

# FINANCIAL SERVICES GUIDE

## **This Financial Services Guide (FSG) is an important document.**

The purpose of this FSG is to help you make an informed decision about using our financial services. The FSG will help you understand who we are, the financial services we offer and what to expect when you deal with us or one of our advisers.

It is in two parts - this guide and an “Adviser Profile” for your particular adviser. We advise you to read both parts carefully. The FSG provides you with essential information about the financial services and products offered by Gold Financial Pty Ltd. The Adviser Profile gives you information about the specific services your adviser is authorised to offer you.

Getting appropriate financial advice should be a valuable experience for you.

We at Gold Financial want to ensure that your experience with us is engaging and advantageous for you. Australian law requires that you receive a FSG before you receive any financial service or product. It is a first step in assisting you and we at Gold Financial have designed this FSG to be a useful guide for you and give you confidence to work with your Gold adviser to achieve your financial goals.

Please take the time to review this document carefully.

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*AFL 291389 • ABN 50 113 65 3946*



## Introduction

This Financial Services Guide (FSG) is intended to assist you to make an informed decision on whether you want to use Gold Financial Pty Ltd and our authorised representative [‘Gold’, Gold Financial, ‘we’ ‘us’] to provide you with a financial service.

Contents of the FSG include information about

- ▶ who we are;
- ▶ how we can be contacted;
- ▶ what financial services we are authorised to provide to you;
- ▶ arrangements Gold Financial has with any financial product providers;
- ▶ information about potential conflicts of interest;
- ▶ how we can be paid;
- ▶ details of our internal and external dispute resolution procedures and how you can access them; and
- ▶ the Gold Financial Privacy Collection Statement.

In addition, this FSG includes some direction about the financial planning process that your Gold Financial adviser is required to follow as a condition of being an authorised representative of Gold Financial Pty Ltd AFSL 291389. This process is essential for our representatives to be able to provide you with financial advice that is suited to your particular circumstances and is in your best interests. Please take note that your Gold Financial adviser, whose “Adviser Profile” should be attached to this FSG and forms part of this FSG, is authorised by Gold Financial to provide specific financial services and products to you. What specific products and services an individual adviser is authorised to provide will depend upon the adviser’s specific expertise and qualifications.

The distribution of this FSG (including the “Adviser Profile”;) to you by your adviser has been authorised by Gold Financial.

### Who is responsible for providing the financial service to you?

GOLD FINANCIAL PTY LTD - Gold Financial is the holder of an Australian Financial Services Licence (AFSL Number 291389) and is the Licensee and ‘responsible entity’ for the advice our authorised representatives give you.

Gold Financial holds both an Australian Financial Services License [AFSL] and a Credit License and is a Corporate Member of both the Association of Financial Advisers and the Mortgage & Finance Association of Australia, abiding by their codes of ethics and practice.

Gold Financial takes pride in being a wholly Australian owned company.

This FSG contains details about how we can be contacted. We also operate a website where you can learn more about us. [www.goldfinancial.com.au](http://www.goldfinancial.com.au)

In addition, your adviser may also be an individual member of one or more financial services professional associations. This information is included on each individual “Adviser Profile”.

## Your Adviser

Your adviser is an authorised representative of Gold Financial and is regarded as a ‘providing entity’ under legislation. Our authorised representatives are authorised by us on condition that their first priority is to act in your interests when they provide advice to you. Ultimately, Gold Financial is responsible for any advisory services the adviser provides to you in their capacity as an authorised representative of Gold.

As many of our authorised representatives own their own businesses, your adviser may offer services other than financial services. For example, they may also act as your accountant or legal adviser, or advise you on real estate investments. While your adviser may offer these services, you should understand that they are not provided under Gold Financial’s licence. Gold Financial does not train, support or supervise your adviser in supplying these services nor is Gold Financial liable for these services.

Advisers are authorised by Gold Financial on an individual basis and the level of authorisation varies. You are urged to take note of what financial products and services your adviser is authorised to provide and ask for referral to another Gold adviser if necessary. Please refer to the Adviser Profile which forms part of this FSG, for details regarding the level of authorisation for your adviser

Note: Your adviser operates a privately owned business and is not an employee of Gold Financial. In some circumstances, a corporation / business may be authorised as a “corporate authorised entity” however this does not confer authorised representative status on individual employees of that corporation. Each adviser must have his / her own authorisation to act as a representative of Gold Financial.

## The Financial Planning Process

Australian law and Gold Financial, require our authorised representatives (your adviser) to ensure their advice to you is tailored to your personal needs and goals and is appropriate for you at the time you are seeking the advice.

To do this, we require that our advisers obtain relevant information about your personal financial circumstances prior to making any recommendations to meet your needs.

You should be aware that you are entitled to receive a written Statement of Advice [SOA] whenever we provide you with personal advice. Personal advice takes into account your personal circumstances, your objectives and needs.

Records of Advice - If we provide further personal advice to you after we have issued an initial Statement of Advice and your circumstances have not significantly changed, we may provide the advice to you orally. We will also tell you about any fees or commissions and any associations with Financial Product Issuers or others who may have influenced that advice. We will record these details in a Record of Advice and keep this for seven years after providing the advice to you and you can request a copy of that Record from your adviser.

Financial Disclosure Statements (FDS) - If you have entered into a fee arrangement with your adviser that is for a period of more than 12 months, you will be provided with a “fee disclosure statement” containing details of the amount of fees you paid and details of services you were entitled to receive and of services received in the previous 12 month period.

Otherwise you may receive details of fees you have paid, from your adviser and/or in statements issued by your product providers.

*Note that you may choose to not disclose relevant information to your adviser, however you are reminded that this may affect the suitability of their advice to you.*

Gold advisers are required to:

- ▶ act honestly and fairly with you at all times
- ▶ seek to understand your personal situation prior to giving you any personal financial advice and, unless you object in writing, they are required to complete a Gold Financial fact find with you.
- ▶ when they give you any personal financial advice, they must provide you with a written Statement of Advice [SOA] which explains their recommendations to you and why they think these recommendations are suitable to meet your needs at the time of the SOA.
- ▶ to the best of their ability, provide you with advice which is in your best interests at the time of the SOA.
- ▶ to implement any recommendations only after you have agreed that they are appropriate for you.
- ▶ provide you with a Product Disclosure Statement [PDS] for each product and every product they recommend in the SOA, recommend only products approved by Gold Financial.
- ▶ advise you about any real or potential conflicts of interests.
- ▶ in the SOA, tell you what fees and / or commission Gold Financial and / or the adviser’s business and /or the adviser themselves will receive for providing you with the financial planning advice and supplying you with any products recommended in the SOA. We encourage you to ask our advisers about your remuneration options and make sure you clearly understand the fees and charges you will pay for any professional services and products supplied to you.
- ▶ regularly review your financial situation and the suitability of your financial strategies and products - as agreed with you.

*\*While it is most likely you will want your adviser to give you personal advice, general advice is also available. General advice does not consider your personal circumstances. In these situations your adviser may not need to complete all the steps outlined above.*

## Financial services advice and products

Gold Financial is licensed to provide financial product advice and to deal in a financial product (by applying for, acquiring, varying or disposing of a financial product on behalf of another person) in respect of the following classes of products:

1. Deposit and payment products limited to basic deposit products;
2. Life products including:
  - (i) investment life insurance products\*; and
  - (ii) life risk insurance\*

*\* as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds*
3. Interests in managed investment schemes including investor directed portfolio services;
4. Superannuation;
5. Standard margin lending facility;
6. Securities;
7. Retirement savings accounts (“RSA”) products (within the meaning of the Retirement Savings Account Act 1997); and
8. Debentures, stocks or bonds issued or proposed to be issued by a government.

## Approved Product List

Financial products must be researched by Gold Financial before they are included on the list of products our authorised representatives may offer to you. This list is called Gold Financial’s Approved Product List (APL) of financial products.

Gold Financial maintains a comprehensive APL to allow your adviser a wide choice when they are selecting an appropriate product for you. Importantly, the APL contains products supplied by many different companies. Except for the few exceptions noted in the next section of this FSG, Gold Financial does not supply product itself but sources products for the APL from a wide range of reputable companies.

Through the various Wrap accounts and Master trust options on our APL, investments available to you will include investment funds managed by most of the major national and international fund managers.

Ask your adviser if you would like to see a copy of our APL. Note that the APL is reviewed and updated frequently.

### Arrangements Gold Financial has with financial product providers

Several, although not all, of the product providers used by Gold Financial advisers provide some technical, educational, marketing or other support to Gold Financial and through Gold, to our authorised representatives. Product suppliers frequently supply training opportunities for Gold Financial and our advisers to learn about their products as well as marketing material for the products. On occasions, financial incentives are offered to support certain products. Whenever you use a financial product or service recommended by one of our authorised representatives, the associated SOA must include the information about any fees and other benefits Gold Financial, the adviser and their business will receive.

Gold Financial has commercial arrangements with a number of financial product providers, where we receive a payment based on the total volume of funds invested or placed through the relevant product provider’s platforms. These payments are either a set annual fee, or a percentage of the total funds invested with the product provider, or a percentage of the administration fees which they charge investors, or a combination of the above. Only arrangements entered into prior to 1 July 2013 and growth on those arrangements until 30 June 2014 are subject to these payments. Gold Financial also has arrangements with many life insurance providers regarding the payment of commission for both inforce insurance contracts or new insurance contracts.

Certain authorised representatives may have direct shareholdings in companies that are listed as product suppliers. Gold Financial may receive payments from various product suppliers. These payments are between 0% and 0.25% per annum of your investment or in the case of risk products 0% and 5% of your premiums. These may be paid for as long as you hold the product. Gold Financial’s authorised representatives may share in some of

these payments. Gold Financial uses part of these payments to subsidise the cost of conferences and training or professional development for its representatives. Product suppliers receive a range of benefits including being recognised as a sponsor, attendance at conferences and the right to make speaking/training presentations to advisers.

Your adviser may receive benefits (e.g. lunches, tickets to sporting events, etc) from product suppliers. Please refer to the adviser profile and SOA for details, if applicable.

Your adviser and Gold Financial maintains a conflict of interest register and a soft dollar register which lists any alternative forms of payment or benefits that may be received that is valued in excess of \$300. If you wish to inspect the Register or ask any questions about this, please contact your adviser.

### Payment options

The options available to you depends upon

- ▶ the type of financial advice and assistance being sought, and
- ▶ negotiations between yourself and your particular adviser.

Within limits, Gold Financial allows its authorised representatives to negotiate directly with clients and then select from the following options for payment for professional services. Sometimes a combination of these options is used.

Usually, Gold Financial initially receives all commissions and fees for service amounts and subsequently forwards 100% of these payments to the respective authorised representative. The SOA will disclose the manner in which the commissions and fees are split between Gold Financial and the authorised representative, and any referring party where applicable. Gold Financial does not charge you any additional fees. However your adviser pays Gold Financial a fixed licensing fee to cover the costs associated with being an authorised representative.

### 1. Options for financial planning, investment advice and other strategic advice

Gold Financial will accept the following methods for your adviser to arrange for you to pay for services rendered.

- a) **Fee for service** - you agree upfront with your adviser to pay for the services you receive. The types of fees include but is not limited to Statement of Advice Plan fee, implementation fee, contribution fee, adviser service fee, etc. Depending upon the individual adviser, you may be able to select an hourly rate, a fixed fee or a set fee per year as per a “service agreement” with your adviser, or another option - providing it is approved by Gold Financial prior to you and your adviser making the agreement.
- (b) **An adviser servicing fee paid via the company issuing the product** - these fees can be either upfront or ongoing or a combination of both. Rates can vary from 0% to 12% pa and are usually calculated on the amount invested. You must agree, in writing, for this option to be used.

### Examples of fees

**Fee for service.** Rates are variable. Your adviser is permitted by Gold to determine his / her own rate for professional services. Consult their Adviser Profile. Gold supports the Australian market rates of around \$100 p/hr for administrative services, \$150 to \$200 p/hr for a qualified financial planner’s services and up to \$500 p/hr for senior financial planner services involving complex matters. Alternatively, the fee maybe a percentage of the Funds under Management [FUM]. This percentage will have been disclosed in your SOA and you will have agreed for your adviser to be paid this way prior to the purchase of any financial product. The fee may be paid by the company issuing the product with the money taken directly from the amount invested.

- ▶ **Example of percentage based upfront fee or commission** - if you invested \$10,000 into an investment product and your adviser charges a 5.5% upfront fee, he/she will receive \$550 from the product provider. The money will be deducted from your account as a fee.
- ▶ **Example of percentage based ongoing fee or commission** - if you have \$50,000 invested and there is an adviser service fee of 1% pa then \$500 is payable pa. This amount is usually deducted from your account as fee.

## 2. Life insurance advice including assistance with implementation of insurance covers and after sales service

Gold Financial will accept the following methods for your adviser to arrange for you to pay for services rendered.

- a) **Fee for service** - For life insurance advice, assistance with selecting suitable products to meet your needs and implementation of insurance covers, you may be charged an hourly rate to conduct the appropriate research, prepare a SOA and assist with implementation of any life insurance contracts.

**NOTE:** In some instances your adviser may waive their right to charge a separate fee for these services and use the upfront and ongoing commission paid by the product issuer as a means of full payment. Alternatively, they may offer some combination of fee for service and commission.

- b) **Commission** - generally commission is paid by the product issuer. Usually there is an "upfront" commission and an "on-going" or "servicing rights" commission. The rate of upfront and then any on-going commission to be paid will depend upon the arrangements made by your adviser when the contract was purchased. Generally commission is calculated as a percentage of the annual renewal premium.

Most insurance policies usually attract some the servicing rights commission to help cover the expenses associated with the on-going servicing of insurance contracts. This may include expenses associated with regular reviews, insurance claims etc.

### Example of insurance commission charges

Your adviser has a choice of "upfront" "hybrid" or "level" rates of commission when selling insurance products. In this instance, the choice of commission rate will not affect your premium.

- ▶ **Upfront commission** - rates vary depending upon the product provider but may range up to 121% of the first year's premium and then subsequent years' around 10%-12% calculated on the annual renewal premium. Eg 120% on a premium of \$1000pa is \$1200, 12% of \$1000 is \$120
- ▶ **Hybrid commission** - rates vary depending upon the product provider but generally are around 60%-90% for the first year then around 22-40% during subsequent years. 60% of \$1000 is \$600 and 22% of \$1000 is \$220
- ▶ **Level commission** - rates vary from around 33% to 40% and will stay the same for the life of the policy. Eg 33% of \$1000 is \$330

Please note that Gold Financial and your adviser reserve the right to charge a higher fee if your requirements are exceptionally complex. Whenever you incur any expenses, whether they be service fees and charges or commission payments (upfront or ongoing), **all fees and charges will be included in your SOA.** You are urged to ask your adviser for clarification if there is anything you do not understand.

### Execution only service

Gold Financial offers an "Execution Only" service to enable you to invest in a wide range of products if you already know what products you want and you require no advice. Unless you have made other arrangements with your adviser, where no advice is provided and a SOA is not issued, Gold Financial will require a Letter of Authorisation or other written instruction from you before we are able to provide you with this service.

Note that you can specify how you would like to provide Gold Financial and our authorised representatives with instructions to buy or sell your investments - for example by telephone, fax, email or other means. In some instances, your adviser can only accept written instructions from you and he/she will let you know when this occurs.

### What to do if you have a complaint or concerns about Gold Financial's advice and service to you

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

1. Contact your adviser and tell him/ her about your complaint or concern.
2. If your complaint is not satisfactorily addressed within three (3) days, please contact the Compliance Manager, Gold Financial Pty Ltd. Contact details are:  
Address: Suite 2, 276 High Street, Kew VIC 3101 and  
Telephone: (03) 9021 0799  
You may be asked to put your complaint in writing and send it to Gold Financial at the above address. We will try to resolve your complaint quickly and fairly.
3. If your complaint cannot be resolved to your satisfaction within 45 days, you have the right to present your complaint to the Financial Ombudsman Service Limited, (FOS). FOS can be contacted on 1300 780 808. This service is provided to you free of charge. Gold Financial is a member of FOS.

The Australian Securities and Investments Commission (ASIC) also has a free call info line on 1300 300 630 which you may use to obtain information about your rights.

### Professional Indemnity Insurance

Gold Financial and all our authorised representative maintain our appropriate level of professional indemnity insurance as required by the Australian Securities and Investment Commission. Gold Financial's professional indemnity policy extends to cover claims in relation to the conduct of representatives/employees who no longer work for us (but who did at the time of the relevant conduct).

## What information do you maintain in my file and can I examine my file?

We are required by Australian law to ask for personal information so Gold Financial and our authorised representatives can give you appropriate personal advice on behalf of Gold Financial, your adviser maintains a record of your personal profile, which includes details of your financial objectives, financial circumstances, needs and requirements. Records are kept for at least 7 years.

Gold Financial is committed to protecting the privacy and security of your personal information. Please refer to our privacy collection statement in the Gold Financial website.

If you wish to examine your file, you should contact your adviser and he/she will make arrangements for you to do so.



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Association of  
Financial Advisers

Gold Financial Pty Ltd is a proud  
Corporate Member of the AFA