



# FINANCIAL SERVICES GUIDE

**VERSION 9.6**

1<sup>ST</sup> NOVEMBER 2018

## ABOUT US

Financial Foundations Australia Pty Ltd (FFA) provide financial advice to help you improve your lifestyle by building wealth and/or producing income, depending on your particular needs.

FFA is part owned by Ironbark Wealth Management Pty Ltd (Ironbark), a financial services company that operates managed investment schemes and provides services to other fund managers and advisory firms like FFA. We use Ironbark's services to build and manage investment portfolios for our clients.

At FFA we select investments for our clients based upon our assessment of their overall suitability to their needs and circumstances. Where we may recommend an Ironbark investment manager as a part of your portfolio we do so after assessment by our investment committee, using research expertise from external investment research companies and on the basis that those investments are an appropriate choice for you. Neither FFA nor its representatives are incentivised in any way to favour Ironbark's investments.

It is important that you have confidence in your financial wellbeing and in your financial arrangements. FFA will give you that confidence, drawing on the expertise of professional advisers.

FFA has been providing trusted financial advice since 1986, and even earlier than that time, our founder John Cockle held a Dealers Licence from 1983. Currently we have a team of four in house financial planners with average professional experience of more than twenty years.

FFA is the holder of an Australian Financial Services Licence (Number 237439).

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

All authorised representatives have been individually assessed as having the competencies, knowledge, skills and integrity necessary to deliver quality financial services and advice to our clients.

### Head office for Financial Foundations Australia is located at:

49 Robinson Street | Dandenong | VIC | 3175

PO Box 856 | Dandenong | VIC | 3175

**P** (03) 9793 3722 | **F** (03) 9793 5664

**E** [info@financialfoundations.com.au](mailto:info@financialfoundations.com.au)

[www.financialfoundations.com.au](http://www.financialfoundations.com.au)

## THE PURPOSE OF OUR FINANCIAL SERVICES GUIDE

The purpose of this Financial Services Guide (FSG) is to outline to you the services Financial Foundations Australia provides, along with any fees or other costs associated with our services.

You may receive other disclosure documents from us which may include;

**Statement Of Advice** - This document sets out our understanding of your current circumstances, our financial advice and our recommendations. It includes disclosure of all remuneration we may receive or fees that may be charged to you.

**Product Disclosure Statements** - These documents provide details regarding the financial products that have been recommended to you. They include any fees and charges associated with particular products.

## SERVICES WE PROVIDE

Financial Foundations Australia can help you by providing:

### PERSONAL

Recommendations  
about your investments,  
superannuation & insurances

### IMPLEMENTATION

Assistance with putting in place  
financial strategies & setting up  
financial products

### ONGOING REVIEW

Ongoing financial advice & review  
of your financial strategies &  
products

FFA is licensed to provide advice and to arrange the placement of the following financial products, on your behalf:

- Deposit and payment products such as term deposits and bank accounts;
- Government debentures, stocks or bonds;
- Share market investments and securities;
- Investments in managed funds and managed investment schemes;
- Superannuation and rollover funds;
- Self Managed superannuation funds (DIY Funds);
- Life insurance products;
- Margin lending products, and
- Retirement income streams including allocated pensions and annuities.

We also provide advice in other areas of investment & can assist you by facilitating other services including:

- Taxation and accounting;
- Legal services including estate planning and business agreements;
- Advice on and assistance with Centrelink entitlements, and
- Finance solutions.

## ABOUT YOUR ADVISER

Financial Foundations Australia employs a team of advisers with a range of experience and skills. This ensures we can provide you with ongoing quality advice and services and that we have access to knowledge and skills across a wide range of financial issues.

Any advice given to you by Financial Foundations Australia will be provided by a qualified person who is also an authorised representative of Financial Foundations Australia.

The following professionals are currently employed by Financial Foundations Australia to assist you with financial planning advice.

## ABOUT YOUR ADVISER

### Ty Cockle

Ty Cockle is the CEO of Financial Foundations Australia, he is also a representative, employee and shareholder. He has been an important member of Financial Foundations Australia financial planning team for over 15 years. Ty holds a Bachelor of Education and is a Certified Financial Planner (CFP), which is the profession's highest practitioner qualification. In addition, he holds the Self-Managed Superannuation Specialist Adviser (SSA) designation which is recognised to be the leading superannuation advisory qualification in the industry. He also holds an Advanced Diploma of Financial Planning and is a member of the Financial Planning Association (FPA).

### Stephen Layfield

Stephen Layfield is a Representative, and employee of Financial Foundations Australia. Stephen is an AFP® member of the Financial Planning Association (FPA) and holds a Bachelor of Commerce from Monash University, a Diploma of Financial Services, was a former MSAA - Master Stockbroking Member and has over 21 years' experience as a Financial Planner.

### Eddy See

Eddy See is a representative and employee of Financial Foundations, with over 13 years' experience in the financial planning industry. He holds a Bachelor of Business, specialising in Financial Planning and he is also a Certified Financial Planner (CFP), which is the profession's highest practitioner qualification. Eddy also provides specialist advice in Aged Care and is a member of the Financial Planning Association (FPA).

### John Kostopoulos

John Kostopoulos is a Representative, and employee of Financial Foundations, with over 18 years' experience in the financial services industry. He holds a Masters of Applied Finance majoring in financial planning as well as a Graduate Diploma of Applied Finance and Investment. John also has extensive experience with retirement planning and Aged Care.

## WHAT ELSE CAN YOU EXPECT TO RECEIVE?

### Personalised advice to suit your needs

Our advice will be tailored to meet your individual situation. We do not use a “one size fits all” formula for our clients.

We will strive to provide the advice that we believe is most appropriate to assist you in achieving your goals and objectives. And as a smaller group we can adapt our services to meet your particular needs. To ensure advice is appropriate to your needs, we will ask you for personal information.

Of course you have the right not to divulge personal information but you should carefully consider any warnings we give you regarding possible consequences of us not having complete knowledge of your circumstances.

### Clear and documented advice

The initial advice provided by your adviser will be provided in a written Statement of Advice (“SoA”). Where we provide you with ongoing advice, if your circumstances and objectives have not changed substantially, we may not be required to provide you with a new SoA.

Where we do not provide you with a written SoA, we will keep a Record of Advice. This is our notes regarding the advice we have provided to you, available for you to read, upon your request.

Similarly all instructions from clients are to be confirmed in writing. Note Financial Foundations Australia will not normally act on telephone instructions unless such circumstances are supported by written instructions.

### Complete advice

We have access to accountants and taxation experts as well as associations with legal and financing professionals. Whatever your need for financial related advice, your adviser will be able to assist, either directly or through referral to appropriate specialists.

## **Confidence in the advice of experienced and licensed professionals**

Financial Foundations Australia is responsible for investment or insurance advice provided to you by our authorised representative.

All our advisers have considerable experience and training. They include people with diverse backgrounds and specialist expertise, including practicing accountants, insurance advisers and investment professionals.

The Corporations Act governs activities of investment advisers and only licencees or their representatives may provide financial product advice.

Financial Foundations Australia holds an Australian Financial Services Licence, issued by the Australian Securities and Investment Commission. Licensing ensures you are advised by an appropriately qualified person and that advice is properly researched. A copy of our AFS Licence is held at the office of FFA and may be inspected on request.

Financial Foundations Australia is a Financial Planning Association (FPA) registered Professional Practice. The FPA sets high professional standards that we must adhere to in order to maintain this association.

## **HOW DO I PAY FOR THESE SERVICES?**

Financial Foundations Australia will charge you a fee for the services we provide to you.

### **Initial consultation**

Your initial consultation will be free. This will include discussion of your financial circumstances and objectives and possible solutions to your financial challenges. During this discussion we will agree whether or not to proceed with the development of comprehensive written recommendations.

### **Written recommendations**

If it is agreed that we will prepare a written Strategy Document and/or Statement of Advice, a fee will apply. Typically you will expect to pay between \$750 and \$4,500 (plus GST) for analysis of strategies and preparation of this report, depending on its complexity. We will agree this fee prior to us starting the report.

Where practical any brokerage in excess of our fee will be reduced to zero and establishment fees deducted by the product provider will be discounted accordingly. Sometimes the provider will not allow for discounting of fees in this manner, in which case FFA will receive the brokerage. Any such brokerage will be set out in our Statement of Advice.

## Ongoing advice and reviews

Once your investments have been put in place we will charge a fee for ongoing advice and reviews.

This will generally be up to 1.0% plus GST per year of your investment portfolio. For example on funds of \$200,000 a fee of 1.0% would be \$2,000 per year (plus \$200 GST). Usually we arrange for this fee to be deducted on an ongoing basis from your investment. If this is not practical you may pay this fee personally.

Some product providers will pay ongoing brokerage to FFA. Where practical, any ongoing brokerage will be reduced to zero and the ongoing management charges deducted from your Investment by the manager will be reduced accordingly. This is not always practical, in which case FFA will receive the brokerage. Any such brokerage will be set out in our Statement of Advice.

Sometimes we may agree with clients to work on the basis of brokerage received from product suppliers instead of charging a fee. This would normally apply in relation to smaller investments, term deposits, placement of share investments and life insurance. In this case we will receive brokerage from the product provider at rates set out in our Statement of Advice.

For life insurance products initial brokerage may be up to 110% of the first year's premium, though normally they will be around 80%. For example on a term life policy paying an initial brokerage of 80% with a premium of \$300 this would equate to \$240. Ongoing brokerage may be up to 33% of the second and subsequent year's premium per year. On a premium of \$300 this would equate to \$99 per year.

Sometimes we may undertake work for clients on an "ad hoc" basis, outside of the above structures. If we are engaged on this basis, our hourly fee for written recommendations and administration work is \$300 per hour (plus GST).

## Referral partner payments

We have a referral partner (MJC) who receive a share of any fee we receive should a referred client proceed to get our written advice.

What we pay to MJC the business is:

- 15% of the upfront adviser fee for the referred client
- 15% of ongoing adviser fee for the referred client
- 15% of insurance commission for the referred client

## Who has an interest in these services?

Product providers or managers may deduct management and administration fees from the products recommended by FFA. Such fees must be disclosed by the product providers in their Product Disclosure Statement.

Fees paid by you for our services and brokerage paid by product providers or intermediaries, shall be paid to FFA.

Ironbark, Tyrone Cockle and Stephen Layfield together with associated persons or entities, are shareholders in FFA and related entities and participate in any profits earned by FFA. Our accounting partners at MJC Partners Pty Ltd are also FFA shareholders and will therefore benefit from any FFA profits.

We may reward staff of our associates at MJC who refer clients to us. The reward is currently provided when a Statement of Advice is requested by a new client they have referred. It is currently in the order of \$100 by way of a grocery voucher.

All advisers listed in this FSG are salaried employees of FFA. They may on occasion receive bonuses based on their contribution to revenues earned by the business.

FFA (or associated entities) may receive profit share or volume based remuneration from some product suppliers. This may result in payments to FFA based on the overall level of business or funds placed by FFA in particular products or with particular product providers. Any such interests in recommended products shall be disclosed in the Statement of Advice.

FFA and its representatives may receive other benefits from product suppliers. These may include attendance at functions, conferences and training sessions provided by product suppliers. If applicable such benefits shall be disclosed in the Statement of Advice.

FFA maintains a register of Alternative Benefits outlining any such benefits that may be received. We also maintain a register of any potential Conflicts of Interest that we may have. These Registers may be viewed on request.

## **OUR MANAGED DISCRETIONARY ACCOUNT SERVICES**

We offer limited types of Managed Discretionary Account services (MDA services) where you allow us to manage your investments for you, using our discretion and without obtaining your instructions before each transaction we undertake on your behalf. These services are limited to the Limited Power of Attorney and Authority to operate facilities within Colonial First State First Choice or Asgard. Please note these facilities do not authorise us to open new accounts, withdraw funds, or contribute new funds to your investment.

### **What are the significant risks associated with using an MDA service?**

By authorising us to make changes to your investments without seeking your prior authority, you cannot claim we were not acting on your behalf. Provided we act within that authorisation, our acts become binding on you.

Therefore it is important you understand what we are authorised to do and carefully read and understand the activities that you are authorising us to perform on your behalf.

### **How can I give you instructions on how to exercise rights relating to the financial products in my portfolio?**

Generally, the financial products which we invest in on your behalf do not have any additional rights or entitlements attached to them. However, if there are, we will let you know and you can provide us with instructions at the time as to how you wish for us to proceed. You can instruct us in writing, by facsimile transmission or by email. Our postal, facsimile and email contact details are contained at the commencement of the FSG.



### **Do I have to enter into a contract for you to provide MDA services?**

Yes. As of December 11 2004, to receive MDA services you must first enter into an MDA Contract. This contract will set out the terms and conditions of the authority and also the investment program, which sets out how your money will be invested. We will prepare the investment program for you based on your relevant personal circumstances, financial objectives and needs.

### **Will the investment program in the MDA contract comply with the law?**

Where this is relevant, the investment program set out in the MDA Contract will comply with the law. The relevant law is Division 3 of Part 7.7 of the Corporations Act.

The contract will also contain:

- Statements about the nature and scope of the discretions we will be authorised and required to exercise under the MDA Contract;
- Any investment strategy that is to be applied in exercising those discretions;
- Information about any significant risks associated with the MDA Contract;
- The basis on which we consider the MDA Contract to be suitable for you, and
- Warnings that the MDA Contract may not be suitable to you if you have provided us with limited or inaccurate information relating to your relevant personal circumstances and specify that the MDA service may cease to be suitable for you if your relevant personal circumstances change.

### **Who is responsible for reviewing the investment program?**

We are responsible for reviewing your investment program. We will review your investment program at least every 13 months.

### **Do you provide custodial or depository services for my portfolio?**

We do not provide custodial or depository services. Either you will hold the investments in the portfolio, or the custodian nominated for Colonial First State First Choice or Asgard will hold them for you.

### **Is there a cost for the MDA contract or the MDA?**

Generally Financial Foundations maximum fee is 1.0% + GST pa. Fees will be discussed and disclosed to all clients in their service agreements. Please refer to the fee section of this FSG.

### **Our authority to offer MDA services**

Our AFSL permits us to provide MDA services to our clients via a regulated platform.

## RESOLVING A COMPLAINT OR CONCERN

If you have a concern about services provided by Financial Foundations Australia we will try and resolve your issues quickly and fairly. To allow us to do so you will need to take the following steps.

1. Contact your adviser about your concerns.
2. If a complaint is not satisfactorily resolved in 3 days,

**Contact:**

**The Compliance Manager**

Financial Foundations Australia  
PO Box 856 Dandenong VIC 3175  
**P (03) 9793 3722**

3. Financial Foundations Australia is a member of the Australian Financial Complaints Authority (AFCA), an ASIC approved External Disputes Resolution scheme. If the outcome of the above steps is not satisfactory you may lodge a complaint in writing with AFCA. AFCA will undertake an independent review of your concerns and we are bound by their determination.

**Australian Financial Complaints Authority**

GPO Box 3, Melbourne VIC 3001  
**P 1300 93 16 78**

Further information regarding the Australian Financial Complaints Authority can be found on their website [www.afca.org.au](http://www.afca.org.au). Financial Foundations Australia (FFA) currently holds professional indemnity insurance for activities conducted in accordance with our AFS License. Professional indemnity insurance helps reduce the risk that FFA might not have sufficient resources available to compensate clients for losses they incur as a result of certain breaches of the Corporations Act by FFA or its representative.

The limit of indemnity is as prescribed under ASIC Regulatory Guide 126. Subject to the terms and conditions of the policy, the professional indemnity insurance extends to cover claims made in relation to the conduct of Authorised Representatives and employees of the Licensee including cover for those Authorised Representatives and employees who no longer work for the Licensee (but who did at the time of the relevant conduct). This insurance does not cover any actions by the representative acting in any other capacity (e.g. as your accountant) or acting beyond the scope of FFA's AFS License.

FFA has an obligation under the Anti Money Laundering/Counter Terrorism Fraud (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 and also retains copies of this information. We assure you that this information will be held securely.

Financial Foundations Australia respects your privacy. A copy of our Privacy Statement is available from our website [www.financialfoundations.com.au](http://www.financialfoundations.com.au). Alternatively you can obtain a copy by calling us or asking for a copy from a staff member in our office.

This page has been left blank intentionally

