



Financial Services Guide

Version 2, 9 February 2011

**NEXT
LEVEL**

Financial Services

Corporate Authorised Representative
Financial Planning Services Australia Pty Ltd
ABN: 55 010 521 810 AFSL: 225982

Suite 1, 726 High Street
ARMADALE VIC 3143

P: (03) 9500 1008 F: (03) 9500 1185 M: 0417 301 482

Financial Services Guide

The financial services explained in this Financial Services Guide (FSG) are provided by:

Financial Planning Services Australia Pty Ltd (FPSA)
ABN: 55 010 521 810
Australian Financial Services Licence No. 225982
Level 5, 52 Collins St, Melbourne, Victoria 3000
Phone: 03 9657 1400
Fax: 03 9655 1333

www.fpsa.com.au

Note: This document has two parts being the “Adviser Profile” and the Licensee FSG. Both documents should be read in conjunction to give the potential client a full understanding of the services being offered.

Why is this document important?

This *Financial Services Guide (FSG)* contains important information for you about:

- *Financial Planning Services Australia Pty Ltd (FPSA)*, your financial adviser and the services we offer you
- How *FPSA* and our associates are paid
- Any potential conflict of interest we may have in the provision of services to you
- Our complaints handling procedures and how you can access them.

You should read this *FSG* along with your financial adviser’s *Adviser Profile* and the *Terms of Engagement* which is the document that sets out in detail the terms upon which *FPSA* and your financial adviser will provide financial services to you. *FPSA* has authorised the distribution of this *FSG* by your financial adviser.

You will have noticed already that we use some abbreviated terms in this *FSG*. This is to make this *FSG* easier to read. Abbreviated terms are in *italics* so that you can easily identify them.

Who is FPSA?

FPSA holds an Australian Financial Services Licence no. 225982, issued by the *Australian Securities and Investments Commission (ASIC)*, and is a Principal Member of the *Financial Planning Association of Australia Ltd (FPA)*. *FPSA* is committed to upholding the *FPA*’s Code of Ethics and Rules of Professional Conduct in the provision of services to you.

FPSA is wholly owned by **netwealth Investments Limited (netwealth)**. **netwealth** is an independently owned, unlisted public company that provides a wide range of financial products and services to Australian investors and the financial planning industry.

FPSA provides financial planning services through its financial advisers and their financial planning practices located across Australia. *FPSA*’s financial advisers are authorised

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representatives of FPSA under to the *Corporations Act 2001* (*Corporations Act*).

Your financial adviser may be an employee of a financial planning practice, which may also be a corporate authorised representative of FPSA. These relationships will be explained to you in more detail in your adviser's profile document, which is attached to this FSG. FPSA acts on your behalf when financial services are provided to you by its financial advisers and their financial planning practices.

What financial services can your adviser provide?

The financial planning services your adviser can provide to you may include:

- Financial planning
- Investment advice on financial products and securities (including managed funds and shares)
- Superannuation advice
- Insurance advice
- Advice on retirement strategies
- Advice on gearing strategies (these are strategies using borrowing to invest)
- Savings and wealth creation advice
- Estate planning
- Social security advice
- Margin Lending services
- Ongoing review services
- Transaction/execution only services

Your adviser is authorised to advise and deal in financial products associated with this range of services. As an authorised representative of FPSA, your financial adviser can provide a range of these financial planning services to you on our behalf.

Your financial adviser may provide other related services such as accounting, tax or mortgage origination services. It is important for you to understand that these services are **not** provided on behalf of FPSA and FPSA is not responsible for them.

Providing financial services to you

In providing financial services to you, your financial adviser may give you personal financial advice. This personal advice will be provided to you in writing in a document called a *Statement of Advice (SoA)*. Its purpose is to place you in a position to make informed decisions about your financial future. The SoA will explain:

- Your current financial situation, personal circumstances, needs and objectives
- The basis for your financial adviser's recommendations and suggested strategy
- The process used to reach these recommendations and strategy
- How these recommendations and strategy meet your needs and objectives
- Any risks or consequences of accepting the advice that you should know about
- All relevant fees, commissions and other benefits payable as a result of the advice
- Any associations, relationships and conflicts of interest that may impact on the advice given, and
- Other relevant information.

If your financial adviser recommends that you invest in a specific financial product, they will give you a *Product Disclosure Statement* or a similar disclosure document such as a prospectus (these documents are referred to here as a *PDS*). These documents provide important information to help you make an informed decision about whether to invest in a particular product.

It is important for you to understand the information in these documents, so you should carefully read the SoA and PDS's provided to you before making any decision relating to recommended strategies or financial products. If you are unsure about any of the information in the SoA or the PDSs, you should ask your financial adviser to explain it to you.

Where further advice is provided to you in situations where there has not been a significant change in your circumstances, the further advice may be recorded in a *Record of Advice (RoA)* which is kept on file for seven years. If

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you wish, you may request a copy of your *RoA* from your adviser by phone, fax, email or post.

If you do not want advice but require other specific services, your adviser can provide you with “no advice” services which we call “transaction services” or “execution only services”. You can provide these instructions orally or in writing. However, if you do not obtain personal advice, you face the risk that the financial products you select will not be appropriate to your needs and objectives.

Why do you need to provide us with information?

We have an obligation under the *Corporations Act* to seek information from you for the purposes of providing personal financial advice. It is up to you to specify how you wish to provide us with this information and instruct us accordingly. Information and instructions can be provided to us by telephone, fax, post or email. It is in your interests to provide us with all relevant information about your personal and financial circumstances so as to assist us to assess your situation and be able to make suitable recommendations. How we protect your privacy is outlined in our Privacy Policy. This is referred to later in this *FSG*.

Remuneration for our financial services

You may be charged in a number of different ways for the financial services provided to you, depending on what you agree with your adviser. These may include:

- An hourly rate, invoiced to you directly;
- A fee for the preparation of the *SoA*;
- A direct fee agreed before implementing any recommendations and usually based on one or more of:
 - a percentage of funds invested
 - a set yearly fee
 - an hourly rate, or
 - an adviser service fee agreed before implementing any recommendations and paid by the issuer of the financial product. This is usually an extra fixed dollar fee added to the cost of the financial product.

The invoices you will receive in relation to fees charged will be issued either by your financial adviser or their employer financial planning practice.

The remuneration that your adviser and *FPSA* receive for services to you therefore could come from one or more sources including:

- Fees paid directly by you, taken as a percentage of funds under management or paid by a product issuer or funds manager in the form of a commission, or be a combination of these: and
- Commissions, rebates or fees received from issuers of financial products or the providers of financial services, generally (but not always) calculated based on the amount of your funds invested in particular products. If *FPSA*, your adviser or their financial planning practice is eligible for any commission payment as a result of recommendations made to you, it will be disclosed to you in the *SoA*.

FPSA or your adviser’s financial planning practice may be paid a commission by a financial product issuer or financial services provider at the time you invest or begin a contract (these are commonly called “upfront commissions”) and/or during the life of your investment or contract (these are commonly called “ongoing commissions” or “trail commissions”).

Your adviser may be director or shareholder of the financial planning practice and have an indirect interest in that way. This is discussed in the next section.

If you receive personal advice from your adviser, they will tell you in the *SoA* about any commissions, fees and any other benefits that *FPSA* or the employer financial planning practice or the adviser may receive from the issuer of a financial product and, where possible, in actual dollar amounts.

For investments, upfront commissions commonly vary from 0% - 5% of the total amount invested and ongoing commissions/trail commissions commonly vary from 0% to 2% per annum of the total funds invested. For example, if you make invest \$100,000, the upfront commission may vary from \$0-\$5,000 and the ongoing/trail commission may vary from \$0

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to \$2,000 per annum. Commission on agribusiness schemes can be as much as 15% of the amount invested.

For insurance, the upfront commission varies from 30% - 120% of the initial premium with ongoing commissions from 0% to 36% of the annual premium.

Where an investment in the platform known as the FPS Portfolio Manager is recommended, your adviser may receive a commission of 0.17% per annum of the value of your investment. For example, if you have a \$100,000 investment, your adviser may receive \$170.00 per annum.

Where investments in Colonial First State's FirstChoice Investments, FirstChoice Personal Super or FirstChoice Pension are recommended, your adviser may receive a commission of 0.2% per annum of the value of your investment. For example, if you have a \$100,000 investment, your adviser may receive \$200.00 per annum.

FPSA is wholly owned by **netwealth**. Your adviser, or their employer financial planning practice (if applicable), may receive a commission of up to 0.2% per annum on total funds under management with **netwealth** as a result of recommendations made to you to invest in **netwealth** financial products and services. For example, on a \$100,000 investment, your adviser or their financial planning practice may receive up to a \$200.00 per annum commission.

Authorised representatives of FPSA may receive alternative forms of remuneration from time to time. If they do, and if the alternative forms of remuneration equal or exceed \$300 per annum, the alternative form of remuneration will be recorded by FPSA in a public register each quarter, in line with the IFSA/FPA *Industry Code of Practice on Alternative Forms of Remuneration in the Wealth Management Industry*. This register is available to you for inspection at FPSA's offices within 7 days of your request.

Relevant associations and relationships of your adviser and FPSA

Your adviser will usually be the principal or an employee of a financial planning practice or partnership that is authorised to provide financial services on behalf of FPSA. In most cases that employer practice or partnership will be independent of FPSA. However, in some cases the practice may be part of the **netwealth** group in which case it will be an associate of FPSA. In addition, **netwealth** is an unlisted public company and some financial planning companies or their principals hold shares in **netwealth**. Any associations between your financial adviser and **netwealth** will be disclosed to you in the adviser profile.

FPSA has relationships with different organisations that help FPSA and our advisers in different ways. This support may include subsidising training events and conferences by way of sponsorship. These sponsors may change from time to time and the current FPSA sponsors currently include: Australian Unity, AIA Australia, Aberdeen Asset Management, BDM Australia, Bennelong Funds Management, Equity Trustees, Instreet Investments, INVESCO Australia, MLC, Macquarie, Pinnacle Investments, Russell Investments, Tower Australia and Tyndall Investments.

FPSA may become eligible for shareholding in Associated Advisory Practices Limited (AAP) through the purchase of financial products from AAP's Strategic Alliance Partners. AAP is a service company that provides legal, compliance training and business development support to FPSA. It is possible that FPSA may receive dividends from time to time and the value of the shareholding may increase.

Some FPSA advisers may have referral arrangements with other professionals. In some circumstances referral fees may also be paid. Such fees will be disclosed to you in our Statement of Advice and the Terms of Engagement letter or its equivalent.

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How do we protect your privacy?

The privacy of your personal information is important to us. We have systems and processes in place to protect your privacy.

We need to collect personal and financial information to administer our client relationships and provide you with appropriate products and services. For example, we may need to provide information to fund managers, platform operators and so on. Unless you tell us you do not want us to send you information on products and services, we may use your personal details to send you information on our products and services. We will not “sell” your information to third parties. For detailed information on how we handle your personal information and to whom this information will be provided to, please read our Privacy Policy online at www.fpsa.com.au or request a copy from us on 03 9657 1400.

What if you have a complaint?

We follow the ‘client first’ principle and pride ourselves on the quality of our service. However, even with the best of intentions there is the possibility of disagreement or dispute with you about our services. If you have any complaint about the services provided to you, we want you to tell us as soon as you can and we will endeavour to resolve it as quickly as possible. If at any time you have any complaint about the services provide to you, you should take the following steps:

1. Please first contact your adviser and discuss your concern.
2. Hopefully, your adviser will be able to rectify the problem. If for any reason your concern is not resolved to your satisfaction within five business days, you should write a letter setting out the problem to us at the following address:

The Senior Compliance Manager
Financial Planning Services Australia Pty Ltd
Level 5, 52 Collins Street
Melbourne, Victoria, 3000

3. FPSA will investigate and seek to resolve your complaint within 45 days from when we receive the notification.

4. If, after 45 days, we have been unable to resolve your complaint to your satisfaction, you may address your complaint to Financial Ombudsman Service at the following address:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, Victoria, 3001

If you are still dissatisfied, you may wish to seek independent legal advice to consider your options.

Professional indemnity Insurance

The *Corporations Act* requires Australian Financial Services Licensees, such as FPSA, to have adequate arrangements in place to compensate retail clients in the case of loss caused by FPSA or an FPSA authorised representative. FPSA maintains professional indemnity insurance that complies with these Corporations Act requirements.

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Adviser Profile

This Adviser Profile forms part of *FSG* and must be read in conjunction with the *FSG*.

Who is my Adviser?

Your financial adviser is:

Belinda Lundberg
Suite 1, 726 High Street
Armadale Vic 3143

Belinda Lundberg is the Director of Next Level Financial Services her ASIC representative number is 225603. Next Level Financial Services is a Corporate Authorised Representative of FPSA. Next Level Financial Services ASIC representative number is 29247.

What experience does my adviser have?

Belinda Lundberg has over 15 years' experience in the financial services industry, specialising in superannuation, financial planning and insurance.

Belinda Lundberg has completed a Bachelor of Business Degree (Financial Planning), a Diploma in Financial Planning and is also a Certified Financial Planner™ (CFP) practitioner, the highest financial planning designation awarded by the FPA.

Who is responsible for the financial services provided?

FPSA is responsible for the financial services provided by Belinda Lundberg and Next Level Financial Services including the distribution of this *FSG*.

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

Belinda Lundberg is authorised by FPSA to provide financial services in:

- **Deposit Products Retirement Savings Accounts**
- **Life Products including:**
 - Investment life insurance products - Managed Trusts
 - Life risk insurance products - Master Trusts, Wrap Facilities
- **Managed Investment Products including IDPS**
- **Superannuation products, including**
 - Property Syndicates
 - Public Offer Superannuation Funds - Margin Lending Products

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- Allocated Pensions and Complying Annuities - Tax Effective investments
- Corporate Superannuation Funds
- Strategic and structural advice in the specialist area of Self Managed Superannuation Funds.
- **Government Bonds, Stocks or Debentures**
 - Self Managed Superannuation Funds
- **Securities**
 - ASX listed shares, warrants and fixed interest

We also provide an ongoing portfolio review service.

How is my Adviser paid for services provided to me?

This *FSG* has previously outlined the source, method and receipt of remuneration and other benefits payable to Belinda Lundberg for the services provided to you.

Belinda Lundberg is paid a salary by the financial planning practice which employs her. Neither you nor *FPSA* pays your adviser directly. Your adviser may also receive a performance bonus, which may be based on the funds invested by their clients. Otherwise your adviser may receive a portion of the direct fee, commission or adviser fee paid to the employer financial planning practice by *FPSA*. Specific details of this will be provided to you in the *SoA*.

Next Level Financial Services may receive payments from time to time from *FPSA* for services delivered to you in relation to investment in financial products or use of financial services. The method adopted for this purpose is called the "Flat Fee Arrangement".

Under the Flat Fee Arrangement, Next Level Financial Services pays *FPSA* an annual fee, in exchange for which *FPSA* pays all commission and fees and other benefits that *FPSA* receives in connection with financial services provided by the adviser and other representatives of *FPSA* appointed by Next Level Financial Services to Next Level Financial Services .

Does my adviser receive any other forms of remuneration?

Belinda Lundberg may receive alternative forms of remuneration in connection with providing financial services on behalf of *FPSA* as indicated in this *FSG*. These benefits may include small gifts and/or corporate entertainment. Should such a benefit be paid and be equal to or exceed \$300 in value, it will be recorded each quarter in a public register maintained by *FPSA*. This register is available to you for inspection at *FPSA* offices within 7 days of your request.

Further questions?

If you have any further questions about the services *FPSA* provides, please contact Belinda Lundberg on (03) 9500 1008.

You should retain this *FSG* for your reference and any future dealings with *FPSA*.

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Adviser Profile

This Adviser Profile forms part of *FSG* and must be read in conjunction with the *FSG*.

Who is my Adviser?

Your financial adviser is:

Mark Godfrey
Suite 1, 726 High Street
Armadale VIC 3143

Mark Godfrey is a Director of Next Level Financial Services Pty Ltd, a Corporate Authorised Representative of *FPSA*. His ASIC representative number is 360517. Next Level Financial Services Pty Ltd's *ASIC* representative number is 343707.

What experience does my adviser have?

Mark Godfrey has over 10 years' experience in the financial services industry, specialising in superannuation, financial planning and insurance.

Mark Godfrey has completed a Bachelor of Commerce, a Master in Business Administration (MBA) and a Diploma in Financial Services (Financial Planning)..

Who is responsible for the financial services provided?

FPSA is responsible for the financial services provided by Mark Godfrey and Next Level Financial Services Pty Ltd, including the distribution of this *FSG*.

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

Mark Godfrey is authorised by *FPSA* to provide financial services in:

- **Deposit Products Retirement Savings Accounts**
- **Life Products**
- **Managed Investment Products including IDPS**
 - Investment life insurance products - Managed Trusts
 - Life risk insurance products - Master Trusts, Wrap Facilities
- **Superannuation products, including**
 - Property Syndicates
 - Public Offer Superannuation Funds - Margin Lending Products

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- Allocated Pensions and Complying Annuities - Tax Effective investments
- Corporate Superannuation Funds
- Strategic and structural advice in the specialist area of Self Managed Superannuation Funds.
- **Government Bonds, Stocks or Debentures**
 - Self Managed Superannuation Funds
- **Securities**
 - ASX listed shares, warrants and fixed interest

We also provide an ongoing portfolio review service.

How is my Adviser paid for services provided to me?

This *FSG* has previously outlined the source, method and receipt of remuneration and other benefits payable to Mark Godfrey for the services provided to you.

Mark Godfrey is paid a salary by the financial planning practice which employs him. Neither you nor *FPSA* pays your adviser directly. Your adviser may also receive a performance bonus, which may be based on the funds invested by their clients. Otherwise your adviser may receive a portion of the direct fee, commission or adviser fee paid to the employer financial planning practice by *FPSA*. Specific details of this will be provided to you in the *SoA*.

Next Level Financial Services may receive payments from time to time from *FPSA* for services delivered to you in relation to investment in financial products or use of financial services. The method adopted for this purpose is called the "Flat Fee Arrangement".

Under the Flat Fee Arrangement, ABC Financial Services pays *FPSA* an annual fee, in exchange for which *FPSA* pays all commission and fees and other benefits that *FPSA* receives in connection with financial services provided by the adviser and other representatives of *FPSA* appointed by ABC Financial Services to ABC Financial Services.

Does my adviser receive any other forms of remuneration?

Mark Godfrey may receive alternative forms of remuneration in connection with providing financial services on behalf of *FPSA* as indicated in this *FSG*. These benefits may include small gifts and/or corporate entertainment. Should such a benefit be paid and be equal to or exceed \$300 in value, it will be recorded each quarter in a public register maintained by *FPSA*. This register is available to you for inspection at *FPSA* offices within 7 days of your request.

Further questions?

If you have any further questions about the services *FPSA* provides, please contact Mark Godfrey on (03) 9500 1008.

You should retain this *FSG* for your reference and any future dealings with *FPSA*.

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Acknowledgement of Receipt

I acknowledge receiving a copy of the *FSG* dated 9 February 2011 including the Adviser Profile dated 26 March 2010.

I acknowledge that I have read the *FSG*.

I understand that if I have asked for a “no advice” service and I have not disclosed certain information to Next Level or if I have not allowed another party to disclose certain information to Next Level the recommendations made by Next Level may be inaccurate or inappropriate.

.....
Client Name

.....
Client Signature

.....
Date

.....
Client Name

.....
Client Signature

.....
Date

OR complete as follows if *FSG* is mailed to client(s):

I confirm that I sent a copy of the *FSG* dated 9 February 2011 including the Adviser Profile dated 26 March 2010 as follows:

.....
Sent to <<Client Name>>

.....
Sent on <<date>>

.....
Sent by <<Adviser Name>>

This acknowledgement must be retained on the client file.