of AFG Ltd;
- Tower Australia is a 5% shareholder of AFG Ltd;
- Allianz Australia Insurance Limited is a 5% shareholder of AFG Ltd.

AFGFP also has agreements in place with certain product providers to receive additional payments explained below.

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Australian Skandia Disclosure

AFGFP is entitled to receive a marketing allowance from Australian Skandia Limited of up to 0.20% per annum of all amounts invested in the following products:

- Skandia Global Investment Solutions;
- Skandia Global Retirement Solutions;
- Skandia One Investment Solutions; and
- Skandia One Retirement Solutions.

This amount is paid by Australian Skandia from the amounts that it is entitled to receive and is not an extra charge to clients invested in these products.

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AXA Disclosure

AFGFP is entitled to receive a volume rebate from AXA of 0.165% per annum of total amounts invested in the Generations and Summit platforms. In addition, where investment is in the IPAC portfolios within these platforms, AFGFP is entitled to receive an additional 0.11% per annum of total amounts invested (i.e. a total of 0.275% per annum including the platform rebate).

This amount is paid by AXA, from the amounts that it is entitled to receive, and is not an extra charge to clients invested in these products.

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Colonial First State Disclosure

AFGFP is entitled to receive a volume rebate from Colonial First State Investments Limited of 0.20% per annum of amounts invested in Colonial First State FirstChoice Investments, Margin Lending, Personal Super and Pension Products.

The following products are excluded from this arrangement:

- Colonial First State FirstChoice Employer Super;
  - Colonial First State Wholesale;
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- Investment options in the funds invested in cash and fixed interest; and
- Investment options in the funds which are managed by “specialist boutique funds managers”, as determined by Colonial First State from time to time. At the date of this FSG this includes 452 Capital, PM Capital and Platinum funds.

This amount is paid by Colonial First State Investments Limited from the amounts that it is entitled to receive and is not an extra charge to clients invested in these products.

#### Macquarie Wrap Disclosure

AFGFP is entitled to receive an ongoing override payment from Macquarie Wrap Solutions of up to 0.275% per annum of all amounts invested in the Macquarie Wrap platform (**excluding** Macquarie Cash Management Trust accounts, retail managed fund accounts and other “below the line” assets).

This amount is paid by Macquarie Investment Management from the amounts that it is entitled to receive and is not an extra charge to clients invested in these products.

#### Navigator (Aviva) Disclosure

AFGFP is entitled to receive up to 25% per annum of the net administration fees received on the total amount invested in the Navigator platform.

This is paid by Aviva from the amounts that it is entitled to receive and is not an extra charge to clients invested in these products.

#### Tax Effective Products

Some providers of tax effective product pay a Marketing Allowance in addition to commission payments on initial investments. Where a Marketing Allowance is paid, half (50%) will be retained by AFGFP and the remainder will be paid to your adviser. Marketing Allowances are paid for investment products, by Great Southern Securities, Macquarie, Rewards Group and Timbercorp, and may be up to 5.5% of your investment **at no extra charge to you.**

#### Tower Australia Disclosure

AFGFP is a participant of the TOWER Australia *Dealer Partner Rewards Program*. This Program is an incentive program that provides financial remuneration of 5% of the growth of in force premium directly to the Licensee and covers the 12 month period from the 1<sup>st</sup> January 2007 to the 31<sup>st</sup> of December 2007. The estimated reward that AFGFP may earn for this period is approximately \$80,000 inclusive of GST.

#### AFGFP Adviser Profit Share

Depending on advisers achieving certain compliance and financial benchmarks, AFGFP may share up to 25% of retained revenue\* with its Authorised Representatives/Corporate Authorised representatives. **Any benefit paid in this way by AFGFP to its representatives is at NO additional cost to you.**

*\* Retained revenue may consist of the “Other Remuneration Received by AFGFP”, as outlined above in the FSG Part 1, the amount retained by AFGFP for all remuneration upon implementation of the products and services provided by your adviser as defined in the FSG Part 2 and your SoA when you receive advice, and any other revenue, fees or charges paid by your adviser to AFGFP for services provided from time to time.*

Different providers pay differing amounts of trail commission and this could be considered to have an influence on the advice provided.

AFGFP and product providers may offer incentives from time to time.





AFGFP's Authorised Representatives may be entitled to conference trips (national and international) offered by AFGFP or product providers. On occasion Directors of AFGFP and Australian Finance Group Ltd may be offered trips (national and international) by product providers.

As a Principal Member of the Financial Planning Association, AFGFP is required to keep a register that outlines the Alternative Forms of Remuneration which we pay and receive. This register is publicly available. If you would like to receive a copy, please send your request to [financialplanning@afgonline.com.au](mailto:financialplanning@afgonline.com.au)

## 4. If You Have Any Complaints

If you have a complaint about the service provided to you, 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 three days, please contact AFGFP on:

**T:**  1800 003 623  
**F:**  1800 003 624  
**E:**  [financialplanning@afgonline.com.au](mailto:financialplanning@afgonline.com.au)  
**P:**  PO Box 710  
West Perth WA 6872

AFGFP will try and resolve your complaint quickly and fairly, and provide an initial response within 14 days of receipt, with a final response within 30 days of receipt.

Who do you contact if you have a complaint about the provision of the financial services to you?

3. If you still do not receive a satisfactory outcome, you can contact the Financial Industry Complaints Service Limited (FICS). FICS is an ASIC approved external disputes resolution scheme, their contact details are:

**T:**  1300 780 808  
**F:**  03 9621 2291  
**P:**  PO Box 579 Collins Street West  
Melbourne VIC 8007

AFGFP is a member of FICS and their service is provided free of charge to the consumer.

If your concerns involve ethical conduct, you may wish to consider raising your concerns in writing with the Financial Planning Association of Australia Limited (FPA). The postal address is PO Box 109, Collins Street West, Melbourne, VIC 8007.

The Australian Securities and Investments Commission (ASIC) has a free call Info Line 1300 300 630 which you may use to make a complaint and obtain information about your rights.

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Complaint Compensation  
Arrangements

As a Principal Member of the FPA, AFGFP maintains the required level of Professional Indemnity Insurance which is adequate to support compensation payments that may need to be made as a result of the financial planning activities of AFGFP and its representatives.

The FPA currently prescribes \$1M per individual claim and \$2M aggregate (but not less than 50% of estimated gross income from financial planning/advising) as a minimum level of cover.

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## 5. Privacy Policy

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Your financial adviser maintains a record of your personal information and any recommendations made to you. If you do not want to disclose your personal details you have the right not to do so.

If you wish to examine your file, you should ask your financial adviser. No fee will be charged for an access request, but in some cases you may be charged the reasonable costs of providing any of the information you have requested.

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### 5a. Who else will have access to my personal information?

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Your financial adviser and AFGFP may disclose your personal information (as necessary):

- Where the law requires us to do so
  - If you consent
  - On a confidential basis to industry bodies, product providers, agents, contractors or third party service providers that provide financial, administrative or other services for the purposes of your investments.
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### 5b. Where can I access more information about the Privacy Act with respect to my investments?

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AFGFP's privacy policy explains in detail AFGFP's policies on the management of your personal information. You can request a copy of this policy from your financial adviser at any time.

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