

FINANCIAL SERVICES GUIDE

VERSION 6.3 – 20150914



PATRON
Financial Advice

PATRON Financial Services Pty Ltd

(ABN 13 122 381 908) atf the PATRON Financial Trust

(ABN 32 307 788 137) trading as

PATRON Financial Advice (PATRON)

Australian Financial Services Licence Number 307379

WHAT IS A FINANCIAL SERVICES GUIDE?

The Financial Services Guide (FSG) is an important document. It is designed to provide information about the financial services provided by PATRON and its authorised representatives. It aims to assist you in deciding whether to use the services we offer. It also provides you with an understanding of what to expect from your interactions with PATRON.

This guide contains information about:

- Who we are and who your adviser is
- How we can be contacted
- The financial planning process and what types of documents you can expect to receive from your adviser
- The financial services that PATRON and its authorised representatives are authorised to provide you
- The remuneration PATRON, its authorised representatives and/or any other party may receive in connection with the financial services provided
- Our internal and external dispute resolution procedures and how you can access them
- The compensation arrangements we have in place

We, through our authorised representatives, will provide you with a FSG when we provide you with any financial service including the provision of advice and/or the placement of an investment or insurance on your behalf.

WHO IS RESPONSIBLE FOR THE SERVICES YOU RECEIVE?

PATRON is a boutique financial planning company who is the holder of an Australian Financial Services Licence (Number 307379). As your adviser is an authorised representative of PATRON, it is PATRON who is responsible for the services that he/she provides to you and has authorised the distribution of this document. Your adviser will be acting on behalf of PATRON when recommending both strategic solutions and specific products. Your adviser does not act as a representative of any other licensee in providing financial services to you.

WHO IS MY ADVISER?

Your adviser is **Tony Rimac** of **PT Wealth Solutions Pty Ltd**, (ABN – 16 698 445 925). Both Tony and Pt Wealth Solutions Pty Ltd are authorised representatives of PATRON Financial Advice. Their Authorised Representative numbers are **336785** and **336784** respectively.

YOUR ADVISER'S AUTHORITY

Tony is authorised to provide you with advice and deal in the following areas:

- Basic deposit products
- Debentures, stocks or bonds issued by a government
- Life products including;
 - investment life insurance products
 - life risk insurance products such as term life, TPD, trauma and income protection
- Interests in managed investment schemes including Investor directed portfolio services (i.e. master trust, wrap account)
- Superannuation products including personal funds, employer funds, retirement savings accounts (RSA's) and self managed superannuation funds (SMSF)
- Securities
- Margin Lending

YOUR ADVISER'S EXPERIENCE & QUALIFICATIONS

At PATRON we expect a professional standard of conduct from all of our Advisers who are required to act honestly, professionally, fairly and objectively and in the best interests of their clients.

Tony's financial planning qualifications include the following:

- o Bachelor of Business (Accounting)
- o Diploma of Financial Services (Financial Planning)

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CONTACTING PATRON AND/OR YOUR ADVISER

	PATRON	YOUR ADVISER
IN PERSON	Level 6, 93 George Street, Parramatta NSW 2150	3 Albion Street Harris Park NSW 2150
MAIL	PO BOX 1370 Parramatta NSW 2124	P O Box 169 Paramatta NSW 2124
PHONE	02 9687 0311	02 9891 1544
FAX	02 9687 6133	02 9891 1744
EMAIL	enquiries@patronfa.com.au	tony@ptws.com.au
WEBSITE	www.financial-advice.com.au	www.ptws.com.au

AN OUTLINE OF THE FINANCIAL ADVICE PROCESS

Our role is to understand your financial needs and objectives, and to recommend solutions that help you satisfy those requirements. We may, in our marketing materials and general communications, provide you with general advice that is not designed to address your specific needs and circumstances. We will alert you of this when such advice is provided. Otherwise, our advisory services will be tailored to meet your specific needs and circumstances, that is, we will provide personal advice that is appropriate to you.

The process we follow in providing personal advice to you will usually include the following steps:

NEW CLIENTS

1. **Providing this FSG** and obtaining your agreement on the basis upon which we will be providing services.
2. **Obtaining relevant information** about your financial needs and objectives and your current financial affairs so that we can provide the most appropriate advice.
3. **Researching solutions** with the aim of assisting you to satisfy those needs and objectives. Please note that our authorised representatives are only permitted to source solutions from a wide range of products approved by PATRON. The PATRON approved product list includes a large range of products on which appropriate research and analysis has been undertaken.
4. **Providing you with a written Statement of Advice (SoA)** which sets out our recommendations and the basis for them, the key issues involved and remuneration received as a result of the provision of professional services to you.
5. **Providing you with a Product Disclosure Statement (PDS)** for each product recommendation made within the SoA. The PDS contains further specific information about the product recommended which you should consider prior to accepting our advice.
6. **Obtaining your instructions** to implement recommendations and/or receiving your alternative instructions.*
7. **Implementing** your instructions to proceed with recommendations made or otherwise.
8. **Agreeing** on a basis for the provision of ongoing review services.

If, at any time, you do not understand any of the advice we provide or the actions we are taking, you should seek clarification from us or your adviser.

HOW CAN I GIVE YOU INSTRUCTIONS ABOUT SERVICES PROVIDED TO ME?

You can generally provide instructions to us either face to face, in writing, by telephone, fax or other agreed means such as email. At the time, we will advise you which instructions must be provided in writing.

EXISTING CLIENTS

If you are an existing client of PATRON, you will receive ongoing services as agreed with you. Typically this will involve at least an offer for an annual review of your financial circumstances, needs and objectives. Any advice that you receive further to the initial advice will be confirmed in writing in the form of either a Record of Advice (RoA) or another SoA. Generally, the only time a new SoA will be provided is when your circumstances have changed significantly or you are receiving advice in relation to a different type of product.

If we do not provide you with a copy of the RoA you may request a copy of it by asking your adviser. We will hold those records for a minimum of seven (7) years from the date the advice was given.

PRODUCTS & SERVICES PATRON IS LICENCED TO PROVIDE

PATRON is authorised under its AFSL to advise and deal in a broad range of financial products including:

- Basic deposit products
- Debentures, stocks or bonds issued by a government
- Life products including;
 - investment life insurance products
 - life risk insurance products such as term life, TPD, trauma and income protection
- Interests in managed investment schemes including Investor directed portfolio services (i.e. master trust, wrap account)
- Superannuation products including personal funds, employer funds, retirement savings accounts (RSA's) and self managed superannuation funds (SMSF)
- Securities
- Margin Lending

Your adviser may only be authorised by PATRON to provide some of these services and act only in respect of some products. Information on their authorisations as well as their qualifications and experience are detailed in the 'Who is my adviser?' section of their FSG.

IMPORTANT - As we are not permitted to provide legal nor specialist taxation or mortgage broking advice, we may guide you to seek external advice to meet those needs and objectives. Please note that if you are referred to PATRON Accounting Advice

or PATRON Mortgage Advice, benefits will be received by PATRON as a result of the common ownership of these three entities. We may also have referral arrangements in place with external parties (e.g., general insurance brokers or solicitors) whereby when we may pay or receive benefits as a result of receiving or making referrals to them. Any such arrangements will be disclosed to you in the SoA provided to you or RoA retained on file in support of our advice.

YOUR OBLIGATIONS IN SEEKING ADVICE

To help us provide you with appropriate advice that is based on current and accurate information, and to protect you, we ask you to do the following:

- Provide accurate information about your personal circumstances.
- Keep us updated as to any changes to your circumstances.
- Do not make any payments for investments or insurance contracts 'payable to' your adviser – they should always be made payable to the investment or insurance company.
- Do not sign blank forms.

REMUNERATION RECEIVED BY PATRON & YOUR ADVISER

WHAT REMUNERATION WILL BE PAID TO PATRON AND YOUR ADVISER?

The cost of providing our service to you will be determined by the types of services you seek assistance with. In all circumstances, your advice document (SOA or ROA) will set out the exact amount of fees, commissions and other benefits that we will receive.

While there are several means of PATRON and your adviser to be remunerated, your adviser has the ability to elect the means they deem to be most appropriate. The actual means your adviser utilises is detailed below under '**your specific adviser's fees and remuneration**' heading.

PATRON initially receives all remuneration once the financial service has been provided and/or the product has been lodged. After PATRON deducts its share of the remuneration, the balance is paid to your adviser. The administration fee is generally a percentage of total remuneration between 4 and 10%. This means that if \$1,000 in fees are generated, PATRON will charge a fee amount between \$40 and \$100.

Generally speaking however, PATRON 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 (i.e. an hourly rate);
- a fixed dollar amount;
- the value of funds invested; or
- a combination of these methods.

If you are charged a Fee for Service, your Adviser may rebate to you part or all of the commission that PATRON 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

This is paid by the issuer of the financial product/s recommended when the product is issued to you. This may be deducted from the initial amount you have invested or it may be payable from the product provider's own resources. The actual rate of upfront commission will depend on the type of product, the services provided and the amount invested or premium paid but can be up to 4.4% for investment or superannuation and 130% for insurance. As detailed earlier, the rate is always agreed with your adviser and confirmed in the SoA. Based on an account balance or premium of \$1,000, this equates to \$44 (investment or superannuation) or \$1,300 for insurance.

3. Ongoing Commission

This is paid by the issuer of the financial product/s recommended and is payable on an ongoing basis while the investment/insurance is still in place. The actual rate of ongoing commission will once again depend on the type of product, but is usually calculated as a percentage of the investment balance or a percentage of the premium paid for insurance products which can be up to 2.2% for investment or superannuation and 40% for insurance. It should also be noted that this payment is usually included in either the administration cost for investments or the premium for insurances. Based on an account balance or premium of \$1,000, this equates to \$22 (investment or superannuation) or \$400 for insurance.

4. Adviser Service Fees

For investments, an adviser service fee is paid by the issuer of the financial products recommended and like ongoing commission, is payable on an ongoing basis while the investment is still in place. The difference between the adviser service and ongoing commission is the fact that the former is not included in the administration costs of the investment. That is, it is an additional cost clearly outlining the fee associated with the provision of ongoing advice relating to that product and/or other ongoing advice.

WILL ANYONE BE PAID FOR REFERRING ME TO YOU?

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 PATRON 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.

YOUR SPECIFIC ADVISER'S FEES AND REMUNERATION

Tony chooses to receive remuneration via the following methods and at the following levels (all figures are inclusive of GST).

FEE FOR SERVICE

PT Wealth Solutions is predominantly a fee for service business.

PATRON Financial Advice may receive a fee for service or an upfront and ongoing commission if you decide to proceed with Tony's recommendations. The following outlines how the fees and commissions will be calculated.

1. Initial Meeting

Generally there is no charge for our initial meeting. However, in the event that we are able to provide significant financial advice that provides an immediate benefit to the client, we reserve the right to charge a value based fee up to \$5,500.

2. Preparation of Statement of Advice (SOA)

The preparation fee will depend upon the complexity of your individual circumstances and the level of advice you require. The fee will be determined and communicated to you prior to the SoA being prepared. The fee will range from a minimum of \$550 up to a maximum of \$5,500 depending on the initial scope of the work.

3. Ongoing Fee

PT Wealth Solutions will determine with you the ongoing service level you require to ensure the appropriate review of your strategy against your goals and objectives. The ongoing service fee will be discussed with you and documented in the SoA. The ongoing service fee will range from a minimum of \$1,650 up to a maximum of \$16,500 per annum, charged monthly, payable by direct debit. The ongoing service fee is reviewed annually and subject to a minimum CPI increase.

4. Consultation Fee

For any ad hoc advisory work in relation to financial or investment advice that is not already covered under our standard 'ongoing fee' arrangement our minimum fee is \$330 per hour. In most instances, under our value based costing system, we will advise you of our fee for service once we determine the scope of work required.

As detailed, fees will be fully set out in your advice document and explained to you by your financial adviser prior to the implementation of the recommendations.

COMMISSIONS

PT Wealth Solution is committed to rebating 100% of all investment upfront and ongoing commission payments where permitted by the product manufacturer.

TYPE OF ADVICE	FEE or REMUNERATION
<i>Initial Advice</i>	<p>INVESTMENTS / SUPERANNUATION / OTHER STRATEGIC ADVICE and PERSONAL INSURANCES</p> <ul style="list-style-type: none"> ○ <i>Upfront commission – as described at Point 2 Upfront Commission</i>
<i>Ongoing /Review Advice</i>	<p>INVESTMENTS / SUPERANNUATION / OTHER STRATEGIC ADVICE and PERSONAL INSURANCES</p> <ul style="list-style-type: none"> ○ <i>Ongoing Commission – as described at Point 3 Ongoing Commission</i>

As detailed, all fees will be fully set out in your SoA and explained by your Adviser prior to the implementation of the recommendations.

OTHER BENEFITS THAT MAY BE RECEIVED

RELATED PARTIES/ENTITIES

Infocus Wealth Management Limited is the parent company of PATRON Financial Advice, Portfolio Administration and Reporting Pty Ltd and Alpha Fund Managers Pty Ltd (Alpha). Alpha Fund Managers Pty Ltd operates as investment manager for the Alpha fund series of investments with Equity Trustees Ltd operating as the responsible entity.

PATRON 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.

These 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
- a combination of these methods

provided certain benchmarks are achieved as well as other variable factors being met. These include; net inflows, business quality and remuneration options selected. To be totally transparent, we have included the maximum rate of payment that may be paid regardless of whether PATRON currently meets the required benchmarks/factors to be met.

These arrangements do not further increase the administration fee, management expense ratio or premium that would otherwise be charged by the product provider if these arrangements were not in place. This additional payment is usually paid by the product providers on a quarterly basis and is not an extra cost to you.

A summary of these arrangements include:

PRODUCT PROVIDER	TYPE AND LEVEL OF PAYMENT (based on \$10,000)
BT	<i>Up to 22.50% (or \$2,250.00 p.a.) of the administration fee for BT Wrap, Superwrap and Wrap essentials.</i>
BT Portfolio Manager	<i>Up to 0.15% (\$15.00 p.a.) of funds under management for BT DKN Portfolio Manager Super and Non-Super.</i>
IOOF	<i>Up to 0.275% (\$27.50 p.a.) of funds under management in IOOF platforms.</i>

Personal Choice (Asgard)

Up to 45% (\$4,500 p.a.) of the administration fee payable to Personal Choice Portfolio Services Pty Ltd, which, after expenses including the product of PDS's distributes the balance to PATRON. This payment is as a result of PATRON being a member of the Association of Independently Owned Financial Planners (AIOFP).

Netwealth

Up to 0.2% (\$20 p.a.) of the administration fee for Netwealth Investment Wrap and Netwealth Super Wrap products.

OnePath

Up to 6.6% (\$660 p.a.) of new business premiums determined by total new business written and lapse criteria on OnePath World of Protection and One Care Life insurance products.

Payments attributable to amounts which were in place before 1st July, 2014 from this source will be shared by PATRON and your adviser equally. In line with the Future of Financial Advice (FOFA) regulation amendments, neither PATRON nor your adviser will receive payments specified above for any business written after the 1st July, 2014.

In addition PATRON or its associated entities can receive various payments from financial institutions based on the value of insurance premiums and lapse rates. Please note these payments are made by the product provider (Zurich Australia Limited and TAL Life Limited) and are not charged to you.

OTHER BENEFITS

Other benefits may be received by PATRON from product providers including sponsorship for training events and/or conference attendance under an Alliance Partner Program (APP). These payments offset the costs associated with the delivery of training and support to our Authorised Representatives.

OTHER RELATIONSHIPS

Portfolio and Portfoliofocus Administration and Reporting and/or Infocus is the marketing entity for a number of providers including Avanteous Investments Limited (Ultimate Super and Pension Service, Ultimate Investment Service), HUB24 (PATRON Investment Hub and PATRON Super Hub), IOOF Pursuit Focus for Infocus, IOOF Pursuit Select for Infocus.

YOUR INFORMATION AND RIGHTS TO PRIVACY

Your adviser will maintain a record of your personal profile, including details of your objectives, financial situation, financial needs and any other information relating to your specific financial position. They will also maintain records of any recommendations they make.

PATRON is committed to ensuring the privacy and security of your personal information in accordance with the principals of the Privacy Amendment (Private Sector) Act 2001 (Privacy Act).

We will let you know what documentation you will need to present to allow us to provide you with appropriate advice and to meet the relevant customer identification requirements under the AML/CTF Act.

We are also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) and its corresponding rules and regulations to implement certain customer identification processes. Before providing any financial products and/or services to you, we will need to verify your identity and may be required to obtain information about you from time to time, in order to meet our legal obligations. We have certain reporting obligations pursuant to the AML/CTF Act, and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

If you wish to obtain a copy of our Privacy Statement, please refer to our website, www.financial-advice.com.au or ask your adviser. If you would like to examine your file at any time, please ask your adviser. They will then make all necessary arrangements to provide you with the relevant information.

RESOLUTION OF COMPLAINTS

It is important that you are satisfied with our services. If we have failed to meet your expectations, you should take the following steps:

1. Contact your financial adviser and discuss your areas of concern. It is preferred that you put your concerns in writing.
2. If your concerns are not satisfactorily resolved by your financial adviser, you should contact the **Professional Standards Manager** via one of the following means:

MAIL PO Box 1370, Parramatta NSW 2124 **PHONE** 02 9687 0311 **FAX** 02 9687 6133

The manager will investigate your complaint and attempt to fairly resolve your complaint as soon as possible.

3. If our **Professional Standards Manager** is unable to reach a satisfactory resolution of the complaint within forty-five (45) days of receipt, you can refer the matter to the Financial Ombudsman Service Limited (FOS). FOS is an independent body set up to assist investors to resolve certain types of complaints with authorised representative of Australian Financial Service Licensees.

FOS may be able to assist in resolving your complaint, but only if you are not satisfied with the response received from PATRON. If FOS accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and PATRON to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to an independent adjudicator for a determination that is binding, should the investor accept.

FOS can be contacted via one of the following means:

PHONE 1300 78 08 08 **EMAIL** info@fos.org.au **INTERNET** www.fos.org.au

Alternatively, the **Australian Securities and Investments Commission's (ASIC)** website contains information on complaining about companies and people and describes the types of complaints handled by ASIC. To obtain further information, you can contact ASIC via one of the following means:

PHONE 1300 300 630 **EMAIL** infoline@asic.gov.au **INTERNET** www.asic.gov.au

COMPENSATION ARRANGEMENTS

PATRON Financial Advice is covered by professional indemnity insurance satisfying the requirements under the Corporations Act for compensation arrangements. This cover is designed to compensate retail clients for losses they suffer as a result of a breach by PATRON or your adviser in the obligations outlined in the Corporations Act.

It should be noted that the insurance continues to cover the actions of representatives of PATRON Financial Advice where subsequent to these actions they have ceased to act for PATRON Financial Advice.



PATRON
Financial Advice

pa·tron (pă 'trən) *n* **1)** One who protects, fosters or supports some person; a protector. **2)** A saint regarded as the peculiar protector of some special person, cause, etc. **3)** One in the position of guardian, or helper, one who champions a cause.