



Financial Services Guide

Part 1

10th June 2020

This Financial Services Guide has been authorised for distribution by the authorising licensee:

Your Financial Guide Pty Ltd

ABN 63 628 588 938

Australian Financial Services Licence No. 511 377 ('AFSL')

PO Box 1019 North Cairns QLD 4870.

Suite 7 Florence House, Level 2, 26 Florence Street Cairns QLD 4870

Email: office@kellywealth.com.au

Website: www.kellywealth.com.au

This Financial Services Guide ('FSG' or the 'Guide') provides you with important information about Your Financial Guide Pty Ltd ('YFG' 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. If any part of this Guide is not clear, please speak to your financial adviser.

This Guide consists of two parts. Part 1 of this Guide contains important information about:

- The financial services we offer as Authorised Representatives of YFG;
- Your YFG as the holder of an AFSL;
- the financial services that YFG offers;
- the process we follow to provide financial services;
- how we, our associates, and YFG are paid;
- any arrangements which may influence our advice to you;
- how we and YFG protect your privacy; and
- who to contact if you have a complaint or if you are not satisfied with the services provided?

Part 2 of this Guide is an Adviser Profile and includes information on the services we are authorised to provide on behalf of YFG.

References in this Guide to 'me', 'I', 'us', 'we' and/or 'our' should be read as either YFG or your 'Authorised Representatives' of YFG, as the context requires.

PART 1

Part 1 contains the following sections:

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

You must read each of these sections in conjunction with Part 2, which provides more detail to allow you to make an informed decision about whether to use the financial services we offer.

Together, these documents form the complete FSG which we, as Authorised, are required to provide.

ABOUT YFG

YFG is a Financial Services Licence created in 2018 to best meet the needs of our long-term clients into the future. YFG was set up as the Licencing arm of Kelly Wealth services which has been providing high quality advice and service in the region for over 10 years.

We are locals providing solutions to our client's financial planning needs. We are professional and dedicated to quality, value for money advice for our clients. Our unique client centric service and ability to make the complex simple has seen our business grow consistently.

We pride ourselves on having absolute commitment to helping clients achieve their financial objectives. We have over 35 years combined experience in helping clients retire, build wealth, pay off debt and protect their families. We genuinely respect the trust our client's hand to us to help guide them financially.

Our goal is to educate and guide you through expert strategic advice to achieve your dream lifestyle. Client trust and peace of mind is paramount because we care.

YFG holds an AFSL issued by the Australian Securities and Investments Commission and is a Professional Partner of the Financial Planning Association of Australia (FPA). YFG Cairns Pty Ltd is a corporate Authorised Representative of YFG.

As an Authorised Representative, we act on behalf of YFG when providing the financial services, we are authorised to provide under YFG's AFSL.

Further information on these services is set out in the FSG Part 2 Adviser Profile.

SECTION 1

FINANCIAL SERVICES GUIDE

WHAT OTHER INFORMATION SHOULD YOU CONSIDER BEFORE DECIDING WHETHER TO PROCEED WITH 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 relevant 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 YFG.

Part 2 of this Guide contains further details about your financial adviser, and our experience, qualifications and professional memberships.

WHO IS RESPONSIBLE FOR THOSE FINANCIAL SERVICES?

As the holder of an AFSL, YFG is responsible for the financial services we provide to you. YFG acts on its own behalf when these financial services are provided to you. In relation to the financial services offered in this FSG, YFG, as the holder of an AFSL, does not act on behalf of any other person or licensee. YFG is only responsible for the services offered in the FSG.

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

WHAT FINANCIAL SERVICES DO WE OFFER?

We are authorised, on behalf of YFG to provide financial product advice and to deal in a wide range of products (unless otherwise stated in Part 2 of this Guide):

- deposit products;
- Government debentures, stocks or bonds;
- life investment and life risk products;
- managed investment schemes including investor directed portfolio services;
- standard margin lending facilities;
- derivatives;
- retirement savings account products;
- securities (e.g. shares); and
- superannuation products.

Some of the services we can provide you (unless otherwise stated in Part 2 of this Guide) are:

- financial planning advice;
- retirement advice;
- wealth accumulation advice;
- superannuation advice, including self-managed superannuation funds;
- redundancy advice;
- gearing strategies;
- cash flow advice;
- social security benefits advice;
- life and disability insurance advice;
- estate planning services (financial planning).

WHAT PRODUCTS ARE AVAILABLE?

A range of financial products offered by many leading financial product providers are available to our advisers when they provide personal advice. Details of the available products our advisers are authorised to provide advice about are contained in the Approved Product List (APL).

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.

When providing personal advice to you, our advisers may only recommend a product to you if they consider it is appropriate after considering your objectives, financial situation and needs. Your adviser is not required to tell you about products that are not on the APL.

HOW DO WE ENSURE THAT THE PERSONAL ADVICE WE GIVE YOU SUITS YOUR NEEDS AND OBJECTIVES?

To ensure your adviser provides personal advice that is appropriate, we firstly need to understand your objectives, financial situation and needs. Your adviser (referred to as 'we' below) 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 we can offer.
- 2.) We will collect all the information we need from you, including your objectives, financial situation and needs. If you do not wish to provide the information we require, we will advise you of the possible consequences of not disclosing all this information and the impact on the recommendations given. This may include not being able to provide advice on the subject matter you request.
- 3.) We will help you identify your goals and may discuss your attitude towards investment risk.
- 4.) We may consider strategies and areas such as income, social security, insurance, cash and estate planning requirements. Where we recommend a financial product, we will also conduct a reasonable investigation of the financial products that may be suitable to implement the strategies as part of the recommendations. Based on these and other considerations, we will prepare and present you with a written SoA, or in some cases depending on the circumstances, an RoA. We will explain in the SoA (or RoA) the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice.

Where we recommend financial products, we will provide you with a PDS or other disclosure document containing information about each product recommended, to help you make an informed decision about whether to invest in or acquire that product.

- 5.) We will discuss our recommendations with you, make any changes you require and ask you whether you would like us to implement those recommendations on your behalf.
- 6.) If you agree, we will then implement those recommendations.
- 7.) We will meet with you periodically to review your financial circumstances if we agree to an ongoing advice service arrangement which includes a regular review component. If an ongoing advice service arrangement is entered into, this will be documented in your Ongoing Advice Service Arrangement Letter and/or SoA. Where you have entered into an ongoing fee arrangement after 1 July 2013, we will renew your arrangement with you at a minimum of every two years.

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.

In certain circumstances, we may not provide you with personal advice via a SoA or RoA, as outlined above. These circumstances may include:

- 1.) Where we provide you with only general advice, such as through seminars and newsletters;
- 2.) Further advice or verbal advice – if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a RoA. We will not necessarily provide you with a copy of the RoA unless you request it (see below).

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 a SoA for this further advice. Where this is the case, if you have not already been provided with a 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.

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 Guide. 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?

We and YFG are paid by our clients in the form of either upfront and or ongoing fees. These fees are quoted on an individual basis and are dependent on the time and complexity involved in the advice.

The fees can be paid directly in the form of invoiced services or in some instances can be charged to an investment or superannuation product.

We are flexible with client payments to ensure that you receive the maximum tax benefit where appropriate.

We do not receive any commissions or product payments for new superannuation or investment product recommendations. We may receive commissions from some products which we are unable to switch off. In this instance we would consider any product payment as part of a client's ongoing service package and may use that to offset

other advice fees depending on the size of the payment. We may also receive a commission for personal insurance product advice.

Fees and commissions payable (as directed by your Authorised Representative) will pay up to 100% of any fees and commissions to YFG Cairns Pty Ltd.

Details of any fees, commissions or other benefits that we, YFG 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.

WHAT TYPE OF FEES, COMMISSIONS, PAYMENTS AND OTHER BENEFITS DO WE RECEIVE FOR OUR SERVICES?

If the fees, commissions or other benefits are not calculable at the time we provide personal advice, we will describe the way they are calculated at the time the advice is given or as soon as practicable after.

The types of fees, commissions and other benefits that may be received by us and by YFG include the following:

Service fees

As part of detailed financial planning, there are costs to you at various stages of the process. Before making any recommendations, I will discuss and agree the fees with you.

Advice fees are inclusive of GST and payable by you at the following stages:

- 1.) **Recommendation:** For having a personalised financial plan (SoA) prepared, a plan preparation fee ranges from \$770 to \$5,500. The actual fee will depend on the complexity of your situation and the time it takes to prepare personal financial advice for you.
- 2.) **Implementation:** I may charge a placement fee and/or implementation fee to implement the recommendations in your financial plan. These are payable when you decide to proceed with the implementation of any one or more recommendations that I provide to you. The actual fee will depend on the complexity of your situation and the amount of funds invested, but will not exceed:
A range from \$250 (min.) to \$3,500 (max.); This is a gauge only and will depend on the time, number and complexity of the transactions.
- 3.) **Ongoing Advice Service and Reviews:** If you choose to have me conduct a review of your financial plan to ensure that your financial strategies and financial products remain

appropriate to you, you may be charged a review fee. If you choose to have me provide an ongoing advice service, you may be charged a fee starting from \$1,250 per annum. Our fees can be a fixed fee, % fee or a combination of both. These can range from 0.25% to 1.1%. (example: a \$100,000 investment charged at 0.75% would cost \$750 pa).

- 4.) **Transaction Fee:** In some cases where clients are doing multiple withdrawals or deposits which is outside of their agreed service arrangement. We may charge a fee for those transactions. This amount would be between \$250 - \$750 per transaction and is based on the time involved to execute the transaction and provide the relevant advice document.

Note: Full details of all fees and commissions for financial services will be provided to you in a Statement of Advice (SoA), or Record of Advice (RoA) and Product Disclosure Statements at the time of receiving any recommendation.

Referral fees

If we refer you to another business to provide you with services, we may receive referral fees. Those fees may vary according to the party to whom we are referring, and the products involved.

We will provide written notification to you if we are likely to receive referral fees for referring you to another service provider.

Payment methods

Our 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.

Commissions

YFG may receive a commission if you take out a life insurance product through us. This commission will be disclosed in either the SOA or ROA document. This is not a direct cost to you and is paid by the insurance product provider via the insurance premiums. We may choose to rebate these in certain circumstances.

YFG does not receive commissions or product payments for superannuation or investment products.

The commission payable for different classes of financial products include the following:

Life Insurance Products

Initial and ongoing commissions from insurance providers may be received by YFG. These commissions are paid to YFG by the company that issues the product that we recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product.

The initial commission is paid in the first year by the product issuer to YFG. Ongoing commissions are payments paid by product issuers to YFG in the years after the first year. These commissions may be passed onto the adviser."

If you initiate an increase to your cover, YFG may receive an initial commission and ongoing commissions on the annual increase to your policy cost. The ongoing commission on a client-initiated increase is only paid in respect of the period that starts from the first anniversary of the increase.

If the initial commission is equal to the ongoing commissions (as a percentage of your policy cost), YFG may receive up to 140% (excl. GST) of your annual policy cost. If the initial commission is higher than the ongoing commissions, the maximum commission that YFG may receive is set out in the table below:

Date a new product is issued	Initial commission (% of annual policy cost or increase excl. GST)	Ongoing commission pa (% of annual policy cost or increase excl. GST)
Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 - 140%	0 - 38.5%
1 January 2018 - 31 December 2018*	0 - 80%	0 - 20%
1 January 2019 - 31 December 2019*	0 - 70%	0 - 20%
From 1 January 2020*	0 - 60%	0 - 20%

* YFG may receive the pre-1 January 2018 commission rates above from the product issuer if:

- > your policy was issued before 1 January 2018 and you exercise an option or apply for additional cover under your policy after 1 January 2018; or

- > your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct an administrative error.

Example

We recommend an insurance product to you and it is applied for and issued on 2 February 2019. The annual policy cost is \$450. YFG may receive up to \$315 (70% excl. GST) as an initial commission and may pass up to \$315 to us. Assuming the policy cost stays the same each year, YFG may receive up to \$90 pa (20% excl. GST) as an ongoing commission and may pass up to \$90 pa to us.

From 2 April 2019, you decide to increase your insurance cover. The cost of this increased cover is \$100. The initial commission payable to YFG in respect of this increase will be \$70 (70% excl. GST) as the increase has occurred in 2019. The ongoing commission payable to YFG in respect of this increased policy cost will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 April 2019). These commissions may be passed onto us.

From 2 April 2020, you decide to increase your insurance cover again. The cost of this increased cover is \$100. The initial commission payable to YFG in respect of this increase will be \$60 (60% excl. GST). The ongoing commission payable to YFG in respect of this increase will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 April 2021). These commissions may be passed onto us.

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide you. Where personal advice is provided to you, you'll also find details of the commission that YFG and we are entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

DOES YFG CHARGE ANY OTHER FEES?

YFG will not charge you any additional fees to those outlined above.

OTHER PAYMENTS FROM PRODUCT PROVIDERS

We do not receive any payments from product providers other than for life insurance products which have been outlined above.

OTHER BENEFITS

From time to time we may accept alternative forms of remuneration from product providers or other parties, such as hospitality or support connected with our professional development (e.g. training or sponsorship to attend conferences). We maintain a register detailing any benefit we receive which is

valued at between \$100 and \$300 and other benefits that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes.

A copy of the register is available on request for a small charge.

WILL ANY OTHER PARTIES BENEFIT FROM THE FINANCIAL SERVICES OFFERED IN THIS FSG?

No other Parties Benefit from the financial services offered in this FSG.

WHAT ARRANGEMENTS MAY INFLUENCE OUR ADVICE TO YOU?

YFG's Approved Product List (APL) includes a range of financial products from product providers not associated with the YFG. The approved product list is compiled using several external research providers. Authorised representatives of YFG can provide advice on products outside of the Approved Product list where specific needs arise.

Individual one-off approval will need to be obtained for financial products not on the APL with supporting evidence and research as to the suitability.

APEX Plus Managed Portfolios (APEX SMA) on the BT Panorama Platform

YFG has established Separately Managed Accounts (SMA's). These are a portfolio of specifically selected managed funds held within an SMA. These SMA portfolios are tailored to specific investor Risk profiles.

Quilla Consulting Pty Ltd (ACN 600 052 659, AFSL 511401) have been selected as an external asset consultant, to operate as the Investment Manager, and is appointed to advise on the portfolio construction and management of the APEX SMA's.

Westpac Financial Services Ltd (ABN 20000241127, AFSL 233716), is the issuer and Responsible Entity of BT Managed Portfolios through which you can access the APEX SMAs, and is responsible for implementing the investment instructions of the Investment manager.

An Investment management fee of 0.2574%p.a (inc GST) of the balance of the managed portfolio is paid to BT Managed Portfolios and used to remunerate the Investment manager (Quilla) for its services, and to meet the costs of the asset consulting and the

investment management services associated with the portfolio (refer to the PDS for more detail). This fee forms part of the overall management fee expense ratio (MER) of the SMA. For example, if \$100,000 dollars were invested in these portfolios, Quilla would receive \$257.40 per annum.

The APEX Plus managed portfolio is only available to clients that are, and continue to be, a client of YFG.

WILL YOUR FINANCIAL ADVISER BE PAID WHEN MAKING A REFERRAL?

We provide referrals to third parties where appropriate. We do not receive any payment for those referrals.

DOES YOUR FINANCIAL ADVISER PAY EXTERNAL PARTIES FOR REFERRALS RECEIVED?

We have referral arrangements with external professionals. The majority of these we do not pay any referral fees, but we may provide small gifts under \$100 to say thank you.

We have a referral arrangement in place with Westpac Bank who may refer their clients to YFG advisers. Westpac Bank may invoice YFG for the cost incurred in making that referral and maintaining records associated with those referred clients. It is not possible to ascertain the amount, however Westpac in the future may calculate that cost to them base on:

1. Personnel costs associated with establishing the Referral arrangement
2. Providing training to relevant Westpac staff on the Referral arrangement;
3. Conducting regular monitoring reviews on the Referral arrangement to ensure compliance with this Agreement;
4. And creating and maintaining records relevant to the Referral.

SECTION 2 PRIVACY STATEMENT

WHY WE COLLECT YOUR PERSONAL INFORMATION

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, to prevent fraud, crime or other activity that may cause harm in relation to the particular

products or services provided, and to 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.

COLLECTING AND DISCLOSING YOUR PERSONAL INFORMATION

We may disclose your personal information to other 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, your past and present employers, 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.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

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.

YFG is also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/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 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.kellywealth.com.au. It covers:

- 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; and;
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

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

We will use your personal information to contact you or send you information about other products and services offered by us or our preferred suppliers. If you do not wish to receive marketing communications from us, please contact us.

contact the Australian Financial Complaints Authority (AFCA).

AFCA independently and impartially resolves disputes between consumers, including some small businesses, and participating financial services providers.

The AFCA 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 AFCA by:

Writing to:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001

Email:

info@afca.org.au

Website:

www.afca.org.au

Your Financial Guide Pty Ltd ABN 63 628 588 938, Australian Financial Services Licence 511 377.

DEFINITIONS

“We”, “our”, “us” means YFG and its Authorised Representatives.

SECTION 3

ARE YOU SATISFIED?

WHAT TO DO IF YOU HAVE ANY CONCERNS ABOUT OUR SERVICES

Both we and YFG endeavour to provide you with quality financial advice. 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 YFG by:

Writing to:

Advice Complaints

Your Financial Guide Pty Ltd

Suite 7, Level2, 26 Florence Street

PO Box 1019 North Cairns QLD 4870

Email:

office@kellywealthservices.com.au

- 3.) If your concern is not resolved, or if you are not satisfied with the decision, you may

- 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 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

Website:

www.asic.gov.au

Phone:

1300 300 630

- 5.) The Financial Planning Association of Australia Limited (FPA), is the peak professional body for financial planning in Australia. The FPA provides the leadership and professional framework that enables members to deliver quality financial advice to their clients. All FPA members are bound by professional, technical

and ethical standards as provided in the FPA Code of Professional Practice. The FPA has effective and appropriate policies and procedures in place to assist you with your complaint and ultimately help protect consumers and those planners doing the right thing. You may contact the FPA by:

Writing to:

The Investigations Manager
Financial Planning Association of Australia Ltd
GPO Box 4285
Sydney NSW 2001

Website:

www.fpa.asn.au

Phone:

1300 626 393

