

# Financial Services Guide

Version 2, 6 October 2008



A guide to our relationship  
with you

## Financial Services Guide

**This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of the financial services we offer as outlined in this document.**

**This FSG contains information about:**

- Who we are;
- How we can be contacted;
- What financial services we can provide to you;
- How financial advice is documented;
- How we, our authorised representatives (and any other relevant persons) are remunerated;
- Any of our associations or relationships that might be expected to influence our financial services; and
- Our internal and external complaints handling procedures and how you can access them.

**Other documents you may receive:**

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

- A Statement of Advice (SoA) or Record of Advice (RoA) which contains information about the advice provided to you to help you decide whether to act on the advice;
- A Product Disclosure Statement (PDS) which provides information about a product to help you decide whether to purchase that product.

## Before you get our advice

### Who will be providing the financial service to me?

Consultum is a wholly owned member of the IOOF Group of companies, which comprises IOOF Holdings Limited and its subsidiaries. IOOF Investment Management Limited is a member of the IOOF Group and one of the product providers whose products are included on the Consultum Approved Product List.

Consultum is the holder of an Australian Financial Services Licence No. 230323, and will be providing the financial services through Consultum and its representatives. Consultum is also a principal member of the Financial Planning Association of Australia (FPA) and is bound by its Professional Code of Conduct and Ethics.

Consultum Head Office is located at:

Level 26, 303 Collins Street  
Melbourne, VIC 3000;

and may be contacted on:

Phone (03) 8614 4666

Fax (03) 8614 4902

Toll-free 1800 062 134

Your adviser is an authorised representative of Consultum. Details of your adviser are set out in the **Adviser Profile** that forms part of this FSG and they should be read together.

You are entitled to receive an SoA or an RoA in certain circumstances when we provide you with personal advice. Before we will provide you with any personal financial advice, we will collect certain personal information about you, your objectives, financial situation and needs. The SoA will set out our advice and the basis upon which it is given. It will also set out information about our remuneration (including commissions) and disclose any associations or relationships which we may have that might reasonably be expected to influence us in providing the advice.

After providing you with our initial advice in an SoA, any subsequent personal advice that we provide to you will be documented in an RoA, provided there has not been a significant change in your personal circumstances or the basis upon which our initial advice was provided.

Copies of the SoA and RoA(s) will be retained on your client file and you may ask us for a copy by contacting your adviser.

If, as part of our advice, we recommend that you purchase a particular financial product (other than securities), we must also provide you with a PDS issued by the product issuer that contains information about the benefits, risks and other features of the product which will enable you to make an informed decision about whether to purchase the product.

The distribution of this FSG was authorised by Consultum Financial Advisers Pty Ltd (Consultum) (ABN 65 006 373 995) as Version 2 on 6 October 2008.

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

### **Consultum can provide advice in the following areas:**

- Investment planning;
- Superannuation;
- Risk management & protection of assets;
- Retirement planning;
- Retrenchment and redundancy; Wealth creation;
- Access to direct share advice; and
- Social Security/Centrelink.

### **Consultum can provide advice and arrange transactions in the following products:**

- Deposit products;
- Risk insurance products;
- Annuities and pensions;
- Superannuation;
- Managed investments (including Master Trusts);
- Securities;
- Government debentures;
- Stocks and bonds; and
- Reverse mortgage products\*.

Your adviser can advise you on the range of products detailed in the Adviser Profile.

\*Reverse mortgage products are not regulated as a financial product under the financial services law. You should seek legal advice prior to proceeding with a recommendation in relation to a reverse mortgage product.

## **Who do you act for when you provide financial services to me?**

Your adviser acts as our representative when providing financial advice to you. Consultum is therefore responsible to you for any advice given. Your adviser's primary duty is to you, the client.

## How will I pay for the service?

There are three ways that you may pay for services we provide to you. You should discuss these options with your adviser and agree on an option that best suits you. The options are as follows:

1. You may pay our fees out of the product in which you invest. The product provider may pay to us commission out of:
  - (a) A Contribution fee which will be deducted by the product provider from your initial investment amount when you proceed with a transaction; and/or
  - (b) Management costs (Annual Administration Fee) which will be deducted by the product provider from your account on an ongoing basis (e.g. monthly, quarterly or annually); and/or
  - (c) An Adviser Service Fee that you may agree to with your adviser for ongoing advice and service in relation to your investment in certain products. In relation to risk insurance products, the product provider may pay commission to us out of the premiums paid to it. For information on the fees applicable to the financial products recommended for you, please refer to the relevant PDS, or refer to the **Adviser Profile**.
2. You may agree to a fee, based on either the time we spend preparing your SoA or RoA or on the value of the funds you invest. If this option is agreed we will invoice you for the fee at the same time as we provide you with our written recommendations.
3. You may agree to pay for the service by means of a combination of the above two options.

## Do you receive remuneration, commission, fees or other benefits in relation to providing the financial services to me and how is that commission calculated?

Details and amounts paid to Consultum and your adviser will be documented in the SoA or other advice documentation given to you as a result of receiving personal advice. This will contain specific information on the remuneration, including commission and other benefits payable for the specific investments and insurance products recommended to you. Where personal advice is not provided, you may request particulars of remuneration (including commission) payable to Consultum and your adviser, directly from your adviser.

## Investment products

Consultum may receive initial (upfront) commission from the product provider in respect of investments that you make. Initial commission is included in the contribution fee charged by the product provider or is paid by the product provider where there is no contribution fee. Generally the commission will be a percentage of the amount you invest and may vary from product to product. Consultum may also receive ongoing (trail) commission from the product provider on a regular periodic basis, paid monthly in arrears, for the duration of your investment.

Ongoing commission is paid out of the product provider's management costs and is generally calculated as a percentage of your account balance.

You and your adviser may also agree to an Adviser Service Fee for ongoing advice and service in relation to your investment in certain products. This fee is calculated on your account balance and is deducted by the product provider monthly in arrears and paid to your adviser.

## **Risk insurance products**

Consultum may receive initial commission from the life insurance company for risk insurance products.

Consultum may also receive ongoing commission from the life insurance company, when you renew your policy.

The commission payable from life insurance companies does form part of your premium and is not a separate charge to you.

Specific details on the payment structure for your adviser's services are detailed in the **Adviser Profile**.

## **Other benefits**

### **Adviser Recognition Program**

Your adviser is eligible to participate in the Consultum Adviser Recognition Program. Participation entitles the adviser to qualify for certain awards such as free or subsidised attendance at the Consultum Annual Conference (valued up to \$5,500 per adviser), as well as business coaching, marketing and advertising support, up to a maximum value of \$3,300. The awards are based upon the adviser's total revenue production as well as the increase in commission revenue production that the adviser makes over the course of a year from products on the Approved Product List, and their adherence to Consultum's professional standards, and practice development.

### **Product Provider Sponsorship Program**

Consultum will be eligible to receive 'sponsorship' in the form of cash payments from product providers listed on the Approved Product List. Amounts may range up to \$55,000 per annum per product provider (incl. GST). Your adviser does not share directly in the sponsorship payments, but may benefit indirectly through the provision of subsidised conference attendance and training costs.

Your adviser may also receive a range of other benefits from product providers such as marketing support or sponsorship, entertainment, conferences, accommodation and travel which will be disclosed in your SoA.

### Adviser Equity Participation Program

Your adviser may be eligible to receive shares in IOOF Holdings Ltd at no cost through the IOOF Equity Participation Program (Program).

Consultum will determine the amount of money available for advisers under the Program at the end of each financial year (the Pool).

This right will only be awarded to the top 30% of advisers based upon the total fees and commissions generated by these advisers that are collected by Consultum during a financial year according to the following scale:

Top 10% of advisers	Receive 50% of the Pool
Next 10% of advisers	Receive 30% of the Pool
Next 10% of advisers	Receive 20% of the Pool

Participation in the Program is subject to a three year qualifying period. Advisers will only receive the shares in IOOF Holdings Ltd at the end of this period if they remain a Consultum Authorised Representative of good standing. The number of IOOF Holdings Ltd shares available each year under the Program is determined using the market price prevailing at the beginning of the three year qualifying period.

### Example

Assume that Consultum has 100 advisers for the period. If your adviser is within the top 10% of Consultum advisers at the end of this financial year (by fees and commissions), your adviser will be one of ten advisers eligible to receive an equal share of 50% of the Pool under the Program. If the Pool was determined to be \$500,000 this financial year, your adviser will be eligible to receive one tenth of \$250,000 (\$25,000) worth of IOOF Holdings Ltd shares at the end of the three year qualifying period at the market price prevailing at the time they were awarded the right ( $\$500,000 \times 50\% \div 10 = \$25,000$ ).

As a Principal Member of the Financial Planning Association (FPA) Consultum complies with the provisions of the Code of Practice of Alternative Remuneration. We maintain a public register outlining the alternative forms of remuneration that are payable to, and by Consultum (including those outlined above). A copy of this Register may be accessed upon request to us.

**Do any relationships or associations exist which might influence you in providing me with financial advice?**

As previously mentioned, Consultum is a member of the IOOF Group, comprising IOOF Holdings Limited (ABN 49 100 103 722) and its subsidiaries.

IOOF Investment Management Limited is also a member of the IOOF Group. IOOF products, are included on our Approved Product List.

Your adviser may also have referral arrangements or associations with other financial providers such as accountants. Specific details of any such associations are detailed in the **Adviser Profile** and may be referred to in any advice document provided to you.

## When you get our advice

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

Yes, we can give you personal advice, but in order for us to do so you need to provide us with information about your objectives, financial situation and needs. You have the right not to tell us this personal information.

However, if you choose not to tell us, the risk is that our advice may not be appropriate to your objectives, financial situation and needs.

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

We will explain to you any significant risks associated with investing in various financial products and strategies which we recommend to you. These risks are also disclosed in the Product Disclosure Statement issued by the product provider.

If you do not understand something please ensure that you ask your adviser to explain it further.

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

We retain the following personal information on your client file:

1. A record of what you tell us about your objectives, financial situation and needs to enable us to give you personal advice;
2. A copy of all personal advice provided to you. This includes the SoA or RoA provided to you when you initially received personal advice, as well as any subsequent advice; and
3. Other records relating to the provision of financial services and advice given to you. Please ask us if you would like to examine your client file and we will make arrangements for you to do so. You can request a copy of any advice document from your adviser either by phone or in writing. Please allow us 7 working days to process your request.

## Your Privacy

Consultum is committed to maintaining the privacy and security of your personal information. For more information regarding our collection, use, storage and disclosure of your personal information, please read our Privacy Policy which can be accessed on our web site [www.consultum.com.au](http://www.consultum.com.au)

We are required to collect certain information about you for the purpose of providing you with the services described in this FSG.

We will, from time to time, disclose information about you to our Authorised Representatives and to other professionals, insurance providers, superannuation trustees, product issuers, auditors and our service providers in connection with providing our services to you.

If your adviser leaves Consultum and starts providing financial services under another licensee, your information may be transferred to the new licensee. You will be advised of any such transfer prior to it taking place.

You are entitled to obtain access to the information which we hold about you by contacting the Privacy Officer on free-call 1800 062 134 or by writing to:

### Privacy Officer

Consultum Financial Advisers Pty Ltd  
GPO Box 2544W  
Melbourne, VIC 3001

## **Can I provide you with instructions on how to buy or sell financial products?**

Yes, you may specify how you would like to give your adviser instructions. For example, in writing, by telephone, fax or other means.

## **Professional Indemnity (PI) Insurance Cover**

Consultum has arrangements in place to maintain adequate compensation arrangements including professional indemnity insurance as required by the Corporations Act. This insurance provides cover for claims made against Consultum and its representatives/employees including claims in relation to the conduct of representatives/employees who no longer work for Consultum but who did so at the time of the relevant conduct.

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

If you have any complaints about our service, you may access the Complaints Handling Procedures by:

1. Speaking with your Adviser about your concerns; or
2. Contacting us on 1800 062 134 and speaking with the Professional Standards Manager about your complaint.

If your complaint is not satisfactorily resolved within three days, please put your complaint in writing and send it to:

### **Professional Standards Manager**

Consultum Financial Advisers Pty Ltd  
GPO Box 2544W  
Melbourne, VIC 3001

We will try and resolve your complaint quickly and fairly.

If your complaint cannot be resolved with us to your satisfaction, you may refer your complaint to the Financial Ombudsman Service Limited (FOS) of which Consultum is a member. FOS can be contacted on 1300 78 08 08. This service is provided to you free of charge.

You may also wish to bring the matter to the attention of the Financial Planning Association of Australia Limited (FPA).

You may write to the FPA at:

PO Box 109  
Collins Street West  
Melbourne, VIC 8007

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

## Partner with a Consultum financial adviser today.

### Phone

1800 062 134

### Email

info@consultum.com.au

### Website

www.consultum.com.au

### Postal

GPO Box 2544W  
Melbourne VIC 3001



**FPA**

FINANCIAL PLANNING  
ASSOCIATION  
of Australia Limited  
PRINCIPAL MEMBER

### Consultum Financial Advisers

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