

Version 10.2 September 2009

Financial Services Guide

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This guide contains information about:

- Collins House Pty Ltd (Collins House)
- Charter Financial Planning Ltd (Charter)
- Your Financial Adviser
- The financial planning services and products your Adviser can provide
- How Collins House, Charter, your Adviser and other related parties are paid for the financial planning services provided to you
- Any associations or relationships that could create potential conflicts of interest
- Details of who to contact should you have a complaint

Please retain this document for your reference and any future dealings with Collins House and Charter.

Who is Charter?

Charter is wholly owned by the National Mutual Life Association of Australasia Ltd (NMLA) and is a member of the global AXA group (an international financial services organisation).

Charter, which commenced operating in 1996, provides licensing and technical support to several hundred Independently Owned Financial Planning and Advice Practices like Collins House, and is one of Australia's leading financial planning organisations. Charter holds an Australian Financial Service Licence for providing both personal and general advice and can offer a range of financial services that are listed within this Financial Services Guide (FSG).

Charter is a principal member of the Financial Planning Association (FPA) and as such, Charter and their Advisers have adopted the FPA's Code of Ethics and rules of professional conduct.

Charter has approved the distribution of this FSG.

Who is Collins House?

Collins House is a corporate authorised representative of Charter, and is Independently Owned. The Australian Securities and Investment Commission (ASIC) has granted Collins House authority to provide financial services on behalf of Charter. Collins House has been assigned an ASIC representative number of 321867.

Your Financial Adviser is **John Payne**, of Collins House, who is an authorised representative of Charter.

John has been granted an Australian Securities and Investments Commission (ASIC) number of 289654.

Collins House offers a range of financial services that are listed within this FSG.

Contact details

Level 28, 333 Collins Street, Melbourne VIC 3000

Postal address: PO Box 16056, Collins Street West VIC 8007

Telephone: (03) 9629 6922

Facsimile: (03) 9620 5131

Email address: jpayne@collinshouse.com

Web page: www.collinshouse.com

Education and qualifications

Certified Financial Planner, Diploma of Financial Planning

Experience

John holds a Diploma of Financial Planning from the Financial Planning Association/Deakin University, and is a Certified Financial Planner (CFP®).

Prior to becoming an Adviser at Collins House Financial Services Pty Ltd, John spent the last twenty years in financial planning with three of Australia's leading financial planning organisations.

During his employment in the financial planning industry, John has assisted clients, and dealt with a number of employers and institutions including State Trustees, Telstra, and was involved in the set up of the State Bank of Victoria's Financial Planning Service in 1985.

John's extensive experience within the financial planning industry means he is well qualified to provide strategic advice on all aspects of wealth creation, including superannuation, retirement planning, and tax-effective advice.

Membership

CFP member of the FPA



What kinds of financial services and products are available?

Collins House offers a range of insurance, investment, superannuation and retirement strategies, including both direct and indirect investments.

Charter maintains an approved product list containing financial products that have been researched by a number of external research houses. A copy of the approved product list can be supplied to you upon request.

What advice can John Payne offer?

John can provide you with advice on the following:

Strategies

- Guidance on budgeting and goal setting
- Savings and wealth creation strategies
- Investment planning
- Superannuation planning
- Pre-retirement planning
- Retirement planning
- Estate planning considerations
- Centrelink planning
- Salary packaging advice
- Business succession planning
- Risk and insurance analysis

Products

- Cash management trusts
- Direct fixed interest
- Retail & wholesale managed investment schemes
- Direct shares
- Hedge funds
- Master trust products
- Superannuation products
- Personal and group insurance
- Retirement income streams
- Business succession insurance
- Self managed super funds

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What initial services are provided?

Following your initial consultation we may be in a position to offer you Professional Financial Advice.

Should you decide to engage Collins House to provide the same, we are required by law to provide do so in writing, known as a Statement of Advice.

As all initial commissions are rebated to your account we charge Professional Fees for the preparation of a Statement of Advice and implementing the recommendations.

The Statement of Advice will amongst other things, outline a Strategy that best suits your needs given your current financial situation, investment objectives and particular needs, and may include Financial Product Advice and Investment Advice where appropriate.

Our Professional Fees for the preparation of a Statement of Advice and appropriate follow up meetings with you are dependent upon the time taken to meet with you and to prepare documentation, the complexity of your situation, the availability of relevant information, and the amount of money we are advising upon.

What ongoing services are provided?

As tax laws, government regulations, investment markets and your personal circumstances all change over time, it is recommended that you consult with your Collins House Adviser at least annually, to ensure that your initial investment strategy is still appropriate, given your lifestyle and financial objectives.

Such reviews may include:

- An adjustment of your investment portfolio and asset allocation.
- An assessment of your cash flow situation
- An assessment of your tax situation
- An assessment of your risk insurance needs.
- An assessment of the ownership and structure of investments.
- An assessment of your entitlement to Government benefits or rebates
- An examination of your Wills and Powers of Attorney.

What do these services cost?

Initial advice

The hourly advice rate is between \$330 and \$495 per hour inclusive of GST. A typical Statement of Advice requires approximately 10 hours of work, or between \$3,300 and \$4,950 inclusive of GST. However, **all initial commissions are rebated to your account.**

Alternatively you may elect to pay a fee based upon the following sliding scale, with a minimum fee of \$3,300 inclusive of GST and all initial commissions rebated to your account.

The sliding scale rate is based on the size of the portfolio under advice.

- The first \$500,000 is levied at 1.1%
- The next \$500,000 is levied at 0.83%
- The remaining balance is negotiable

Ongoing advice

The following Professional Fees are payable on an annual basis and are usually deducted monthly in advance from your investments or from your own funds, with a minimum of \$3,300 pa, however **all trailing commissions and additional initial commissions are rebated to your account.**

The sliding scale rate is based on the size of the portfolio under advice.

- The first \$1,000,000 is levied at 1.1% per annum
- The next \$1,000,000 is levied at 0.83% per annum
- The remaining balance is levied at 0.55% per annum

All applicable fees, commissions and/or brokerage will also be fully detailed in the Statement of Advice you receive. All fees disclosed are inclusive of Goods and Services Tax.

How will you pay for the services provided?

Your Adviser will discuss with you the preferred method of paying for Financial Advice so that you can choose the option that suits you best, before committing to the same.

How is Collins House paid?

Charter retains \$24,000 p.a. of the revenue received for the recommended financial services and/or products, and pays Collins House the balance of the gross revenue received.

John Payne is paid a salary and does not earn any fees, commissions or brokerage, but may receive bonuses and other benefits.

Other benefits

Some product providers may give Collins House, Charter or your Adviser non-commission benefits such as entertainment or sponsorship. Collins House, Charter and your Adviser maintain a register in line with industry standards to document any alternative forms of payment received. This register is publicly available and must be provided within 7 days of the request date.

Collins House may receive the following benefits. These benefits are payable by Charter and are not an additional charge to you.

Funding the cost of business equipment and training where net practice earnings exceed \$50,000 per annum. One point is earned per \$1.25 (inc GST) over \$50,000. For example, \$100,000 of net practice earnings equates to \$50,000 of qualifying earnings, which is divided by \$1.25 to produce 40,000 points. These points are multiplied by 0.008 cents to produce a benefit of \$320.

Whilst we may participate in short term incentive programmes, any benefits that Collins House and/or your Adviser receive are rebated to your account. For example, a product provider may offer additional commissions for a specified period. Due to the temporary nature of these arrangements they have not been included in this document. Details of any short term incentives will be outlined in the fee disclosure section of your statement of advice.

You may be referred to an external service provider to assist you in specialist areas. Whilst Collins House and/or your Adviser usually do not accept any referral fees or commissions for introducing you to the service provider, if they make such payments, these fees will be disclosed in your Statement of Advice.

Does Charter have any relationships or associations with financial product issuers?

Your Adviser can provide advice on products from a wide range of financial product providers, some of which are part of the global AXA group and as such are affiliated with Charter, including:

- The National Mutual Life Association of Australasia Ltd (AXA & AC&L)
- National Mutual Funds Management Limited
- NMMT Ltd - (Summit, Generations & AXcess)
- N.M. Superannuation Pty Limited (Summit, Generations & North)
- Alliance Capital Management Australia Limited
- ipac asset management limited
- AllianceBernstein Australia Limited
- AXA Rosenberg Investment Management Asia Pacific Limited

What information should you provide to receive personalised advice?

Your Adviser will complete a client questionnaire with you, which will record your personal objectives, lifestyle goals, details of your current financial situation and any relevant information. The information obtained will be assessed by your Adviser to assist them in providing appropriate advice.

You have the right to withhold personal information, but this may compromise the effectiveness of the advice you receive.

You should read any warnings contained in the client questionnaire and statement of advice carefully before making any decision relating to a financial strategy or product.

How can you give instructions to your Financial Adviser about your financial products?

You can contact your Adviser directly with any instructions relating to your financial products.

What information is maintained in your file and can you examine the client file?

Your Adviser will maintain a record of your personal information including details of your objectives and financial situation. Your Adviser will also maintain a record of any recommendations made to you. If you wish to examine your file please ask your Adviser and they will make arrangements for you to do so.

Who may access the information you provide?

Collins House, Charter and your Adviser are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. Please ask your Adviser if you wish to obtain a copy of the privacy policy.

It is important to note that in order to best meet your needs and provide you with financial services and advice, your Adviser may need to disclose your personal information to other parties. Typically these parties may include fund managers, life companies, related entities and other licensees. Similarly your Adviser may bring to your attention products and services or other information which may be relevant to your situation. You will be given the opportunity to choose whether you wish to receive such information.

Collins House reserves the right to appoint another Adviser to ensure your ongoing needs are met. In these circumstances, Collins House will write to you advising you of the change.

What other documents might you receive?

You may also receive the following documents, designed to help you make an informed decision on any financial strategy or recommended product.

Statement of advice (SoA)

All personal advice provided to you will be outlined in an SoA. The SoA will contain personal advice, the basis on which it is given, details of fees, commissions and information on relevant associations. The SoA is used for initial advice and any subsequent advice may be provided in the form of a record of advice, a statement of additional advice or another form of advice documentation.

Product Disclosure Statement (PDS)

You will receive a PDS if your Adviser has provided advice on a particular product. A PDS will contain the key features of the financial product, significant risks and benefits, and fees associated with the financial product.

Professional indemnity insurance

Collins House, Charter and your Adviser maintain professional indemnity (PI) insurance policies. These insurances cover advice, actions and recommendations which have been authorised by Charter to be provided by your Adviser. These arrangements satisfy the requirements imposed by the Corporations Act 2001 and financial services regulations.

What should you do if you have a complaint?

If you have any complaints about the services provided to you, or personal information held, you should take the following steps:

1. Contact Collins House on (03) 9629 6922 and tell your Financial Adviser about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, please contact Charter on 137 292 or put your complaint in writing and send it to:

Charter Financial Planning Ltd
Attention: Advice and Licensing
Level 9, 750 Collins Street
DOCKLANDS VIC 3008

Charter will try to resolve your complaint quickly and fairly.

3. If your complaint has not been resolved by Charter, you may escalate your complaint to one of the External Complaints Schemes listed in the following table, of which Charter is a member.

Type of complaint	External complaints service
Financial advice, investments, superannuation or insurance matters	Financial Ombudsman Service (FOS) on 1300 780 808
Personal information held	The Privacy Commissioner on 1300 363 992
The Australian Securities and Investments Commission (ASIC) may be contacted on 1300 300 630 to find out which body may be best to assist you in settling your complaint.	