



Financial Services Guide

A guide to our relationship with you and others



Financial Services Guide

ASET Wealth Management Pty Ltd

ABN: 34 125 428 855

AFSL: 316844

Ground Floor

39 Brisbane Avenue

BARTON ACT 2600

GPO Box 2309

CANBERRA ACT 2601

T: 02 6173 2000

Email: contactus@asetwealth.com.au

Authorised for distribution by:

ASET Wealth Management Pty Ltd (ASET)

ABN: 34 125 428 855

Australian Financial Services Licensee (AFSL):316844

1 February 2019

**It is important you understand this Financial Services Guide (FSG) is a legal document.
If any part of this document is not clear, please speak to your financial adviser.**

Why am I receiving this document?

This Financial Services Guide (FSG) outlines the financial planning services provided by your financial adviser through ASET.

It is an important document which will help you decide if you want to use the services being offered. It contains information about:

- ASET and your financial adviser;
- the services offered;
- how financial advice is documented;
- how your financial adviser, ASET and other relevant persons are remunerated in relation to the service; and
- how we deal with your complaints if you are not satisfied with the services provided.

This document is the first part of the FSG. You must read this document in conjunction with the Adviser Profile, which gives you more details about your financial adviser. Together these documents form the complete FSG for your ASET financial adviser.

Other documents you may receive

When your financial adviser provides you with financial planning services you may also receive:

- A Financial Plan / Statement of Advice (SoA) which is a record of their recommendations to you and explains the basis for the advice, the cost to you of implementing the advice and any commissions or associations which could have influenced the advice to help you decide whether to act on the advice.
- If you previously received advice recorded in an SoA, any further advice which is not significantly different to the initial advice will be recorded in a Record of Advice (RoA) and be retained by your Financial Adviser for a period of 7 years. If you have not been given a copy of that further advice and you require a copy within the time period, you should contact your Financial Adviser or ASET in person or by telephone, email or letter and request a copy which will be given to you free of charge.
- a Product Disclosure Statement (PDS) which provides information about the product to help you decide whether to purchase that product.

Who is ASET?

ASET holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission (ASIC).

Your financial adviser acts on behalf of ASET when providing those financial services they are authorised to provide under ASET's licence, as set out in the Adviser Profile. Your financial adviser will provide these Financial Services to you as an authorised representative of ASET and ASET is responsible for these Financial Services.

This licence allows ASET to provide you with financial product advice and to deal in the following financial products:

- ◆ Deposit and Payment Products – Basic & Non-Basic Products;
- ◆ Government Debentures, Stocks or Bonds;
- ◆ Managed Investment Schemes including IDPS;
- ◆ Retirement Savings Accounts;
- ◆ Securities;
- ◆ Superannuation (including Self-Managed Superannuation Funds);
- ◆ Investment Life Insurance and Life Risk Insurance Products; and
- ◆ Standard Margin Lending Facilities.

Range of financial planning services

As a result of the licence ASET holds, your financial adviser is able to provide you with access to a broad range of Financial Services which may include:

- ◆ investment planning advice;
- ◆ superannuation and rollover advice;
- ◆ self-managed superannuation fund advice;
- ◆ retirement planning advice;
- ◆ personal insurance advice (for example, life insurance);
- ◆ portfolio review services;
- ◆ redundancy advice; and
- ◆ social security benefits advice;

The Adviser Profile provided with this FSG includes more information about the financial planning services provided by your financial adviser.

While your financial adviser has flexibility in the service they provide to you, ASET remains responsible for the quality of advice provided by your financial adviser under ASET's licence. ASET provides your financial adviser with significant support and supervision with the aim of ensuring you receive quality financial planning advice.

Your financial adviser has completed external assessments and they must complete an annual training program to maintain their knowledge. They are also subject to regular reviews from experienced Compliance professionals who assess the quality of their advice.

ASET has an extensive Approved Product List which means your financial adviser can select the right product for you. All products on the Approved Product List are supported by independent research. ASET ensures your financial adviser:

- ◆ is only authorised to provide services to you where he/she has the appropriate qualifications;
- ◆ stays up to date with relevant industry and legal changes to maintain their qualifications;
- ◆ is provided with excellent technical support and tools to provide financial planning advice;
- ◆ is provided with high quality financial product research; and
- ◆ is monitored and supervised to ensure they comply with the requirements of the law and ASET's standards.

What you will receive when provided with a financial service

To ensure we provide advice suitable for your needs and financial circumstances, we will follow a step-by-step process as outline below:

- 1) We will meet with you for an initial consultation. During this meeting, we will discuss your expectations and provide you with details of the services we can offer.
- 2) We will collect all the information we need from you, including your personal financial situation, financial objectives and needs. If you do not wish to provide the information we require, we will advise you of the possible consequences of not disclosing your full personal information and the impact on the recommendations given.
- 3) We will help you identify your goals and discuss your attitude towards investment risk.
- 4) We will prepare and present you with a written SoA, or in some cases depending on the circumstances, an RoA. We will explain in the SoA (or RoA) the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice. Where we recommend financial products, we will provide you with a PDS or other disclosure document containing information, about each product recommended, to help you make an informed decision about whether to purchase that product.
- 5) We will discuss our recommendations with you, make any changes you require and gain your agreement to implement those recommendations.
- 6) We will then implement those recommendations.
- 7) We will meet with you periodically to review your financial circumstances if we agree to an ongoing advice service arrangement which includes a regular review component. If an ongoing advice service arrangement is entered into, this will be documented in your Ongoing Advice Service Arrangement Letter and/or SoA. Where you have entered into an ongoing fee arrangement after 1 July 2013, we will renew your arrangement with you at a minimum of every two years.

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further. In certain circumstances, we may not provide you with personal advice via a SoA or RoA, as outlined above. These circumstances may include:

- ◆ Where we provide you with only general advice, such as through seminars and newsletters;
- ◆ When we are acting under a Managed Discretionary Account (MDA) Service which allows us to manage investments on your behalf, once you have accepted this service in a SoA;
- ◆ Further advice or verbal advice - if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a RoA. We will not necessarily provide you with a copy of the RoA, unless you request it.

If you do not understand the advice we provided to you, please seek further clarification from your financial adviser.

Small enough to care

Your financial adviser's relationship with you is important to them and they will provide you with the personalised service that is usually associated with small businesses.

Your financial adviser may provide other services independently of the AFSL

Your financial adviser may provide services other than financial planning services. While your adviser may provide these services, you should understand that they are not provided under the licence held by ASET and ASET does not train, support or supervise your financial adviser in providing these services.

Examples of the services which ASET is **not** responsible for include:

- ◆ general insurance services (for example, car insurance);
- ◆ real estate and direct property advice;
- ◆ legal services; and
- ◆ credit activities e.g. mortgage broking services.

ASET is also a registered Tax Agent. Under this registration ASET can provide;

- ◆ Taxation services, such as completion of tax returns;
- ◆ Financial statement preparation and audit services where applicable; and
- ◆ Administration and compliance for self-managed superannuation funds.

How you may give instructions

You can give us instructions about your investments or life insurance contracts by contacting your Financial Adviser or ASET in person or by telephone, email or letter.

Remuneration and benefits relating to Financial Services

Fees, commissions and incentives?

We permit our financial advisers to work out with you an appropriate way for us to be paid for the financial services we provide to you. This could be fees paid by you, commissions received from product providers or a combination of both. We have provided below a broad outline of the options available. You will find more detailed information about your particular financial adviser's fees, commissions and incentives in the attached Adviser Profile, and specific details in each SoA you receive. You can ask your financial adviser for details about fees, commissions and incentives at any time.

What fees are charged for initial advice?

Your financial adviser may charge a plan preparation fee for the initial advice they provide and for preparing a SoA. The amount charged may be based on the scope and complexity of advice provided to you and/or the value of the funds you invest (or the insurance premium you pay). Your financial adviser will disclose the plan preparation fee prior to engaging our services to prepare your financial plan / SoA. This fee is usually payable in full when you receive your SoA.

Your financial adviser may also charge a plan implementation fee where you decide to implement the advice. The plan implementation fee may be based on the value of the funds you invest and/or the complexity and time taken to implement the recommendations. This fee will be recorded in the SoA.

What fees are charged for subsequent services?

Your financial adviser can provide ongoing administration and advice services to ensure the strategy and products they recommend continue to meet your needs and circumstances.

If you choose to receive ongoing services, you may be charged a fee based on the scope of the services you receive and/or the value of your account balance (or insurance premiums). Your financial adviser will disclose the amount of the fee and record it in your SoA. This fee may be deducted from your account each month or may be paid directly to ASET. Where it is deducted from your account, it is normally referred to as the Adviser Service Fee. ASET may continue to charge the agreed ongoing services fee until you notify them that you no longer require ongoing services.

A further fee may be charged for each additional contribution you make to your account. The amount of this fee may be based on the value of the funds you invest and will be agreed with you and disclosed in your SoA.

Are commissions received from product providers?

If you take out a financial product through us, ASET may receive payments in the form of initial commissions and/or ongoing commissions from the financial product providers. These commissions are included in the fees, premiums and interest rate (in the case of margin loans) you pay for the product. This is not an additional cost to you. We may agree to rebate some or all of these.

The commission payable for different classes of financial products include the following:

Investment Products: For investment products, including superannuation and annuities, commissions are generally deducted from the funds you invest. Commissions on investment products may only be payable, where an arrangement existed as at 1 July 2013. Where you acquired an investment product before 1 July 2014, commissions may still be payable where ASET had an existing arrangement with the product issuer prior to 1 July 2013.

Life Insurance Products: Initial and ongoing commissions from insurance providers may be received by ASET. These commissions are paid to ASET by the company that issues the product that ASET's advisers recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product. The initial commission is paid in the first year by the product issuer to ASET. Ongoing commissions are payments paid by product issuers to ASET in the years after the first year. If you initiate an increase to your cover, ASET may receive initial and ongoing commissions on the increase to your policy cost. The ongoing commission on a client-initiated increase is only paid in respect of the period that starts from the first anniversary of the increase.

Margin Lending Products: If we organise, or increase a margin loan for you, ASET may receive payments in the form of ongoing commissions from the margin loan provider. Commissions on margin lending products may only be payable in certain circumstances where an arrangement exists as at 1 July 2013. Where you have entered into a margin lending product arrangement prior to 1 July 2014, commissions may be payable where ASET had an existing arrangement with the margin loan provider prior to 1 July 2013. These commissions range between 0% and 0.50% p.a. of your loan balance.

Example: Insurance

If a level commission is payable (i.e. where the initial commission is equal to the ongoing commissions as a percentage of your policy cost), ASET may receive up to 30% of your annual policy cost. If the initial commission is higher than the ongoing commissions, the maximum commission that ASET may receive is set out in the table below:

| Date a new product is issued | Initial Commission (% excl. GST) | Ongoing Commission (p.a. % excl. GST) |
|-------------------------------------|-------------------------------------|--|
| Before 1 January 2018 | 0 - 140% | 0 - 38.5% |
| 1 January 2018 - 31 December 2018 * | 0 - 80% | 0 - 20% |
| 1 January 2019 - 31 December 2019 * | 0 - 70% | 0 - 20% |
| From 1 January 2020 * | 0 - 60% | 0 - 20% |

* ASET may receive the pre 1 January 2018 commission rates above from the product issuer if:

- your policy was issued before 1 January 2018 and you exercise an option to establish new or additional cover under your policy after 1 January 2018; or

- your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct an administrative error.

You have an existing policy with us, issued in 2017, and in 2018 you decide to increase the cover on that policy with a corresponding increase in policy cost of \$100 p.a. ASET may receive up to \$140 (140% excl. GST) as initial commission on that increase. The ongoing commission payable to ASET in respect of this increased policy cost may be up to \$38.50 (38.5% excl. GST).

Or, we recommend an insurance policy to you and it is issued on 2 April 2018. The annual policy cost is \$450. ASET may receive up to \$360 (80% excl. GST) as an initial commission. Assuming the policy cost stays the same each year, ASET may receive up to \$90 p.a. (20% excl. GST) as an ongoing commission.

On 2 September 2018, you decide to increase your insurance cover. The cost of this increased cover is \$100. The initial commission payable to ASET in respect of this increase will be up to \$80 (80% excl. GST) as the increase has occurred in 2018. The ongoing commission payable to ASET in respect of this increased policy cost will be up to \$20 p.a. (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 September 2019).

On 2 September 2020, you decide to increase your insurance cover again. The cost of this increased cover is \$100. The initial commission payable to ASET in respect of this increase will be up to \$60 (60% excl. GST). The ongoing commission payable to ASET in respect of this increase will be up to \$20 p.a. (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 September 2021).

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide you. Where personal advice is provided to you, you'll also find details of the commission that ASET is entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

Where upfront and ongoing commissions are payable, your financial adviser will disclose the specific amount in a SoA when you receive personal advice.

Example: Margin Lending

We recommend you borrow \$10,000 through a margin loan. The applicable ongoing commission is 0.25% p.a. Assuming the loan balance stays the same, each year ASET will receive ongoing commission of \$25.

Does ASET charge any fees?

ASET will not charge you any additional fees. However, it may retain up to 100% of all fees and commissions generated by its Authorised Representatives.

What other benefits do ASET and my financial adviser receive from product providers?

ASET has commercial arrangements in place where we receive a payment based on the total volume of funds invested. Our product providers may pay us a percentage of the administration fees which they charge investors.

The commission payments disclosed in this section may only be payable in certain circumstances where an arrangement existed between ASET (or a related party of ASET), and the relevant product providers prior to 1 July 2013, or where you invested through Wrap or another portfolio administration service before 1 July 2014.

These arrangements do not further increase the administration fee or management expense ratio amount that would otherwise be charged by the product provider if these volume bonus arrangements were not in place. This additional payment is usually paid by the product providers on a monthly basis and is not an extra cost to you.

At present we have an arrangement with Asgard for the volume of investments administered under their platform. If your financial adviser recommends placing investments with this provider then the details of the commission will be disclosed to you when that advice is provided. To demonstrate how this additional commission applies, Asgard pays ASET 40% of the net administration fee. If the net administration fee applicable to your investments was \$200 for the year, ASET would receive \$80. Please note, as stated above this does not apply to accounts opened after 1 July 2014.

ASET and your financial adviser may also receive additional benefits such as help with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events. Benefits greater than \$300 in value are recorded in a register which meets the requirements of the Financial Planning Association Code of Practice on alternative forms of remuneration. The ASET register is publicly available and ASET can provide you with a copy at your request.

Further details on remuneration and benefits

When your financial adviser provides personal advice on specific financial products, they will disclose certain details of remuneration (including commission) or other benefits that they receive, or that ASET or another associated person receives as a result of that advice (Remuneration or Benefits). If the Remuneration or Benefits can be calculated at the time you receive personal advice, these amounts will be disclosed at that time, or as soon as practicable after that time. If the Remuneration or Benefits cannot be calculated at the time you receive personal advice, your financial adviser will disclose how these amounts will be calculated instead. These details will only be disclosed when personal advice is given if the Remuneration or Benefits are reasonably capable of influencing your financial adviser in providing the advice.

Other Information

Privacy Statement

Why we collect your personal information

We collect personal information, including sensitive information (e.g. health information) from you to provide you with services including financial advice.

We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, to prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and to help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

Who else will have access to my personal information?

As a provider of financial services, we may have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products and services, you consent to these disclosures.

Your financial adviser and ASET may use your personal information and disclose personal information about you:

- ◆ to agents, contractors or external service providers (who may be located overseas) that provide financial, administrative or other services in connection with the financial planning services provided to you;
- ◆ to external service providers to provide marketing material to you about products and services they offer. If you do not want your personal information to be used in this way, you may opt out by notifying your financial adviser;
- ◆ where the law requires us to do so; or
- ◆ if you consent.

ASET is also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) and its corresponding rules and regulations, to implement certain client identification processes. We may be required to obtain information about you at the time of providing financial services to you, and from time to time in order to meet our legal obligations.

We have certain reporting obligations pursuant to the AML/CTF Act and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

Where can I access more information about the Privacy Act with respect to my investments?

ASET's privacy policy explains ASET's policies on the management of personal information. You can access the policy from ASET website at www.asetwealth.com.au.

Complaints

The law requires ASET to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by ASET or its representatives. ASET has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements which include services provided by both current and former Representatives.

ASET and your financial adviser endeavour to provide the best financial service to you. If you have any complaints, we are committed to resolving them as quickly as possible.

If you have a complaint about the service provided to you:

- 1) Contact your financial adviser about your complaint.
- 2) If your complaint is not resolved to your satisfaction within five days, contact:

Compliance Manager at ASET on 02 6173 2000 or

Put your complaint in writing and send it to:

Compliance Manager
ASET Wealth Management Pty Ltd
GPO Box 2309
CANBERRA ACT 2601
contactus@asetwealth.com.au

ASET will aim to resolve your complaint quickly and fairly.

- 3) If the complaint is not resolved to your satisfaction and it meets Australian Financial Complaints Authority (AFCA) jurisdiction rules, you can take your complaint to AFCA. You can contact AFCA on 1800 931 678. This service is provided to you free of charge.

If your concerns involve unethical conduct, you can raise your concerns by writing to the Financial Planning Association of Australia, GPO Box 4285, SYDNEY NSW 2001.