

# financial services guide

## Charter financial planning

**Version 10.2 August 2009**

### Financial services guide

This guide contains information about:

- Charter Financial Planning
- Your financial adviser
- The financial planning services and products your financial adviser can provide
- How Charter Financial Planning, your financial 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 Charter Financial Planning.

### Who is Charter Financial Planning?

Charter Financial Planning 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 Financial Planning is one of Australia's leading financial planning organisations and has been operating since 1996. Charter Financial Planning 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 FSG.

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

Charter Financial Planning has approved the distribution of this FSG.

### Who is CRC Financial Services?

CRC Financial Services is a corporate authorised representative of Charter Financial Planning. The Australian Securities and Investment Commission (ASIC) has granted CRC Financial Services authority to provide financial services on behalf of Charter Financial Planning. CRC Financial Services has been assigned an ASIC representative number of 250145.

Your financial adviser is Wayne Morgan, of CRC Financial Services, who is an authorised representative of Charter Financial Planning.

Wayne has been granted an Australian Securities and Investments Commission (ASIC) number of 249876.

CRC Financial Services can offer a range of financial services that are listed within this financial services guide.

### Our qualified financial advisers

- David Allen
- Byron Arnold
- David Graney
- Shane Johnson
- Wayne Morgan

### Contact details

Shop 5 & 6 Dickensons Arcade 109-111 Main Road Moonah  
TAS 7009

Postal address: PO Box 684 Moonah TAS 7009

Telephone: 03 6278 1199

Facsimile: 03 6278 1022

Email address: wayne@crcfs.com.au

Web page: www.crcfs.com.au



CRC Financial Services  
ABN: 66 101 179 186



Charter Financial Planning Limited ABN 35 002 976 294  
Licence No. 234665  
Level 9 750 Collins Street, Docklands, Victoria 3008

## Education and qualifications

DFS (FP)

## Experience

11 years as a financial adviser

## Membership

Authorised Representative Association (ARA)

## Certified quality advice practice



CRC Financial Services is one of a select number of businesses that has been awarded Certified Quality Advice Practice status by Charter Financial Planning. This programme sets an industry benchmark for providing high-quality financial advice. The certification is supported by industry qualification, demonstrated best practise business operations and proven success in meeting the financial planning needs of clients.

## What kinds of financial services and products are available?

We can offer a range of insurance, investment, superannuation and retirement strategies and products and AXA owned platforms (Summit, Generations, AXcess and North).

Charter Financial Planning 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 Wayne Morgan offer?

Wayne 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
- Business succession planning
- Risk and insurance analysis
- Salary packaging advice

## Products

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

## What advice can CRC Financial Services offer?

CRC Financial Services can provide you with advice on the following:

### Strategies

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

### Products

- Cash management trusts
- Direct fixed interest
- Retail & wholesale managed investment schemes
- Direct shares
- Direct shares (transfers only)
- Socially responsible investments
- Hedge funds
- Master trust products

- Superannuation products
- Retirement income streams
- Personal and group insurance
- Business succession insurance
- Self managed super funds
- Geared products
- Agribusiness

### What initial services are provided?

- Identification of your financial goals and objectives.
- Collection and analysis of your existing personal and financial situation.
- Investigation and consideration of possible financial planning strategies and products that will assist you to meet your goals and objectives.
- Presentation of a written recommendation, referred to as a 'statement of advice'.
- Implementation of your strategy.

### What ongoing services are provided?

- Revision of your personal and financial situation at suitable intervals.
- Discussion of whether our recommendations remain appropriate should your personal circumstances or the legislative environment change.
- Implementation of any recommendations made as part of our ongoing service to you.

### What do these services cost?

All fees are payable to Charter Financial Planning.

Prior to the commencement of any of the above services, a service agreement will be provided which will outline the services you have requested and the payment method agreed upon. The available payment options are outlined below and may be paid with your own funds or deducted from your investment.

#### Initial advice fee options

- The Standard Charge for an initial "Statement of Advice" is \$1,650 including GST.
- Where you have instructed us to limit our advice to certain subjects (eg superannuation) the charge may be less with minimum charge of \$660 including GST.

- Complex advice (for example advice covering a range of entities including businesses and family trusts) may be higher than the standard fee with a maximum fee of \$11,000 including GST.
- The hourly advice rate is up to \$250 per hour. We may also charge hourly rate for services beyond those agreed in our Review Service Agreement.

#### Implementation fee options

These costs cover the administrative time spent implementing the recommended strategies and products.

- The rate ranges between 0% and 5.5% of your investment value. The charge usually falls within the range of \$1,650 to \$2,200 but may be lower or higher depending on the work involved;
- The hourly advice rate is up to \$250 per hour.
- Brokerage of up to 1.5% per trade (depending on the value of the trade involved) is payable for all direct shares transactions. A minimum fee of \$110 including GST applies. Direct Share brokerage is levied by the relevant stockbroker (we currently use the services of Bell Potter Securities Limited) and is deducted from funds to be invested.

#### Ongoing advice fee options

##### Structured ongoing advice

- We charge an ongoing adviser review fee based on your invested funds the charges range from \$550 to \$8,500.
- In discussion with you, we will prepare a review service agreement that outlines the services you will receive and the specific charges.

##### Ad-hoc reviews

- Where a review of existing investment and/or insurance products is agreed, a minimum fee of \$ 220 will apply. Higher fees may be appropriate depending on the complexity of the advice required.
- If you require a review of all your circumstances, the full initial advice charge will apply. This may be discounted where existing fees or commissions are being received.

##### Administration services fee

- Where we have placed investment or insurance products for you and you have elected not to participate in structured ongoing advice we may receive ongoing trailing commissions to cover the expense of the following:
  - minor administration enquiries;
  - record keeping;
  - maintenance of identification records;
  - professional indemnity; and
  - compliance with financial services legislation.

#### **Below is a guide to the range of amounts involved:**

- Investment: between 0.25% and 0.8% per year generally about 0.55%.
- Insurance: between- 0% and 30% per year generally about 10%.
- Any administration enquiry requiring adviser input may be charged on an hourly rate basis.

#### **Commissions**

Initial and ongoing commissions may be paid by fund managers and life companies in association with product recommendations. These commissions may be as follows:

- Insurance commissions are factored into the premium costs and range between 11% and 125% of the initial premium, and between 0% and 40% per annum of the renewal premium.
- Ongoing commission is factored into the product costs for superannuation and investments and ranges between 0% and 0.80% per annum. It is generally calculated and paid based on the monthly investment balance.

**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?**

Charter Financial Planning and your financial adviser can be paid by various methods.

Your financial adviser will discuss and agree upon the method of payment with you before any financial services are provided. In addition, where you receive personal advice, your statement of advice will outline all remuneration and other benefits associated with the advice provided.

#### **How is CRC Financial Services paid?**

Charter Financial Planning will retain 0% to 3% of the gross revenue received for the recommended financial services and/or products. Charter Financial Planning will pay CRC Financial Services 97% to 100% of the gross revenue received.

Wayne Morgan is paid a salary and bonuses. Wayne Morgan also has equity in the business which may result in additional capital and profit related benefits.

#### **Other benefits**

Some product providers may give Charter Financial Planning or your financial adviser non-commission benefits such as entertainment or sponsorship. Both Charter Financial Planning and your financial 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.

CRC Financial Services and/or Wayne Morgan may receive the following benefits. These benefits are payable by Charter Financial Planning 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.
- We may recommend AXA products where appropriate, which helps to streamline the services that we provide to you. As a result, we are able to participate in the Value Participation Scheme (VPS), which provides us with a cash payment based on total AXA product funds under management.
- We may participate in short term incentive programmes. 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. We may receive a referral fee or commission for introducing you to the service provider. These fees will be disclosed in your statement of advice.

#### **Payments to other professionals**

If a third party referred you to us we may forward referral payments or commissions to the third party. These amounts do not involve additional costs and will be disclosed in your statement of advice.

#### **Does Charter Financial Planning have any relationships or associations with financial product issuers?**

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

## Who may access the information you provide?

Charter Financial Planning and your financial adviser are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. Please ask your financial 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 financial 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 financial 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.

Charter Financial Planning reserves the right to appoint another financial adviser to ensure your ongoing needs are met. In these circumstances Charter Financial Planning 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 financial 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

Charter Financial Planning and your financial adviser maintain professional indemnity (PI) insurance policies. These insurances cover advice, actions and recommendations which have been authorised by Charter Financial Planning 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 your financial adviser and tell them about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, please contact the Charter Financial Planning office on 137 292 or put your complaint in writing and send it to:

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

Charter Financial Planning will try to resolve your complaint quickly and fairly.

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