

## Financial Services Guide

This Financial Services Guide (“FSG”) dated 25 May 2017 is issued by First Mutual Australia Pty Ltd (“First Mutual”) ACN 154 012 085 Australian Financial Services Licence no. 423710

This Financial Services Guide (FSG) is designed to assist you in determining whether to use any of the services offered by First Mutual and/or its Authorised Representatives.

This guide contains information about:

- First Mutual, who as the Licensee, is responsible for the financial service,
- Your financial adviser,
- The financial planning services and products your financial adviser can provide,
- How First Mutual, your financial adviser and other related parties are paid for the financial planning services provided to you,
- Any associations or relationships that could create potential conflicts of interest,
- Details of who to contact should you have a complaint.

### Authorised Representative Profile

This FSG must be read in conjunction with the Authorised Representatives Profile (“ARP”) as it forms part of this FSG. It provides detailed financial management information about your financial adviser such as their contact details, referral sources and the types of financial products they can advise and deal in.

Please retain both the FSG and the ARP for your reference and any future dealings with First Mutual.

### Other documents you Might Receive

You might receive the following documents to help you make an informed decision on any financial strategy or recommend financial product.

#### Statement of Advice

The personal advice provided to you will be defined in a Statement of Advice (“SoA”). The SoA will deliver personal advice, the basis on which it is given, fees, commissions and information on relevant associations.

The SoA provides initial advice - any subsequent advice may be provided in the form of a record of advice, a statement of additional advice or other documentation.

Where further advice is provided that involves a significant change you will be provided with a SoA. Where further advice is provided that does not involve a significant change your adviser will make a Record of the Advice (“ROA”). You may make a request for an RoA at any time.

#### Product Disclosure Statement (“PDS”)

You will receive a PDS if your adviser has provided advice on a particular product. A PDS will contain the key features of the financial product, significant risks and benefits, and fees associated with the financial product.

### Who is First Mutual

First Mutual is registered in Australia, and holds an Australian Financial Services Licence and Australian Credit Licence No. 423 710 issued by the Australian Securities and Investment Commission (ASIC). First Mutual conducts business through financial advisers appointed as Authorised Representatives and Credit Representatives under its AFSL and ACL.

### Who is your Financial Adviser

Your financial adviser is the authorised representative listed in the Authorised Representative Profile section of this FSG.

### Financial Services and Products Available

First Mutual’s financial advisers can offer a range of insurance, investment, superannuation and retirement strategies and products.

First Mutual maintains an Approved Products List (APL) containing financial products that have been researched by one or more external Research houses. A copy of the APL can be supplied to you upon request.

First Mutual’s Financial Advisers act for you and not for any life insurance company, fund manager or bank.

### What advice is available to you

First Mutual can provide advice and strategies on the following, but not limited to:

• Savings & wealth creation	• Superannuation	• Self managed superannuation	• Centrelink
• Financial management	• Pre Retirement	• Estate planning	• Salary packaging
• Investment	• Retirement	• Financial protection & insurance	• Business succession

### Initial Services that may be Provided

The initial services that may be provided are:

- Identification of your financial goals and objectives
- Collection and analysis of your existing personal and financial situation
- Investigation and consideration of possible financial planning strategies and products that will assist you to meet your goals and objectives
- Presentation of a written recommendation, referred to as a Statement of Advice (SoA)
- Implementation of your strategy

### Ongoing services that may be Provided

The ongoing services that may be provided are:

- Revision of your personal and financial situation at suitable, agreed intervals
- Discussion of whether our recommendations remain appropriate should your personal circumstances or the legislative environment change
- Implementation of any recommendations made as part of our ongoing service to you

You and your financial adviser may agree in writing on a more extensive ongoing service.

### What Services Cost and How they are Paid

All fees are payable to First Mutual in the first instance. First Mutual and your financial adviser can be paid by fees or commissions, or a combination, for both the initial and ongoing service. Your financial adviser will discuss and agree both the rate and method of payment with you before any financial services are provided. Where you receive personal advice, your SOA will detail all remuneration and other benefits associated with the advice.

#### Fees

Fees may be either a fixed rate fee or based on an hourly rate or a combination of both, and will reflect the complexity of your personal situation and the time and effort in our work for you.

#### Commissions

First Mutual (on behalf of your Financial Adviser) may be paid initial commissions by product issuers in association with the placement of the recommended products. Ongoing commissions may be paid for as long as you hold the product.

Commissions may vary depending on the circumstances, however, may be up to 5% initial and 5% ongoing of the amount for investment products, up to 10% initial of the amount for MIS (agribusiness) products, and up to 130% initial and 40% ongoing of the premium for life insurance products. For example, for an investment of \$10,000 in a product whose product issuer pays 5%, First Mutual will receive an initial amount of \$500.

#### Referral Fees

If a third party referred you to us, we may forward referral payments or commissions to the third party. These amounts do not involve additional costs and will be disclosed in your SOA. All Fees and Commissions are subject to GST.

### How First Mutual and their Financial Advisers are Paid

All fees and commissions disclosed in the SOA are payable to First Mutual. First Mutual will retain up to 9% and forward the balance to your financial adviser. For example, if First Mutual receives \$100, First Mutual will retain up to \$9 and pay up to \$91 to your financial adviser. Your financial adviser may also pay First Mutual a fixed monthly service fee of up to \$500, which may be offset against their entitlement to fees and commissions.

### **Other benefits Product Providers give First Mutual or your Financial Adviser**

Some product providers may give First Mutual or your financial adviser non-commission benefits such as entertainment or sponsorship. Both First Mutual and your financial adviser maintain a Register in line with industry standards to document any alternative forms of payment received. These registers are publicly available and must be provided within 7 days after request.

### **First Mutual has No Relationships or Association with Issuers of Financial Products.**

First Mutual and your Financial Adviser do not have any relationships nor associations with any suppliers of products that might be recommended, other than relative to the direct supply of their products.

### **Information to provide to receive personal advice**

Your financial adviser will complete a Client Questionnaire with you, which will record your personal objectives, lifestyle goals, details of your current financial situation and any other relevant information. The information obtained will be assessed by your financial adviser to assist them in providing appropriate advice. You may withhold personal information, but this might compromise the appropriateness of the advice you receive.

You should carefully read any warnings contained in the client questionnaire and SOA before making any decision relating to a financial strategy or product.

### **How to Give Instructions about your Financial Products.**

You may specify how you would like to give us instructions. For example, you may nominate to instruct us to act by telephone, fax email or other.

### **Information maintained in Your File – Your Right to Access It**

Your financial adviser will maintain a record of your personal information including details of your objectives, financial situation, any recommendations made to you and Tax File Numbers if they are specifically needed to be passed to Superannuation or Investment Funds or Insurers.

If you wish to examine your file, please ask your financial adviser and they will make arrangements for you to do so.

First Mutual and your financial adviser are committed to complying with a privacy policy to protect the privacy and security of your personal information. A copy of this Privacy Policy is attached to this FSG.

### **Compensation Arrangements**

First Mutual Australia Pty Ltd holds Professional Indemnity (“PI”) Insurance cover for the activities covered under its AFS Licence. The limit of the indemnity is \$2.5 million for any one claim and \$5 million in the aggregate for all claims arising out of its AFS licence activities. First Mutual believes that the Professional Indemnity cover satisfies the requirements for compensation arrangements under s. 912B of the Corporations Act 2001.

### **If you have a Complaint**

If you have any complaints about the services provided by First Mutual or its representative/s, please:

- Contact your First Mutual adviser and advise them of your complaint.
- If your complaint is not satisfactorily resolved within 3 working days, please contact the First Mutual Compliance Manager by telephone or in writing. First Mutual will try to resolve your complaint quickly and fairly.

If you do not receive a satisfactory resolution you may refer the matter to the Financial Ombudsman Service, GPO Box 3, Melbourne Vic 3001, Telephone toll free 1300 780 808. First Mutual is a member of this service.

First Mutual has authorised Darren Brind and Prerequisite Capital Management Pty Ltd to provide you with this FSG.

### Authorised Representative Profile

Financial Advice is provided by:

AFSL Licensee:	Name:	First Mutual Australia Pty Ltd
	ABN:	42154012085
	AFSL No.	423 710

Corporate Authorised Representative is:	Name:	PREREQUISITE CAPITAL MANAGEMENT Pty Ltd
	ABN:	27 141 060 933
	AR No.	439 909

The Authorised Representative is:	Darren Brind, as Director of Prerequisite Capital Management Pty Ltd and as Authorised Representative no. 283 912
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Contact Details of Business Authorised Representative:		38 Wintergreen Drive Parkwood Qld 4214
	Postal	PO Box 144 Morningside Qld 4170
	Phone	1300 133 681
	Mobile	0498 671 505
	Email:	darren@prerequisite.com.au

### Authorities and Limitations

Darren Brind, as an Authorised Representative, is <b>Authorised to deal And advise in:</b>	• Deposit Products
	• Life Insurance (Risk and Investment Products)
	• Managed Investments Schemes, including IDPS
	• Retirement Savings Accounts
	• Government Debentures, Stocks and Bonds
	• Managed Discretionary Accounts
	• Securities
	• Superannuation

Darren Brind is <b>Not Authorised</b> to provide advice in:	• Derivatives
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Please note that Darren Brind is not a registered tax (financial) adviser under the current Australian law; and If the receiver of the advice intends to rely on the advice to satisfy liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law, the receiver should request advice from a registered tax agent or a registered tax (financial) adviser.

## Remuneration

First Mutual receives all Upfront and Ongoing remuneration paid upon implementation of the products and services provided by Darren Brind.

Under contract First Mutual then pays Prerequisite Capital Management Pty Ltd in the order of 91% of all commissions and fees received. From this Prerequisite Capital Management Pty Ltd funds the costs associated with operating their business, including paying Darren Brind a salary and bonuses if applicable.

Below is a guide as to how fees and commissions may be charged. Darren Brind will provide you with a Statement of Advice, which will outline his fees and commissions. All fees, and commissions will be discussed and agreed with you prior to commencing any work.

You will be provided with an initial meeting for which there may be no charge. Further meetings and the preparation and implementation of Financial Advice will be charged by either one or a combination of two methods.

1. **Fee For Service:** You may be charged an hourly rate for the services provided, up to \$300 per hour (excluding GST). You may also be charged a flat fee for the initial advice and preparation of a Statement of Advice generally in the range of \$1,000 to \$4,000 (excluding GST), but depending upon complexity this may be more and will need to be specifically quoted and approved. You will be invoiced directly for these fees and will need to pay First Mutual directly or these fees can be deducted from your investments.
2. **Other Fees:** Financial product providers may pay a commission directly to First Mutual. Commissions may be
  - Upfront - generally a once off payment made when new business is placed or additional contributions are made to a financial product.
  - Ongoing - paid on an ongoing basis whilst you hold the product.

The following is a guide to how commissions are paid.

<b>Investment</b>	Implementation Fee	Up to 5% of the initial investment (exc. GST)
	Professional Ongoing advice fee:	Up to 5% of the account balance (exc. GST)
<b>Personal Insurance</b>	Initial commissions	Up to 130% of the initial annual premium (less policy fees, stamp duty and GST)
	Ongoing commissions:	Up to 40% of the ongoing annual premium (less policy fees, stamp duty and GST)

Where possible First Mutual may agree to one of the following:

- a) Refuse to receive these commissions
- b) Rebate these commissions to your account
- c) Use these commissions to offset some of your agreed plan fee, or
- d) Receive these commissions in place of a plan fee.