

Financial Services Guide

PART 1 OF 2

Version 10 | Issued 1 October 2018



Financial Planning

Purpose of document

This Financial Services Guide (FSG) is designed to assist you to make an informed decision on whether or not you wish to utilise our services and contains important information about:

- Who we are
- The services we offer you
- How we and our representatives are paid
- Any potential conflict of interest we may have
- Our complaints handling procedures and how you can make use of them

Please read this FSG carefully before you ask an Elders Financial Planning Pty Ltd representative to provide you with advice.

This Financial Services Guide has been authorised by the licensee, Elders Financial Planning Pty Ltd and is a two part legal document. Part One must always be accompanied by Part Two (the Adviser Profile). The most recent date on either Part One or Part Two becomes the date of the entire document.

Elders Financial Planning Pty Ltd is authorised to advise in the following products:

- Deposit and payment products
- Life insurance products
- Managed investments
- Retirement products
- Superannuation
- Standard Margin Lending facilities
- Debentures, stocks or bonds issued or proposed to be issued by a Government

Only products that have been examined by our experienced research team are placed on our Approved Products List. Your adviser is only authorised to recommend products on this list.

Responsibility for services provided

Your adviser is an Authorised Representative of Elders Financial Planning Pty Ltd. Elders Financial Planning Pty Ltd is responsible for the services provided to you by its representatives. Authorised Representatives of EFP are required to act in your best interests at all times. Additional information about your adviser is contained in their Adviser Profile, Part Two.

EFP holds a Professional Indemnity Insurance policy to cover its professional financial planning and advisory activities. Professional Indemnity insurance indemnifies professional organisations and their representatives for their legal liability in the event that a client suffers loss, material, financial or physical, that is directly attributable to a negligent act on the professionals behalf. This includes where the representative provides a service to the client and is no longer authorised by the organisation to do so.

All authorised Representatives of EFP also hold adequate Professional Indemnity insurance.

Documents you can expect to receive

When we provide you with personal advice, you can expect to receive a written **Statement of Advice (SoA)** document. This document will include the basis and scope of our advice, our fees and commissions and any associations we have with financial product issuers or other parties which may have influenced the advice we give you.

A **Record of Advice (RoA)** may be prepared in circumstances where previous advice has been provided and your circumstances have not greatly changed. This advice may be delivered verbally, however a document of the advice will remain on your file and is available to you upon request.

If you instruct us to place business on your behalf, you can expect to receive a **no advice confirmation letter**.

When we recommend to you a particular financial product we will give you a **Product Disclosure Statement** to help you make an informed decision about that product.

If you enter into an ongoing fee arrangement with your adviser, you can expect to receive an **Annual Fee Disclosure Statement** which outlines the fees paid and services you were entitled to and received in the preceding 12 months.

Conflicts of interest

Conflicts of interest are managed and disclosed to you where a conflict may affect provision of the financial services provided. A Register of Conflicts of Interest is available for your inspection upon request.

EFP, via a joint venture, is owned by Millennium 3 Financial Services Group Pty Ltd (M3FSG) and Elders Rural Services Australia Ltd (Elders).

M3FSG is a wholly owned subsidiary of IOOF Holdings Limited (IOOF).

We may receive additional benefits or preferential brokerage from some product providers, based on elements such as minimum new business placements and business retention. Where a product is recommended to you, any additional benefits or preferential brokerage payment will be disclosed to you in your Advice document (eg Statement of Advice or Record of Advice).

Under grandfathering provisions for some existing policies, product providers may pay us between 0% and 0.5% per annum of your investment or your risk premium for as long as you hold the product. For example, if you had \$10000 invested for one year in an investment product, and the product provider payment was 0.2% per annum, the annual payment to EFP would be \$20.

We may also receive sponsorship payments from product providers. These sponsorship payments can range between \$0 and \$40,000 per product provider and we will use these funds predominately to run educational, technical and professional development training for our advisers. These payments are not provided to our Authorised Representatives.

Elders Rural Services Australia Ltd is part of the Elders Limited group of companies.

Referral arrangements

Your adviser may have referral relationships with third parties. These third parties may include accountants, mortgage brokers, general insurance brokers, solicitors, real estate agents and other third parties who specialise in a specific field.

If you are referred to your adviser by one of these third parties, that third party may receive a referral fee, commission or non-monetary benefit. Similarly, your adviser may receive monetary or non-monetary benefits if they refer you to a third party with whom they have a referral relationship. Referral fees can vary and may be up to 40% of revenue received or an equivalent or lesser value non-monetary benefit. This fee is not an additional cost to you. Advisers can change their referral relationships over time and, as such, the referral fee ranges may also vary over time. All referral payments or non-monetary benefits relevant to your advice are disclosed in the written advice that is provided to you.

Associated businesses

Your adviser may have associations with other businesses. Where these associations are relevant to the advice being provided to you, they will be disclosed in your written advice.

Approved Product List

Only products that have been examined by IOOF's experienced research team are placed on our Approved Products List (APL).

Products on the APL include those offered by our related companies, including Australian Executor Trustees Limited, IOOF Investment Management Limited, IOOF Ltd, Managed Portfolio Services Limited and Perennial Investment Management Limited. Our related companies

are the registrable superannuation entity licensee and/or responsible entity, operator or investment manager of financial products we may recommend. They will receive fees and benefits as disclosed in the relevant PDS if you purchase the product.

In late 2017 IOOF announced that it will acquire OnePath Funds Management Limited, OnePath Custodians Pty Limited and Oasis Funds Management Limited from ANZ. The purchase is expected to be finalised in late March 2019. From this date, these companies will also become related to Millennium3. As part of the acquisition, our APL will continue to include certain ANZ banking products and life insurance products issued by members of the Zurich Financial Services Australia Limited group (including OnePath Life Limited) provided those products continue to be suitable for our clients' needs and providing they comply with our legal obligations.

Your adviser will first source from the APL before providing any recommendations. This means any investment your adviser recommends has been thoroughly researched. They will only recommend a product after considering its appropriateness in relation to your individual objectives, financial situation and needs. Where your strategy requires products other than those on the APL to act in your best interests, the research team will be consulted and an alternative solution will be recommended.

Privacy

EFP collects your personal information in order for one of its authorised representatives (that is, your adviser and/or the practice where he/she works) to provide you with financial products and services. In order to undertake the management and administration of products and services, it may be necessary for us to disclose your personal information to certain third parties.

We and your adviser will collect and use information about you during the course of your relationship with each of us.

It is important that the information we hold about you is up to date. You must let your adviser know when information you have provided has changed.

Collection, use and disclosure of information

We may use and disclose the personal information your adviser collects about you for the following purposes:

- to assist in providing you with products and services;
- to consider your request for a product or service;
- to enable:
 - EFP or another member of the Elders group; or
 - M3FSG or another member of the IOOF group to provide you with a product or service;
- to tell you about other products or services that may be of interest to you;
- to assist in arrangements with other organisations (for example product issuers) in relation to the promotion or provision of a product or service;
- to manage the relationship between you and your adviser and any accounts or policies which you hold, and perform other administrative and operational tasks (including but not limited to risk management, systems development and testing, credit scoring, staff training and market, customer satisfaction or investment research);
- to consider any concerns or complaints you raise against EFP and/or your adviser and to manage any legal action involving EFP;
- to identify, prevent or investigate any fraud, unlawful activity or misconduct (or suspected fraud, unlawful activity or misconduct);
- to identify you or establish your tax status under any Australian or foreign legislation, regulation or treaty or pursuant to an agreement with any tax authority; or
- as required by relevant laws, regulations, codes of practice and external payment systems.

We may disclose your information to another licensee in order to

enable you to continue to receive financial products and services in the following circumstances:

- where your adviser dies or their arrangements with us terminate;
- where our authorised representative becomes an authorised representative of another licensee; or
- where our authorised representative sells all or part of its business to another licensee.

Absence of relevant information

If you do not provide some or all of the information requested, EFP may be unable to provide you with products or services.

Information required by law

We may be required by relevant laws to collect certain information from you. Details of laws that require us to collect information about individuals (personal information) and why these laws require us to collect personal information are contained in the **Elders Privacy Policy**, which can be found at www.eldersfp.com.au/privacy

Providing your information to others

We may provide your personal information to:

- an authorised representative of ours (including your adviser) for the purposes outlined in this document;
- M3FSG or another member of the IOOF group which may use the information to perform administrative or operational tasks or comply with regulatory requirements and prudential standards
- an organisation that has an arrangement with EFP to jointly offer products and/or has an alliance with EFP to share information for marketing purposes (and any of its outsourced service providers or agents), to enable them or EFP to: provide you with products or services; and/or promote a product or service;
- any agent, contractor or service provider of EFP or its authorised representative, engaged to carry out or assist with its functions and activities (for example, office support or paraplanning services, IT support providers and mailing houses);
- an organisation that assists EFP to identify, prevent or investigate fraud, unlawful activity or misconduct;
- regulatory bodies, government agencies, law enforcement bodies and courts;
- other parties EFP is authorised or required by law or court/tribunal order to disclose information to;
- any person who introduces you to EFP;
- your referee(s);
- your employer;
- your partner or spouse where they have sought advice jointly with you; or
- your authorised agents; your executor, administrator or trustee in bankruptcy; your legal representative; your attorney; or anyone else acting for you.

If you do not want us to tell you about products or services, please phone or email your adviser to withdraw your consent or contact advisor.services@elders.com.au

EFP may disclose information to recipients (including service providers and related entities of Elders IOOF) which are (1) located outside Australia and/or (2) either not established in or do not carry on business in Australia. You can find details about the location of these recipients in Elders' Privacy Policy at www.eldersfp.com.au/privacy and the IOOF Privacy Policy at <https://www.ioof.com.au/privacy>. In addition to the countries listed in the Privacy Policy, EFP also obtains services from an organisation which offshores personal information to Singapore and United States of America.

Where your adviser discloses your personal information to recipients located in countries which are not listed in these privacy policies or this FSG, he/she will inform you of those countries in the Adviser Profile of our FSG.

Credit Reporting

If you obtain credit services from us or our authorised representative, your personal information, including information about your other credit liabilities, repayments and defaults, may be disclosed to credit reporting bodies. We may also collect this information from credit reporting bodies. Information about credit reporting, is available at www.eldersfp.com.au/privacy

Elders Privacy Policy

The Elders Privacy Policy (www.eldersfp.com.au/privacy) contains information about:

- the circumstances in which EFP or another member of the Elders Group may collect personal information from other sources (including from a third party);
- how to access personal information and seek correction of personal information; and
- how you can raise concerns that we or another member of the Elders Group has breached the Privacy Act or an applicable code and how we or Elders will deal with those matters.

Collecting sensitive information

We will not collect sensitive information about you, such as information about your health, without your consent.

If applicable, we may collect health information with your consent. Your health information will only be disclosed to a service provider or organisation where this is necessary in order to provide you with financial products and services.

Personal information you provide about someone else

If you give us personal information about someone else, please show them a copy of this notice, and direct them to the Elders Privacy Policy so that they may understand the manner in which their personal information may be used or disclosed in connection with your dealings with us.

Instructing us

You may tell us how you would like to give us instructions. For example, by telephone, fax, email. If email is your preferred communication tool, you are responsible for monitoring your email account.

Advice appropriate to you

In order for us to provide advice suitable to your needs and financial circumstances, we need to ascertain your individual financial objectives, needs and requirements. You have the right not to give us this information, if that is your wish. However, if you do not give us sufficient information, the advice you receive may be inappropriate for your personal circumstances, objectives, financial situation and needs.

You should read the warnings contained in the Statement of Advice carefully before making any decision relating to a financial product/s.

Upon identification of your financial goals and needs, your adviser will either:

- Proceed to provide you with appropriate strategies and advice, or, in the event of not being suitably qualified
- Refer you to another Elders Financial Planning adviser who has the qualifications required to meet your financial planning needs.

How we are paid

Your adviser may negotiate with you the fees appropriate to the services being provided. They may be paid by salary, fees, commissions or a combination. Refer to your advisers profile for specific details about how they are paid.

We may invoice you for a fee when you receive our written recommendations.

You may have to pay us a management fee annually, or in instalments.

We may be paid by product providers at the time you invest and during the life of your investment or insurance contract.

Commissions paid to us by product providers are generally based on a percentage of the amount you invest, or of your insurance premium.

Superannuation and Investment products:

From 1 July 2013, commissions were banned on new superannuation and investment products. In certain cases, for products purchased before 1 July 2013, we may continue to be paid initial commissions of up to 15% of amounts invested and ongoing commissions of up to 6% of the account balance.

Life Insurance products:

For insurance products, commissions are based on a percentage of your premium. The maximum upfront commission payable is reducing over time: to 88% inclusive of GST, from 1 January 2018, 77% inclusive of GST, from 1 January 2019 and 66% inclusive of GST, from 1 January 2020. The maximum ongoing commission payable is 22% inclusive of GST.

Where upfront and ongoing commission are the same, there is no legislated maximum, however product providers generally pay to 33%. Under grandfathering arrangements for existing policies in place before 1 January 2018 we may be paid an initial commission based on a percentage of the first year's premium, which excludes policy fees and statutory charges. This initial commission may range between 0% and 140% of the base premium.

If we receive commissions as a result of recommending a product to you, we may reduce our fee for service. In the event that we reduce our fee for service in this manner and you decide not to proceed with our recommendations, or if your insurance policies are cancelled within the first 2 years' of acceptance (in which case the insurer claims back all or some of the commission paid to us), we may invoice you directly for the cost of our service

If you have a complaint

If you have a complaint about the service provided to you, you should take the following steps:

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within three business days, you may lodge your complaint in person or in writing directly with:

Complaints Management
Elders Financial Planning Pty Ltd
GPO Box 551 Adelaide SA 5001
Telephone: 1800 060 741
Email: advisor.services@elders.com.au

We will try to resolve your complaint quickly and fairly.

3. If the complaint has not been resolved to your satisfaction within 45 days, you can lodge a complaint with the external dispute resolution (EDR) scheme. The EDR scheme provides fair and independent financial services complaint resolution that is free to consumers.

From 1 November 2018, the EDR scheme will transition from the Financial Ombudsman Service (FOS) to the Australian Financial Complaints Authority (AFCA). AFCA's contact details from 1 November 2018 are:

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)

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

Until 1 November 2018, you can contact FOS on 1800 367 284 or you can visit their website at www.fos.org.au



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