

# FINANCIAL SERVICES AND CREDIT GUIDE

PART 1

Our guide to our relationship with you and others

31 MARCH 2011

## WHAT IS THE PURPOSE OF THIS FINANCIAL SERVICES AND CREDIT GUIDE (Guide)?

This guide is designed to provide information about the financial services provided by Guardianfp Limited trading as Guardian Financial Planning (Guardian Financial Planning) and its authorised representatives. It aims to assist you in deciding whether to use any of the services we offer and includes information about our remuneration and how we deal with complaints. This guide is only complete when the Adviser Profile is attached.

Our role is to understand your financial needs and objectives, and to recommend solutions that help you satisfy those requirements.

The process we will follow includes:

- 1) **Providing this Guide** to you and agreeing on a basis for providing our services to you.
- 2) **Obtaining the relevant information** about your financial needs and objectives and your current financial affairs so that we can provide the most appropriate advice.
- 3) **Researching the solutions** that are designed to help you satisfy those needs and objectives.
- 4) **Recommending** only products approved by Guardian Financial Planning.
- 5) **Providing you with a written Statement of Advice (SOA)** which sets out our recommendations and the basis for them, the key issues involved and

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our remuneration for providing our professional advice to you.

- 6) **Discussing the SOA** with you, providing any explanations you require, and varying the recommendations if necessary.
- 7) **Credit Assessment**  
Where our advice includes consideration of an existing credit product and/or strategies, we will provide you with an assessment of whether your existing product or strategy is unsuitable. Considerations would include amongst other things your capacity to repay and compatibility with your objectives.

## The Adviser Profile

An Adviser Profile, which is attached, forms the second part of this guide. This profile provides details about your adviser.

If the Adviser Profile is not attached then please ask the adviser for this Profile or contact our Head Office.

Guardianfp Limited has authorised the distribution of this guide.

## Guardianfp Ltd trading as Guardian Financial Planning

ABN 40 003 677 334  
Australian Financial Services Licence No. 237641  
Australian Credit Licence No. 237641

### Head Office

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Although we are not in the business of recommending specific credit products, we may be able to refer you to a licensed provider of credit advice.

Where you receive credit advice you can expect to receive the Provider's Credit Guide and a documented "preliminary assessment" and an "unsuitability assessment"

- 8) **Providing you with a Product Disclosure Statement (PDS)** for each product recommended in the SOA. The PDS contains information about the product (fees etc).
- 9) **Implementing** the agreed recommendations.
- 10) **Agreeing** on a basis for review of your situation. If, at any time, you do not understand any of the advice we provide, you should seek clarification from us.

### What advice document might I receive if I am an existing client?

If you are already a client of Guardian Financial Planning you may have been through the above process. Going forward you can expect to receive written confirmation of any further advice in the form of either a Record of Advice (ROA) or Statement of Advice (SOA). If you are receiving advice in relation to a different type of financial product or your circumstances have changed significantly then we will provide this advice in a SOA. If you wish to obtain a copy a previous SOA or ROA please ask your adviser.

## BEFORE YOU GET ADVICE

### Who is my adviser?

Your adviser is an authorised representative and may also be a credit representative of Guardian Financial Planning. The Adviser Profile attached to this guide will outline in more detail information about your adviser.

Guardian Financial Planning is an Australian Financial Services Licensee (AFSL) and an Australian Credit Licensee (ACL) licensed by the Australian Securities and Investment Commission (ASIC). Guardian Financial Planning is responsible for the advice and conduct of your adviser. We are not responsible for any unauthorised services (to the full extent permitted by law) so check the services being provided are outlined in the Adviser Profile.

### What financial services are we licensed to provide?

As an AFSL Guardian Financial Planning is licensed to provide advice and deal in the following classes of financial products to retail and wholesale clients:

- 1) Deposit and payment products limited to:
    - basic deposit products;
    - deposit products other than basic deposit products;
  - 2) Debentures, stocks or bonds issued or proposed to be issued by a government;
  - 3) Life products including:
    - investment life insurance products and
    - life risk insurance products
- as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
- 4) Interests in managed investment schemes including investor directed portfolio services;
  - 5) Securities;
  - 6) Superannuation;
  - 7) Margin Lending; and
  - 8) Derivatives.

As an ACL Guardian Financial Planning is licensed to provide advice and assistance on credit products.

### What financial services are available to me?

The services offered by Guardian Financial Planning include:

- Financial planning
- Superannuation advice
- Retirement planning
- Investment advice
- Cash Management Trusts
- Gearing strategies
- Social Security advice
- Wealth creation
- Debt management
- Life and disability insurance advice
- Estate planning

Your adviser may only be authorised to provide advice in some of the above areas. Their adviser profile will set out the areas in which they provide advice.

## What will your adviser do?

Your adviser will:

- Provide you with advice to the best of their ability and deal with you efficiently, honestly and fairly.
- Provide advice tailored to your individual needs and circumstances.
- Recommend only products approved by Guardian Financial Planning to help you meet your objectives.
- Only implement strategies once you have agreed they are appropriate for you.

## What we expect of you

To help us provide you with appropriate advice that remains current, and to protect you, we ask you to do the following:

- Provide accurate information about your personal circumstances to enable us to assess your situation and provide advice in line with that.
- Keep us updated on any changes to your circumstances.
- Do not make any payments for investments, contracts or fees 'made payable' to your adviser.
- Do not sign blank forms.

## Are there any restrictions on the products my Adviser can recommend?

Yes, advisers can only recommend investments and risk products on the Guardian Financial Planning Approved Product List (APL). A dedicated Investment Review Committee undertakes a thorough product analysis before including any new investment products on the APL. The Committee utilises leading industry research houses to assist with this analysis. The APL is regularly reviewed to ensure that all fund managers and investment companies continue to meet Guardian Financial Planning's ongoing requirements.

As we are not mortgage brokers or a credit provider, we will not make specific product recommendations. Instead, our advisers may refer you to a registered broker or credit provider for your assistance.

Where the adviser may obtain a referral fee, you will be informed at the time of the referral or as soon as is practically known by the adviser.

### Superannuation Products

Guardian Financial Planning has an APL for superannuation funds. However, if you have an existing

superannuation fund that is not on the APL your adviser is still able to make recommendations in relation to that specific fund.

## Professional Indemnity Insurance

Guardian Financial Planning has professional indemnity insurance which covers us and our representatives for errors or mistakes relating to our services.

This insurance meets the requirements of the Corporations Act and covers claims against our representatives after they cease to be engaged by us, provided that the insurer is notified of the claim when it arises and within the relevant policy period.

## INFORMATION ABOUT FEES AND OUR REMUNERATION

The remuneration received by Guardian Financial Planning and its authorised representatives could be in the form of Upfront Commission, Ongoing Commission or Fee for Service.

Remuneration could be through payment of:

- **Upfront Commission** - paid by the issuer of the financial product/s recommended, payable when the product is issued to the client. This is included in the cost of the product for insurance. For investments and superannuation this cost is generally taken from the amount invested.
- **Ongoing Commission** - paid by the issuer of the financial product/s recommended, payable on an ongoing basis while the product is still in place. This is included in the cost of the product for insurance. For investments and superannuation this cost is generally taken from the amount invested.
- **Adviser Service Fee** - paid by the issuer of the financial product/s recommended, payable on an ongoing basis while the product is still in place. This is NOT included in the cost of the product.
- **A direct fee paid by you to us** for the services rendered (your adviser will advise you of the fee before providing the service). This can either be charged on an hourly basis, a set fee per annum basis, as a percentage of funds invested, or a combination of these methods.
- **A combination** of both commission and fee for service.

The basis and amount of all commissions and fees for service will be set out in the SOA and explained by your adviser.

The explanation of the fees and charges of the product issuer will be contained in the PDS.

If you agree to the payment of a direct fee for the initial advice and/or annual review services, your adviser will outline the cost in writing before providing the service, provide you with an invoice and advise you in the SOA of the fees.

### WHAT IS THE RANGE OF COMMISSION PAYABLE ON INVESTMENT OR INSURANCE PRODUCTS GUARDIAN FINANCIAL PLANNING RECOMMEND?

#### Investments Commission

The Upfront Commission we may receive with respect to investment products we recommend may vary between 0% and 10% on the amount invested. For example on a \$50,000 investment the commission would be between \$0 and \$5,000.

Ongoing Commission we receive may vary between 0% and 2% of the value of the investment and is usually part of the cost of the product. For example on a \$50,000 investment the Ongoing Commission would be between \$0 and \$1,000.

Adviser Service Fee is another form of ongoing commission for investments and is paid directly from the investments account balance to us. This can range from 0% to 4.0%. For example on a \$50,000 investment the Adviser Servicing Fee would be between \$0 and \$2,000.

#### Life and Disability insurance

For this type of product your adviser may receive payment in one of three ways - upfront, hybrid or level.

**Upfront** – your adviser may receive commission up to 140% of the first year's premium and 20% ongoing. For example, on an annual premium of \$1,000 your adviser may receive up to \$1,400 upfront and up to \$200 each year ongoing.

**Hybrid** – your adviser may receive commission up to 90% of the first year's premium and 40% ongoing. For example on an annual premium of \$1,000 your adviser may receive up to \$900 upfront and up to \$400 each year ongoing.

**Level** – your adviser may receive commission up to 40% of the first year's premium and 40% ongoing. For example on an annual premium of \$1,000 your adviser may receive up to \$400 upfront and up to \$400 each year ongoing.

#### Share of Commission/Fees between Guardian Financial Planning and the Adviser

From the commissions/fees Guardian Financial Planning receive, it may pass between 96% and 100% of these monies through to the adviser. For example, if \$1,000 in commission is received by us, Guardian Financial Planning may pass on between \$960 and \$1,000 to the adviser. The actual Guardian Financial Planning/adviser share of the commission/fees will be outlined in the SOA.

#### Our financial arrangements with product providers

Guardian Financial Planning has arrangements with investment/superannuation managers of certain wrap platforms and master trusts whereby they pay a commission bonus based on the total volume of funds that clients of Guardian have invested/placed through their platform or trust over a relevant agreed period (usually 12 months).

The amount paid is calculated as a percentage of all funds invested for the relevant agreed period and is paid out of the relevant platform provider's own administration fees. The arrangement does not further increase the administration fee or management expense ratio (MER) amount that would otherwise be charged by the investment/superannuation company if this remuneration arrangement was not in place.

For example, the relevant investment/superannuation company will (subject to the relevant volume level being reached) pay us up to a maximum of 30% of the administration fee. For example, if the administration fee charged by the investment company to you were \$100 they would pay Guardian Financial Planning up to an extra \$30.

Guardian Financial Planning currently has commission bonus arrangements with the following investment/superannuation companies – Asgard, One Path, Asteron and Colonial First State.

Guardian Financial Planning may have arrangements with Life Insurance Companies where they pay a commission bonus based on the total growth of in-force premiums over a relevant agreed period (usually 12 months). The maximum that Guardian may receive from any of these arrangements is 6.6% of the growth

of in-force premiums. For example, if the in-force premiums grew by \$50,000 over a specified 12 month period then Guardian Financial Planning would be entitled to receive up to an extra 6.6% of this \$50,000 increase, which is \$3,300.

Guardian Financial Planning currently has arrangements with the following companies regarding Life Insurance – Tower, One Path, AIA, CommInsure and Asteron.

The commission bonuses paid by investment/superannuation and life insurance companies are either

- Paid to Guardian Financial Planning which pools them and distributes yearly to participating advisers based on the number of year's service and/or the amount of revenue generated by the adviser. This is known as the adviser loyalty and production bonus. If your adviser participates in either the loyalty bonus and/or production bonus the way this is calculated will be outlined in their Adviser Profile.

or

- Paid to Guardian Financial Planning which passes them directly on to the adviser.

### Alternative Forms of Remuneration Register

Any benefits provided by product providers such as entertainment (e.g. lunches, sporting events etc.) or Professional Partner Sponsors at Guardian Financial Planning conferences and Professional Development days received by Guardian Financial Planning or our Authorised Representatives are outlined in our Alternative Forms of Remuneration Register. This is in accordance with industry requirements as outlined in the Financial Planning Association Alternative Remuneration Code of Practice. If you would like to obtain a copy of our register or this Code of Practice please let your adviser know or contact the Guardian Financial Planning Head Office.

### WHO OWNS GUARDIAN FINANCIAL PLANNING?

Guardian Financial Planning is part of the Suncorp Group of companies. Guardian Financial Planning is a related body corporate of Suncorp-Metway Limited ABN 66 010 831 722 (Suncorp-Metway). The other companies in the Suncorp Group include Asteron Life Limited, Suncorp Life & Superannuation Limited, Suncorp Financial Services Limited, Camwal Limited

and Standard Pacific Consulting Limited. The different entities of the Suncorp Group are not responsible for, do not guarantee and are not liable in respect of products and services by other entities of the Suncorp Group. Suncorp-Metway does not guarantee and is not liable for Guardian Financial Planning.

As a member of the Suncorp Group we may deal in and advise on products and services provided by other companies within the Suncorp Group.

Guardian Financial Planning may receive a commission payment from the above companies as a result of you investing in one of their products or services.

### HOW CAN YOU PROVIDE INSTRUCTIONS/INFORMATION TO US?

You can specify how you would like to give Guardian Financial Planning or your adviser instructions/information. For example, you can give instructions/information by telephone, fax or email.

### IF YOU HAVE ANY CONCERNS ABOUT OUR SERVICES

Your concerns can be expressed verbally or in writing. If you have any concerns about the service provided, you may take the following steps.

1. In the first instance, you may wish to contact your adviser to discuss your concerns.
2. If your concerns are not satisfactorily resolved within five days, or you do not wish to contact your adviser, please contact our Executive Manager Governance (EMG). Contact details are on the front cover of this guide. The EMG will reply in writing advising of an expected date of resolution to your concern.

If we have been unable to satisfactorily resolve your concerns, then you may refer the matter to Financial Ombudsman Service:

Financial Ombudsman Service Limited  
GPO Box 3, Melbourne Vic 3001  
Phone 1300 78 08 08

## How do we handle the personal information you provide us?

Guardian Financial Planning holds personal information about you. We hold this information in accordance with our obligations under the Privacy Act. The information has been and will continue to be collected by us for the purpose of providing you with the financial services outlined in this guide.

We are required by the Corporations Act and the Australian Securities & Investments Commission, to ask for this information about you for the purpose of providing you with our services.

If you do not provide us with the information requested by us, we may not be able to provide you with the services you require.

We may be required from time to time to disclose information about you to representatives of Guardian Financial Planning and other companies within the Suncorp Group and to other professionals, insurance providers, superannuation trustees and product issuers in order to provide our services and arrange for the issue of Financial Products.

In the event that the adviser proposes to sell their business we may disclose your personal information to potential purchasers for the purpose of their conducting due diligence investigations. Any such disclosure will be made in confidence and it will be a condition of that disclosure that no personal information will be used or disclosed by them. In the event that a sale of the adviser's business is effected, we may transfer your personal information to the purchaser of the business. You will be advised if a transfer such as this takes place.

## HOW DO I GET MORE INFORMATION?

You are entitled to obtain access to the information we hold about you by contacting our Executive Manager, Governance. Our contact details are included in this guide.

This guide sets out the important principles of our relationship with you. Your adviser can provide more details about the basis of the advice and services they can provide to you.

If you have any questions about our relationship with you, or our services, please ask your adviser in the first instance.