

Financial Services Guide: Part One (FSG1)



This document is part one of a Financial Services Guide & must be read in conjunction with Part Two.

This Financial Services Guide (FSG) is issued with the authority of NEO Financial Solutions Pty Ltd ABN 64 141 607 098 Australian Financial Services Licence No.385845 (NEOFS). This FSG is designed to assist you in determining whether to use any of the services offered by NEOFS or its Authorised Representatives. This guide is only complete when you also have Part Two "Authorised Representatives" profile

This FSG contains information about:

- NEOFS, who as the Licensee is responsible for the financial service;
- Your financial adviser;
- The financial planning services & products your financial adviser can provide;
- How NEOFS, your financial adviser & 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.

Who Is NEO Financial Solutions?

NEOFS holds an Australian Financial Services Licence No.385845 (AFSL) issued by the Australian Securities and Investment Commission (ASIC). NEOFS conducts business through a network of financial advisers who are appointed as Authorised Representatives under NEOFS's AFSL. Where NEOFS has appointed a corporate entity as an Authorised Representative, employees of that company who give advice will also be authorised by NEOFS. NEOFS is responsible for the advice and conduct of your NEO adviser. We are not responsible for any unauthorised services that they may offer (to the full extent permitted by law), so please check the services your adviser offers in FSG part 2.



Authorised Representative Profile – Part Two

Your financial adviser will be the Authorised Representative listed in Part Two of this FSG. NEOFS's financial advisers act for you & not for any life insurance company, fund manager or bank.

This FSG must be read in conjunction with the Authorised Representative Profile as it forms part of this FSG. It provides detailed information about your financial adviser such as their contact details, referral sources & the types of financial products they can advise & deal in. Please retain both Part One and Part Two of the FSG for your reference & any future dealings with NEOFS & your financial adviser.



What Other Documents Might You 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 (SOA) All personal advice provided to you will be outlined in an SOA. The SOA will contain personal advice, the basis on which it is given, details of fees, commissions & information on relevant associations. The SOA is used for initial advice & where further advice is provided that involves a significant change to your personal circumstances.

Record of Advice (ROA) Where subsequent advice is provided that does not involve a significant change your adviser will provide you with a ROA. There are no limitations in relation to time or how you make your requests for a copy of the ROA.

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.

What Financial Services & Products Are Available?

NEOFS's is licensed to advise on & deal in the following classes of financial products to both retail & wholesale clients;

- Cash Deposit & Payment Products
- Managed Investments;
- Government Debentures, Stocks & Bonds;
- Securities
- Life Products – Life Risk Insurance Products;
- Self-Managed Superannuation Funds
- Life Products – Investment Life Insurance Products
- Standard Margin Lending Facilities.
- Superannuation, RSA's & Retirement Income Stream Products

What Advice Is Available to You?

NEOFS can provide advice & strategies on the following, but not limited to:

- Budgeting & Cash-flow management.
- Investment & Wealth Creation
- Superannuation & Self-Managed Superannuation
- Pre-Retirement & Retirement Planning
- Debt & Liability Management
- Life & Disability Insurance
- Salary Packaging
- Estate planning
- Social Security / Centrelink

What Initial Services Can Be Provided?

- Identification of financial goals & objectives;
- Collection & analysis of existing personal & financial data;
- Investigation & consideration of possible financial outcomes;
- Strategies & products to assist in meeting goals & objectives;
- Presentation & Implementation of agreed strategy.

What Ongoing Services Can Be Provided?

- Review your strategy at suitable agreed intervals;
- Review whether recommendations remain appropriate in light of any changes; &
- Implementation of any new recommendations made as part of our ongoing service to you.
- You may agree in writing to a more extensive ongoing service.

How Can You Give Us Instructions?

You may specify how you would like to give us instructions. You can give us instructions or information verbally or in writing. In some situations, we will require your instructions to be in writing. We will advise you what

information we need or what documentation we need you to complete & sign.



What Information Should You Provide to Receive Personal Advice?

From the **1st July 2013**, it is a legal requirement for an adviser to act in your **"Best Interests"**, to assist your adviser in acting in your best interests as well as helping us to advise you in the most appropriate manner whilst protecting you throughout our relationship we request that you;

- ➔ Supply accurate information about your personal circumstances, needs & objectives
- ➔ Update your adviser on any changes to this information
- ➔ Do not make any payments for investments, contracts or fees "made payable" to your adviser
- ➔ Never sign blank forms

You have the right to withhold personal information, but this may compromise the effectiveness of the advice you receive. You should read any warnings contained in the Statement of Advice (SoA) carefully before making any decision relating to a financial strategy or product. Your adviser will request that you sign an acknowledgement if you do not wish to provide complete information or if they believe that the information is not accurate.



How Do You Pay for NEOFS Advice & Services?

All Fees Are Payable to NEOFS: from the **1st July 2013**, commissions on all **new** superannuation & investment products are banned by Corporations Act, this does not apply to retail life & disability insurance products, but does apply to Group Life insurance policies.

NEOFS & your financial adviser can be paid by fees for superannuation & investment products (for both initial & ongoing advice) or commissions for retail insurance products, or a combination of both. Your financial adviser will discuss & agree both the rate & method of payment with you before any financial services are provided. Where you receive personal advice, your SOA will detail all remuneration & other benefits associated with the advice.

All fees & commissions disclosed in the SOA are payable to NEOFS. NEOFS may retain up to 30% & forward the balance to your financial adviser. For example, if NEOFS receives \$100, NEOFS will retain up to \$30 and pay up to \$70 to your financial adviser. Your financial adviser may also pay NEOFS a fixed monthly service fee of up to \$550.

Initial & Ongoing Fees: Fees may be either a fixed rate fee or based on an hourly rate or a combination of both, & will reflect the complexity of your personal situation & the time and effort in our work for you. Fees for ongoing advice may also be based on a Flat Fee or an Asset Scale Fee, these will be outlined in FSG part 2 and if advice is provided it will be disclosed in your Statement of Advice (SoA).

Retail Insurance Product Commissions: NEOFS may be paid initial & ongoing commissions by retail insurance product issuers in association with the placement of the recommended retail insurance products & ongoing commissions may be paid for as long as you hold the product. Commissions will vary depending on the circumstances; however, they may be up to 125% initial & 40% ongoing of the premium for retail life insurance products. For example, for a commission on an insurance premium of \$1,000 is up to \$1,250 upfront and up to \$400 each year thereafter.

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 & will be disclosed in your SOA. All fees & commissions are subject to GST.

Does NEOFS Have Any Relationships or Associations with Financial Product Issuers?

"NEOFS" has commercial relationships with a number of Australia's leading life risk & wealth management product providers. These companies may engage with "NEOFS" in partnership arrangements. "NEOFS" may also be

entitled to receive volume rebates from product providers based on total amounts invested in their products or platforms.

Note from the 1st July 2013 all volume rebates, product overrides are considered to be conflicted remuneration and are banned, unless the arrangement is already in existence. "NEOFS" has both existing & partnership arrangements with the following product providers:

- ➔ Morningstar Investment Management
- ➔ AXA/AMP Ltd
- ➔ AIA Australia
- ➔ BT Financial Group
- ➔ Colonial First State
- ➔ IOOF
- ➔ Netwealth
- ➔ Praemium
- ➔ TAL Australia
- ➔ Zurich Australia Ltd

Some product providers may also give NEOFS or your financial adviser non commission benefits such as entertainment or sponsorship up to a maximum value of \$300 per annum. Both NEOFS 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 & must be provided within 7 days after request.

What Information Is Maintained in Your File, Can You Examine the Client File & Who May 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. If you wish to examine your file, please ask your financial adviser & they will make arrangements for you to do so.

Your adviser should provide you with a copy of our Privacy Policy. If not please ask or, download a copy from NEOFS's website at www.neofs.com.au.

Compensation Arrangements

NEOFS has in place Professional Indemnity (PI) Insurance cover in accordance with s. 912B of the Corporations Act 2001. Our PI insurance, subject to terms & conditions, provides indemnity up to our sum insured for NEOFS, our Authorised Representatives & employees in respect to the services provided under our AFS Licence.



What Should You Do If You Have a Complaint?

If you have any complaints about the services provided, please take the following steps:

- 1 Contact your financial adviser & tell them about your complaint

If your complaint is not satisfactorily resolved within 3 working days, please contact the NEOFS Complaints Officer by telephone or in writing on the below listed contact details. NEOFS will try to resolve your complaint quickly & fairly. Mark Woods 08-9227-1472 or mark.woods@neofs.com.au

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- 3 If you do not get a satisfactory outcome, you have the right to take your complaint to the Financial Ombudsman Service, GPO Box 3, Melbourne Vic 3001, telephone toll free 1300 780 808. Email info@fos.org.au NEOFS is a member of this Service.