

FINANCIAL SERVICES GUIDE

Your Service Provider is:
Graham Financial Pty Ltd

ABN 40 099 693 606

Australian Financial Services Licence Number: 327520

Australian Credit Licence Number: 327520

Membership:



PROFESSIONAL PRACTICE
FINANCIAL PLANNING ASSOCIATION *of* AUSTRALIA



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BEFORE YOU RECEIVE OUR ADVICE

Graham Financial is a privately owned boutique financial planning practice that has been based in Toowoomba since 1985. Graham Financial provides a complete advisory service that offers personalised, tailored advice in regard to all financial matters that will, over time, provide significant benefit to people at all life stages. Graham Financial is dedicated to providing truly personalised service of the highest quality.

Before seeking our advice, you probably have a number of questions about our charges, the type of advice we will provide, and what you can do if you have a complaint about our services.

Key information is set out in answer to these questions below. If you need more information please ask us. This Financial Services Guide ("FSG") is intended to inform you of certain matters relating to our relationship, prior to us providing you with financial services. Our details are shown above and comply with Ethics and Rules of Professional Conduct as set out by the Financial Planning Association.

You are entitled to receive a Statement of Advice (SoA) whenever we provide you with any advice which takes into account your objectives, financial situation and/or needs. The SoA will contain the advice, the basis on which it is given and information about fees, commissions and associations which may have influenced the provision of the advice. If further advice is furnished, or when no financial product is recommended, a Record of Advice (RoA) may be provided to you instead of a SoA. You have the right to request a copy of the RoA (if you have not previously received a copy) within 7 years of that further advice being given.

Graham Financial is proud to be an approved FPA Professional Practice – a designation reserved for only the highest calibre financial planning practices. As an FPA Professional Practice, we comply with the highest ethical and professional standards set by the Financial Planning Association of Australia.

Graham Financial planners are all CERTIFIED FINANCIAL PLANNER® practitioners. This is the highest recognised standard that a financial planner can achieve in Australia and it ensures a continued dedication to education, ethics and professional conduct. We invest heavily in a wide variety of professional research material, information technology and staff training to ensure that our clients continually achieve outstanding outcomes.

Benjamin Graham is a Director and responsible manager of Graham Financial Pty Ltd (Graham Financial). He is a Certified Financial Planner (CFP®) and also has a Graduate Diploma of Financial Planning from FINSIA. Benjamin originally qualified with a Bachelors degree in Electrical Engineering from the University of Queensland and started his career in the Electronic Banking sector for Cashcard Australia in 1999. He then formed his own successful company, which was eventually

sold to Macquarie Bank. He joined the financial planning industry in 2004.

Martin Webb is a Director and Authorised Representative (#335241) of Graham Financial. He is a Certified Financial Planner. Martin also has a Bachelor of Commerce majoring in economics and financial risk management, a Graduate Certificate of Applied Finance and Investment and an Advanced Diploma of Financial Services (Financial Planning). Martin started his career working on the family grazing property in Western Queensland. He completed his degree at Griffith University in the late 90's before moving to Canberra where he worked as a senior analyst for the Treasury and Finance Departments. Martin joined the financial planning industry in 2009.

Benjamin and Martin act on behalf of Graham Financial. Graham Financial is responsible for the financial services offered to you. Graham Financial authorises the distribution of this FSG. The contact details for Graham Financial are shown on the back cover of this FSG.

Graham Financial offers a complete advisory service personalised to the needs of each client. Graham Financial is authorised to provide financial product advice and to deal in a financial product by arranging for a financial product to be acquired, disposed of, or varied. The services provided are as follows:

- Retirement Planning
- Superannuation Needs
- Succession Planning
- Centrelink Assistance
- Aged care
- Salary Packaging
- Wealth Creation
- Securities, Cash, Property
- Gearing
- Estate Planning

- Mortgages and credit contracts
- Personal insurance
 - Life
 - Trauma
 - Income Protection
 - Total and Permanent Disability

Graham Financial is licensed to provide advice on, and deal in, the following products:

- Deposit and Payment Products
- Managed Investment Schemes
- Government Debentures, Stocks & Bonds
- Securities* (Shares)
- Life Insurance Investment Products
- Retirement Savings Account Products
- Life Insurance Risk Products
- Managed Funds

*We can advise you in respect of Securities however we are not a broker and cannot directly buy or sell Securities. We use the services of a stockbroker who will arrange for purchase or sale of Securities on your behalf.

SERVICES WE PROVIDE

Access to financial products and ongoing investment advice is available under a Limited Managed Discretionary Account or a client directed advice model.

Our Managed Discretionary Account services

We offer limited types of Managed Discretionary Account services (MDA services) where you allow us to manage your investments for you, using our discretion and without obtaining your instructions before each transaction we undertake on your behalf. These services are limited to the Limited Power of Attorney and Authority to operate facilities within the MLC Navigator Platform and BT Wrap Platform. Please note, these facilities do not authorise us to open new accounts, withdraw funds, or contribute new funds to your investment.

What are the significant risks associated with using an MDA service?

By authorising us to make changes to your investments without seeking your prior authority, you cannot claim we were not acting on your behalf. Provided we act within that authorisation, our acts become binding on you. Therefore it is important you understand what we are authorised to do and carefully read and understand the activities that you are authorising us to perform on your behalf.

How can I give you instructions on how to exercise rights relating to the financial products in my portfolio?

Generally, the financial products that we invest in on your behalf do not have any additional rights or entitlements attached to them. However, if there are, we will let you know and you can provide us with instructions at the time as to how you wish for us to proceed. You can instruct us in writing, by facsimile transmission or by email. Our postal, facsimile and email contact details are contained at the beginning of the FSG.

Do I have to enter into a contract for you to provide MDA services?

Yes. As of 11 December 2004, to receive MDA services you must first enter into an MDA Contract. This contract will set out the terms and conditions of the authority and also the investment program, which sets out how your money will be invested.

Who prepares the investment program?

We will prepare the investment program for you based on your relevant personal circumstances, financial objectives and needs.

Will the investment program in the MDA Contract comply with the law?

Where this is relevant, the investment program set out in the MDA Contract will comply with the law. The relevant law is Division 3 of Part 7.7 of the Corporations Act.

The contract will also contain:

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

Who is responsible for reviewing the investment program?

We are responsible for reviewing your investment program. We will review your investment program at least every 12 months.

Do you provide custodial or depository services for my portfolio?

We do not provide custodial or depository services. Either you will hold the investments in the portfolio, or the custodian nominated for MLC Navigator Platform or BT Wrap Platform will hold them for you.

Is there a cost for the MDA Contract or the MDA?

There is no additional cost to access the Limited MDA service. Total costs will vary between clients depending on complexity of the case and the level of funds being invested.

All fees are detailed in the SoA provided prior to commencement. Indicative quotes are available at the initial consultation.

Our authority to offer MDA services

ASIC executed a No Action letter on 5 November 2004 permitting AFSLs not otherwise authorised to provide MDA services to deliver those services under their existing AFSLs provided they did so pursuant to the terms of the No Action letter.

Hence, although we do not hold an AFSL authorisation permitting us to provide MDA services, we are permitted to do so pursuant to ASIC's No Action letter dated 5 November 2004.

This FSG complies with the ASIC Class Order 04/194.

Portfolio Monitoring

Internal databases are maintained detailing client investments recommended by Graham Financial that sit outside of the limited managed discretionary model. This does not constitute portfolio monitoring. We recommend portfolios should be reviewed on an annual basis, subject to the client's discretion. The fee for this service is included as part of the advisor retention fee unless otherwise stated.

Review Services

It is important that your investment portfolio is reviewed on a regular basis to ensure that it continues to meet your financial objectives and addresses any of your concerns. The performance of the investment portfolio should also be reviewed regularly to assess the effects of changing economic and market conditions.

The review process will address:

- How your personal circumstances or needs may have changed
- The economic environment
- Fund manager and investment performance
- Investment sector performance
- Your taxation position and the tax position of your investments
- Social security issues
- Investment availability and suitability

As all of these factors are subject to change and as such changes may have significant impact on the suitability of your investment portfolio, we offer the option of ongoing advisory services that includes regular written reports on the valuation and status of your investment portfolio. This will enable you

to review your financial strategy regularly and to change your portfolio as required. The fee for this service is included as part of the advisor retention fee unless otherwise stated.

Risk Management Advice

Insurance is used as a means of managing risk or minimising your exposure to potential financial loss. Reviews will include the evaluation of your exposure to risk and to arrange insurance on your behalf where appropriate.

Sunsuper National Advice Panel

Graham Financial has been appointed to Sunsuper's National Advice Panel. A select group of advice practices eligible to receive Sunsuper¹ member referrals.

¹Sunsuper Pty Ltd (ABN88010720840) (AFSL228975).

A Product Disclosure Statement (PDS) is available by contacting the Customer Service Hotline on 131184 or by visiting www.sunsuper.com.au

HOW WILL I PAY FOR THE SERVICE?

Graham Financial offers highly personalised professional services tailored to meet each client's individual needs. The fee charged will reflect the complexity and unique needs of each individual; as such a "standard" fee schedule has not been set.

Graham Financial operates on a combination of fee-for-service basis and/or by commission, depending upon the services rendered. The means of payment is at the discretion of the client. All fees are disclosed prior to the engagement of Graham Financial and may be invoiced at various stages of the financial planning process.

The SoA will outline the implementation fee covering the cost of implementing the recommendations outlined and an ongoing fee covering the cost of retaining advisory services in an ongoing capacity. These fees may be in excess of the preparation fee depending on the complexity of the advice required.

Fees may be charged on an hourly service rate. Financial

planner rates will be charged at \$275 per hour and Administration or Paraplanner services charged at \$90 per hour plus GST.

How can I provide instructions to Graham Financial?

Directions and instructions can be provided in person, email, post or telephone to the address provided on the cover page.

Do you receive remuneration, commission, fees or other benefits in relation to providing the financial services to me and how is that commission calculated?

- Graham Financial is a privately owned company. All revenue is paid to Graham Financial. All advisers and staff are paid a salary by Graham Financial. A bonus may be paid at the discretion of the shareholders of Graham Financial.
- Where a life insurance company product has been recommended the issuer of the life insurance product may pay Graham Financial a commission on the first year's premium once cover has been accepted and on the following years renewal payments as they fall due. Commission can range up to a maximum of 110% of the premium paid. For example, on an initial premium amount of \$100 a 110% commission would equate to \$110 and/or a 10% commission on a renewal premium of \$100, \$10 would be payable. All fees are disclosed prior to engagement.
- Where a stockbroking service is utilized to deal in shares, Graham Financial may charge a fee to undertake that service. The transaction fee charged will be the greater of \$110 or 1.1% per trade. You will be advised of the charges prior to engaging in a transaction.
- The exact amounts of any fees, commissions, bonuses or other incentives received will be included in a SoA provided to you.

- We accept remuneration for our work either by commission or direct fee to you.

Do any relationships with Product Providers exist which might influence you in providing me with the financial services?

Graham Financial is a privately owned company. Neither the staff, nor Graham Financial, or any related bodies have any relationships with any product issuer that influence the provision of the financial services. Graham Financial does not use any product that would exclusively tie you to us and is able to place investments with any provider. We do not accept loans or otherwise enter into arrangements with Product Providers that would obligate us to do business with them. We work with providers of our own choosing. Some providers assist with research, conferences, seminars, training, calculators and software.

We regularly evaluate our research and software systems which are based on our assessment of the best available to accommodate our needs. We work interactively with our service providers to encourage and help them to improve their systems. In accordance with disclosure requirements under the FPA Industry Code of Practice on Alternative Forms of Remunerations we hold a register of such events and costs which is available for your perusal upon request.

After investigating existing investment platforms we use MLC Navigator as our preferred platform. Our decision to use this platform is based on the cost to the client, availability of investment options, flexibility for the investor and online access as well as the ability to perform on line transactions, reporting and integration with our existing software systems. However, we continue to evaluate other platform providers to ensure we continue to offer optimum services to our clients. Due to

the level of funds under management, MLC Navigator may pay a Partnership Allowance of up to 0.31% of the applicable MLC Navigator administration fee. This payment was designed to assist dealer groups with their fixed costs. Partnership allowance payments ceased on 30 June 2014 for new accounts with existing accounts grandfathered.

From 1 July 2014 the MLC Navigator Series 2 fee structure will allow fixed fees applicable to each dealer group to be paid separately. This is to be called a Dealer Facilitation Fee (DFF) and it will include, but not be limited to, such fixed costs as research, financial product assessment, IT programs that are all necessary to provide financial product advice to you.

Graham Financial may charge these fees as a percentage not exceeding 0.5% of the client's balances or as a flat dollar fee. The exact amount of all fees will be disclosed in a SoA provided to you.

As part of the Sunsuper National Advise Panel, Sunsuper allows their members to pay financial planning fees direct from their Sunsuper account. The fee charged will depend on the complexity of the work to be undertaken and a fixed quote will be provided prior to engagement.



THE PLANNING PROCESS

Financial planning is the process of developing strategies to help manage your affairs so you can build wealth, enjoy life's opportunities and achieve financial security.

While a critical aspect, financial planning is not limited to advice around investments. A comprehensive plan will look at all aspects of your life and lifestyle, your goals and ambitions and develop a strategy that is tailored to your needs. Financial planning strategies are dynamic and responsive to changes in your circumstances in the future.

Developing a comprehensive or a scaled plan involves a commitment from both the client and the adviser and will require prospective clients to gather critical information. The greatest benefits will be gained by those people who are prepared to put in the effort to engage in the process.

The process can be described as follows:

1. Gathering your financial information - This is through a fact find and meetings with the adviser. You have the right not to divulge information to us however, incomplete or inaccurate data may result in inappropriate advice;
2. Identification of your goals, objectives, investment risk profile and any existing or future financial issues;
3. Preparation of a financial plan - An engagement letter may be provided at this stage authorising us to proceed to a SoA;
4. Presentation of the SoA and strategies is best achieved face to face. It is very important that you are satisfied that all issues are addressed to your satisfaction;
5. Authorise and implement the recommendations; and
6. Review and revise the plan at regular intervals.

WHEN YOU RECEIVE OUR ADVICE

Who can I complain to if I have a complaint about the provision of the financial services to me?

Graham Financial is a member of the Financial Ombudsman Service (FOS).

We are committed to providing quality advice to our clients. If you have any complaint about the service provided, you should take the following steps:

1. Contact our office and tell us about your complaint. We have internal complaints procedures in place and are keen to resolve any issue that may be creating a problem. We will seek to resolve your complaint quickly and fairly. If resolution cannot be found internally after 45 days then the matter can be referred to FOS for external dispute resolution.
2. If the complaint cannot be resolved to your satisfaction, you have the right to complain to the FOS.

FOS: 1300 78 08 08; Email info@fos.org.au (www.fos.org.au)
Address: GPO Box 3 Melbourne Victoria 3001.

If your concerns involve ethical conduct, you may wish to consider raising your concerns in writing with the Financial Planning Association of Australia. The contact details: PO Box 109, Collins Street West, Melbourne Vic 8007.

The Australian Securities and Investments Commission (ASIC) also has an Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Professional Indemnity Insurance

Graham Financial holds Professional Indemnity Insurance cover for the activities conducted under our AFSL. The limit of the indemnity is \$2,500,000 for any one claim with automatic reinstatement of the sum insured for all claims arising out of our AFSL activities. The insurance will cover claims in relation to the conduct of authorised representatives and employees who no longer work for the Licensee (but who did at the time of the relevant conduct). We believe our Professional Indemnity Insurance cover satisfies the requirements of s. 912B of the Corporations Act.

OUR PRIVACY POLICY

- Only necessary personal information is collected for the purposes of assisting you with financial planning.
- Standard Data Collection processes are used with your assistance by fair and lawful means.
- You are informed at or before the time of collection of personal information (or as soon as possible after) of:
 - o the identity of our organisation and how to contact us;
 - o the fact you are able to gain access to the information;
 - o the purposes for which the information is collected;
 - o organisations to which Graham Financial usually discloses information of that kind;
 - examples include but may not be limited to: ATO, Centrelink, compliance auditors
 - o any law that requires the particular information to be collected; and
 - o the consequences of not providing the information.
- Graham Financial undertakes to take reasonable steps to ensure that the personal information collected is accurate, complete and up to date.

- Graham Financial takes reasonable steps to:
 - protect the personal information it holds from misuse, loss and from unauthorized access, modification or disclosure; and
 - to destroy or permanently de-identify personal information if it is no longer needed regardless of when the information was collected.
- Upon request, we will take reasonable steps to disclose the sort of personal information the organisation holds, for what purposes and how it collects, holds, uses and discloses that information.
- If Graham Financial holds personal information about an individual, it undertakes, upon receiving a request by that individual, to allow access to the information by a third party.
- Requests should be acknowledged within 14 days. Straightforward requests should be dealt with within a further 14 days and more complex requests dealt with within a further 30 days.
- Charges may be levied for providing access to this information. However, it should essentially be done at cost and not be excessive and must not apply to lodging the initial request for access.
- In certain limited circumstances where access may be refused, an explanation for that denial must be provided to the individual.
- Graham Financial seeks to provide information to clients irrespective of the time frame over which it has been collected.

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Office location:
Suite 1/124 Margaret St
Toowoomba Queensland 4350

Contact details:
PO Box 2622
Toowoomba Queensland 4350
Ph (07) 4613 0514
Fax (07) 4638 0299
Email admin@grahamfin.com.au
www.grahamfin.com.au