



Professional  
Investment  
Services

# Financial Services Guide

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Professional Investment Services Pty Ltd

ABN 11 074 608 558

Australian Financial Services Licence Number 234951

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Throughout this Financial Services Guide, Professional Investment Services Pty Ltd is referred to as "PIS", "we", "us", "our" or any variations.

All rates and amounts included throughout are inclusive of GST unless otherwise stated.

# 1 What is the purpose of this Financial Services Guide (FSG)?



This FSG is an important document for retail investors. It is designed to provide you with an understanding of PIS and our service offering, and to inform you of important matters relating to our relationship, prior to us providing you with a financial service.

## **This FSG contains important information about:**

- » who we are;
- » how we can be contacted;
- » documents you may receive from your Adviser;
- » the financial services we are authorised to provide to you;
- » the relationship between PIS and your Adviser;
- » the remuneration and other benefits received by PIS, our Advisers and associates;
- » any potential conflicts of interest we may have;
- » our privacy policy;
- » our internal and external dispute resolution procedures and how you can access them; and
- » the compensation arrangements we have in place.

It is intended that this FSG should assist you in determining whether to use any of the financial services offered by PIS.

An Adviser Profile, which outlines specific information about your Adviser, forms part of this FSG. If this FSG does not contain an Adviser Profile please ask your Adviser for a copy or alternatively contact our Head Office.

You may also receive the following documents when your Adviser provides financial services to you:

## Statement of Advice (SOA)

You will receive a SOA if your Adviser provides you with any personal advice about a product or service which takes into account your financial objectives, financial circumstances, needs and requirements.

The SOA will contain the following important information:

- » the advice given;
- » the basis on which the advice and recommendations are given;
- » information about fees and commissions that may be received; and
- » any associations or relationships that may have influenced the provision of the advice.

## Record of Advice (ROA)

If your Adviser has previously provided you with a SOA and then provides you with related additional advice which takes into account your relevant personal circumstances, you may receive written confirmation of that advice in the form of a ROA.

If you have not previously been provided with such a record you may request your ROA either verbally or in writing from your Adviser. Although the request may be made to your Adviser up to seven years after the advice has been provided, we suggest you contact your Adviser as early as possible.

A new SOA will only be provided if your circumstances have changed significantly or you are receiving advice in relation to a different type of financial product.

## Product Disclosure Statement (PDS)

Should your Adviser make a recommendation to you about a particular financial product or offer to arrange the issue of a financial product on your behalf, you will receive a PDS prepared by the product provider. This will contain information that will assist you in making an informed decision about that product. The PDS usually includes information about the costs and details of other fees and charges which may apply, including commission payments to financial advisers.

# 2 Relationship between PIS and your Adviser

## Who will be responsible for providing the financial services?

PIS is the holder of an Australian Financial Services Licence (Number 234951).

PIS is a principal member of the Financial Planning Association of Australia Limited (FPA) and we adhere to their high professional standards and code of ethics and rules.

Your Adviser is an authorised representative of PIS and provides financial services on behalf of PIS. Therefore, PIS will be responsible to you for any financial services that your Adviser provides.

You will also receive an Adviser Profile that contains important information about your adviser. PIS has authorised your Adviser to provide this FSG and Adviser Profile to you.



# 3 Financial services and products offered

## What financial services and products is PIS authorised to provide?

PIS is authorised under its Australian Financial Services Licence to offer services to you in the following areas:

- » financial planning
- » superannuation
- » investments
- » personal and business risk insurance
- » estate planning
- » retirement planning
- » social security
- » salary packaging
- » wealth creation and protection
- » gearing strategies
- » share trading facilities

Your Adviser may only be authorised to provide advice in some of the above areas. Please refer to the Adviser Profile which sets out those areas your Adviser is authorised to provide you advice and recommendations on.

In most cases, personal advice will be provided, however if you do not require personal advice, general advice is also available.

## What services does PIS not provide?

PIS is responsible for only those services outlined in your Adviser's Profile. PIS has not authorised your Adviser to provide any other services including:

- » banking services
- » general insurance
- » loan facilities
- » financing arrangements
- » legal advice
- » accounting advice
- » real estate services

# 4 Fees and remuneration received by PIS and your Adviser

## How is the remuneration shared between PIS and your Adviser?

PIS initially receives all remuneration once the financial service has been provided and/or the business has been lodged with the product provider. PIS then retains between 0% and 30% of the remuneration received and passes to your Adviser between 70% and 100% of these amounts.

For example, if PIS were to receive \$500 in commission from a product provider we will retain between \$0 and \$150 and forward to the Adviser between \$350 and \$500.

The actual split of remuneration between PIS and the Adviser will be fully set out in your SOA and explained by your Adviser at the time of making any recommendation to you.

## What remuneration will PIS and your Adviser receive?

The cost of providing our service to you will depend upon the nature of the service provided. PIS and your Adviser may receive some or all of the following types of remuneration:

### 1. Fee for Service

Your Adviser may charge you an upfront Fee for Service based on either:

- » the time he/she spends developing your SOA;
- » a fixed dollar amount;
- » the value of funds invested; or
- » a combination of these methods.

Your Adviser may provide you with a personally tailored Client Service Agreement. This agreement may contain details in relation to the service offering, fees etc.

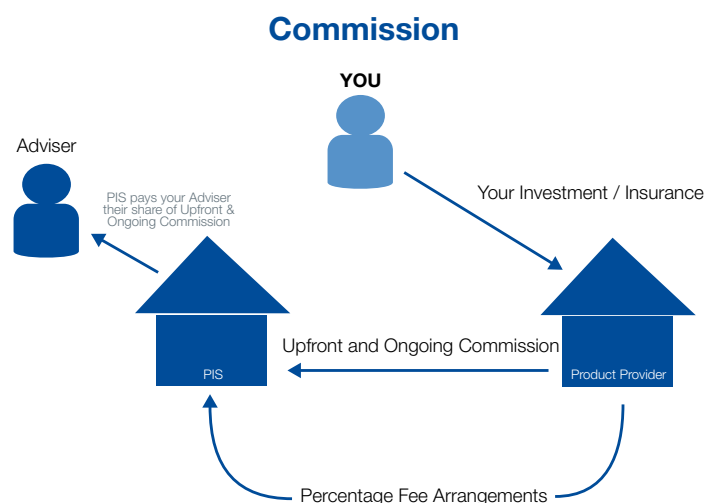
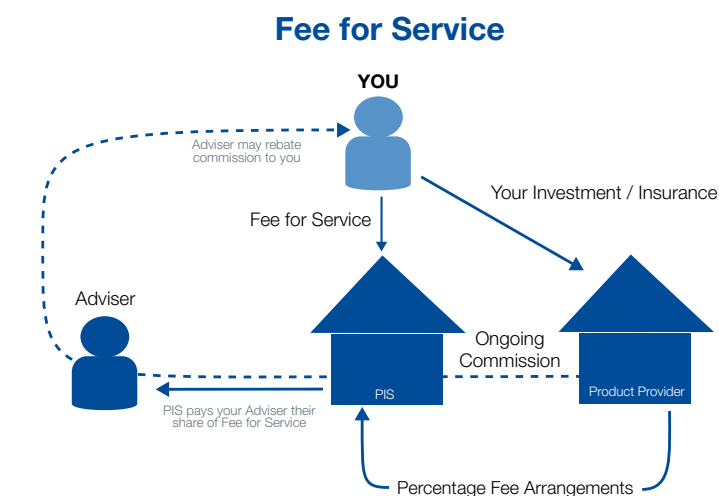
If you are charged a Fee for Service, your Adviser may rebate to you part or all of the commission that PIS and your Adviser would otherwise receive. Your Adviser will invoice you for the relevant fee when your SOA is prepared.

Alternatively, your Adviser may invoice you for an ongoing service which may be calculated as a percentage of your total funds under advice. Your Adviser will provide you with further details where relevant.

### 2. Upfront Commission

Upfront Commission is paid to PIS by the issuer of the financial products (eg. investment or insurance policy) which your Adviser has recommended. The commission may be deducted from the initial amount you have invested by the product provider at the time the investment or insurance is placed and issued to you.

The actual rate of Upfront Commission we receive will depend on the type of product, the services provided and the amount invested or premium paid. The rate of Upfront Commission may be agreed with your Adviser.



# 4 Fees and remuneration received by PIS and your Adviser

### 3. Ongoing Commission

Ongoing Commission (also known as Trailing Commission) may also be paid to PIS by the product provider for the duration that your financial product is held with the product provider. This income remunerates PIS and your Adviser for the ongoing support that you receive in respect of these financial products. The rate of Ongoing Commission payable may be agreed with your Adviser.

Generally, the amount of Ongoing Commission will be calculated as a percentage of the investment balance or a percentage of the premium paid for insurance products.

### 4. Adviser Service Fee

For investments, an additional Adviser Service Fee (up to 2% maximum) may also be paid to PIS by the product provider for the duration that your investment is held with the product provider. Any Adviser Service Fee payable will be clearly outlined in your SOA where applicable.

*Note: PIS and your Adviser may be remunerated by a combination of commission and Fee for Service.*

### When will specific details about fees be notified?

The basis and amount of all Fees for Service, Upfront Commission, Ongoing Commission and Adviser Service Fees will be fully set out in your SOA and explained by your Adviser prior to the implementation of the recommendations.

An explanation of the fees and charges of the product provider will also be outlined in the relevant PDS.

### Will any third parties be paid for referring my business?

Should you be referred to your Adviser by a third party, (e.g. an Accountant), the third party may receive a fee, commission or other benefit for the referral. This fee comes out of the fees received by PIS and your Adviser and does not represent an additional cost to you. You will receive more detailed information concerning any referral fee or commission in your SOA.

# 5 Relationships which might influence PIS or your Adviser in providing financial services



## 1. Percentage Fee Arrangements

PIS has commercial arrangements with a number of product providers where we receive a payment based on the total volume of funds invested or placed through the relevant product provider's platforms, master trusts or products.

Our product providers may pay us either a:

- » set annual fee; or
- » percentage of the total funds invested with the product provider; or
- » percentage of the administration fees which they charge investors; or
- » combination of these methods.

**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 our product providers on a quarterly basis and is not an extra cost to you.**

These payments are not shared with your Adviser, however they may receive indirect benefits as described in the following Adviser Incentives section.

For a list of product providers with whom PIS currently has percentage fee arrangements please visit our website [www.profinvest.com.au](http://www.profinvest.com.au) or contact PIS Head Office.

## 2. Related Companies and Associated Product Providers

As at the date of this FSG Professional Investment Holdings Ltd (PIH), the holding company of PIS, has a shareholding in the following companies:

- » Investment Diversity Ltd
- » Mentor Investment Services Ltd (MIS)
- » Ventura Investment Management Ltd (VIML)
- » Great Southern Limited (GSL)
- » Discovery Investment Services Corporation Ltd
- » Timbercorp Limited (TL)
- » Forest Enterprises Australia Ltd (FEA)
- » DKN Financial Group Limited.

MIS, VIML, GSL, TL and FEA may receive product fees including commission, referral fees, entry fees, management fees, exit fees or any other fees specified in the PDS from your investment in their financial products.

## 3. Adviser Incentives

Your Adviser is able to recommend to you any product on the PIS approved product list for which the Adviser is authorised, however, PIS Advisers may receive some additional payments for recommending master trusts, wraps and platforms ("Platforms") to you. For example, where your Adviser accumulates and maintains a level of funds under management within each category of Platform, PIS will forward (without retaining its usual split) 100% of all Ongoing Commission which relates to investments in that particular Platform. These additional payments do not represent an extra charge to you.

## 4. Alternative Remuneration

In accordance with industry requirements and as outlined in the FPA Alternative Remuneration Code of Practice, both PIS and your Adviser maintain an Alternative Remuneration Register that contains information about any alternative forms of payment or benefits (e.g. lunches, gifts, tickets to events and conferences) that may be received.

If you wish to inspect the Alternative Remuneration Register or ask any questions about this, please ask your Adviser.

## 5. Professional Development Conference Sponsorship

PIS may receive conference sponsorships from various product providers. These sponsorship fees help PIS offset the organisational and running costs of its conferences which serve as a valuable training tool for our Advisers.

# 6 Important information about when you receive advice from your Adviser



## Will advice be given that is suitable to your needs and financial circumstances?

Yes - your Adviser is obliged by law to have a reasonable basis for personal advice they provide, but to do so your Adviser will need to ascertain your individual financial objectives, circumstances, needs and requirements before he/she recommends any financial products or services to you.

To assist your Adviser in providing appropriate advice tailored to your individual needs we ask that you provide accurate information about your personal situation and keep your Adviser updated on any changes to your circumstances.

You have the right not to divulge any information should you not wish to do so. In that case your Adviser will warn you about the possible consequences of not providing your full personal information including limitations on the advice which can be provided. You should read the information in your SOA carefully before making any decision relating to a financial product.

## What should you know about any risks of the financial products or strategies that are recommended to you?

Please be aware that there are inherent risks associated with investing in financial markets which may adversely affect the value of your investment.

Your Adviser will explain to you and fully outline in the SOA any significant risks of the financial products and strategies that are recommended to you. If you feel that you need further clarification, please ask your Adviser.

## What information does PIS maintain in your file and can you examine the file?

Your Adviser maintains a record of your personal profile, which includes details of your financial objectives, circumstances, needs and requirements. He/she also maintains records of any recommendations made to you in the course of taking instructions from you as well as any SOA he/she has provided to you.

If you wish to examine your file, you should contact your Adviser and he/she will make arrangements for you to do so.

## Can you provide your Adviser with instructions about how you wish to buy or sell financial products?

Yes – Generally you need to provide your instructions in writing, however, you may specify how you would like to give instructions. For example, by telephone, fax, email or other means.

## How does PIS deal with the Anti-Money Laundering / Counter-Terrorism Financing Act 2006 (“AML/CTF Act”)?

PIS has an obligation under the AML/CTF Act to verify your identity before we can provide you with any financial services. Your Adviser will let you know what documentation you will need to present to satisfy the customer identification requirements of the AML/CTF Act.

# 7 Privacy considerations

## How do we handle your personal information?

PIS is committed to implementing and promoting a privacy policy which will ensure the privacy and security of your personal information. A copy of our Privacy Policy is available from your Adviser and on our website - [www.profinvest.com.au/disclaimer.php](http://www.profinvest.com.au/disclaimer.php)

# Complaints procedure and compensation arrangements



## What should you do if you have a complaint?

If you have a complaint about any service provided by your Adviser, you should take the following steps:

### 1. Contact the PIS Complaints Resolution Officer to discuss your complaint.

Phone:	1800 653 244
Fax:	(07) 5574 3687
Online:	<a href="http://www.profinvest.com.au/complaints.php">www.profinvest.com.au/complaints.php</a>
Email:	<a href="mailto:complaints@profinvest.com.au">complaints@profinvest.com.au</a>
Mail:	Complaints Resolution Officer Professional Investment Services Pty Ltd Level 14 Corporate Centre One Cnr Bundall Road & Slatyer Avenue Bundall, Queensland 4217

We will try to resolve your complaint promptly and fairly.

### 2. If the complaint cannot be resolved to your satisfaction within 45 days, you have the right to present your complaint to the independent complaint handling service that PIS is a member of - Financial Ombudsman Service (FOS).

The contact details for FOS are:

Phone:	1300 780 808
Fax:	(03) 9613 6399
Online:	<a href="http://www.fos.org.au">www.fos.org.au</a>
Email:	<a href="mailto:info@fos.org.au">info@fos.org.au</a>
Mail:	GPO Box 3, Melbourne, Victoria 3001

This service is provided to you free of charge. The Australian Securities and Investments Commission also has a freecall Infoline on 1300 300 630 which you may use to obtain information about your rights.

## What compensation arrangements does PIS have?

We are required by the Corporations Act 2001 (Cth) to operate a compensation arrangement which is designed to compensate retail clients for losses they suffer as a result of a breach by PIS or its Advisers of the obligations outlined in Chapter 7 of the Corporations Act.

To this end PIS has comprehensive Professional Indemnity Insurance in place which covers both PIS and our Advisers (including the conduct of those Advisers who are no longer authorised by PIS but were so at the time of the relevant conduct).

## Any questions?

Please contact your Adviser in the first instance if you have any questions about this FSG or the financial services we provide. This FSG should be retained by you in a safe place for future reference.

# Privacy Policy

## Our Commitment

At the Professional Investment Holdings Group of Companies (the "Group") we recognise that your privacy is important. The Group includes all our financial planning, insurance, broking, finance, accounting, technological, superannuation and fund management affiliates.

We are bound by, and committed to supporting, the National Privacy Principles (NPP) set out in the Privacy Amendment (Private Sector) Act 2001. The information set out below is largely a summary of our obligations under the NPP.

## Collection

Our main purposes for collecting personal information are to facilitate financial planning, financial products or services, insurance policies or related services, and to update our records. At or before the time we collect personal information from you we will take reasonable steps to inform you why we are collecting that personal information, who else we might disclose that personal information to and what may happen if you do not provide personal information to us.

## Use and Disclosure

We are subject to certain legislative and regulatory requirements that necessitate us obtaining and holding detailed information that personally identifies you and/or contains information or an opinion about you. In addition, our ability to provide you with a comprehensive financial planning and advice service is dependent on us obtaining certain personal information about you, including:

- employment details and employment history;
- details of your financial needs and objectives;
- details of your investment preferences and aversion or tolerance to risk;
- details of your current financial circumstances, including your assets and liabilities (both actual and potential), income, expenditure, etc.
- information about your employment history, employment circumstances, family structure, commitments and social security eligibility;
- any other relevant information including medical history and/or reports required for the purposes of risk insurance.

As we operate throughout the world, some of these uses and disclosures may occur outside Australia.

The Group may use the personal information collected from you for the purpose of providing you with direct marketing material such as articles that may be of interest to you. You may, by contacting us by any of the methods detailed in this policy statement, request not to receive such information and we will give effect to that request. Please allow two weeks for your request to be actioned.

## **Data Quality**

Pursuant to the Corporations Act, Life Insurance Code of Practice and Rules of Professional Conduct of the Financial Planning Association of Australia, we are required to collect sufficient information to ensure appropriate advice can be given in respect of recommendations made to our clients. If you elect not to provide us with the personal information you may be exposed to higher risks in respect of the recommendations made to you and this may affect the adequacy or appropriateness of advice given to you.

## **Data Security**

We take reasonable steps to protect the information we retain from misuse, loss and from unauthorised access, modification or disclosure. We will not retain any of your information for any longer than it is required by us, except to satisfy legal requirements. We will destroy or de-identify your personal information when it is no longer required.

## **Openness**

We may use and disclose personal information for the purposes for which it was provided or secondary purposes in circumstances where you would reasonably expect such use or disclosure.

We may disclose personal information to third parties or external contractors carrying out functions and duties for and on behalf of the Group. It is a condition of our agreement with each of our external contractors that they adopt and adhere to this privacy policy.

The information we collect from you may also be disclosed to third parties if the disclosure is required by or permitted by law, or pursuant to the Rules of Professional Conduct of the Financial Planning Association of Australia.

In the event that we propose to sell our business we may disclose your personal information to potential purchasers for the purpose of them conducting due diligence investigations. Any such disclosure will be made in confidence and it will be a condition of that disclosure that no personal information will be used or disclosed by them. In the event that a sale of our business is affected, we may transfer your personal information to the purchaser of the business. As a client you will be advised of any such transfer.

## **Access and Correction**

You may access the personal information we retain and request corrections. This right of access is subject to some exceptions allowed by law.

We will not provide you access to personal information which would reveal any confidential formulae or the detail of any in-house evaluative decision making

process, but may instead provide you with the result of the formulae or process or an explanation of that result.

The Group reserves the right to charge a fee for searching for and providing access to your personal information. In the event we refuse you access to your personal information, we will provide you with an explanation for that refusal.

We will endeavour to ensure that at all times the personal information about you that we hold is up to date and accurate. The accuracy of the personal information is dependant to a large degree on the information you provide and you should advise us if there are any errors in your personal information.

## **Identifiers**

In some circumstances we are required to collect government identifiers, for example, your Tax File Number. We will not use or disclose this information other than when required to do so by law or, when consented to by you.

## **Anonymity**

You may deal with us anonymously where it is lawful, practicable and reasonable to do so.

## **Sensitive Information**

Without your consent, for example where information is provided by you for insurance and or risk purposes, we will not collect sensitive information about you. Exceptions to this include where the information is required by law, or for the establishment, exercise or defence of a legal claim.

## **Privacy Complaints**

If you wish to complain about any breach or potential breach of this privacy policy or the National Privacy Principles, you should contact us by any of the methods contained in this policy statement and request that your complaint be directed to the Privacy Officer. Your complaint will be considered within seven days and responded to accordingly. It is our intention to use our best endeavours to resolve any complaint to your satisfaction, however, if you are unhappy with our response, you are entitled to contact the Office of the Privacy Commissioner who may investigate your complaint further.