



Phillipsons Financial Planning Pty Ltd

Financial Services Guide

December 2019

This Financial Services Guide (FSG) is an important document designed to help you make an informed decision about whether to use the financial services that we provide to our clients.

It contains information, about:

- Phillipsons Financial Planning
- The financial services we are authorised to provide
- Other documents you may receive
- Remuneration - how we and other relevant parties are paid when we provide services
- How to make a complaint

What documents you may receive

When we provide you with personal advice, you will receive a Statement of Advice (SOA) this document will confirm the advice we have given and is designed to assist you to decide whether to act on our recommendations.

Your SOA will include:

- Your personal circumstances
- The area of advice
- The advisers' recommendations, including the basis of the advice and why it is in your best interest
- Information about remuneration, applicable fees & charges, commissions and any conflicts

Where we provide further advice, you may receive a Record of Advice (ROA). A ROA may be provided instead of a SOA if there have not been any significant changes in your personal circumstances or, the basis of the advice has not significantly changed since your last SOA was provided.

If you have entered into an ongoing fee arrangement with your Adviser for a period of more than 12 months, you will also receive a Fee Disclosure Statement (FDS) on an annual basis. The FDS will contain details for the previous 12 month period of the services you were entitled to receive, the services you actually received and the fees which were paid.

Please retain these important disclosure documents for your future reference. Alternatively you can request a copy from us and it will be made available for seven years from the date the advice is provided. If your adviser recommends or arranges for the issue of a financial product (other than securities); we will provide you with a Product Disclosure Statement (PDS) containing information about the product, such as its key features, fees, benefits and risks.

Who is providing the services?

The services described in this document are being provided by **Phillipsons Financial Planning Pty Ltd** ABN 87 103 720 181 - Australian Financial Services Licence (AFSL) number 332836.

What relationships do we have?

Phillipsons Financial Planning Pty Ltd is a wholly owned subsidiary of **Phillipsons Accounting Services Pty Ltd** ABN 89 103 720 190.

Where a reference is made to the "Phillipson's Group" in this FSG it means Phillipsons Financial Planning and/or Phillipsons Accounting Services.

Who will be my Adviser?

Your adviser will be an employee of the Phillipsons Group and will be acting as a Representative of the AFSL holder (Phillipsons Financial Planning Pty Ltd) whenever providing financial services to you.

The AFSL can also appoint third-party Authorised Representatives (AR) to operate under its AFSL. However as at the date of this FSG that has not occurred and there is no current or future intention to appoint AR's.

At all times **Phillipsons Financial Planning Pty Ltd** as the AFSL holder is **responsible** for any advice given to you by one of its Representatives (employee) or an Authorised Representative.

What are we authorised to provide Advice on (and also what we are not)

Phillipsons Financial Planning is authorised by its AFSL to:

- (a) provide financial product advice for the following classes of financial products:
- Basic and non-basic deposit and payment products
 - Debentures, stocks or bonds issued or proposed to be issued by a government
 - Life products – including investment and life insurance products issued by a registered life insurance company
 - Interests in managed investment schemes (including investor directed portfolio services)
 - Retirement savings accounts
 - Superannuation - including Self-Managed Superannuation Funds (SMSF)
 - Securities (including securities listed on a recognised exchange eg: ASX)
- (b) deal in the financial products set out above, in relation to retail and wholesale clients; and
- (c) examples of the services you are able to access through us include:
- Financial planning advice
 - Wealth accumulation advice
 - Investment advice
 - Superannuation advice, including to establish & run a self-managed superannuation fund
 - Redundancy advice
 - Retirement advice
 - Gearing strategies
 - Cash flow advice
 - Social security benefits advice
 - Age care planning and advice
 - Estate, inheritance & succession planning advice
 - Life/risk insurance and asset protection advice
 - Taxation advice – as it relates to personal financial planning recommendations

The AFSL does not authorise us to provide the following advice/services or dealing on or with:

- General insurance (e.g., house, contents, vehicle)
- Banking services (other than deposit & payment, cash management and term deposit products)
- Derivatives (including warrants)
- Margin Lending or other loan/mortgage/finance products or facilities
- Legal advice
- Real estate services
- Tax Agent & Accounting Services
- Foreign exchange and currency transactions

What does the advice process involve?

Suitable advice can only come from collaboration and understanding.

Our advice will be personalised to your needs, objectives, goals and personal circumstances.

The following steps outline the process

Meet with you for an **initial consultation**. During this meeting we will make enquiries about your expectations, provide you with full details of the services we are authorised to provide, identify if we are not able to deliver services to you and inform you of our pricing policy.

Collect all the information needed from you. We call this fact finding. This involves asking questions about your personal circumstances including helping you to determine your attitude towards risk (where appropriate). You are not required to provide any information to us if you do not wish to do so. However, if you do not, the advice we provide may not be appropriate for you.

Help you **identify your goals and current financial position**. This includes detailing constraints which may affect our advice to you.

Consider appropriate financial strategies and issues. We may analyse and review your wealth accumulation, retirement, pension, taxation, social security and estate planning requirements. We may also review your existing investment, superannuation or insurance products. We will develop recommendations and deliver these to you in a Statement of Advice.



Discuss the recommendations with you. We will help you to understand our recommendations and seek your approval to implement the recommendations that you wish to proceed with.

Implement the agreed recommendations. Following the acceptance of our advice, at your instruction we can arrange for the recommended changes to be completed.

Review your objectives, financial situation and needs. If an **ongoing service** has been agreed to - we ensure your financial plan remains relevant to you. As part of this process we can monitor your progress towards your goals and objectives and provide advice along the journey to help keep you on track.

If you elect to subscribe to our ongoing advice service, we will agree on the terms and conditions in a 'service agreement'.

How we select recommended products

We engage external experts to analyse investment products and provide research. This is used by our Investment Committee to carefully select and maintain an extensive list of approved products (APL) for representatives (your Adviser) to choose from.

When providing personal advice, we'll only recommend a product if we're satisfied it is in your best interests, and it is appropriate for you. In doing so, we'll conduct a reasonable investigation into products, depending on your personal circumstances, which may include investigating and recommending products which are not on the APL.

Remuneration and Fees

This section sets out the remuneration and fees payable in relation to the provision of the services set out in this FSG, to whom they are paid, and when. It is important that you read the information in this section. All amounts quoted are inclusive of GST.

Adviser remuneration

As an employee of the AFSL or its subsidiaries your adviser is paid a salary plus superannuation. We also retain the discretion to pay advisers' additional benefits which may be based on meeting professional, compliance standards, and/or performance objectives based on individual, company or overall Phillipsons group performance.

Your adviser may also be a shareholder of a Phillipsons Group entity/entities and receive dividends.

Your adviser may also receive non-financial benefits from product providers or similar parties. These are valued at under \$300 and might be gift vouchers, tickets to sporting events or invitations to social events. The AFSL keeps a register of any benefits received with a value between \$100 and \$300, and any other benefits relating to information technology software or support provided by a product issuer or any education and training benefits. To see this register, just ask your adviser.

Our Fees

Fees can be invoiced directly or alternatively, if you choose, it is possible the fee may be withdrawn from investment monies and/or the recommended financial product(s). All amounts are paid to the AFSL and are quoted inclusive of GST. Depending on the services you require the following fees can apply:

Statement of Advice (SOA) Preparation fee

This fee is for preparation of your financial plan and is determined based on the complexity of your circumstances, recommended strategies and the time taken to prepare the financial plan. The minimum SOA fee is \$1,980.

Your SOA will outline other fees that may be applicable to you.

Implementation Fee

This fee is charged on implementation of the recommendations made in your SOA. The implementation fee may be calculated based on a percentage of the value of your investment funds and/or a fixed dollar amount. The maximum percentage-based fee payable for implementation will be 2%. For example, if the value of your portfolio is \$100,000, the maximum percentage-based fee payable will be \$2,000.

Alternatively, it may be charged as a flat fee based on the complexity of the advice being implemented, and will be quoted in your SOA. A minimum of \$1,100 generally applies.



Ongoing advice fees

If you elect to receive ongoing advice services from your adviser, fees are applied based on the desired frequency of contact with your adviser and the complexity of your circumstances. These fees may be a fixed dollar amount and/or a percentage of your portfolio.

Where we are providing comprehensive ongoing advice services including investment management & reporting services the annual fees applicable will generally not exceed 1.1% pa of the value of your investment funds, subject to a minimum fee of \$3,300 pa. For example, if the value of your investment is \$300,000 and a percentage ongoing advice fee applies you would be charged an amount of \$3,300 per annum. The percentage fee method is applied on a sliding scale reducing as the value of your investments increases. The sliding scale may vary according to a range of factors and is negotiable above \$1M.

One-off advice fees

If you receive one off or ad-hoc advice from us, we will charge a fee. These fees are calculated on an hourly basis and range up to \$250 per hour.

We can assist you to complete transactions at your instruction where no advice has been given. The fee will be agreed upon prior to commencement of services.

When you acquire certain types of investment or insurance products, product fees may be payable to the product provider. These details will be disclosed in your Advice document and detailed in the PDS.

Life insurance product remuneration

Where a personal or business life insurance product is recommended, we may receive initial and ongoing commissions. The initial commission is paid in the first year by the product issuer to us. Ongoing commissions are payments paid by product issuers to us in the years after the first year.

From 1 January 2020 the initial commission is paid upon purchase of the product at the rate of 0% to 66% of the premium. Where the commission is equal to, or higher than the SOA fee we may choose to waive the SOA fee.

Ongoing commissions are at the rate of 22% per annum of the premium.

For example, if we were to arrange a life insurance policy with an annual premium of \$1,000, we may receive up to \$660 (66% incl. GST) as initial commission and an ongoing commission of up to \$220 pa – payable to us by the product issuer from the premium you pay for the insurance policy purchased. Generally, such commission is paid to us on a monthly basis by the insurer and is not charged as a separate fee to you.

Prior to 1 January 2020 the initial commissions paid were up to 144% and the ongoing commissions were up to 42.35% and these are currently grandfathered and will continue to be received.

We may refer you to the services of a specialist life/risk adviser that is external to the AFSL if we determine that is in your best interests. Where that occurs we may receive a payment from the referred party that would not exceed 50% of the initial and ongoing commission rates applicable above.



Further details on remuneration and benefits

When your adviser provides personal advice they will disclose to you the details of remuneration (including commission) or other benefits they or any other associated person may receive, as a result of our advice.

If the remuneration or benefits can be calculated at the time you receive personal advice, your adviser will let you know of the amounts then or as soon as possible. If they can't be calculated at the time, your adviser will explain how these amounts will be calculated.

Product fees that may be applicable to you

Product providers may charge fees for investing in their products. These fees may be initial fees or ongoing fees that include management, account-keeping or performance-based fees. These are generally calculated as a percentage of the value of your investment and are paid out of your funds invested in the product or the money you use to acquire the product. These fees will be described in detail in the PDS or other disclosure document for that product that will be provided to you. We will also include detailed information about applicable product fees in our SOA.

Fees we pay to referrers

Our general business practice is that we do not pay referral fees and do not have any referral arrangements in place.

However, if you have been referred to us by a person or company outside the Phillipsons Group, we reserve the right to pay the referrer a fee. This fee may be up to 100% of our fees, a percentage of the total amount invested or paid through the referrer, or a flat fee. This will be disclosed to you in your SOA or ROA.

Protecting your privacy

Protecting your privacy is an important priority in our business. We maintain details of your identity and other personal information as well as a record of any advice given to you. We are committed to protecting your personal information and will only disclose it to other members of the Phillipsons group, their professional advisers and other organisations that provide services on our behalf or on your behalf; as required by law; or if you consent.

Should you wish to examine the personal information maintained in your file, please ask us and we will make arrangements for you to do so. Your personal information is held in strict confidence in accordance with our privacy policy. As a new client we will provide you with a copy of our privacy policy with this FSG. You can also obtain a copy from our website at www.phillipsons.com.au, or by contacting your adviser or from our office.

Any changes to our privacy policy will be posted in an updated version on our website. You should check our website to review the current version.

Providing your instructions

You can provide instructions to us by telephone, fax, email or other means as agreed with your adviser. Some financial products and markets have their own rules and procedures about how to give instructions. Please refer to the Product Disclosure Statement of the relevant product for these details.

Complaints resolution

We are committed to providing our clients with the highest standards of client service. We aim to be open and transparent in the way that we charge for our services; and being proactive and forthcoming with important information which we believe may assist with your decision making during our relationship with you.

Should you feel less than satisfied with the service you receive, it is important that you notify us immediately to have the issue raised and resolved.

You should take the following steps:

Contact us about your complaint.

If your complaint is not satisfactorily resolved within 7 days, please contact us by addressing your concerns to the following:

The Responsible Manager
Phillipsons Financial Planning Pty Ltd
PO Box 859, Sale Vic. 3853
Tel: (03) 5144 5207
Email: fp@phillipsons.com.au

We shall endeavour to resolve your complaint quickly and fairly. If the complaint is not resolved to your satisfaction, you have the option of referring your complaint to the Australian Financial Complaints Authority (AFCA). We are a member of this service. AFCA will be able to advise you if they can be of assistance and contact details are:

Australian Financial Complaints Authority Ltd
GPO Box 3, Melbourne Vic. 3001
Tel: 1800 931 678
Email: info@afca.org.au Web: www.afca.org.au

If the complaint involves ethical conduct, you also have the option of raising your concerns with the

Financial Planning Association of Australia Limited (FPA). FPA members are bound by a strict set of enforceable professional and ethical standards, as set out in the FPA's Code of Professional Practice. To lodge a complaint about an FPA member you will need to complete a complaint form and mail it to:

The Investigations Manager
Financial Planning Association of Australia Ltd
GPO Box 4285, Sydney NSW 2001
Tel: 1300 377 301
Email: professional.standards@fpa.asn.au Web: www.fpa.asn.au

For further information about your rights you can contact the Australian Securities and Investments Commission on their infoline at: 1300 300 630.

We will take reasonable steps to ensure that we have Professional Indemnity Insurance cover that we believe meets the requirements of s912B of the Corporations Act to provide compensation to persons who successfully claim for losses suffered due to breaches of licensee obligations by representatives and staff who are or were a representative or employee of Phillipsons Financial Planning Pty Ltd.



For more information, visit:
www.phillipsons.com.au