

Financial Services Guide

Purpose of this Financial Services Guide (FSG)

The purpose of this FSG is to assist you in deciding whether to use any of the financial services we offer. After reading this FSG, you will know:

- Who we are and how to contact us
- What financial services and products we may provide you
- How we (and any other relevant persons) may be remunerated
- Whether any relevant associations or relationships exist that may influence our advice
- Details on how to get advice and give instructions
- How we maintain your personal information
- How to access our internal and external complaints handling arrangements
- What we can do and what we expect from you

About Professional Adviser Alliance Pty Ltd and your Adviser

Professional Adviser Alliance Pty Ltd (ABN: 26 138 716 891) (“Professional Adviser Alliance”) is an Australian Financial Services Licensee, Licence No 344361.

Professional Adviser Alliance’s Head Office is located at:

Suite 15/G, 18-34 Station Street
SANDRINGHAM VIC 3191

Ph: (03) 9598 1575

Fax: (03) 9521 0944

Professional Adviser Alliance appoints Authorised Representatives to act on its behalf for the provision of authorised financial services. Your Adviser is an Authorised Representative of Professional Adviser Alliance. Professional Adviser Alliance is therefore responsible for the financial services provided by it and its authorised representatives. Professional Adviser Alliance has authorised your financial adviser to distribute this FSG.

Who is my Financial Adviser?

Your Adviser is Andre Bierenbroodspot trading as Boston Financial Planning AFS Representative Number 376 755.

Business Address: Suite 15/G, 18-34 Station Street
SANDRINGHAM VIC 3191

Telephone: (03) 9598 1575

Fax: (03) 9521 0944

Andre has over 19 years of experience in the provision of financial planning advice and over 30 years experience in financial services. Andre is a *Certified Financial Planner™* and attained his Diploma of Financial Planning from the Financial Planning Association of Australia Limited in April 2001. He is a Senior Associate of FINSIA (Financial Services Institute of Australasia) and an Associate Practitioner Member of the Financial Planning Association of Australia. Andre also holds a Certificate in financial Markets from the Securities Institute of Australia.

What documentation do we provide?

You are entitled to receive a ‘Statement of Advice’ on the first occasion that we provide you with personal advice, or a ‘Record of Small Investment Advice’ if the advice relates to amounts under certain thresholds. These documents will:

- Explain the advice and the basis of the advice,
- Provide information about our remuneration (including commissions), and

- Disclose any associations or relationships that could potentially influence us in providing the advice.

After providing you with our Statement of Advice, any further ongoing personal advice that we may provide will be documented in a further 'Statement of Advice' or a 'Record of Advice' depending on the nature of the advice.

Copies of all advice documents will be retained on your client file and if you have not already been provided with one you may ask for a copy of these documents at any time.

We will also provide you with, or explain how to access, a Product Disclosure Statement ('PDS') issued by the product issuer for any financial product we recommend. The PDS contains information about the costs, benefits, risks and other features of the recommended financial product. You should read this information to enable you to make an informed decision prior to purchasing the recommended financial product.

What financial services are we authorised to provide and how will these be provided to you?

Professional Adviser Alliance can offer financial services and advice that covers the following areas:

- Wealth Creation including advice on securities
- Retirement Planning including superannuation and strategies for transitioning to retirement
- Risk management and Protection of Assets
- Retrenchment and Redundancy advice
- Social Security / Centrelink entitlements

From these financial services, certain kinds of financial products may be recommended to you. Professional Adviser Alliance can provide advice and arrange transactions on the following class of financial products:

- Superannuation and Retirement Savings Account products
- Securities
- Margin Lending Facilities (Standard)
- Managed Investments (including an Investor Directed Portfolio Service (IDPS))
- Government Debentures, Stocks or Bonds
- Deposit Products
- Life Insurance products including investment life and life risk
- Managed Discretionary Accounts

Our Authorised Representatives can only provide advice on financial products within these classes where they appear on our "Approved Product List." The Approved Product List includes a range of investment and insurance products for which the appropriate research and analysis has been undertaken.

An Authorised Representative of Professional Adviser Alliance cannot advise you on, or influence you in favour of, a financial product which:

- is not on the approved product list; or
- any arrangement where your Adviser can make changes to your portfolio before obtaining your consent other than the Boston Discretionary Service as detailed below; or
- is a product they are not authorised to provide advice on. You can find these authorisations in the Australian Securities and Investment Commissions (ASIC) website at www.asic.gov.au

Please be aware that Professional Adviser Alliance shall not be responsible where an Adviser provides any services to you which are outside of their authorisation limits. You should therefore refer to this FSG and ask your Adviser to specifically confirm that the service or product does not fall within one of the above exclusions, prior to acting on any advice.

Your Adviser is also able to provide a managed discretionary account service called the Boston Discretionary Service. The Boston Discretionary Service is a specially created portfolio for your superannuation or non-super investment money, which we manage through your relevant investment platform (this could include a superannuation platform, hereinafter called a "regulated platform") according to an investment strategy on an ongoing basis without getting your express permission before each trade is made on the portfolio.

It comprises a mix of cash (i.e. the cash account in your regulated platform) and managed funds (these typically invest heavily in Australian shares, and/or property and/or infrastructure and/or alternative assets. Alternative assets can include things such as private equity, venture capital, commodities and hedge funds). Some of these managed funds use trading strategies including short-selling and derivatives to produce positive returns regardless of the direction of the

market. These funds emphasise absolute returns and can trade in a number of different types of securities. These funds are highly dependent on the manager's skill.

If we recommend you use the Boston Discretionary Service it will be because we have considered it suitable for your needs. These circumstances will be detailed in your Statement of Advice and will generally include you expressing a desire not to be subject to some of the wild swings that can be associated with the stock market and a desire to protect capital and minimize negative returns.

- The service carries a number of risks you need to be aware of:
 - Because the Boston Discretionary Service gives us discretion to arrange to buy and sell interests in underlying financial products on your behalf, there is a risk that your circumstances change, and the Boston Discretionary Service is no longer suitable to you. Although we review your portfolio at least annually, you can mitigate this risk by telling us as soon as your circumstances change, so that we can assess the ongoing suitability for this service, for your circumstances.
 - Because we are actively buying and selling and switching interests in financial products within your regulated platform on your behalf, there is a risk that you will accrue capital gains tax liabilities. You should seek advice from your tax adviser about this risk.
 - There is a risk that you suffer a loss on your portfolio balance because there is an adverse market movement that is not subject to the stop loss mechanism (i.e. the way we use a 34-week moving average of the ASX200 to determine when to be invested in the stock market and when to reduce that exposure) built into the investment program, because it occurs when our office is closed.
 - There is a risk that the financial product's we move you into may charge higher fees than your existing financial products. This can affect your returns.
 - Because we arrange to sell you out of one or more types of financial products (e.g. managed funds that invest ostensibly into Australian shares) and into another type of financial product or account (e.g. the cash account in your regulated platform) there is a risk that the financial product or account we move your investments into will not perform as well as the financial products or accounts we moved you out of.
- The service gives us discretion (rather than requiring your instruction in each instance) to exercise or consider exercising rights on your behalf, as long as they fit within the investment strategy agreed between you and us. You need to be comfortable in granting that discretion. Rights include issuing instructions to issuers of financial products to buy or sell, rebalance, increase or decrease or switch interests in financial products and reinvest your distributions on your behalf within the regulated platform.
- You can give instructions to us at any time in writing to arrange to buy or sell or take any other action or exercise any rights relating to financial products in your MDA Portfolio. Instructions may be provided to us by mail, fax or email and marked to the attention of your Adviser.
- You will need to enter into a Boston Discretionary Service agreement before we can offer the service to you. The Boston Discretionary Service agreement includes an investment program that complies with Division 3 of Part 7.7 of the *Corporations Act* (Statement of Advice content requirements), and will contain:
 - information about the nature and scope of the discretions we will be authorised and required to exercise under the Boston Discretionary Service, and any investment strategy that will be applied in exercising those discretions;
 - information about any significant risks associated with the Boston Discretionary Service;
 - the basis on which we consider the Boston Discretionary Service to be suitable for you;
 - warnings about the Boston Discretionary Service's suitability to you if you provide to us limited or inaccurate information, or if your relevant circumstances change.
- Your adviser (see "Who Is My Adviser" section above) will be responsible for reviewing the investment program contained in the Boston Discretionary Service.
- The Boston Discretionary Service does not include the provision of custodial or depository services. If you are an SMSF trustee, the trustee(s) of the SMSF will retain legal ownership in the investments. If you invest outside of superannuation, the regulated portfolio operator, BT Portfolio Services Ltd ABN 73 095 055 208, is the legal owner of your investments while you retain beneficial ownership. If you invest via a superannuation platform, the superannuation trustee retains legal ownership in the investments. The custodian of your MDA portfolio assets will be BT Portfolio Services Ltd. They are contactable by phoning 1300 657 010 or mail GPO Box 2337, Adelaide SA 5001. **We never hold legal title to any of your investments.**

This Financial Services Guide complies with the applicable sections of ASIC Class Order CO 04/194.

Can I provide my Adviser with instructions?

You may provide your Adviser with specific instructions by letter, email, telephone, fax or other means (as agreed with your Adviser).

How are we paid and how will you pay for the service?

The fees and services that you will pay will be set out in a service agreement or you may have an arrangement entered into prior to 1 July 2013, to pay our fees out of the product in which you invest. Generally, there are three ways that you may elect to pay for the services we provide you. You can discuss these options with your adviser to determine an option that suits you. The options available are as follows:

1. For initial advice, you may be charged a Financial Planning Advice Fee based on either the time that was spent preparing your Statement of Advice (or other advice document) or on the value of the funds you choose to invest. If you agree to this option, you will be invoiced for the agreed fee when you are provided with your SoA or other advice document. The fees for the provision of an initial statement of advice (SoA) will vary depending on scope and complexity, but will generally range from \$660 to \$4,400. If an hourly rate is engaged then the hourly advice fee is charged at the rate of \$330 per hour, where applicable.

2. In relation to ongoing advice, you may agree to pay our fees by entering into a service agreement with your adviser. The service agreement is an arrangement that may cover items such as ongoing advice, newsletter updates, annual reviews and portfolio valuation reports. You and your adviser should discuss the services to be included in your service agreement and the fee that you will pay for these services. Your decision about these services will then be set out in the service agreement your adviser will provide you at or before the time that you are presented with your Statement of Advice. Generally, we offer the following options for the payment of ongoing services as set out below:

Option One – ‘Percentage Based’ Fee for Service Program

Under this option, we can offer an ongoing service program, the cost to you of which is based on up to 1.1% p.a. of your funds.

For example if your funds under management total \$300,000 and the rate is 1.1% p.a., the amount of fees you will incur for each year will total \$3,300, including GST.

Option Two – Hourly Rate Fee for Service Programmes

As an alternative we may offer you a Fee for Service solution based upon an hourly rate of \$330 inclusive of GST. After an initial consultation, we can provide you with a guide on the potential fee based upon an estimate of the time required to implement the ongoing service program suitable for you.

3. You may have an arrangement entered into prior to 1 July 2013, to pay our fees out of the product in which you invest. The product provider may pay Professional Adviser Alliance out of:

- a) a contribution (entry) fee which will be deducted by the product provider from your initial investment amount when you proceed with a transaction and also usually any subsequent amount you invest in the product; and/or
- b) management costs which will be deducted by the product provider from your account on an ongoing basis (e.g. monthly, quarterly or annually); and/or
- c) a Financial Planner Service Fee that you agree to with your adviser for ongoing advice and service in relation to your investment in certain products.
- d) In relation to risk products (e.g. risk insurance), the product provider may pay commissions to Professional Adviser Alliance based on the premium payable for that product. There may be either or both an initial and ongoing commission payable to us. Please note that while the commissions are payable based on the premium you pay, the commissions do not form part of your premium and are not an additional fee to you.

The contribution (entry) fees and management costs are normally calculated as a percentage of the relevant amount you have invested in the product. Most of these fees are paid direct to Professional Adviser Alliance. Professional Adviser Alliance then pays a portion to Boston Financial Planning as the Authorised Representative.

4. You may pay for the services by a combination of the above options.

For information about the fees applicable to financial products recommended, please ask your adviser, refer to your Fee Disclosure Statement (where applicable) and the relevant PDS. Also, your advice documents and Fee Disclosure Statement will contain full details of any fees and charges you pay.

Any of the above payments will be charged by us as agreed with you or as permitted by law.

Other (additional) commission payments

Professional Adviser Alliance may also receive additional commission payments from insurance providers. In some cases your adviser may be entitled to a portion of these payments. More detail will be provided in a SOA if the relevant products are recommended to you.

Other Benefits

Professional Adviser Alliance may receive both cash and non-cash payments from some product providers, and these amounts may vary per product provider. Professional Adviser Alliance may pass some of these payments on to your adviser or may use these funds for providing support and for training costs.

Your adviser may not share directly in these payments, but may benefit indirectly through the provision of subsidised conference attendance and training costs. If you purchase or sell direct securities through us, we may receive a fee for these transactions.

Your adviser may also receive a range of other benefits from product providers such as marketing support or sponsorship, entertainment, conferences, accommodation and travel.

We maintain a public register outlining the forms of alternative remuneration that are payable to and by Professional Adviser Alliance and Boston Financial Planning. A copy of this register can be accessed upon request.

Any remuneration that is over \$300, that is frequent or regular, has a cumulative value of over \$300 and is intended to influence the choice of financial product may be considered conflicted remuneration and by law the adviser is unable to accept this arrangement. There are exceptions to this general guideline and your adviser may be able to provide you with further information regarding this.

How we address your personal financial situation, needs, goals and objectives?

We are under an obligation to act in your best interests in relation to the personal financial product provided to you (i.e. the 'best interests duty'). Generally, we must ensure, within the subject matter of the advice provided to you that:

- the scope of the advice includes all the issues for the advice to meet your objectives, financial situation and needs (including your tolerance for financial risk)
- if the scope of the advice changes, the change is consistent with your objectives, financial situation and needs
- we consider whether or not to provide advice that recommends a specific product or whether you should dispose of a product or do nothing.

The advice that your adviser provides will always be provided to you in writing in the SoA, unless it is further ongoing advice as outlined earlier.

However, you have the right not to tell us information about yourself if you do not wish to but still require your financial planner to provide you with financial product advice.

In these cases, the SoA will contain a specific warning that draws your attention to the risks of not providing full information about yourself. The warning will state that if you do not give your adviser accurate and complete information relating to your personal circumstances, the advice you receive may not meet your intended objectives and that your adviser has not been able to determine whether the advice is appropriate.

Therefore, before acting on any advice you receive, you should consider the appropriateness of the advice and read carefully the warnings contained in the SoA before making any decision relating to the advice.

In all cases where your adviser provides a SoA to you and a recommendation is included in the SoA for you to acquire a financial product, an investment report or PDS for that financial product will be provided to you.

It is important that you read and understand this document before implementing any recommendation made in the SoA. Your adviser will readily explain any part of this document that you do not understand.

If you don't wish to receive our advice, we may still act on your instructions to deal in financial products.

However:

- you face the risk that the financial product you select may not be appropriate for you, and
- we may require you to sign a document that records your intention not to seek advice from us for the particular financial product(s).

Do any relationships or associations exist which may influence the financial advice we provide?

We maintain a public register outlining the forms of alternative remuneration that are payable to and by Professional Adviser Alliance. A copy of this register can be accessed upon request.

How do we maintain information about you?

Professional Adviser Alliance Pty Ltd ACN 138 716 891 is committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy, which provides further information about how we handle your information, is available upon request or by accessing our website www.boston.com.au.

1. How do we collect personal information?

We generally collect personal information directly from you. For example, personal information will be collected through our application processes, forms and other interactions with you in the course of providing you with our products and services, including when you visit our website, call us or send us correspondence. Sometimes we may collect personal information about you from a third party, such as product providers.

2. Why do we collect personal information?

We collect and hold personal information about you so that we may:

- provide you with our products and services;
- let you know about other products or services we offer, send you information about special offers or invite you to events;
- protect our business and other customers from fraudulent or unlawful activity;
- consider any concerns or complaints you may have;
- comply with relevant laws, regulations and other legal obligations;
- help us improve the products and services offered to our customers.

3. What if you don't provide your personal information?

If you do not provide us with the personal information we request, we may not be able to provide you with our products or services, or meet your needs appropriately.

4. Disclosure of your personal information

We may disclose personal information to:

- our related entities;
- an agent, professional advisor or service provider we engage to carry out our functions and activities e.g. lawyers and accountants
- organisations involved in a transfer or sale of our assets or business;
- financial institutions involved in managing our payments, such as banks;
- regulatory bodies, government agencies, law enforcement bodies and courts;
- anyone whom you authorise us to disclose it.

5. Sending information overseas

We do not use cloud storage, or disclose your information to any overseas recipients.

We will not disclose your personal information to overseas recipients without your consent unless:

- we have taken reasonable steps to ensure that the recipient does not breach the Privacy Act 1988 ('Privacy Act'), or the Australian Privacy Principles ('APPs'); or
- the recipient is subject to a similar information privacy regime.

6. Your rights

Our Privacy Policy contains information about how:

- you may access the personal information we hold about you;
- you may seek the correction of your personal information; and
- you may complain about a breach of the Privacy Act, including the APPs; and
- we will deal with a privacy complaint.

You are entitled to obtain access to the information which we hold about you by contacting the Privacy Officer:

Privacy Officer

Professional Adviser Alliance Pty Ltd
Suite 15/G, 18-34 Station Street
SANDRINGHAM VIC 3191
Ph: (03) 9598 1575 | Fax: (03) 9521 0944

For more information regarding our collection, use, storage and disclosure of your personal information, our Privacy Policy can be obtained upon request.

What restrictions do Professional Adviser Alliance financial planners have on what they do?

Professional Adviser Alliance advisers shall avoid or not do anything of the following:

- advise you on taxation issues, although we will consider these in providing you with financial services, and
- act on your behalf, unless we are specifically told to do so by an authorised third party.

For your own protection, you should not:

- sign any blank forms or documents;
- appoint any financial planner to act as your attorney or authorised signatory; and
- nominate any financial planner to receive your statements without you also receiving a copy.

How can you access Professional Adviser Alliance's complaints handling arrangements?

Professional Adviser Alliance is a member of the Financial Ombudsman Service (FOS).

If you have a complaint regarding the provision of financial services to you, you should take the following action:

- Speak to your Adviser about your concerns; or
- Contact us on (03) 9598 1575 and ask to speak to our Complaints Manager.

If after speaking to your Adviser or our Complaints Manager, your complaint is not resolved within three (3) days, please put your complaint in writing and send it to us, addressed to:

Complaints Manager
Professional Adviser Alliance Pty Ltd
Suite 15/G, 18-34 Station Street
SANDRINGHAM VIC 3191

Whilst every endeavour will be made to resolve the matter promptly and impartially, if you are not satisfied with how your complaint is dealt with, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

AFCA

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call) – select 'Option 1'
In writing to: Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001

If your concerns involve your Adviser's conduct, you may wish to raise this with the Financial Planning Association of Australia (FPA). You can write to them at:

Financial Planning Association
PO Box 109 Collins Street West
MELBOURNE VIC 8007

Alternatively, other matters can be referred to the industry regulator, the Australian Securities and Investments Commission (ASIC) on free-call 1300 300 630 or visit the website www.asic.gov.au

Professional Indemnity Insurance

Professional Adviser Alliance has Professional Indemnity Insurance in place to cover us and our representatives for services we provide. This includes claims relating to the conduct of representatives who no longer work for Professional Adviser Alliance, but did so at the time of relevant conduct. We understand it is adequate to meet our requirements as a financial services licensee.