

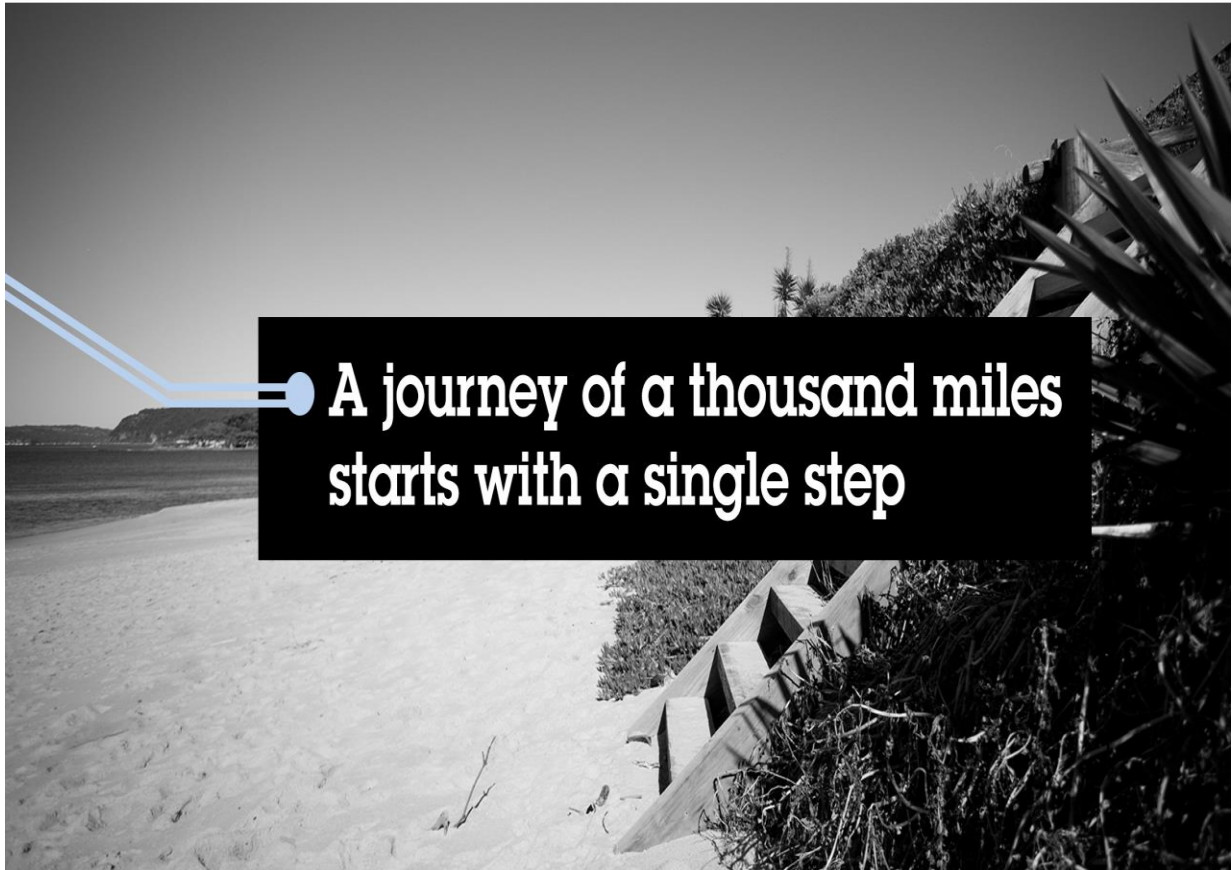
# HILLCROSS

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## Financial Services and Credit Guide

Melbourne Financial Management Group Pty Ltd



Version: 7.0i

Date: 21 August 2015

## Why this Guide is important to you

This Guide explains the financial planning services we provide, as well as giving you important information that will help you decide if you want to use any of these services. It explains who we are and:

- Hillross, the company that authorises us to provide our services
- the services we provide
- how we deal with a complaint if you are unhappy with our services
- how we and Hillross are paid
- Hillross' relationships with others
- relationships that could influence the advice we give you
- where to get details on Hillross' privacy policy

## Other documents you may receive

If we provide you with personal advice, it will normally be documented in a **statement of advice**, which sets out our advice, the basis of that advice and details about the fees, costs and other benefits payable as a result of the advice given. If we provide further advice, a statement of advice may not be required. We will keep a copy of the further advice we provide. You can request a copy of the advice at any time using our contact details in this Guide.

If we recommend a financial product or arrange a financial product for you, we will make available a **product disclosure statement**, or IDPS guide where relevant, which provides you with important information about the product, such as its features and risks, to help you decide whether or not to buy that product.

# 1. About our firm

**Name:** Melbourne Financial Management Group Pty Ltd trading as MFM Group as Trustee of the Melbourne Financial Management Group Unit Trust

**ACN:** 600 540 378

**ABN:** 27 482 257 520

**Authorised representative number:** 463059

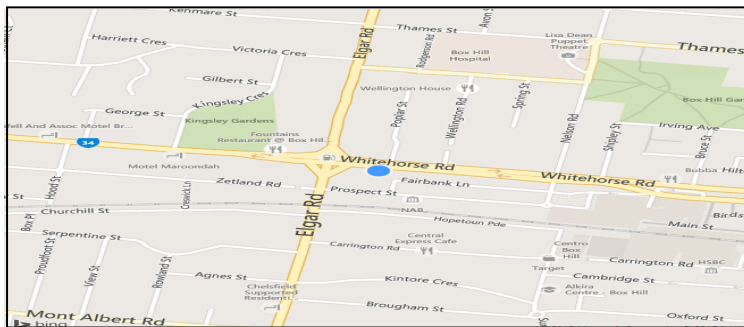
**Credit representative number:** 463068

## **Box Hill Office**

**Address:** Ground Floor, 818 Whitehorse Road  
Box Hill VIC 3128

**Phone:** 03 8394 0300

**Email:** [mfmadvice@hillross.com.au](mailto:mfmadvice@hillross.com.au)



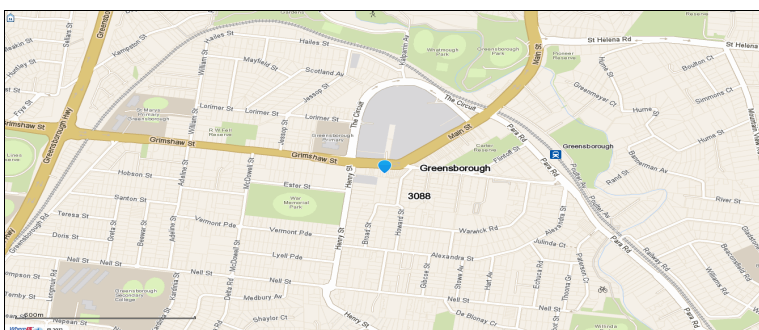
## **Greensborough Office**

**Address:** Level 1, 85 Grimshaw Street  
Greensborough VIC 3088

**Phone:** 03 9434 6944

**Fax:** 03 9432 2610

**Email:** [mfmadvice@hillross.com.au](mailto:mfmadvice@hillross.com.au)



**Website:** [www.hillross.com.au/mfmgroup](http://www.hillross.com.au/mfmgroup)

## 2. Our services

The following table sets out the areas of advice we can help you with as well as the products and services we can arrange. You can choose to receive advice addressing any of these aspects as well as the timing of our advice all at once or over time, as required to meet your needs as they arise. We will work with you to identify the level of advice and services appropriate for you to meet your financial goals.

Any additional advice or services we can offer you, or limitations to the list below, will be outlined in *Our financial advisers*.

We can provide advice on:	We can arrange the following products and services:
<ul style="list-style-type: none"> <li>▪ Investments and strategic asset allocation</li> <li>▪ Budget and cashflow management</li> <li>▪ Debt management (including borrowing for personal and investment purposes)</li> <li>▪ Salary packaging</li> <li>▪ Superannuation strategies and retirement planning</li> <li>▪ Personal insurance</li> <li>▪ Estate planning</li> <li>▪ Centrelink and other government benefits</li> <li>▪ Ongoing advice and services, including regular portfolio reviews</li> <li>▪ In particular we specialise in:               <ul style="list-style-type: none"> <li>– transition to Retirement and Retirement Planning</li> <li>– assisting with the Trustees of Self-Managed Superannuation Funds</li> <li>– working with families to develop their Estate Plans</li> <li>– developing financial strategies for people who are about to enter an Aged Care facility</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Superannuation, including retirement savings accounts</li> <li>▪ Employer superannuation</li> <li>▪ Self managed superannuation funds (SMSF)</li> <li>▪ Borrowing within your SMSF</li> <li>▪ Managed investments</li> <li>▪ Separately managed accounts</li> <li>▪ Investor directed portfolio services</li> <li>▪ Deposit and payment products (for example term deposits, cash management accounts and non-cash payment products)</li> <li>▪ Standard margin loans</li> <li>▪ Retirement income streams, including pensions and annuities</li> <li>▪ Insurance (life cover, disability, income protection and trauma)</li> <li>▪ Life investment products including whole of life, endowment and bonds</li> <li>▪ Debentures, stocks or bonds issued or proposed to be issued by a government</li> <li>▪ Arranging for listed securities, shares and debentures to be bought or sold via a broker</li> <li>▪ Securities (including listed securities and corporate debentures)</li> <li>▪ Exchange traded funds</li> <li>▪ Various structured products</li> <li>▪ Instalment warrants over managed funds</li> <li>▪ Protected equity loans</li> <li>▪ Where an administration platform is recommended, we also offer a Limited Managed Discretionary Account service</li> <li>▪ Limited selection of investment guarantees.</li> </ul>

### Transaction services

If you do not require advice from us, but wish to complete a transaction, we can also arrange for you to apply for the kinds of products referred to above. In these cases, we can take your instructions and arrange for the transaction to be completed, without providing personal advice. If you wish to proceed without advice from us, normally we will ask you to confirm your instructions in writing and sign an

acknowledgement form. You can ask us for a copy of the form at any time. Product transactions can only be completed on those products where we are authorised by Hillross Financial Services.

## Using our services

We will work with you to agree what advice and services we will provide and when and how often we will provide them.

Where you agree to ongoing advice and services, the details will be documented and provided to you. This includes the frequency of contact between us, service standards that may apply, any ongoing fee arrangements and how the service can be terminated.

If at any time you wish to terminate your relationship with us, please contact us using the details shown in this Guide.

## How you can give us instructions about your financial products

You can contact us directly with any instructions relating to your financial products. This includes giving us instructions by telephone, mail or email. We can only accept your instructions via email once you have signed an authority form.

## Providing information to us

To develop a successful financial strategy, including recommending suitable products which will meet your needs, we need to consider your personal circumstances and financial goals. We will ask you for information about your financial situation when we meet with you.

You have the right not to provide us with personal information. However, without this information, or if it is inaccurate, the advice you receive may not be appropriate for your needs, objectives and financial situation.

It is also important that you keep us up to date by informing us of any changes in your circumstances so we are able to determine if our advice continues to be appropriate.

## Our approach to selecting products

To implement our advice, we will only recommend quality products and services that are suitable for you.

Hillross has produced a research list, which includes products promoted or issued by AMP companies. A diversified selection of approved fund managers is accessible through investment products on the list. Hillross periodically reviews these products to ensure that they remain competitive with similar products which address similar client needs and objectives. Generally, we recommend products which are on the research list. However, if appropriate for your needs, we may, subject to Hillross' approval, recommend other products.

We can provide you with a copy of the research list if you request.

As at July 2014, the lenders to whom Hillross credit representatives most commonly refer clients are:

- AMP Bank
- Commonwealth Bank
- Homeside Lending
- Suncorp
- ANZ
- Westpac
- St George

### 3. Our financial advisers

#### About Gary Gleeson

**Authorised representative number:** 263077

**Credit representative number:** 463067

**Qualifications:** Bachelor of Business  
Economics & Finance  
Master Applied Finance  
Certified Financial Planner®  
Professional Certificate Self-Managed Superannuation Funds

**Memberships:** Financial Planning Association of Australia (FPA)  
Associate Member of SPAA

**Phone:** 03 8394 0300

**Email:** gary.gleeson@hillross.com.au



#### The advice and services I can provide you

With the exception of any services listed below, I am authorised to provide the services as outlined in the *Our services* section of this Guide.

- Borrowing within your SMSF

I am a credit representative of Hillross and am authorised to provide credit advice regarding how to structure debt, suitability of existing loan structures and repayment options. If you require advice involving mortgages or other lending products, I can refer you to an Accredited Mortgage Consultant.

#### How I am paid

Gary is a director and shareholder of Melbourne Financial Management Group Pty Ltd and receives a salary, plus bonuses and dividends, from the firm.

## About Garry Snell

**Authorised representative number:** 264957

**Credit representative number:** 409151

**Qualifications:** Diploma Financial Planning  
Certified Financial Planner®  
SMSF Specialist Adviser  
Professional Certificate in Self-Managed Superannuation Funds

**Memberships:** Member of Financial Planning Associate Australia (FPA)  
Member of Self-Managed Superannuation Fund Professionals Associate Australia (SPAA)

**Phone:** 03 8394 0300

**Email:** [garry.snell@hillross.com.au](mailto:garry.snell@hillross.com.au)



### The advice and services I can provide you

I am a credit representative of Hillross and am authorised to provide credit advice regarding how to structure debt, suitability of existing loan structures and repayment options. If you require advice involving mortgages or other lending products, I can refer you to an Accredited Mortgage Consultant.

### How I am paid

Garry is an employee of Melbourne Financial Management Group Pty Ltd and receives a salary, and may receive a bonus, from the firm.

## About Maurice Kelly

**Authorised representative number:** 265086

**Credit representative number:** 409156

**Qualifications:** Diploma Financial Planning  
Accredited Aged Care Adviser

**Phone:** 03 9434 6944

**Email:** maurice.kelly@hillross.com.au



### The advice and services I can provide you

With the exception of any services listed below, I am authorised to provide the services as outlined in the *Our services* section of this Guide.

- Borrowing within your SMSF

I am a credit representative of Hillross and am authorised to provide credit advice regarding how to structure debt, suitability of existing loan structures and repayment options. If you require advice involving mortgages or other lending products, I can refer you to an Accredited Mortgage Consultant.

### How I am paid

Maurice is an employee of Melbourne Financial Management Group Pty Ltd and receives a salary, and may receive a bonus, from the firm.



## About Gerard Bridgeman

**Authorised representative number:** 423730

**Credit representative number:** 423732

**Qualifications:** Diploma of Financial Planning  
Diploma of Financial Markets

**Phone:** 03 9434 6944

**Email:** gerard.bridgeman@hillross.com.au



### The advice and services I can provide you

With the exception of any services listed below, I am authorised to provide the services as outlined in the *Our services* section of this Guide.

- Self managed superannuation funds (SMSF)
- Borrowing within your SMSF
- Standard margin loans

I am a credit representative of Hillross and am authorised to provide credit advice regarding how to structure debt, suitability of existing loan structures and repayment options. If you require advice involving mortgages or other lending products, I can refer you to an Accredited Mortgage Consultant.

### How I am paid

Gerard is an employee of Melbourne Financial Management Group Pty Ltd and receives a salary, and may receive a bonus, from the firm.

## 4. Our relationships and who we represent

### Our relationships

It is important for you to understand our relationships with other service providers so you can decide on the services you wish to use.

### Referral arrangements with other service providers

#### Payments for referrals

We may receive payments to refer you to other service providers. These amounts do not involve additional costs and will be disclosed in your statement of advice. Where you have been referred to us by someone else we may pay them a fee, commission or some other benefit in relation to that referral. Our current referral arrangements are detailed below:

Referrer	Payment arrangement	Paid to	Nature of relationship
Shewan Cartwright & Co	25% of initial fees and ongoing fees.	Shewan Cartwright & Co	Referral relationship

## 5. Working with Hillross

### How we work with Hillross

We are a privately owned and managed business. Our firm and the representative(s) listed in this document provide services to you as authorised representative(s) of Hillross Financial Services.

AMP is one of Australia's largest and most established financial services organisations and Hillross stands behind the advice and services we provide.

Hillross holds an Australian Financial Services Licence (No. 232705) and;

- has authorised the distribution of this Guide
- has authorised us to provide the advice and other services set out in this Guide
- is responsible for the services we provide

Together with Hillross we act on your behalf when providing advice and services to you.

### Contact details

Hillross Financial Services Limited

ABN 77 003 323 055  
33 Alfred Street  
SYDNEY NSW 2000

Phone: 1800 445 767

Email: [info@hillross.com.au](mailto:info@hillross.com.au)

### Hillross' relationship with AMP companies

Hillross is a member of the AMP group of companies, a wealth management business operating in Australia and New Zealand. AMP Limited is listed on the Australian Stock Exchange. Hillross is related to the following companies whose products we may recommend to you:

- AMP Bank Limited
- AMP Capital Investors Limited
- AMP Life Limited
- AMP Superannuation Limited
- National Mutual Funds Management Limited
- The National Mutual Life Association of Australasia Limited
- Cavendish Superannuation Pty Ltd
- AMP Capital Funds Management Limited
- Australian Securities Administration Limited
- Multiport Pty Ltd
- ipac asset management limited
- NMMT Limited
- N.M. Superannuation Pty Ltd

If we recommend a product or service issued by an AMP Group company, they will benefit from our recommendation by receiving product, administration and/or investment fees, as well as fees paid by fund managers to distribute their product. These fees are all disclosed in the relevant product disclosure statement or other disclosure document.

AMP companies which issue products may also receive payments from fund managers for the inclusion and distribution of the relevant fund manager's investment options through products manufactured or badged by AMP companies. These services and payments are included in the fees shown in the relevant product disclosure statement for the products.

Authorised representatives and staff may hold shares in AMP Limited, the ultimate holding company of the AMP Group which is listed on the Australian Securities Exchange. The share price of AMP Limited may be affected favourably by the sale of products issued by the product issuers listed in this document.

## Experts' Choice Funds and Researcher's Pick Model Portfolios

If you access one of the Experts' Choice Funds, or invest using a Researcher's Pick Model Portfolio, both available through approved platforms, a management fee is charged by companies in the AMP Group and calculated daily. The fee for Experts' Choice funds is not deducted from your investment but is deducted from the assets of each Fund and is reflected in the unit prices. The fee for the Researcher's Pick Model Portfolios is deducted from the platform cash account. A full description of the fees is available in the respective product disclosure statement for your investment.

## Hillross' relationships with other companies

Issuers of products do not pay to be included on the research list, however product issuers or service providers that have been selected for inclusion may pay Hillross a fixed annual fee of up to \$88,000 (including GST). This fee assists with the costs of distribution support provided by Hillross and its representatives.

Product issuers may also make payments to Hillross as follows:

- For investment products and loan products, up to 0.33%\* pa of funds under administration, the balance of the cash account or the total loan value outstanding.
- For insurance products, up to 10%\* of the total premium paid.

\* includes GST

The payments are usually made quarterly and are generally less any fixed fee that has been paid. Since this amount is calculated in the future, we cannot provide an exact figure at this point. However as an example, if:

- Total funds under administration for a particular investment product is \$10 million with a nil fixed fee component, the issuer would pay Hillross up to \$33,000 annually.
- Total premiums for insurance products are \$1 million, the insurer would pay Hillross up to \$100,000 annually.

Margin lenders may make payments to Hillross of up to 0.55% pa (including GST) in respect of margin loans calculated on the outstanding balance of a loan. Payments are normally made monthly. As an example, for each \$10,000 of an interest only loan, the payment would be \$55 over a year. However, for other loans, the payments will vary as interest is charged and principal is repaid. Our firm does not receive any part of the payments received by Hillross, although we may indirectly participate in these payments through the Hillross incentive programme referred to later in this Guide.

From time to time, product issuers have access to Hillross and its authorised representatives to advertise or give training on their products. Any payments made by fund managers for advertising space at conferences are shown in the alternative remuneration register maintained by Hillross, which is available for inspection on request. Product issuers may contribute to the cost of attendance of Hillross employees and authorised representatives at certain educational, professional development and other events on a public or restricted basis.

Our firm does not receive any part of the payments received by Hillross.

## PortfolioCare Platform

The *PortfolioCare* range of administration services are issued by companies in the AMP Group. These companies have an agreement with Asgard Capital Management Limited (Asgard) under which Asgard administers the *PortfolioCare* administration services in addition to administration and support services also provided by AMP companies.

If you access a product in the *PortfolioCare* range, then administration and, where applicable, custodial share and trustee fees are deducted from your account. These fees, as set out in the product disclosure

statement or IDPS Guide, are paid to Hillross after deduction of expenses for administration and support services described above.

A full description of the fees is in the relevant product disclosure statement or IDPS guide for the relevant service. Our firm does not receive any part of the payments received by Hillross.

Hillross may also qualify for a share of the profit on the life insurance business taken out through the *PortfolioCare* platform. The profit is based on the claims experience for that business and total premiums received. The AMP Group is paid a portion of that profit by the insurer. Half of the amount paid to the AMP Group is paid to Hillross.

These payments are not shared with us although we may indirectly participate in these payments through the Hillross incentive program, which is referred to later in this Guide.

## **The Personalised Portfolio (PP) platform**

The Personalised Portfolio Platform is operated by AMP Capital Investors Limited (AMP Capital). If you invest in the PP platform your fees are payable to AMP Capital. AMP Capital passes a portion of these fees on to other AMP group companies and associates, including:

- Hillross for investment research and platform support services;
- us for any wealth management services provided;
- if you invest in a model portfolio or managed fund managed by AMP Capital or Hillross, they may also receive investment management and performance fees based on your investment in their investment options;
- Australian Securities Administration Limited for the administration services they provide.

Payments made to AMP group companies are generally calculated as a percentage based on the amount of money you have invested in the PP platform or, for any investment management and performance fees, for a particular investment option.

Up to 100% of the administration fees you pay for the PP platform may be notionally allocated to Hillross. The notional allocation may indirectly affect the payments we receive through the Hillross incentive program, which is referred to later in this Guide.

Further details about the fees and costs of investing in the PP platform are detailed in the product disclosure statement for the PP platform.

## **Definitive Wrap platform**

If you access a product through the Definitive platform, which is operated by Macquarie Investment Management Limited (MIML), then the administration fees are deducted from your account within that platform and paid to Hillross. MIML is paid a fee by Hillross for administering this platform. The administration fees are not shared with us although we may indirectly participate in this payment through the Hillross incentive program which is referred to later in this Guide.

Further details about the fees and costs of investing in the Definitive Wrap platform are detailed in the product disclosure statement for the Wrap platform.

## 6. Paying for the services we provide

Our preferred method of payment is by an agreed fee. We will negotiate and agree fees and payment options with you prior to providing our advice and services. You will therefore know the services to be provided to you and what they will cost, before any services commence. If we are the servicing adviser for your employer, we will agree any advice fee with your employer and disclose this to you.

You may choose to pay fees directly to Hillross or where possible, they may be deducted from your product.

The actual costs will normally be shown in writing to you. You can also ask us for details of other payments or other support services or recognition we receive at any time before implementation is completed.

### Our fees

The fees charged for our advice and services may be based on:

- A set dollar amount that is agreed between you and us and invoiced directly to you.
- A set dollar amount or percentage-based fee that is agreed between you and us and paid via your product.
- An hourly rate (refer to our Schedule of fees which is available on request)
- A combination of the above

Our agreed advice fees may include charges for:

- Initial advice
- Ongoing advice

For more information on our service fees, please see our Schedule of Fees attached or available on request. Please note that for services in relation to insurance, banking deposit products, some loan products and older investment products, commissions may be paid by the product provider as follows:

- Initial commission - a percentage of the value of your investment contributions, loan balance or insurance premiums, and
- Ongoing commission - a percentage of the value of your investment balance, outstanding loan amount or premiums, usually calculated at the end of each month in which you hold the investment or loan, or on renewal of insurance products.

All fees and commissions will be paid directly to Hillross as the licensee, on our behalf. They may retain a percentage to cover their costs and the balance is passed on to us. The percentage is determined annually, based on a number of factors, including our business revenue for the prior year.

### Other benefits we may receive

#### Received from Hillross Financial Services

In addition to the payments we may receive for our advice and services we may receive support services or recognition. These can include financial and training assistance, prizes and awards or events in recognition of financial planning excellence and innovation. Further details will be disclosed to you when applicable.

We may also participate in business lunches or receive corporate promotional merchandise tickets to sporting or cultural events and other similar items.

#### Development, management and advice recognition (DMA)

We may qualify to receive a DMA payment to recognise and reward our growth and professionalism. The DMA payment is based on a rate, calculated once per year, and determined by our ranking relative to other Hillross practices. Up to 60% of all Hillross practices may qualify for DMA payments. The rate may

range from 0% to 5%, depending on our ranking. It is then applied to our practice revenue and paid to us once a year.

For example, if our DMA is set at 1% and our revenue for the year was \$200,000, we would receive a total of \$2,000 for that year.

Our practice ranking is based on a scorecard, with points received for the quality of our services, compliance (audit results), our business goals and our engagement with clients through a measure called Advice Growth Index (AGI). AGI measures the value of our fee for service payments and growth in the value of our clients' product holdings over the previous year.

## Hillross recognition program

### Short-term reward

We may be eligible for additional payments as a short-term recognition from Hillross, based on the contribution our firm makes to the overall revenues received by Hillross from product issuers. These payments are described in the *Hillross relationships with other companies* section.

It will only be payable if our firm contributes \$150,000 or more in a calendar year to these revenues. The rate of payment begins at 2% of the contribution and increases to a maximum of 26% as the level of our contribution to the Hillross payments increase. The maximum percentage applies where the revenue contribution exceeds \$4 million. For example, if over time the accumulated recommendations our firm has made, including those from this current calendar year, result in Hillross receiving \$150,000 in total revenues from all relevant product issuers, then we will receive \$3,000 as short term reward payments.

Any payments due to us are determined twice a year in arrears at the end of June and December, and payments made three months later. Eligibility in any one period does not automatically mean that we will continue to be eligible for any payments in future periods. These payments are in addition to other payments described in this section, and are not an additional charge to you.

### Placement fees

From time to time Hillross will receive fees from brokers or product issuers (including AMP group companies) for arranging client participation in Initial Public Offerings (IPOs) of securities (such as shares and rights issues). The fee, which is generally a percentage of the fee paid to the broker, varies from offer to offer and by the level of participation by Hillross. We may share in this fee based on the level of participation by our clients.

### Business buy back option

If we leave the financial services industry, Hillross makes available a facility for its authorised representatives to transfer their clients. If this happens, Hillross may buy back our clients. The facility is subject to certain conditions (such as, reason for sale, time the firm has been operating with Hillross, level of adherence to Hillross compliance requirements and achieving a satisfactory level of customer service), and provides a minimum value for our register of clients. The minimum value is based on a multiple of firm revenue. If at some future time we should look to sell our firm, and we cannot find a willing buyer, Hillross may purchase our clients in these circumstances.

### Business conferences

#### Annual advice summit

The advice summit is an annual event which offers advisers the opportunity for professional development and to hear updates on AMP's thinking about the future of advice. Hillross subsidises the expenses of authorised representatives who wish to attend. This benefit is valued up to \$1,200. This value is approximate, and will ultimately depend upon Hillross choice of location.

#### Professional education grant

To qualify, an authorised representative's firm must be one of the highest performing Hillross firms and meet certain criteria. The qualifying criteria may vary and is based on the standard of financial planning services we provide, combined with the contribution (which can be financial and/or other measures set by Hillross) that our firm makes to Hillross' overall results and performance. Typically around 30 to 35 firms

qualify with the final number being determined by Hillross. Qualifying firms are entitled to receive a reimbursement in professional education expenses. This benefit is valued at up to \$12,000.

### **Enhanced Study Programs**

Hillross rewards individuals who achieve outstanding results over a minimum of 10 years. The qualifying criteria may vary, but they are normally based on the standard of financial planning services we provide, combined with the contribution (which can be financial and/or other measures set by Hillross) that our firm makes to Hillross' overall results and performance.

Benefits include participation in additional study programs within Australia or overseas. The value of the enhanced study programs can amount up to \$10,000 for the authorised representative-and is in addition to other benefits received. These values are approximate as they depend on Hillross' choice of location.

### **Indirect benefits from product issuers**

We may receive other advantages from product issuers such as product and service discounts to employees and authorised representatives of the firm as a result of our, or Hillross relationship with these providers.

Any benefits we receive will be disclosed in our written advice.

Both we and Hillross keep a register of non-monetary benefits received. You can see a copy of this register by asking us or Hillross.

We may also participate in business lunches or receive corporate promotional merchandise tickets to sporting or cultural events and other similar items, valued at less than \$300.

These items are in addition to other non-monetary benefits explained elsewhere in this Guide and that may be valued at more than \$300 such as conference attendance.



## 7. Important information for you to know

### Your privacy

Your privacy is important to Hillross and us. To learn more about our collection and handling of your personal information and for details on how to access our Privacy Policy please refer to the Appendix to this FSG.

### If you have a complaint

1. If you have a complaint about the advice or services provided to you, then contact us using our contact details in this Guide. We will try to resolve your complaint quickly and fairly.

If your complaint relates to a financial service and is not satisfactorily resolved within three business days, please lodge your complaint in writing to:

**Attention: National Complaints Manager  
Client solutions and advice services**

Level 8, 33 Alfred Street  
Sydney NSW 2000

Email: [advicecomplaints@amp.com.au](mailto:advicecomplaints@amp.com.au)

2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service (FOS) at:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

Phone: 1300 780 808  
Fax: 03 9613 6399

Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

FOS is an independent external dispute resolution service, of which Hillross is a member. The Financial Ombudsman Service is free of charge. However, there are some limits on the size of claims that can be handled by FOS. For details of the current limits, please go to the FOS website.

You may also contact the Australian Securities & Investments Commission (ASIC) on freecall infoline 1300 300 630 to make a complaint and obtain information about your rights. You can also contact the Financial Planning Association (FPA) at [www.fpa.asn.au](http://www.fpa.asn.au) to make a complaint (please note that the FPA cannot award compensation).

## Compensation and insurance

### Our firm

Our firm, financial advisers and credit advisers are covered by professional indemnity insurance which is taken out to ensure sufficient resources will be available to meet any potential claims against our firm, financial advisers and/or credit advisers.

### Hillross Financial Services

Hillross is covered by professional indemnity insurance satisfying the requirements under the Corporations Act and National Consumer Credit Protection Act for compensation arrangements.

The insurance covers claims arising from the actions of former employees or representatives of Hillross, even where subsequent to these actions they have ceased to be employed by or act for Hillross.

You do not have a direct right to claim under this insurance, which is taken out to ensure sufficient resources will be available to meet claims against Hillross.

## 8. Our services for Managed Discretionary Accounts

We offer limited types of Managed Discretionary Account Services (MDA Services) within approved investment platforms. Through these services, 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. However, we do not (and we are not authorised to) open new accounts, withdraw funds or contribute funds to your investment.

### **What are the risks associated with using the MDA service?**

By authorising us to make changes to your investments, you cannot claim we were not acting on your behalf if we acted within the authority given. Therefore, our acts bind you. It is important you understand what we are authorised to do and that you carefully read and understand the activities that you are authorising us to do on your behalf.

### **How can you instruct us to exercise rights relating to the financial products in your 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. You can then instruct us how you wish us to proceed.

### **Do you have to enter into a contract for us to provide MDA services?**

Yes. This MDA 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. We will agree and prepare the investment program for you based on your relevant personal circumstances, your financial objectives and your needs and review the program every 12 months.

### **Will the investment program in the MDA contract comply with the law?**

If this is relevant, then 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.
- Warnings that the MDA contract may not be suitable to you if you have provided us with limited or inaccurate information. It will also 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 we provide custodial or depository services for your portfolio?**

We do not provide custodial or depository services. This means that you will either hold the investments in the portfolio, or the custodian nominated for that financial product will hold them.

This financial services guide complies with the ASIC Class Order 04/194.

## Our schedule of fees

Our preferred method of payment is by an agreed fee. The actual fee charged to you will depend on the nature of the advice or service we provide. We will discuss and agree the actual fees with you before we proceed. The following section outlines our types of fees that may apply.

### Agreed advice fees

The following section outlines the agreed advice fees we charge for initial and ongoing advice.

#### Initial advice fees

The following fees are paid when you have agreed to receive our advice:

Service	Fee amount
<b>New Client Initial Consultation</b>	\$0.00
<b>Statement of Advice &amp; Implementation of Advice (fee will depend upon level of complexity in advice)</b>	Between \$1,100.00 and \$5,500.00
<b>Other Services (hourly rate depending complexity)</b>	Between \$110.00 and \$330.00
<b>Centrelink Assistance per Application</b>	\$440.00

These prices should be used as a guide only. We will discuss your individual needs and agree our costs with you. The final cost will be based on the complexity and extent of services we agree to provide you.

#### Ongoing advice fees

We offer ongoing services as part of our client value proposition.

The cost of these services are as follows:

Ongoing advice service	Annual fee amount
<b>Ongoing Advice Fee</b> Level of Fee will depend upon specific client situation.	Between 0.66% and 1.10% For example, If your account balance was \$100,000, your fee would be between \$660.00 and \$1,100.00
<b>Essential Service Package</b> Level of Fee will depend upon specific client situation.	Between \$1,100.00 and \$3,850.00
<b>Advantage Advice Fee</b> Level of Fee will depend upon specific client situation.	Between \$3,850.00 and \$6,875.00
<b>Premier Service Package</b> Level of Fee will depend upon specific client situation.	Between \$6,875.00 and \$9,900.00

These prices should be used as a guide only. We will discuss your individual needs and agree our costs with you. The final cost will be based on the complexity and extent of services we agree to provide you.

## Payment methods

Where you have asked to be invoiced directly for our advice and services we will provide you with an invoice for initial advice fees at the time of presenting our advice to you and for ongoing advice fees monthly. Payment is required within 7 days of receiving our invoice and can be paid by:

- Direct debit
- Credit card (American Express, Visa, or Mastercard)
- Cheque (Please make cheques out to Hillross Financial Services Limited)
- BPay
- Direct credit

Where you have chosen to pay our advice fees via your product, initial advice fees will be deducted from your product upon implementation of our advice and ongoing advice fees will be deducted from your product generally on a monthly basis.

## Commissions

We do not charge commissions on investments through new superannuation, managed funds or retirement products. However, some products, particularly older products, may attract commissions.

Any commission amounts will be disclosed to you when providing our advice.

The following is a guide of commissions we may receive:

Product type	Initial commission	Ongoing commission	Example
Investments	Up to 4.00% of all contributions made to the investment.	Up to 0.75% of the investment value each year.	If you made an investment of \$10,000, we would receive up to \$400.00 initially and \$75.00 pa.
Insurance (including those held within superannuation)	Up to 130.00% of the first year's premium.	Up to 33.00% of the premium each following year.	If your insurance premium was \$1,000, we would receive up to \$1,300.00 initially and \$330.00 pa.
Loans	Up to 1.485% of the initial loan balance.	Up to 0.55% of the outstanding loan balance each year.	If your loan balance was \$100,000 we would receive up to \$1,485.00 initially and up to \$550.00 pa.
Other banking products		Up to 0.28% of the balance each year.	If you made an investment of \$2,000 we would receive \$5.60 of the balance each year.

All fees and charges include GST.

If an agreed advice fee is charged then we may rebate all or some of the commission.

## **Other costs**

Where other costs are incurred in the process of providing our advice and services to you, you will be liable for these costs. However, we will agree all additional costs with you prior to incurring them.

All fees and commissions will be paid directly to Hillross as the licensee, on our behalf. They may retain a percentage to cover their costs and the balance is passed on to us. The percentage is determined annually, based on a number of factors, including our business revenue for the prior year.

## Appendix: Privacy Collection Statement

As part of the financial planning process, we need to collect information about you. Where possible we will obtain that information directly from you, but if authorised by you we may also obtain it from other sources such as your employer or accountant. If that information is incomplete or inaccurate, this could affect our ability to fully or properly analyse your needs, objectives and financial situation, so our recommendations may not be completely appropriate or suitable for you.

We are also required under the *Anti-Money-Laundering and Counter-Terrorism Financing Act (AML/CTF) 2006* to implement client identification processes. We will need you to present identification documents such as passports and driver's licences in order to meet our obligations.

We keep your personal information confidential, and only use it in accordance with our Privacy Policy. Some of the ways we may use this information are set out below:

- Your adviser and Hillross may have access to this information when providing financial advice or services to you;
- Your adviser may, in the future, disclose information to other financial advisers, brokers and those who are authorised by Hillross to review customers' needs and circumstances from time to time, including other companies within the AMP group;
- Your information may be disclosed to external service suppliers both here and overseas who supply administrative, financial or other services to assist your adviser and the AMP group in providing financial advice and services to you. A list of countries where these service providers are located can be accessed via the AMP Privacy Policy.
- Your information may be used to provide ongoing information about opportunities that may be useful or relevant to your financial needs through direct marketing (subject to your ability to opt-out as set out in the AMP Privacy Policy);
- Your information may be disclosed as required or authorised by law and to anyone authorised by you.

Your adviser and Hillross will continue to take reasonable steps to protect your information from misuse, loss, and unauthorised access, modification or improper disclosure. You can request access to the information your adviser or Hillross holds about you at any time to correct or update it as set out in the AMP Privacy Policy. The AMP Privacy Policy also contains information about how to make a complaint about a breach of the *Australian Privacy Principles*. For a copy of AMP's Privacy Policy visit [www.amp.com.au/privacy](http://www.amp.com.au/privacy) or you can contact us.