

What you need to know about our services and how we work with you

Financial Services Guide

value our services
you advice
our financial planners
relationships
our practice

Version 8.1
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This Financial Services Guide is important to you

This Financial Services Guide will help you decide if you want to use our financial services.

It has information on who we are and:

- AMP Financial Planning, 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 AMP Financial Planning are paid.
- AMP Financial Planning's relationships with others.
- Relationships that could influence the advice we give you.
- Where to get details on AMP's 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 give you additional advice, and your personal circumstances or the basis of the previous recommendations are not significantly different, a new statement of advice may not be required. We will keep a record of any additional advice we provide you. You can ask for a copy of our 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 provide you with a **product disclosure statement**, 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 practice

Name: President Financial Services Pty Ltd

ABN: 70 142 562 936

Authorised representative no: 355401

Address:

Suite 1040

Level 10, 1 Queens Rd

MELBOURNE VIC 3004

Phone:

(03) 9863 8266

Fax:

(03) 9863 8267

Email:

advice@presidentfinancial.com.au

Website:

www.presidentfinancial.com.au

President Financial Services Pty Ltd is a specialist financial planning practice which commenced in 1989. We specialise in providing Corporate Superannuation solutions as well as personal financial planning. Our personal financial planning service provides individual advice to clients, with an emphasis on building (and protecting) client wealth and the provision of appropriate retirement income streams.

Our team of highly qualified advisers and staff are committed to providing high quality professional services, ethical and appropriate advice. Our philosophy is to provide open and direct communication, whilst maintaining obligations and relationships.

Our services

The following table sets out the areas of advice and services we offer.

You can choose to receive advice addressing each of these aspects or tailor the advice and services we provide to suit your needs. Once we meet with you and discuss your financial planning objectives, we will work with you to identify the level of advice and services appropriate for you.

Advice

We can provide you with advice regarding:

- Personal and employer superannuation
- Investments and retirement planning
- Strategic asset allocation
- Life investments
- Borrowing to invest
- Budget and debt management
- Deposits and lending
- Centrelink benefits
- Salary packaging
- Personal insurance and risk management
- Estate planning

We also offer ongoing advice and services, including regular portfolio reviews.

Products and services

We can arrange for transactions on the following kinds of products and services:

- Superannuation, including retirement savings accounts and self managed superannuation funds
- Self managed superannuation fund borrowing
- Managed investments including investor directed portfolio services
- Arranging for listed securities, shares and debentures to be bought or sold via a broker
- Various structured products including instalment warrants over managed funds and protected equity loans
- Investment products issued by a Life insurance company including whole of life, endowment and bonds
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Debt products (investment loans)
- Deposit and payment products (for example term deposits, cash management accounts and non-cash payment products)
- Retirement income streams, including pensions and annuities
- Life insurance (for example, life cover, income protection and trauma)

Where an administration platform is recommended, we also offer a Limited Managed Discretionary Account service.

Any additional advice or services we can offer you, or limitations to the list above, will be outlined in section 2. *Our financial planners.*

Duration of our engagement and how you can terminate our services

We will work with you to determine what advice and services we will provide to you, when the advice and services will be provided and how often we will provide them.

Where you require ongoing advice and services, we may offer an ongoing service package to you in order to help meet your needs. The details of any ongoing service package will be documented and provided to you, including information as to the frequency of contact between us, any service standards that apply and how the service can be terminated.

If at any time you wish to terminate your relationship with us, please contact us.

Your role and responsibilities

In order to develop a successful financial strategy and to recommend appropriate products to you, we must consider your personal circumstances and your financial objectives.

To accomplish this, you must provide us with accurate and current information regarding your personal and financial position, objectives and needs. We will discuss what information we require with you and you will need to provide this prior to receiving our advice and services.

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.

You have the right not to provide us with certain personal information. However, if you don't provide this information, the advice you receive may not be appropriate to your needs, objectives and financial situation.

Requests for transactions without our advice

At times you may wish to make a transaction without using our advice services. In these cases, we can take your instructions and arrange for the transaction to be completed, without providing personal advice. Product transactions can only be completed on those products where we are authorised by AMP Financial Planning.

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.

Any assistance we provide to complete your transaction should not be taken as a recommendation or endorsement of the product or transaction. AMP Financial Planning stands behind the services we provide in carrying out your instructions as directed. This does not include the selection of the product or particular transaction you have determined without advice.

Our approach to selecting products

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

AMP Financial Planning researches a wide range of products and services and selects those it considers worthy of recommendation to our clients. AMP Financial Planning also conducts ongoing reviews to ensure that the products and services remain competitive and continue to meet the needs of our clients. A diversified selection of fund managers is accessible through products or platforms promoted or issued by AMP companies. We prefer to recommend these products and platforms but if appropriate for your needs, we may select products from other companies.

While there may be other products and services also suitable for you, we can only advise and deal in products and services approved by AMP Financial Planning. We can provide you with a copy of the approved products and services list if you request.

Our relationships

It is important for you to understand the relationships that exist as they may be considered to influence our recommendations to you.

Referrals to stockbrokers

We are not authorised to advise on or transact in shares. If you require advice or execution of share transactions we will refer you to JB Were, who are stockbrokers approved by AMP Financial Planning. If such a referral is made, then a referral payment may be paid to AMP Financial Planning. A percentage is then passed on to us. Details of any referral fees paid will be disclosed in our advice or, if our advice service is not used, in the acknowledgement form we will ask you to sign.

A fee of 1% is charged on all transactions. The Stockbroker will retain 70% of the fee and the remaining portion of 30% will be passed onto AMP Financial Planning Pty Ltd.

Of the 30% payable to AMP Financial Planning will receive 2.5% of any referral fees paid and we will receive the remaining 97.5%, for example, if the referral fee was \$1,000 AMP Financial Planning will receive \$25 and we receive \$975.

How we work with AMP Financial Planning

We are a privately owned and managed business. Our practice and the financial planners listed in this document provide services to you as authorised representatives of AMP Financial Planning Pty Limited.

Our relationship with AMP Financial Planning allows us to access education and professional development, compliance and other risk management services, advice solutions, technology and research on various local and international fund managers that we are authorised to recommend to you.

You can be assured that our interests are focused on providing you with the appropriate financial solutions for your needs whilst also taking comfort from one of Australia's largest and most established financial services organisations, AMP Financial Planning, standing behind the advice and services we provide.

AMP Financial Planning holds an Australian Financial Services Licence (No. 232706) and;

- has authorised the distribution of this guide
- has authorised us to provide the advice and other services set out in this guide
- is a Principal Member of the Financial Planning Association of Australia.

Together with AMP Financial Planning, we act on your behalf when providing advice and services to you.

Contact details

AMP Financial Planning Pty Limited
ABN 89 051 208 327

33 Alfred Street
Sydney NSW 2000
Phone: 133 888
www.amp.com.au

AMP Financial Planning's relationship with AMP companies

AMP Financial Planning 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. AMP Financial Planning 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.

As with other product issuers, if we recommend a product issued by one of the companies above, they will benefit from our product recommendations by receiving the fees they charge on their products. These fees are shown in their product disclosure statements. For superannuation products issued by AMP Superannuation Limited, AMP Life Limited receives the fees charged on the product, as issuer of the underlying life policies. 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.

If an AMP Financial Planning practice takes out a practice development loan with AMP Bank, AMP Financial Planning may, as a limited offer, pay a benefit such as the application fees on behalf of the practice.

AMP Financial Planning, its staff, and its authorised representatives and their associates may also have an interest in, or hold investments in, the products we may recommend and they may hold shares in AMP Limited. The share price of AMP Limited may be affected favourably by the sale of products issued by the product issuers listed above.

AMP Financial Planning's relationships with other companies

AMP Financial Planning researches a broad range of products and services. The approved products and services list on which we base our recommendations or conduct transactions is maintained by the AMP Financial Planning Research department using extensive research undertaken by independent research organisations and AMP Financial Planning's own analysts. Issuers of products do not pay to be included on the approved products and services list, however once on the list, product issuers or service providers may pay AMP Financial Planning a fixed annual fee of up to \$22,000 (including GST). This fee assists with the costs of distribution support provided by AMP Financial Planning and its representatives.

Product issuers may also make payments to AMP Financial Planning 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 AMP Financial Planning \$33,000 annually.
- Total premiums for insurance products are \$1 million, the insurer would pay AMP Financial Planning up to \$100,000 annually.

From time to time, product issuers have access to AMP Financial Planning 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 AMP Financial Planning, which is available for inspection on request. Our practice does not receive any part of the payments received by AMP Financial Planning.

WealthView eWRAP and PortfolioCare administration services

Several AMP companies have an agreement with Asgard Capital Management Limited (Asgard) under which Asgard administers the WealthView eWRAP and *PortfolioCare* administration services.

If you access a product through the WealthView eWRAP or *PortfolioCare* administration services, then administration and trustee fees are deducted from your account. These fees, as set out in the product disclosure statement, are payable to AMP Financial Planning. Asgard receives all other fees charged on each product and is paid a fee by AMP companies for the administration services it provides.

A full description of the fees is in the relevant product disclosure statement or financial services guide for the relevant service. Our practice does not receive any part of the payments received by AMP Financial Planning.

Our other business activities

We conduct the following business activities independent of our relationship with AMP Financial Planning:

- General Insurance – John Mills is the sole director and shareholder of Dodaze Pty Ltd trading as Mills Nettheim General Insurance

AMP Financial Planning has no involvement in these activities, they are not liable for any activities relating to these businesses and they do not endorse them. The businesses are our private business activities and we do not act as representatives of AMP Financial Planning when conducting those business activities.

Your privacy

Your privacy is important to AMP Financial Planning and us. To learn more about our collection and the use of your personal information for marketing and other purposes see the AMP Privacy Policy Statement at www.amp.com.au. We keep records of your investment objectives, financial situation and needs and our recommendations to you. If you wish to examine your file or to get access to your personal information, please call us

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

Planner Complaints Consultant
AMP Financial Planning,
Level 8, 33 Alfred Street,
Sydney NSW 2000
3. 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

Website: www.fos.org.au

FOS is an independent external dispute resolution service, of which AMP Financial Planning is a member. The Financial Ombudsman Service is free of charge.

You may also call the Australian Securities & Investments Commission (ASIC) on freecall infoline 1300 300 630 to make a complaint and obtain information about your rights.

Compensation and insurance

Our practice

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

AMP Financial Planning

AMP Financial Planning is covered by professional indemnity insurance satisfying the requirements under the Corporations Act for compensation arrangements.

The insurance is subject to terms and exclusions. However the insurance covers claims arising from the actions of former employees or representatives of AMP Financial Planning, even where subsequent to these actions they have ceased to be employed by or act for AMP Financial Planning.

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 AMP Financial Planning.

2. Our financial planners

Mark O'Leary

Authorised Representative No: 249091

About me

I have been a financial adviser since 1984. I am a Certified Financial Planner and a member of the Financial Planning Association of Australia.

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Investor Directed Portfolio Services

How I am paid

I am a director and 30% shareholder of President Financial Services Pty Ltd and receive dividends only from President Financial Services Pty Ltd.

Other associations and relationships

Mark is also a planner, director and shareholder of another financial planning firm, KRA Financial Group Pty Ltd, which is also an authorised representative of AMP Financial Planning. However, Mark does not represent KRA Financial Group Pty Ltd when providing advice and other services to you.

Alan Crosby

Authorised Representative No: 248900

About me

I have been a financial adviser since 1984. I am a Certified Financial Planner and a member of the Financial Planning Association of Australia.

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Investor Directed Portfolio Services
- Self managed superannuation funds including borrowing

How I am paid

I am a director and 30% shareholder of President Financial Services Pty Ltd and receive dividends only from President Financial Services Pty Ltd.

Other associations and relationships

Alan is also a planner, director and shareholder of another financial planning firm, KRA Financial Group Pty Ltd, which is also an authorised representative of AMP Financial Planning. However, Alan does not represent KRA Financial Group Pty Ltd when providing advice and other services to you.

John Mills

Authorised Representative No: 248866

About me

I have been a financial adviser since 1987. I am a Certified Financial Planner and a member of the Financial Planning Association of Australia.

How to contact me

Email: john@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation fund borrowing

How I am paid

I am a director and 33.33% shareholder of President Financial Services Pty Ltd and receive dividends only from President Financial Services Pty Ltd.

Other associations and relationships

John is also a planner, director and shareholder of another financial planning firm, Austin Mills Pty Ltd trading as Mills Nettheim, which is also an authorised representative of AMP Financial Planning. However, John does not represent Austin Mills Pty Ltd trading as Mills Nettheim when providing advice and other services to you.

Simon Turudia

Authorised Representative No: 248984

About me

I have been a financial adviser since 1999. I am a Certified Financial Planner. I have a Diploma in Financial Planning and am a member of the Financial Planning Association of Australia.

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide.

How I am paid

I am a shareholder of President Financial Services Pty Ltd and receive dividends only from President Financial Services Pty Ltd.

Other associations and relationships

Simon is also a planner and shareholder of another financial planning firm, KRA Financial Group Pty Ltd, which is also an authorised representative of AMP Financial Planning. However, Simon does not represent KRA Financial Group Pty Ltd when providing advice and other services to you.

Craig Moston

Authorised Representative No: 317227

About me

I have been a financial adviser since 2007. I have completed a Bachelor of Business (Eco&Fin), a Graduate Diploma in Applied Finance & Investment and a Graduate Diploma in Financial Planning

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Employer superannuation

How I am paid

I am an employee of President Financial Services Pty Ltd and receive a salary plus potential bonus from President Financial Services Pty Ltd. Potential bonuses are only paid when certain key performance indicators are met.

Other associations and relationships

Craig is also a planner of another financial planning firm, KRA Financial Group Pty Ltd, which is also an authorised representative of AMP Financial Planning. However, Craig does not represent KRA Financial Group Pty Ltd when providing advice and other services to you.

Russell Standish

Authorised Representative No: 248534

About me

I have been a financial adviser since 1998.
I have a Diploma in Financial Planning.

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation funds including borrowing

How I am paid

I am a consultant for President Financial Services Pty Ltd and receive a consultancy fee from President Financial Services Pty Ltd.

Other associations and relationships

Russell is also a planner of another financial planning firm, KRA Financial Group Pty Ltd, which is also an authorised representative of AMP Financial Planning. However, Russell does not represent KRA Financial Group Pty Ltd when providing advice and other services to you.

Jason Kinderman

Authorised Representative No: 329676

About me

I have been in the financial services industry for over 12 years.

I have completed a Bachelor of Business (Major in Banking and Finance) and an Advanced Diploma of Financial Services (Financial Planning)

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation funds including borrowing
- Investor Directed Portfolio Services
- Managed Discretionary Accounts

- Deposit and payment products
- Employer Superannuation

How I am paid

I am an employee of President Financial Services Pty Ltd and receive 40% of commission raised above the retainer from President Financial Services Pty Ltd.

Other associations and relationships

Jason is also a planner of another financial planning firm, Austin Mills Pty Ltd trading as Mills Nettheim, which is also an authorised representative of AMP Financial Planning. However, Jason does not represent Austin Mills Pty Ltd trading as Mills Nettheim when providing advice and other services to you.

Patrick Duffy

Authorised Representative No: 336814

About me

I have been a financial adviser since 2008.
I have completed a Bachelor of Business (Major in Finance) and a Diploma of Financial Services (Financial Planning)

How to contact me

Email: advice@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation funds including borrowing
- Investor Directed Portfolio Services
- Managed Discretionary Accounts

How I am paid

I am an employee of President Financial Services Pty Ltd and receive 40% of commission raised above the retainer from President Financial Services Pty Ltd.

Other associations and relationships

Patrick is also a planner of another financial planning firm, Austin Mills Pty Ltd trading as Mills Nettheim, which is also an authorised representative of AMP Financial Planning. However, Jason does not represent Austin Mills Pty Ltd trading as Mills Nettheim when providing advice and other services to you.

Carmelo Mastronardo

Authorised Representative No: 361267

About me

I have been a financial adviser since 2010.

I have had a total of 16 years experience in the Superannuation industry.

I have completed an Accounting Degree and a Diploma of Financial Services (Financial Planning). I am also an associated of ASFA.

How I am paid

I am an employee of President Financial Services Pty Ltd and receive a salary plus potential bonus from President Financial Services Pty Ltd. Potential bonuses are only paid when certain key performance indicators are met.

How to contact me

Email: carmelo@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation funds including borrowing

Jevan Goodhew

Authorised Representative No: 331725

About me

I have been a financial adviser since 2008.

I have completed a Bachelor of Business Administration (Major in International Business), a Diploma of Financial Services (Financial Planning), and a Graduate Diploma of Applied Finance (Financial Planning).

I am currently completing a Master of Applied Finance. I am an Associate of the Financial Services Institute of Australasia and a member of the Financial Planning Association of Australia

How to contact me

Email: jevan@presidentfinancial.com.au

Phone: (03) 9863 8266

The advice and services I can provide you

I am authorised to provide the services listed in Part 1 of this financial services guide with the exception of:

- Self managed superannuation funds including borrowing
- Investor Directed Portfolio Services

How I am paid

I am an employee of President Financial Services Pty Ltd and receive a salary plus potential bonus from President Financial Services Pty Ltd. Potential bonuses are only paid when certain key performance indicators are met.

3. Paying for the service we provide

From 1 July 2010 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 planner for your employer, we will agree any advice fee with your employer and disclose this to you.

We are committed to taking a leading role to help increase consumer confidence in the financial planning process by making sure our

fees are transparent, understood and agreed to by you.

The actual costs will normally be shown in our written advice to you or in the acknowledgement form completed when a transaction without advice service is requested. For transactions without advice you can ask us for details of the remuneration or other benefits at any time before the transaction is completed.

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

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.

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 as follows:

- Initial commission - deducted from your investment contributions 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.

Our fees

Fixed advice and service costs

We offer the following advice and services on a fixed cost basis:

Transactions without our advice

\$275 per transaction. Transaction without advice services occur when you have asked us to provide no advice, but have asked us to complete the transaction on your behalf.

All fees and charges include GST

Other benefits we may receive

The benefits listed below may be considered to influence the service we give you or the products we recommend to you.

Benefits from AMP Financial Planning

In addition to the payments we may receive for our advice and services, we may also receive other benefits such as financial and training assistance from AMP Financial Planning. Other benefits can include prizes and awards, or events in recognition of financial planning excellence and innovation

From time to time AMP Financial Planning may also provide incentives and promotions to planners. Further details will be disclosed to you when applicable.

We may also receive indirect benefits for example business lunches, tickets to sporting or cultural events, corporate promotional merchandise and other minor benefits.

Any benefits we receive that may reasonably be considered to influence our advice and services to you will be disclosed in our advice.

Business conferences

Overseas conference

Conventions are usually held every 2 years. AMP Financial Planning subsidises the expenses of people who attend the business convention. The qualifying criteria are generally based on the quality of our advice and the amount of net business flow (please refer to the *Development and marketing rewards* section for further information regarding net business flow) received by the practice during the 2 calendar years before the business convention.

Those practices ranked in the top 15% or achieve a Gold award in both years (based on net business flow – refer to next section 'Other benefits') are eligible to send a planner to the business convention. The value of the benefit for planners will depend upon the location of the conference, as well as the relative value of the Australian dollar where the conference is being held. In 2010, this benefit is valued at around \$8,000. Depending on where we are ranked in the top 15% we may be eligible to send an additional planner. Partners of

planners may also be able to attend. This partner benefit is valued at around \$5,000. Nationally, up to 10 people may also qualify for airfare upgrades. In 2010, this benefit is valued at around \$6,000.

These values are approximate as they depend on AMP Financial Planning's choice of location.

Amicus club

AMP Financial Planning rewards outstanding achievement in the areas of advice capability, compliance and net business flow (please refer to the *Development and marketing rewards* section for further information regarding net business flow) with an annual Gold award. Individuals achieving 10 Gold awards qualify for Amicus club membership.

Membership benefits include attendance at additional business conferences, which extend both the annual domestic and the biennial overseas convention. The value of each of these benefits is around \$5,000 and is in addition to other benefits received. These values are approximate as they depend on AMP Financial Planning's choice of location Professional education expenses

We are entitled to receive a reimbursement in professional education expenses for up to 2 planners. In 2010 this benefit is valued at around \$5,000. This is in lieu of attending a business convention funded by AMP Financial Planning for which we have qualified.

Other benefits

Development and marketing rewards

We may qualify for Development and Marketing Allowance (DMA) payments based on our ranking relative to other AMP Financial Planning practices. Up to 30% of all AMP Financial Planning practices may qualify for DMA payments.

The DMA payment is based on a percentage of our practice revenue. Our DMA percentage will be set annually and may range from 3% to 12% depending on our ranking. Payments are received twice each month.

For example, if our DMA is set at 3% and our revenue for the payment period was \$8,500,

we would receive $\$8,500 \times 0.03 = \255 . Assuming an average revenue of $\$8,500$ per payment period, the total DMA allowance received in a year would be $\$255 \times 24 = \$6,120$.

Ranking of practices is determined by 'net business flow' (NBF) which is a weighted measure of our new and retained business over the previous year based on the classes of products or services on the approved products and services list. There are different rates depending on the establishment date, class of product or service and whether the business is an inflow or an outflow and whether the service relates to a new or existing client. For example, for investment products established before 1 July 2010 we receive a greater benefit for recommending and retaining a master trust account than for recommending a wrap account or a corporate super account. For investment products established from 1 July 2010 the rate is the same for all retail investment products.

Business growth allowance

All practices qualify for Business Growth allowance (BGA). The payments are based on our practice revenue.

BGA payments are set at 1% of our practice revenue. Payments are received twice each month. For example, if our practice revenue was $\$2,400$ in a payment period, we would receive $\$2,400 \times 0.01 = \24 . Assuming an average revenue of $\$2,400$ per payment period, the total BGA allowance received in a year would be $\$24 \times 24 = \576 .

Mentoring allowance

President Financial Services Pty Ltd Planners may receive a mentoring allowance from AMP Financial Planning. The allowance is calculated as follows:

	Year 1	Year 2	Year 3	Year 4
Allowance	\$18,500	\$10,508	\$6,500	\$6,500

Indirect benefits from product issuers

We may receive indirect benefits from product issuers for the services we provide you in relation to their products. Alternatively, these benefits may be paid to AMP Financial Planning who may pay a proportion to us. This may include product and service discounts provided to employees and authorised representatives of the practice as a result of our, or AMP Financial Planning's, relationship with these providers.

Any benefits we receive that may reasonably be considered to influence our advice and services to you will be disclosed in our advice.

We keep an Alternative Remuneration register of indirect benefits received from product issuers that are greater than $\$300$. You can see a copy of this register by asking us.

We may also receive indirect benefits that are valued at less than $\$300$ for example business lunches, tickets to sporting or cultural events, corporate promotional merchandise and other minor benefits.

Business buy back option

If we leave the financial services industry or can no longer appropriately service a selection of our clients, and cannot find a buyer for our business, AMP Financial Planning will either look after our clients or appoint one of its planners to do so.

If this happens, AMP Financial Planning may pay us a benefit. The amount will vary depending on a number of factors including, our reason for leaving the financial services industry, the time our business has been established, the annual notional recurring revenue of our practice and the quality of our previous advice.

4. 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.

Do we provide custodial or depository services for your portfolio?

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

This Financial Services Guide complies with the ASIC Class Order 04/194.

Our schedule of fees

From 1 July 2010 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 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 planner for your employer, we will agree any advice fee with your employer and disclose this to you.

We are committed to taking a leading role to help increase consumer confidence in the financial planning process by making sure our fees are transparent, understood and agreed to by you.

The sections below set out our advice and service fees. The actual fee 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.

Agreed advice fees

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

Initial advice fees

These are fees paid when you have agreed to receive our advice.

Initial Interview fee

No Charge

Statement of Advice Preparation Fee

In the event that we formally document a personal recommendation we will provide you with a statement of advice. There is a fee for the preparation of the statement of advice. The fee depends on the complexity of the advice and strategies you employ us to investigate. Our minimum fee is \$1,650 and our maximum fee is \$5,000.

Implementation Fee

If you agreed to implement the product recommendation in the statement of advice, then our implementation fee is a minimum of \$1,650.

Transactions without our advice

\$275 per transaction. Transaction without advice services occur when you have asked us to provide no advice, but have asked us to complete the transaction on your behalf.

Payment methods

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

- Direct credit
- Direct debit
- Credit card (American Express, Visa, Mastercard)
- Cheque (Please make cheques out to AMP Financial Planning)
- BPay
- Direct credit

Where you have chosen to pay our initial advice fees via your product, these fees will be deducted from your product upon implementation of our advice.

Ongoing advice fees

We offer an ongoing advice service as part of our client value proposition. The cost of this service is as follows:

Our ongoing service fee is 1.1% of funds under management.

For example: If your total funds under management are \$100,000 you will be charged \$1,100 pa.

Alternatively you can request a review at any time at an hourly rate of \$275 per hour.

Payment methods

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

- Direct debit
- Credit card (American Express, Visa, Mastercard)

- Cheque (Please make cheques out to AMP Financial Planning)
- BPay

Where you have chosen to pay our ongoing advice fees via your product, these 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:

- Investment products: contribution fee between 0% and 5.5% of all contributions made to the investment and between 0% and 1.1% of the investment value each year.
- Insurance products (including those held within superannuation): between 0% and 130% of the first year's premium and between 0% and 30% of the premium each following year.

- Loans: between 0% and 0.55% of the outstanding loan balance each year.
- Other banking products: between 0% and 0.55% 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.

The agreement regarding the advice and services we provide to you and the cost of these advice and services will be negotiated between yourself and us prior to providing any advice or services. If we are the servicing planner for your employer, we will agree any advice fee with your employer and disclose this to you.

All fees and commissions will be paid directly to AMP Financial Planning as the licensee, on our behalf. They 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.