

Financial Services Guide

Effective – July 2017

Key Information

You have the right to ask us about our charges, the type of advice we will give, and what you can do if you have a complaint about our services. This Financial Services Guide is issued with the authority of EQ Financial Pty Ltd

Overview

This Financial Services Guide (FSG) is intended to inform you of certain basic matters relating to our relationship prior to us providing you with a financial service. The matters covered by the FSG include, who we are, how we can be contacted, what services we are authorised to provide to you, how we (and any other relevant parties) are remunerated, details of any conflicts of interest, and details of our internal and external dispute resolution procedures and how you can access them.

It is intended that this FSG should assist you in determining whether to use any of the services described below.

You should also be aware that you are entitled to receive a Statement of Advice (SOA) whenever we provide you with any advice which takes into account your objectives, financial situation and needs. The Statement of Advice will contain the advice, the basis on which it is given and information about fees, commission and associations which may have influenced the provision of the advice.

In the event we make a recommendation to acquire a particular financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

Key information is set out in answers to the questions which follow.

Before You Get Our Advice

Who will be providing the financial service to me?

EQ Financial Pty Ltd

AFSL No. 235364

ABN 90 087 696 526

Level 9, 5 Hunter Street

SYDNEY NSW 2000

Phone: 02 9252 7730

Fax: 02 9252 7740

Email: info@eqfinancial.com.au

What kinds of financial services are you authorised to provide me and what kinds of products do those services relate to?

We are authorised to offer you the following services:

- ◆ Financial planning advice
- ◆ Wealth accumulation advice

- ◆ Superannuation advice
- ◆ Regular savings and investment programs
- ◆ Which share, listed property trusts, listed investment companies to buy and sell and exchange traded funds
- ◆ Execute securities and options transactions on your behalf
- ◆ Whether to borrow money to invest, or for other purposes, where from, how much and what to invest it in
- ◆ Life risk insurance advice
- ◆ Redundancy advice
- ◆ Retirement advice
- ◆ Estate Planning

Covering the use of:

- ◆ Cash Management Trusts
- ◆ Government Debentures, stocks or bonds
- ◆ Life insurance products
- ◆ Deposit & payment products
- ◆ Managed investments
- ◆ Investor directed portfolio services
- ◆ Retirement Savings Accounts
- ◆ Securities
- ◆ Derivatives (old law options contracts) and warrants
- ◆ Superannuation Funds (including Self Managed Superannuation)
- ◆ Margin Lending & mortgages

Statement of Advice

Initial personal advice will generally be documented in a Statement of Advice. The Statement of Advice will help you make an informed decision in relation to the advice provided as it contains:

- ◆ Details of the advice;
- ◆ The reasons for the advice; and
- ◆ Information on any remuneration, associations or other interests that may influence the advice.

Key Information - Continued

Record of Advice

For further personal advice a Statement of Advice will generally not be provided unless your circumstances have changed materially. In these circumstances we will maintain brief details of the basis of the advice. You have the right to request a copy of the record of advice, for a period of seven years, after the advice was provided.

Product Disclosure Statement

If your adviser recommends a financial product to you or offers to arrange the issue of a financial product, other than securities such as listed shares, you will receive a Product Disclosure Statement. The Product Disclosure Statement is prepared by the product provider and provides information on:

- ◆ The product terms and conditions;
- ◆ Risks and benefits associated with the product, and
- ◆ Fees and charges relating to the product.

Prospectus

If your adviser recommends that you acquire securities under a new issue offering or a float, prior to quotation of the securities on a prescribed financial market such as the ASX, you will receive a prospectus. The prospectus will contain information about the securities and the issuer.

Portfolio Administration – (non-custodial)

EQ Financial utilises the products of Praemium AFS License 297956 for the provision of software services in relation to providing data and reporting facilities for your non-custodial assets. A copy of their Financial Services Guide can be found at www.praemium.com.au/fsg/htm.

What are the Fees and Charges?

EQ Financial is predominantly remunerated through fees and charges which are based on the value of your investment portfolio. A detailed list of those fees and charges is provided below.

What compensation arrangements do you have?

We hold Professional Indemnity insurance cover for the activities conducted under our AFS license. The limit of the indemnity is \$2 million for any one claim and \$4 million in the aggregate for all claims arising out of our AFS license activities. The insurance will cover claims in relation to the conduct of our current authorised representatives, representatives and employees of the Licensee and those who no longer work for the Licensee (but who did at the time of the relevant conduct). Our Professional Indemnity insurance cover is subject to the policy's terms and

conditions, however we believe that the cover generally satisfies the requirements of s. 912B of the Corporations Act.

Initial Advice

A plan preparation fee that varies according to your adviser's assessment of the complexity and time associated with preparing the plan.

The fee will range from \$550 to \$5,500. This fee will be agreed upfront before your plan is prepared.

Advice Implementation Fee

An establishment fee ranging from 0.5% - 5.5% of the amount you invest may be charged. A fixed dollar amount may also be negotiated. This is a once only fee to cover the costs of implementing our recommendations and the relevant administration involved.

Advice Service Fee

An ongoing advice fee ranging from 0.33% - 1.1% may be charged by your adviser. A fixed dollar amount may also be negotiated. This service provides for regular personal meetings with your adviser and relevant reporting and communications. It is designed to cover the cost of providing ongoing incidental advice and to ensure your plan remains current and evolves to adjust for changes in your personal circumstances as well as legislative and market changes.

Portfolio Administration Fees

When using EQ Financials' portfolio administration service PortfolioLink you will pay account fees up to 0.55% pa of the account balance paid monthly.

Portfolio Management

When you utilise:

- ◆ EQ Financials' Portfolio Management Service, you will pay up to 1.65% of the funds under management.

SMSF Super – Compliance Fees

An administration, taxation and compliance service is available through EQ Financial. The minimum fee per annum for this service is \$1,650.00 including GST.

Key Information - Continued

SMSF Super – Establishment Fees

When establishing a DIY Super Fund you will be charged a fund establishment fee where a new fund is set-up, the fees are as follows:

Individual Trustees: \$1,650

Corporate Trustees: \$2,200

For existing funds being taken on, a minimum fee of \$1,375 will be charged. This fee may vary based on the complexity and condition of the current fund however your adviser will provide a fixed quote for this before proceeding.

Share Brokerage

A brokerage range of between \$75 and 1.1% of the trade value

Does EQ Financial receive commissions when providing services?

EQ Financial may receive commission where an external product, service provider or funds manager is recommended. Where EQ Financial receives a commission this will be fully disclosed in your statement of advice. The type of commission EQ Financial receives includes but is not limited to the following:

Margin Lending

Ongoing trail commission between 0.2% - 1% of the loan balance.

Mortgages

An upfront commission of up to 0.6% plus an ongoing trail commission on the loan balance of between 0.15% and 0.75%

Life Insurance

An upfront commission of up to 115% of the first year's premium plus an ongoing trail commission of up to 32% of the annual premium.

Managed Funds

Where an external retail managed fund is recommended in most instances EQ Financial will offset any adviser service fees (commission), however this is not always possible where the product does not allow for this. In this instance EQ Financial may receive an ongoing trail commission of between 0.2% and 0.5% of funds invested.

Steps to Receiving Advice

Step One

Contact your adviser to determine in what area you require advice, whether of a strategic nature, investment specific or both.

Step Two

Your adviser will prepare a Scope of Advice which sets out the parameters for which the advice is sought. If it relates to investments a clear investment mandate will be prepared. You will also receive a quote (which is based on an hourly rate) for the provision of a Statement of Advice.

Step Three

If you are happy with the Scope of Advice and the quote provided you may then instruct your advisor to prepare the Statement of Advice.

Step Four

The cost for preparation of the Statement of Advice includes the provision of a debrief session which is designed to provide answers to any queries or further clarification related to the advice given.

When You Get Our Advice

Will you give me advice which is suitable to my needs and financial circumstances?

Yes. But to do so we need to find out your individual objectives, financial situation and needs before we recommend any financial products or services to you.

You have the right not to divulge this information to us, if you do not wish to do so.

In this case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

What should I know about any risks of the financial products or strategies you recommend to me?

We will explain any significant risks of financial products and strategies which we recommend to you. If we do not do so, you should ask us to explain these risks to you.

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

Key Information - Continued

We maintain a record of your personal profile which includes details of your objectives, financial situation and needs.

We also maintain any recommendations made to you.

We are committed to implementing and promoting a privacy policy which will ensure the privacy and security of your personal information. A copy of our privacy policy is enclosed for your information.

If you wish to examine your file, you should ask us, and we will make arrangements for you to do so.

Can I provide you with instructions and tell you how I wish to instruct you to buy or sell my financial products?

Yes. You may specify how you would like to give us instructions, for example by telephone, facsimile or email.

If You Have Any Complaints

Who can I complain to if I have a complaint about the provision of the financial services to me?

EQ Financial is a member of the Financial Ombudsman Service (FOS).

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

Contact us and tell us about your complaint.

If your complaint is not satisfactorily resolved within three days, please contact Mr Ian Dorney or put your complaint in writing and send it to us at the address noted at the beginning of the FSG. We will try to resolve your complaint quickly and fairly.

If the complaint cannot be resolved to your satisfaction you have the right to complain to the Financial Ombudsman Service (FOS). They can be contacted on 1300 780 808. This service is provided to you free of charge.

- Website: <http://www.fos.org.au>
- Mail: GPO Box 3, Melbourne VIC 3001
- Fax: 03 9613 6399

Stage 1 of the FOS process is where FOS facilitates discussion and negotiations between the parties. All relevant documents are exchanged and the issues in dispute are identified.

Stage 2 is conciliation and the parties come face to face with a conciliator from the FOS's national panel. The role of the conciliator is to assist the parties to explore options for settlement of the dispute and to help parties to agree on their own outcome.

Stage 3 is where the independent adjudicator is requested to make a decision 'on the papers' taking into account the relevant law, fairness and reasonableness. If you accept the adjudicator's decision it is binding on the member.

If your concerns involve ethical conduct you may wish to consider raising your concerns in writing with the Financial Planning Association of Australia Limited (FPA). They can be contacted at PO Box 109, Collins Street West, Melbourne VIC 8007.

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