

Financial Services Guide

Whittle & Skok Financial Services Pty Ltd
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This Financial Services Guide (FSG) has been authorised for distribution by Whittle & Skok Financial Services Pty Ltd. In this document the terms 'Whittle & Skok', 'we', 'us', and 'our' refer to Whittle & Skok Financial Services Pty Ltd, employees and representatives.

Whittle & Skok:

- is responsible for the financial services provided to you by Whittle & Skok and our representatives
- holds an Australian Financial Services Licensee No. 232591 ('AFSL') issued by the Australian Securities and Investments Commission

You can contact us by:

Phone: (03) 9261 8100 or (03) 9853 7999

Fax: (03) 9853 9933

Web: www.whittleskok.com.au

Mail: Whittle & Skok Financial Services
Level 1, 260 High Street
Kew Victoria 3101

This FSG provides important information to help you decide if you want to use our financial services. It contains information about:

- Whittle & Skok
- the financial services and products offered
- how financial advice is documented
- how we, and other relevant persons are remunerated in relation to the services provided
- who to contact if you have a complaint or if you are not satisfied with the services provided
- our privacy policy

It is important that you understand this FSG as it is a legal document. If any part of this document is not clear please speak to your financial adviser. Our advisers are employees of Whittle & Skok and are authorised to provide you with some or all of the financial services we offer.

About Us

Whittle & Skok Financial Services is a boutique financial planning firm focused on providing contemporary wealth management solutions. Since our founding in 1983, we have proudly provided the highest levels of service, strategic financial advice and active portfolio management to our clients.

Our approach is outcomes based. We recognise clients' goals are unique, driven by their circumstances as well as their attitude towards a range of factors. We seek to identify their objectives and then structure our strategic advice and portfolio management solutions, to achieve these objectives.

Our service is pro-active. We meet regularly with our clients to stay up to date with their personal and financial circumstances, and to adjust our recommendations so they can take advantage of new opportunities created by the ever changing environments of taxation, superannuation, investment markets and government regulations.

Whittle & Skok is a Professional Practice of the Financial Planning Association of Australia.

Range of financial products and services

Whittle & Skok is able to provide you with access to a broad range of financial services which may include (but is not limited to):

- Investment planning and portfolio construction
- Superannuation and rollover advice
- Self managed super funds (SMSF) advice
- Retirement planning
- Cash flow management
- Targeted savings plans
- Personal life insurance advice
- Portfolio review and reporting services
- Managed discretionary account services
- Margin lending advice
- Centrelink advice and aged care planning
- Estate planning

We can advise and deal in relation to the following financial products:

- Deposit products
- Derivatives limited to old law securities options contracts and warrants
- Government debentures, stocks or bonds
- Investment life insurance and life risk products
- Managed investments including investor directed portfolio services and MDA services
- Securities
- Standard margin lending facilities
- Superannuation and retirement savings accounts

Whittle & Skok requires its representatives to complete external assessments and annual training programs to maintain knowledge. We are also subject to regular reviews from experienced compliance professionals who assess the quality of our advice.

Approved product list

Whittle & Skok reviews an extensive range of products and investments to identify a list of quality managers for our approved product list. This means we are not limited to recommending products from a particular organisation when choosing an appropriate product to suit your needs, objectives and financial situation. The recommendations will be made after conducting an investigation into the financial products and may require us to consider a product that is not on our approved product list. All products on our approved product list are supported by research from external research providers and/or our own internal research experts.

Protecting your assets

Whittle & Skok and its representatives promote long-term investment strategies that do not take unnecessary risks with your investments. For this reason, Whittle & Skok representatives are not permitted to switch your investments excessively or make speculative investments in products such as tax-driven schemes or unregulated products.

Whittle & Skok representatives are also restricted to Whittle & Skok's approved product list unless they consider it is in your interests to recommend a product that is not on the approved product list, in which case they will follow Whittle & Skok's review and approval process to ensure the product is appropriate for your circumstances.

To further protect your interests, except in limited circumstances permitted by Whittle & Skok and where agreed by you, Whittle & Skok does not allow its representatives to:

- act as a trustee or operate a trust account on behalf of clients
- hold a Power of Attorney (other than Macquarie Wrap specific authorities or via a Limited Power of Attorney in relation to the provision of Managed Discretionary Account services)
- hold funds or have access to withdraw client funds
- act on behalf of any other Australian Financial Services Licence holder
- ask clients to sign documents that have not been fully addressed or completed

What you will receive when provided with financial services

Our advice is always provided with your best interests at the forefront of our process. During the course of providing financial services to you, we will:

- work with you to understand the subject matter of the advice to be provided and your relevant needs, objectives and personal circumstances
- explain to you the scope of advice being provided and importantly what is not being provided
- present recommendations on how to meet your goals (the advice) in a Statement of Advice (SoA) after having conducted a reasonable investigation into any financial products recommended
- explain in the SoA the basis for the advice and any remuneration, benefits or associations, which could have influenced the advice
- where financial products are recommended - provide you with a Product Disclosure Statement (PDS) or other disclosure document containing information about each product recommended to help you make an informed decision about whether to purchase that product

When will you receive an SoA?

We may meet with you several times to discuss our advice before finalising our recommendations to you. Once we have finalised our advice, we will explain our recommendations and record it for you in an SoA. You should only implement advice after taking the time to read and understand the SoA and PDS (see below). You should contact us if you have any questions about the SoA or PDS.

You may not receive an SoA in the following circumstances:

- General advice — such as advice provided in seminars and through newsletters, which does not consider your personal circumstances
- Managed Discretionary Account services — which allow us to manage your investments on your behalf, once you have accepted this service in an SoA
- Further advice — if you previously received advice recorded in an SoA, any further personal advice may be recorded in a Record of Further Advice (RoFA)

When will you receive a PDS?

Together with your SoA, you may also be provided with a PDS for each product recommended at the time you are provided with advice. The PDS includes important information including the features, benefits, risks and fees associated with the product.

Tax (financial) advice

Whittle & Skok is registered with the Tax Practitioners Board as a **tax (financial) adviser** - registration number 24837412. A tax (financial) advice service is:

- provided in the context of the advice provided by financial advisers under an AFSL; and
- the part of financial advice which interprets and applies the tax laws (including tax, super and SMSF laws) to the personal circumstances of a client.

Other Services

We may provide services other than financial planning services. While we may facilitate these other services on your behalf, you should understand that these other services are not provided under Whittle & Skok's AFSL and Whittle & Skok does not train, support or supervise the provision of these other services and has no responsibility in relation to those services.

Examples of the services that Whittle & Skok is not responsible for include:

- general insurance services (for example, car insurance)
- real estate and direct property advice
- taxation agent services, such as completion of tax returns
- accounting and audit services
- legal services
- consulting services

Our subsidiary Grandleigh Accountants can offer comprehensive accounting and tax advice. We can also refer you to a select group of professional colleagues for other matters such as legal services or consumer credit and finance broking.

Managed Discretionary Account Service

We may offer you a Managed Discretionary Account (MDA) service to manage investments on your behalf, in accordance with an Investment Program agreed with you. The Investment Program will be documented in an SoA, which will detail our advice and how it will assist you in meeting your objectives.

The MDA service allows us to transact on nominated account(s) without contacting you before each transaction. It is therefore important that you clearly understand how we will exercise the discretion and the limits on it.

The Investment Program will comply with Division 3 of Part 7.7 of the Corporations Act and will contain:

- statements about the nature and scope of the discretions that we will be authorised and required to exercise under the MDA service and any investment strategy that is to be applied in exercising those discretions
- information about any significant risks associated with the MDA service
- the basis on which we consider the MDA service to be suitable for you
- warnings that the MDA service may not be suitable for you if you provide limited or inaccurate information relating to your relevant personal circumstances or if your relevant personal circumstances change

This FSG complies with the conditions of relief granted under ASIC Class Order [CO 04/194] *Managed discretionary accounts*.

What important information and risks do you need to understand before you accept an MDA service?

If you accept an MDA service, we will make changes to the investments without your agreement and without consulting with or notifying you. This presents a risk for you as you will not sign off each transaction before it is implemented. To ensure the changes we make are appropriate for you, we will only undertake transactions that are consistent with our understanding of your relevant personal circumstances and the Investment Program that is established for you. In addition:

- You can cancel the MDA service or request changes to the Investment Program at any time by notifying us in writing.
- For direct equities investments only, you may give us discretion to exercise any rights relating to the direct equity investments in your portfolio (for example, corporate actions). In all other circumstances we will only act in accordance with your written instructions on how any rights relating to these products in your portfolio are to be exercised.
- Whittle & Skok places certain limits on the discretion exercised. For example:
 - We are not permitted to trade on your nominated account(s) in an attempt to make short term gains. All investment decisions must be made with long-term goals in mind.
 - We are required to maintain your portfolio within a specified range for each asset class. These limits on our discretion will be described in more detail in your SoA.
- You will be provided with access to on-line reporting for your nominated account(s) to view the transactions undertaken on your behalf and the impact on your portfolio. If you do not have internet access we will provide you with a quarterly report to review the transactions undertaken on your behalf.
- As we will be acting with discretion, it is important that we understand your relevant personal circumstances, needs and objectives at all times. If they change at any time, you must inform us immediately, otherwise the services we provide may not be appropriate or suitable for you.
- We will review the Investment Program and the suitability of an MDA service in light of your financial circumstances, needs and objectives on an annual basis.
- The MDA service does not include a custodial or depository service, as this is facilitated through your nominated cash management account and/or administration service.

How to accept an MDA service

Should you wish to use our advisory services, we will provide you with an SoA, which contains our recommendations for you. This may include a recommendation to use the MDA service offered by Whittle & Skok. If you would like to accept the MDA service, you must first enter into an MDA service agreement with Whittle & Skok, by signing, amongst other documents which authorise us to transact on your account(s), the authority to proceed attached to the SoA.

Remuneration and Benefits Relating to Financial Services

Fees, commissions and incentives

We are paid by fees or commissions or a combination of both, depending on the services provided and the products you invest in. You will find more detailed information about the fees, commissions and incentives we may receive in each SoA you receive. We will discuss these fees with you and gain your agreement on the fees before we charge you these fees. You can ask us for details about fees, commissions and incentives at any time.

Initial advice fees

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you. Initial advice fees may range from a minimum of \$1,500 plus GST (\$1,650 GST inclusive) up to \$8,000 plus GST (\$8,800 GST inclusive).

You will be sent an invoice and payment is required within 14 days from the date of the invoice. Please note that initial advice fees still apply should you decide not to implement our advice.

Project based fees

All project based fees are based on the complexity involved and we will provide you with a fee estimate before commencing any work on your behalf.

Fees for ongoing services

Ongoing administration and advice services may also be provided to you to ensure the strategy and products recommended continue to meet your objectives, needs and financial situation. If you choose to receive ongoing services, you may be charged a fee based on the scope of the services you receive and/or the value of your investment portfolio or insurance premiums.

This fee may be deducted from your account each month or be payable directly to us. You will continue to be charged the agreed ongoing services fee until you notify us you no longer require ongoing services.

For our tailored portfolio solutions under an MDA service, fees are based on a sliding scale up to 1.5% p.a. plus GST applied to the value of your investment portfolio. A minimum annual fee of \$3,750 plus GST (\$4,125 GST inclusive) applies.

Our non MDA service portfolio solutions are ideal for those with smaller investment portfolios. A fee of 0.9% plus GST (0.99% GST inclusive) applies, based on the value of your investment portfolio. For example, if you have \$100,000 invested the annual fee will be \$900 plus GST (\$990 GST inclusive). A minimum annual fee of \$600 p.a. plus GST (\$660 GST inclusive) applies.

Please note that flat dollar fees are charged whenever borrowed funds are involved to avoid any perception of conflict.

Commissions received from product providers

Initial or ongoing commissions from insurance providers may be received by Whittle & Skok. Whittle & Skok may also receive initial and/or ongoing commissions from product providers in relation to other financial products under an arrangement that began prior to 1 July 2013.

An initial commission is a one-off payment paid by the product provider based on a percentage of the amount of funds you invest, the insurance premium you pay or the size of the margin loan you take out. This is paid at the time you purchase the investment or insurance or take out the margin loan.

Commission for life risk insurance products may be paid based on an initial commission of up to 80% of the first year's annual premium and then ongoing commission of up to 25% of the annual premium paid.

Ongoing commissions are generally monthly payments paid by the product provider based on a percentage of the amount of funds you invest or the insurance premium you pay. These are generally paid each month, for as long as you hold the product and while we continue to act for you.

What other benefits do Whittle & Skok receive from product providers?

Some product providers, who had an existing arrangement with Whittle & Skok prior to 1 July 2013, pay a licensee commission to Whittle & Skok based on the total funds invested in their products or insurance premiums paid for their insurance products. For example, Macquarie currently pays up to 0.22% of their net administration fees to Whittle & Skok for all investments recommended by Whittle & Skok's representatives in select Macquarie platforms and pays 0.275% for Macquarie Cash Management Accounts. Whittle & Skok does not pass any of the licensee commission to its representatives.

Referrals and other relationships

Whittle & Skok provides and/or receives referrals for certain financial services but do not pay/or receive benefits for these referrals.

Grandleigh Accountants is a subsidiary owned by Whittle & Skok Financial Services Pty Ltd and Rizza Alexander to provide accounting and taxation services to Whittle & Skok clients.

Other benefits

Whittle & Skok may also receive additional benefits such as help with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events that are below \$300. These benefits that are between \$100 and \$300 in value, and other benefits that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes, are recorded in a register that meets legislative requirements. The register is publicly available and Whittle & Skok can provide a copy to you at your request.

Further details on remuneration and benefits relating to financial services

When you are provided with personal advice on specific financial products, we will disclose certain details of remuneration (including commission) or other benefits that we receive, or that Whittle & Skok or another associated person receives, as a result of that advice (remuneration or benefits).

If the remuneration or benefits can be calculated at the time you receive personal advice, these amounts will be disclosed at that time or as soon as practicable after that time in the SoA or RoFA. If the remuneration or benefits cannot be calculated at the time you receive personal advice, we will disclose how these amounts will be calculated instead. These details will only be disclosed when personal advice is given if the remuneration or benefits are reasonably capable of influencing us in providing the advice.

Meeting our Obligations

What to do if you have any concerns about our services

Whittle & Skok endeavour to provide you with quality financial advice. If you have any complaints, Whittle & Skok are committed to resolving them as quickly and as fairly as possible. If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

1. Contact us about your concern. If your concern is not resolved to your satisfaction within five days, you may contact us by writing to:

The Compliance Manager
Whittle & Skok Financial Services
Level 1, 260 High Street
Kew Victoria 3101

2. If your concern is not resolved, or if you are not satisfied with the decision, you may contact the Financial Ombudsman Service (FOS). FOS independently and impartially resolves disputes between consumers, including some small businesses and participating financial services providers. FOS provides an independent dispute resolution process covering complaints about financial services including; banking, credit, loans, general insurance, life insurance, financial planning, investments, stock broking, managed funds and pooled superannuation trusts. You may contact FOS by writing to:

Financial Ombudsman Service
GPO Box 3
Melbourne Victoria 3001

Email: info@fos.org.au
Website: www.fos.org.au
Phone: 1300 780 808

3. The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring that Australia's financial markets are fair and transparent, and is supported by informed investors and consumers alike. ASIC seeks to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services. You may contact ASIC by writing to:

Australian Securities & Investments Commission
GPO Box 9827
Your Capital City
OR
PO Box 4000
Gippsland Mail Centre Victoria 3841

Website: www.asic.gov.au
Phone: 1300 300 630

Other information

The law requires Whittle & Skok to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Whittle & Skok or its representatives. Whittle & Skok has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

Privacy Statement

We collect personal information, including sensitive information (e.g. health information), from you to provide you with services including financial advice. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or any other activity that may cause harm in relation to the particular products or services provided, and help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

Collection and disclosing your personal information

We may disclose your personal information to other members of our organisation, anyone we engage to do something on our behalf such as a service provider, and other organisations that assist us with our business. We may also disclose your personal information to third parties such as a complaints body to whom a complaint relating to a product or service is referred, any party acquiring an interest in our business and anyone acting on your behalf.

We may also collect from the parties listed above any personal information they may hold about you which relates to our provision of financial advice.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

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 client identification processes. We may be required to obtain information about you at the time of providing financial services to you and 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.

Other important information

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy. Our privacy policy is available at www.whittleskok.com.au. We will update our privacy policy from time to time. It covers:

- how we collect, hold, use and disclose your personal information in more detail
- how you can access the personal information we hold about you and ask for it to be corrected
- how you may complain about a breach of the *Privacy Act 1988* (Cth), or a registered privacy code and how we will deal with your complaint

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

WHITTLE & SKOK
FINANCIAL SERVICES

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