

Financial Services Guide

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Guidance Financial Services ('Guidance Financial Services') Pty Ltd
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Guidance Financial Services Pty Ltd is a Corporate Authorised Representative ASIC no 327058

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of Sprout Financial ('Sprout Financial') Pty Ltd Australian Financial Services Licence (AFSL)
ASIC no 495546

Not Independent

Sprout Financial and its Authorised Representatives receive insurance commissions in relation to insurance advice and therefore is not independent, unbiased and impartial.

How can we help you?

Before seeking our advice, you probably have a number of questions you would like to ask about us and how we can help you. To help you get to know us and decide whether to use our services, we have prepared this Financial Services Guide ('FSG') which is designed to explain:

1. Who we are
2. What we can help you with
3. Our advice process and documents
4. How we are paid
5. If you have a complaint
6. Our relationships and benefits
7. Your privacy
8. Your Adviser

This FSG is an important document that you should read and retain for their records.

If you need more information or clarification, please contact us.

1. Who we are

Guidance Financial Services is a privately owned, boutique financial planning practice based in Essendon, Victoria. Guidance was established in 1989 and has been operated by the current management since 2008. To learn more about Guidance Financial Services, please visit our web site: www.guidancefs.com.au.

This FSG is given to you by your adviser with the authority of Sprout Financial Pty Ltd. When a member of our team provides financial services to you, they will be acting for you on behalf of Sprout Financial Pty Ltd who is responsible for the advice and services provided to you.

Paul Benson is a Member of the Financial Planning Association (FPA) and must comply with the FPA's code of conduct.

2. What we can help you with

We can help you with the following:

- Strategic financial planning
- Retirement planning strategies
- Wealth creation
- Superannuation strategies
- Financial modelling and scenario analysis
- Self-managed superannuation advice
- Personal protection Insurances
- Gearing strategies
- Social security advice
- Tax consequences of our financial advice

In addition, we can offer you an on-going monitoring and review service for your investment portfolio or life insurance program.

We are licenced to provide financial product advice and deal in some or all of the following financial products:

- Basic deposit products,
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Risk insurance products, including life, trauma, income protection and total and permanent disability insurance

- Risk investment products, including annuities
- Retirement savings accounts
- Securities
- Superannuation, including Self-Managed Superannuation
- Managed investments and Investor Directed Portfolio Services
- Standard Margin Lending

If we provide personal advice to you, we are required under the law to act in your best interests and prioritise your interests ahead of our own.

You may specify how you would like to give us instructions. For example, by telephone and email, other means.

Please note that your email and mail instructions will be deemed to have been received by us at the time we receipt your instruction and not the time you sent it. If you are working within tight time frames, please contact us directly and alert them to your email. There may be special instruction requirements for some products and services, and these will be explained in the relevant PDS. We will try to execute all such instructions on the day of receipt. However, we cannot always guarantee same day processing.

3. Our advice process and documents

We listen first and then:

- Work with you to understand your needs, objectives, concerns and financial situation
- Decide the scope of advice consistent with your needs and wishes
- Explain what you can expect from the scope of advice agreed, along with any limitations you need to be mindful of
- Present both personal strategy and financial product recommendations in a Statement of Advice ('SOA') which explains the advice, why it is appropriate and how it's likely to benefit you. It also explains any risk, implications, fees, remuneration, benefits or associations relevant to the advice.
- Where financial products are recommended, we will also provide you with a Product Disclosure Statement (PDS) or other disclosure documentation containing key information about each product recommended. This will help you make informed decisions about whether to purchase that product.

There are other circumstances where a SOA is not necessary, and you may receive other documents:

General advice – advice provided in seminars and through newsletters, which does not consider your personal circumstances

Factual information – factual information about your investments, or financial assets, such as valuations, performance figures and progress reports

Further advice – if you previously received advice in an SOA, we may record any further personal advice in a Record of Advice ('ROA'). Depending on the complexity of the advice we may or may not provide you a ROA. However, you may request a copy of a ROA by contacting us and can do so for a period of seven years from the date the further advice was first provided to you.

Ongoing services – If you agree to our ongoing services, we will provide you annually a Fee Disclosure Statement (FDS) which summarises the services agreed, their cost and the services received in the previous 12 months as well as your service offer and an estimate of the fees for the next 12 months. We may also ask you to confirm periodically that you wish to continue with your ongoing advice engagement and or these services.

4. How we are paid

With the exception of insurance, we do not charge and or receive commissions. Our services are charged as explicit fees always quoted inclusive of GST. These may be calculated based on flat dollar amounts, hourly rates, or as a percentage of the investment portfolio for which we are providing advice.

All fees both initial and ongoing are charged based on the time and complexity of the advice sought. Initial advice fees are normally within the range of \$3,300 – \$11,000 and you will be provided with a personalised quote prior to any work proceeding.

Fees ongoing advice fees range typically between \$3,300 p.a. – \$15,000 p.a. Once again you will be provided with a personalised ongoing service fee quotation.

Where we may charge an asset-based fees it could typically range between 0.55% and 1.1%. As an example on a total investment is \$500,000, an asset based fee of 0.66% would equate to \$3,300 per annum.

Any execution only, no advice transactions are charged at fee for service rates based on the time and personnel required.

As the law prohibits asset-based fees on portfolios subject to borrowed funds, we will instead agree a flat dollar cost in these circumstances. Annually ongoing service fees may be increased as a percentage in accordance with the Consumer Price Index (CPI). Where this is relevant to your fee arrangement, this will be disclosed to you in your SOA, ROA or Ongoing Advice Agreement.

Where insurance commissions are received, an upfront commission is a one-off payment paid by the product provider based the insurance premium you pay.

Ongoing commissions are also paid by the product provider based on a percentage of the insurance premium you pay These are generally paid each month for as long as you hold the product and while we continue to act for you.

For example, on an insurance premium of \$1,000 paying 66% initial commission and 22% on-going commission, the upfront commission would be \$660 and the on-going commission \$220 per year.

Where you nominate Guidance Financial Services and/or your Adviser as the listed adviser on an existing insurance policy you own, we may receive ongoing commissions from the product issuer.

Where we recommend a change to any of your existing insurance products, which results in the sale of additional cover, we may receive commissions on existing life insurance products at a higher rate. We will disclose this commission and how this is in your best interests in your SOA or ROA.

Insurance only review services

Where we receive ongoing insurance commissions as the Adviser on your risk insurance product(s), we offer you claims handling assistance. Where you require a review of the appropriateness of your risk insurance policies, please let us know and we can provide you an engagement outlining the services you require and the relevant costs for your consideration.

Further details about fees, commissions and or other benefits your adviser receive for recommending investments or insurance will be available to you when specific recommendations are made in the SOA or ROA.

When we send you an invoice (e.g. for the preparation of initial advice), you can select any of the methods of payment detailed on the invoice that is most suitable to you. Please note we are however prohibited from receiving cash. Alternatively, with your consent and where appropriate, you can choose to have fees deducted from your investment or superannuation account by the platform/ administration provider.

5. If you have a complaint

We are committed to providing you with quality advice. This commitment extends to providing accessible complaint resolution for you.

If you have any complaint about the service provided to you, you should contact our Complaints Manager at Sprout Financial Pty Ltd on (03) 9870 6544 or email contact@guidancefs.com.au about your complaint.

We will seek to resolve your complaint quickly and fairly. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services compliant resolution that is free of charge to consumers within its jurisdictional limits.

Australian Financial Complaints Authority

Website: www.afca.orh.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Fax: (03) 9613 6399.

In writing to: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Furthermore, the Australian Securities and Investments Commission (ASIC) has a free of charge Infoline on 1300 300 630, which you may use to obtain information about your rights and to make a complaint.

We hold professional indemnity insurance cover for the activities conducted under our AFS licence which we believe satisfies the requirements of section 912B of the *Corporations Act 2001* for compensation arrangements. The insurance can cover certain persons for loss or damage they suffer in relation to certain breaches of the Corporations Act of our authorised representatives, representatives and employees who no longer work for the Licensee (but who did at the time of the relevant conduct).

6. Our relationships and other benefits

We are not paid any referral benefits.

We have some joint venture relationships with some referral sources such as accountants and mortgage brokers, who may share in or receive distribution of profit after they have referred you and you have agreed to use our services. Where this is applicable to your situation, your accountant or mortgage broker will generally advise you of this arrangement with you verbally and we will provide you full disclosure of any payments we make them under these arrangements in your SOA or ROA.

These relationships do not result in you paying any more for the services or impede our ability to provide you with objective advice.

There may be times where the use of a specialist advice provider may be considered in your best interest based on the information you have provided us. We do not receive any referral benefit for referring you to specialist advice providers and we are not authorised and cannot to provide the following services:

- Taxation and Accounting
- Legal Advice
- Tax-effective Schemes (e.g. agricultural schemes)
- Self-Managed Fund Administration (Compliance and Taxation)
- Structured Products and Derivatives
- Foreign Exchange
- General Insurance.

Where we provide you a personal referral to a specialist, we do so on the basis that our other clients in the past may have used their services and were satisfied with them. Please note we do not conduct due diligence and or monitor and supervise their activities, so we recommend you make your own thorough enquiries in order to determine their suitability for you.

Sprout Financial and or its Authorised Representatives may also be entitled to receive benefits such as training, information or other benefits, such as tickets to sporting events. These benefits (between \$100 and \$300 in value), and other benefits that relate to information

technology software or support provided by a product issuer or to educational and training purposes, are recorded in a register which meets legislative requirements.

Sprout Financials' register is publicly available and can be made available free of charge at your request.

7. Your privacy

Your privacy and security of your information is important to us. We need to request your information to ensure we provide you appropriate advice and assistance with your financial planning needs.

We are required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) and its corresponding rules and regulations, to implement certain client identification processes.

We may be required to obtain information about you at the time of providing financial services and in other instances in order to meet our legal obligations. We have certain reporting obligations pursuant to the AML/CTF Act, and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

Sprout's Financial Pty Ltd's Privacy Policy details how we collect, hold, use and disclose your personal information. It also details how you can access your personal information and correct it. By asking us to assist with your financial and finance needs, you consent to the collection and use of your personal information as explained in our Privacy Policy. You can ask your adviser for a copy and or refer to our website www.guidancefs.com.au where it is periodically updated.

8. Your Adviser

Paul Benson no 298818



Paul has worked in financial services for over 30 years, and as a financial planner since 1999. Paul holds a Bachelor of Business, Economics and Finance, and is a CERTIFIED FINANCIAL PLANNER®.

Paul writes the Ask an Expert column on a Sunday for the Fairfax newspapers around the country.

He is the author of Financial Autonomy – the money book that gives you choice, published by Major Street Publishing, and Principles of SMSF, published by International Institute of Technology.

Paul's strength lies in making complex strategies understandable. He helps clients throughout Australia reach their goals and gain the choices in life that they

seek.

Paul is authorised by Sprout Financial Pty Ltd to provide general and personal financial product advice through its Corporate Authorised Representative, Guidance Financial Services Pty Ltd. Paul is authorised to provide the same financial planning services and hold the same financial product authorisation as the Licensee explained in this FSG.

Sprout Financial Pty Ltd receive all financial services income and charges Guidance Financial Services Pty Ltd a fixed fee to recover licence expenses. The remainder is passed back to Guidance Financial Services and your adviser. Paul as a director and shareholder of the following, he may receive a distribution of profit.

- Sprout Financial Pty Ltd
- Guidance Financial Services Pty Ltd.
- Optimised Guidance Pty Ltd
- PAG Guidance Pty Ltd
- Financial Autonomy Pty Ltd

Guidance Financial Services Pty Ltd no 327058

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"We" and "us references in this document refer to the Licensee and its Authorised Representatives.