

Financial Services Guide (Version 1.2 May 2015) — Part 1

This Financial Services Guide ('FSG') has been authorised for distribution by the authorising licensee:

Australian Financial Group Pty Ltd ("AFG")

ABN: 41160722574

Australian Financial Services Licensee No.: 429459 (AFSL)

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.

This FSG (the 'Guide') provides you with important information about Australian Financial Group Pty Ltd ('AFG' or 'Licensee'), and its Authorised Representatives, who will provide you with the financial services described in this Guide. It is designed to help you evaluate and make an informed decision about whether to use the financial services described in this Guide. We suggest you retain this Guide for your future reference.

This document consists of two documents. This document is Part 1 and contains important information about:

- The financial services we offer as Authorised Representatives of AFG;
- AFG as the holder of an AFSL;
- The financial services that AFG offer;
- The process we follow to provide financial services;
- How we, our associates and AFG are paid;
- Any arrangements which may influence our advice to you;
- How we and AFG protect your privacy; and
- How we and AFG deal with your complaints if you are not satisfied with the services provided.

Part 2 of this document is an Adviser Profile and includes information on the services we are authorised to provide on behalf of AFG. The Authorised Representative detailed in this document will be collectively referred to as 'us', 'we' and 'our'.

Part 1 Contains the following sections:

- Financial Service Guide (Section 1);
- Privacy Statement (Section 2); and
- Are you satisfied? (Section 3).

About AFG

AFG holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission (ASIC). Your financial adviser acts on behalf of Australian Financial Group Pty Ltd when providing those financial services they are authorised to provide under Australian Financial Group Pty Ltd's licence, as set out in the Adviser Profile. Your financial adviser will provide these Financial Services to you as an authorised representative of Australian Financial Group Pty Ltd and Australian Financial Group Pty Ltd is responsible for these Financial Services.

Section 1 — Financial Services Guide

What Other Information Should You Consider Before Deciding Whether to Proceed Without Our Recommendations?

If you receive personal financial advice this will be documented in a Statement of Advice (SOA), or in specific circumstances a Record of Advice (ROA) that confirms the discussions you have had with us, the recommendations we are making and the basis for those recommendations. These documents will also explain how those recommendations will work towards achieving your goals, any fees received by us, and any associations with financial product providers. When a financial product is recommended to you, you will be provided with a Product Disclosure Statement (PDS) or other disclosure document issued by the product provider. Among other things, the PDS contains information about the risks, benefits, features and fees payable in respect of the product. In combination, these documents will help you make an informed decision about whether to proceed with our recommendations.

Who Provides The Financial Services Described in this FSG?

The financial services described in this FSG are provided by us as Authorised Representatives of AFG. Part 2 of the document contains details of your financial adviser, their experience, qualifications and professional memberships.

Who is Responsible for these Financial Services?

In relation to the financial services offered in this FSG, AFG, as the holder of an AFSL, does not act on behalf of any other person or licensee. AFG is only responsible for the services offered in the FSG. AFG has authorised the distribution of this FSG.

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

What Financial Services Do We Offer?

AFG is able to provide financial product advice and to deal in a wide range of products (unless otherwise provided in Part 2 of this FSG) including:

- managed investments;
- superannuation;
- deposit taking facilities;
- margin lending facilities;
- personal insurance (e.g. life insurance);
- portfolio administration services;
- retirement savings accounts;
- securities and derivatives;
- structured products; and
- government debentures, stocks and bonds.

Some of the services you are able to access through AFG include:

- financial planning advice;
- wealth accumulation advice;
- superannuation advice, including self managed superannuation funds;
- redundancy advice;
- retirement advice;
- gearing and debt management strategies;
- cash flow advice;
- Centrelink benefits advice;
- personal insurance advice;
- managed discretionary account services; and
- estate planning advice.

Your financial adviser may provide other services independently of AFG

Your financial adviser may provide services other than financial planning services. For example, they may also act as your accountant or legal adviser, or advise you on real estate investments. While your adviser may provide these services you should understand that they are not provided under the licence held by AFG and AFG does not train, support or supervise your financial adviser in providing these services. Examples of the services which AFG is **not** responsible for include:

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

- mortgage broking services (other than services relating to margin lending);
- finance broking services (other than services relating to margin lending) administration and compliance of self-managed superannuation funds.

What Products are Available?

A wide range of financial products by many leading financial product providers are available. Details of the available products are contained in the Approved Product List, which is available on request. All products on the Approved Product List are thoroughly researched by qualified research professionals. We will only recommend a product to you after considering its suitability to your individual objectives, financial situation and needs. Internal and external experts provide financial product research, which is used to carefully select and maintain an extensive list of Approved Products for us to select from.

How Do We Ensure that the Advice We Give You Suits Your Needs and Objectives?

To ensure that we provide advice that is suitable to your needs and financial circumstances, we firstly need to understand your financial situation, personal financial objectives and needs. To ensure that we provide you with suitable advice we will follow a step-by-step process as outlined below:

1. We will meet with you for an initial consultation. During this meeting we will discuss your expectations and provide you with details of the services that we can offer.
2. We will collect all the information that we need from you, including your personal financial situation, financial objectives and needs. If you do not wish to provide the information we require, we will advise you about the possible consequences of not having disclosed your full personal information and the impact on the recommendations given.
3. We will help you identify your goals and discuss your attitude towards investment risk.
4. We will consider strategies and areas such as income, taxation, social security, cash and estate planning requirements. Based on these considerations and others, we will prepare and present you with a written SOA, or in some cases depending on the circumstances an ROA.
5. We will discuss our recommendations with you, make any changes you require and gain your agreement to implement those recommendations.
6. We will then implement those recommendations.
7. We will periodically meet/communicate with you to review your financial circumstances if we agree to an ongoing service arrangement. If an ongoing service arrangement is entered into, this will be documented in your SOA.

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further.

What Documents Do You Get If we Provide Further Advice?

Where a further review is conducted and personal advice is provided, in some circumstances we are not required to provide you with an SOA for this further advice. Where this is the case, if you have not already been provided with an ROA, you may request a copy of the ROA from us by contacting us (on any of the contact details set out in Part 2 of this Guide) for a period of seven years from when the further advice was first provided to you. In all other circumstances we will provide you with an SOA.

How Can You Instruct Us?

You may specify how you would like to give us instructions, for example, by phone, fax or email using any of the contact details set out in Part 2 of this document. Alternatively, you may provide instructions to us in person. Where instructions are provided by telephone, these must be confirmed in writing.

How Are We Paid For Our Services?

GM Wealth Management and AFG receive fees paid by clients, commissions paid by product providers, other payments by product providers, and/or other benefits. GM Wealth Management may receive up to 100% of any fees and commissions. Details of any fees, commissions or other benefits that GM Wealth Management, AFG or other associated persons are entitled to receive if you implement our recommendations in relation to a specific financial product, will be disclosed to you in your SOA or ROA when personal advice is given. Details of the fees, commissions or other benefits will only be disclosed if they are reasonably capable of influencing us in providing the advice. This disclosure will be in dollar terms, or where this is not possible, in percentage terms.

The types of fees, commissions and other benefits that may be received by GM Wealth Management include the following:

- **Service fees** – We will discuss and agree our fee structure with you before we provide you with services. The types of fees you can be charged are listed below. You may be charged a combination, or part of, any of these fees.
- **Fees for advice** – 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. We will discuss these fees with you and gain your agreement on the fees before we provide you with advice.
- **Ongoing advice fees** – We may charge a fee to provide ongoing portfolio reviews, advice suitable to your needs and/or the provision of ongoing services. This fee will be agreed with you and is either a set amount, or an amount based on the amount of funds under our advice, and/or the time involved in reviewing your portfolio and circumstances.

Payment methods

GM Wealth Management fees are either invoiced to you directly, or deducted from your investments, or a combination of these methods. Where it is debited from your investments it is normally referred to as the Adviser Service Fee. In most instances you will be able to select the method of payment that suits you best. We will discuss and agree the method of payment with you before we provide you with services. Further information about these fees and methods of payments will be provided in your SOA, or ROA where further advice is provided and a ROA is requested.

Commissions

If you have an existing financial product, AFG may receive payments in the form of ongoing commissions from the financial product providers. These commissions are included in the fees, premiums and interest rate (in the case of margin loans) you pay for the product. This is not an additional cost to you. We may agree to rebate some or all of these. The commission payable for different classes of financial products include the following:

Investment Products

If you have an existing financial product, AFG may receive ongoing commissions from the management fees of the product providers. Ongoing commissions range between [0% and 0.6%] p.a. of your investment balance. AFG may pass up to 100% of these commissions to GM Wealth Management.

Life Insurance Products

Depending on the product you purchase, AFG may receive between 0% and 125% of the annual premium as initial commission, and between 0% and 30% p.a. of the annual premium for ongoing (trail) commission. AFG may pass up to 100% of these commissions to GM Wealth Management.

Margin Lending Products

If you have an existing margin lending facility, AFG may receive payments in the form of ongoing commissions from the margin loan provider. These commissions range between 0% and 0.5% of your loan balance. AFG may pass up to 100% of these commissions to GM Wealth Management.

Other Payments from Product Providers

If you have an existing portfolio administration service, AFG may receive certain commission payments. These commissions are included in the fees you pay for the products or service. This is not an additional cost to you. From time to time GM Wealth Management may accept alternative forms of remuneration from product providers, such as hospitality or support connected with our professional development (e.g. training or sponsorship to attend conferences). GM Wealth Management maintains a register detailing any benefit that we receive which is valued between \$100-\$300. A copy of the register is available on request. Any benefits that GM Wealth Management receive that are relevant to your consideration of our advice to you will be disclosed in the SOA and ROA, if such a document is requested.

What Fees Do We Pay to Someone Who Refers You to Us?

If a client is referred to GM Wealth Management we may pay the referrer a fee. We may also provide the referrer with gifts such as movie tickets. The fee varies according to the client, referrer and financial products involved. The fee may be a percentage of our fees, a percentage of the total amount invested paid through the referral, or a flat fee. GM Wealth Management may pay these fees upfront when the financial service is provided, or the financial product is provided, or periodically as ongoing fees. The details of that fee will be in the SOA or ROA.

Section 2 — Privacy Disclosure Statement

We aim to protect and maintain the privacy, accuracy and security of the personal and financial information you give us. Keeping this information private is very important to us. If you want to access your personal information at any time, please let us know. The Privacy Policy explains the main ways we protect your privacy and how we comply with the Australian Privacy Principles. Our Privacy Policy contains information on how you may access or request to correct your personal information, as well as information on procedures for making a complaint about a breach of the Australian Privacy Principles. You may obtain a copy of our Privacy Policy by visiting the GM Wealth Management's website www.gmwealth.com.au

In order to provide you with financial advice, we will be required to collect personal information about you. This information may include personal information relating to your financial and circumstances and objectives as well as sensitive information, e.g. on your health.

We may disclose information to other parties in order to provide you with financial advice. This may include:

- External product providers such as fund managers, insurance companies & financial institutions, other professionals (e.g. your accountant, mortgage broker etc) as necessary in the recommendations in the financial planning process.
- Or as required by law (such as to the ATO or enforcement agencies).

We do not disclose your personal information to overseas recipients.

AFG is required, pursuant to the Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Act 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 thereafter 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.

Section 3 — Are you satisfied?

If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

- 1) Contact us first about your concern.
- 2) If your concern is not resolved to your satisfaction, you may contact us by:

Writing: Compliance Manager, AFG Pty Ltd, 1221/401 Docklands Drive Docklands VIC 3008

Phone: 03 9095 7555 **Email:** austfingroup@bigpond.com

- 3) If your concern is not resolved, or if you are not satisfied with the decision, you may contact the Credit Ombudsman Service (COSL). The COSL independently and impartially resolves disputes between consumers, including some small businesses and participating financial services providers. The COSL 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 the COSL by:

Writing: Credit Ombudsman Service Limited, PO Box A252 Sydney South NSW 1235

Phone: 02 9273 8455

- 4) 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 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: ASIC Complaints, GPO Box 9827 Your Capital City

Phone: 1300 300 630 **email:** infoline@asic.gov.au

- 5) The Financial Planning Association of Australia Limited (FPA), is the peak professional body for financial planning in Australia. All FPA members are bound by professional, technical and ethical standards as provided in the FPA Code of Professional Practice. You may contact the FPA by:

Writing: The Investigations Manager, FPA, GPO Box 4285 Sydney 2001

Phone: 1300 626 393

Before you send your concern to any of these respective bodies, please contact them first to understand the process of lodging your concern with them.

Financial Service Guide Part 2

Authorised Representative Disclosure Statement

Anthony Galle CFP B.Bus, Dip FP
Authorised Representative number 293775

Anthony Galle is an adviser with Galle Moran Financial Services Pty Ltd trading as GM Wealth Management Group Pty Ltd which is a Corporate Authorised Representative of Australian Financial Group Pty Ltd (AFG) the holder of the Australian Financial Services licence number 429459. AFG is responsible for the advice provided to clients by Anthony Galle.

Anthony is authorised to provide both general and specific advice in the following product and advice areas.

Services

- Full Financial Planning
- Investment and Superannuation advice
- Cash Flow and Budget Planning
- Wealth Creation and Taxation Planning advice
- Pre & Post Retirement Planning
- Social Security Planning
- Salary Packaging
- Self Managed Superannuation Funds
- Wealth Protection / Personal Insurance
- Portfolio reviews*

Products

- Basic Deposit Products
- Debentures, stocks and bonds issued by a Government
- Margin Lending
- Managed Funds
- Personal Superannuation
- Corporate superannuation
- Direct Shares
- Tax Effective products
- Life, disability, Income Protection & Trauma Insurance

Anthony has been providing advice since 2002. He graduated with a Bachelor of Business Degree from RMIT and has also graduated from the Advanced Diploma of Financial Planning and further been awarded the CFP Mark (Certified Financial Planner) which is the highest designation available to the industry and recognition of his experience and education in the Financial Planning arena. Anthony is a Member of the Financial Planning Association of Australia

GM Wealth Management Group

ABN: 25601088797

Authorised Representative of
Australian Financial Group Pty Ltd AFSL No. 429459

650 Nicholson Street, Carlton North
PO Box 530 Carlton North VIC 3054

T (03) 9481 1704

F (03) 9095 7556

W www.gmwealth.com.au

Fees and Charges

GM Wealth Management Group is remunerated by both fees and commissions. Details of advisor remuneration will be discussed with you on an individual basis and be fully disclosed in the Statement of Advice provided to you. **Note that in all instances, commissions we may receive from any investments you place are deducted from your fee!**

Please refer to our enclosed *Services and Fees* schedule, which explains the nature of all fees and charges paid to us by clients.

Schedule of fees

Initial Interview

\$385 inc GST

At this meeting, we will gather all pertinent information as to your personal situation, goals and objectives, and ascertain the scope of the work to be carried out.

When You Become a Client

Our complete investment service combines our strategic advice with the production and implementation of a full financial plan. For this you will pay an initial fee. The minimum fee payable will depend on which service level you select. Our service levels and minimum fees are defined in the enclosed *Services and Fees* schedule.

What our fee covers

For all service levels, our fees cover:

- Formulation of strategies
- Plan preparation
- Research on funds
- Implementation of plan strategies
- Administering investments
- General client inquiries
- Review and updates of portfolios

It is important to note:

- Our financial plan will outline the fees and charges payable by you.
- **Any investment commission received by us will be deducted from your fee or rebated to you.**
- Your investments will be placed into cost effective funds.
- You will not pay any exit fees on investments placed.
- Fee for Service clients will be invoiced yearly or bi-annually in advance and include GST.
- ***If you decide to become a client you will be offered a choice of our defined service levels. You may choose any of these service levels***

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