

# FINANCIAL SERVICES GUIDE

VERSION 2.5 – JULY 2013



**PATRON**  
*Financial Advice*

**PATRON Financial Services Pty Ltd**  
trading as PATRON Financial Advice

ABN 13 122 381 908

Australian Financial Services Licence Number 307379

*All future references to PATRON refer to PATRON Financial Services Pty Ltd trading as PATRON Financial Advice.*

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## WHAT IS A FINANCIAL SERVICES GUIDE?

**The Financial Services Guide (FSG) is an important document. It is designed to provide information about the financial services provided by PATRON and its authorised representatives. It aims to assist you in deciding whether to use the services we offer. It also provides you with an understanding of what to expect from your interactions with PATRON.**

This guide contains information about:

- Who we are and who your adviser is
- How we and your adviser can be contacted
- The financial planning process and what types of documents you can expect to receive from your adviser
- The financial services that PATRON and its authorised representatives are authorised to provide you
- The remuneration PATRON, its authorised representatives and/or any other party may receive in connection with the financial services provided
- Our internal and external dispute resolution procedures and how you can access them
- The compensation arrangements we have in place

We, through our authorised representatives, will provide you with a FSG when we provide you with any financial service including the provision of advice and/or the placement of an investment or insurance on your behalf.

## WHO IS RESPONSIBLE FOR THE SERVICES YOU RECEIVE?

PATRON is a boutique financial planning company who is the holder of an Australian Financial Services Licence (Number 307379). As your adviser is an authorised representative of PATRON, it is PATRON who is responsible for the services that he/she provides to you. Your adviser will be acting on behalf of PATRON when recommending both strategic solutions and specific products. Your adviser does not act as a representative of any other licensee in providing financial services to you.

## WHO IS MY ADVISER?

Your adviser will be **Joe Ryan**, who operates under the business name **Clear Financial Solutions Pty Ltd** (ABN – 50 055 929 318). Both Joe and Clear Financial Solutions Pty Ltd are authorised representatives of PATRON Financial Advice. Their Authorised Representative numbers as issued by the Australian Securities and Investment Commission (ASIC) are **312653** and **313229** respectively.



### YOUR ADVISER'S AUTHORITY

Joe Ryan is authorised to provide you with advice and deal in the following areas:

- Basic deposit products
- Debentures, stocks or bonds issued by a government
- Life products including;
  - investment life insurance products
  - life risk insurance products such as term life, TPD, trauma and income protection
- Interests in managed investment schemes including Investor directed portfolio services (i.e. master trust, wrap account)
- Superannuation products including personal funds, employer funds, retirement savings accounts (RSA's) and Self Managed Superannuation Funds (SMSF)
- Margin Lending

### YOUR ADVISER'S EXPERIENCE & QUALIFICATIONS

At PATRON we expect a professional standard of conduct from all of our Advisers who are required to act in the best interests of their clients, to act honestly, professionally, fairly and objectively and without conflict with the financial services offered.

Joe has been working in the financial services industry for 30 years. He has held senior management and client consulting roles with life offices and both international and locally owned employee benefit consulting houses. He brings this wealth of experience to his role as owner of Clear Financial Solutions.

Joe advises new and existing clients in the areas of retirement planning, all types of superannuation and general wealth creation strategies. He specialises in superannuation for both individuals and corporations and is an accredited SMSF Specialist Adviser through SPAA.

Joe Ryan's qualifications include the following:

- **Diploma of Financial Services** (Financial Planning)
- **SPAA accredited specialist adviser (SMSF)**

## CONTACTING PATRON AND/OR YOUR ADVISER

|                  | PATRON  | YOUR ADVISER  |
|------------------|---|---|
| <b>IN PERSON</b> | Level 6, 93 George Street,<br>Parramatta NSW 2150 | <b>Mackay Office</b><br>239-255 Nebo Road<br>West Mackay QLD 4740 |
| <b>MAIL</b>      | PO BOX 1370<br>Parramatta NSW 2124                | PO Box 5862<br>Mackay Mail Centre QLD<br>4741                     |
| <b>PHONE</b>     | 02 9687 0311                                      | 07 4952 3051 or 1300 534 179                                      |
| <b>FAX</b>       | 02 9687 6133                                      | 07 4998 5303  |
| <b>EMAIL</b>     | enquiries@patronfa.com.au                         | joe.ryan@clearfinancialsolutions.com.au                           |
| <b>WEBSITE</b>   | www.financial-advice.com.au                       | www.clearfinancialsolutions.com.au                                |

## AN OUTLINE OF THE FINANCIAL ADVICE PROCESS

Our role is to understand your financial needs and objectives, and to recommend solutions that help you satisfy those requirements. We may, in our marketing materials and general communications, provide you with general advice that is not designed to address your specific needs and circumstances. We will alert you of this when such advice is provided. Otherwise, our advisory services will be tailored to meet your specific needs and circumstances, that is, we will provide personal advice that is appropriate to you.

The process we follow in providing personal advice to you will usually include the following steps:

### NEW CLIENTS

1. **Providing this FSG** and obtaining your agreement on the basis upon which we will be providing services.
2. **Obtaining relevant information** about your financial needs and objectives and your current financial affairs so that we can provide the most appropriate advice.
3. **Researching solutions** with the aim of assisting you to satisfy those needs and objectives. Please note that our authorised representatives are only permitted to source solutions from a wide range of products approved by PATRON. The PATRON approved product list includes a large range of products on which appropriate research and analysis has been undertaken.
4. **Providing you with a written Statement of Advice (SoA)** which sets out our recommendations and the basis for them, the key issues involved and remuneration received as a result of the provision of professional services to you.
5. **Providing you with a Product Disclosure Statement (PDS)** for each product recommendation made within the SoA. The PDS contains further specific information about the product recommended which you should consider prior to accepting our advice.
6. **Obtaining your instructions** to implement recommendations and/or receiving your alternative instructions.
7. **Implementing** your instructions to proceed with recommendations made or otherwise.
8. **Agreeing** on a basis for the provision of ongoing review services.

If, at any time, you do not understand any of the advice we provide or the actions we are taking, you should seek clarification from us or your adviser.

### EXISTING CLIENTS

If you are an existing client of PATRON, you will receive ongoing services as agreed with you. Typically this will involve at least an offer for an annual review of your financial circumstances, needs and objectives. Any advice that you receive further to the initial advice will be confirmed in writing in the form of either a Record of Advice (RoA) or another SoA. Generally, the only time a new SoA will be provided is when your circumstances have changed significantly or you are receiving advice in relation to a different type of product.

If we do not provide you with a copy of the RoA you may request a copy of it by asking your adviser. We will hold those records for a minimum of seven (7) years from the date the advice was given.

## PRODUCTS & SERVICES PATRON IS LICENCED TO PROVIDE

PATRON is authorised under its AFSL to advise and deal in a broad range of financial products including:

- Basic deposit products
- Debentures, stocks or bonds issued by a government
- Life products including;
  - investment life insurance products
  - life risk insurance products such as term life, TPD, trauma and income protection
- Interests in managed investment schemes including Investor directed portfolio services (i.e. master trust, wrap account)
- Superannuation products including personal funds, employer funds, retirement savings accounts (RSA's) and self managed superannuation funds (SMSF)
- Securities
- Margin Lending

Your adviser may only be authorised by PATRON to provide some of these services and act only in respect of some products. Information on their authorisations as well as their qualifications and experience has been detailed earlier in the 'Who is my adviser?' section of this FSG.

**IMPORTANT** - As we are not permitted to provide legal nor specialist taxation or mortgage broking advice, we may guide you to seek external advice to meet those needs and objectives. Please note that if you are referred to PATRON Accounting Advice or PATRON Mortgage Advice, benefits will be received by PATRON as a result of the common ownership of these three entities. We may also have referral arrangements in place with external parties (e.g., general insurance brokers or solicitors) whereby when we may pay or receive benefits as a result of receiving or making referrals to them. Any such arrangements will be disclosed to you in the SoA provided to you or RoA retained on file in support of our advice.

## YOUR OBLIGATIONS IN SEEKING ADVICE

To help us provide you with appropriate advice that is based on current and accurate information, and to protect you, we ask you to do the following:

- Provide accurate information about your personal circumstances.
- Keep us updated as to any changes to your circumstances.
- Do not make any payments for investments or insurance contracts 'payable to' your adviser – they should always be made payable to the investment or insurance company.
- Do not sign blank forms.

## REMUNERATION RECEIVED BY PATRON & YOUR ADVISER

### RELATED COMPANIES OF PATRON AND FEES

We may provide you with financial services from product providers that are related to PATRON. Our related companies are the registrable superannuation entity licensee and/or responsible entity or investment manager or platform provider of financial products we may recommend. We may receive a payment from any of the above parties as a result of you investing in one or more of their products. IOOF Holdings Ltd is also a major shareholder of PATRON Financial Advice. PATRON receives 4% of all adviser remuneration. Our financial planners will fully explain to you any and all fees charged to you each time you are provided with financial advice from PATRON.

### WHAT REMUNERATION WILL BE PAID TO PATRON & YOUR ADVISER?

The cost of providing our service to you will be determined by the types of services you seek assistance with. In all circumstances, your SoA will set out the exact amount of fees, commissions and other benefits that we and your adviser will receive.

While there are several means of PATRON and your adviser to be remunerated, your adviser has the ability to elect the means they deem to be most appropriate. The actual means your adviser utilises is detailed below in the '**your specific adviser's fees and remuneration**' heading on page 5.

PATRON initially receives all remuneration once the financial service has been provided and/or the product has been lodged. After PATRON deduct a monthly Licensee administration fee (comprised of a set monthly amount of between \$333 and \$1,374 and 4% of remuneration received); the remainder of the remuneration is received by your adviser.

Generally speaking however, PATRON and your adviser may receive some or all of the following types of remuneration:

### 1. Fee for Service

Your Adviser may charge you an upfront Fee for Service based on either:

- the time he/she spends developing your SoA (i.e. an hourly rate);
- a fixed dollar amount;
- the value of funds invested; or
- a combination of these methods.

If you are charged a Fee for Service, your Adviser may rebate to you part or all of the commission that PATRON and your Adviser would otherwise receive. Your Adviser will invoice you for the relevant fee when your SoA is prepared. Alternatively, your Adviser may invoice you for an ongoing service which may be calculated as a percentage of your total funds under advice. Your Adviser will provide you with further details where relevant.

### 2. Upfront Commission

This is paid by the issuer of the financial product/s recommended when the product is issued to you. This may be deducted from the initial amount you have invested or it may be payable from the product provider's own resources. The actual rate of upfront commission will depend on the type of product, the services provided and the amount invested or premium paid. As detailed earlier, the rate is always agreed with your adviser and confirmed in the SoA.

### 3. Ongoing Commission

This is paid by the issuer of the financial product/s recommended and is payable on an ongoing basis while the investment/insurance is still in place. This income remunerates PATRON and your adviser for the ongoing support and reviews in respect to these financial products. The actual rate of ongoing commission will once again depend on the type of product, but is usually calculated as a percentage of the investment balance or a percentage of the premium paid for insurance products. It should also be noted that this payment is usually included in either the administration cost for investments or the premium for insurances.

### 4. Adviser Service Fees

For investments, an adviser service fee is paid by the issuer of the financial products recommended and like ongoing commission, is payable on an ongoing basis while the investment is still in place. The difference between the adviser service and ongoing commission is the fact that the former is not included in the administration costs of the investment. That is, it is an additional cost clearly outlining the fee associated with the provision of ongoing advice relating to that product and/or other ongoing advice.

## **WILL ANYONE BE PAID FOR REFERRING ME TO YOU?**

Should you be referred to your Adviser by a third party, (e.g. an Accountant), the third party may receive a fee, commission or other benefit for the referral. This fee comes out of the fees received by PATRON and your Adviser and does not represent an additional cost to you. You will receive more detailed information concerning any referral fee or commission in your SoA.

## YOUR SPECIFIC ADVISER'S FEES AND REMUNERATION

Joe chooses to receive remuneration via the following methods and at the following levels (figures inclusive of GST):

| TYPE OF ADVICE        | FEE or REMUNERATION   |
|-----------------------|---|
| Initial Advice        | <p><b>INVESTMENTS / SUPERANNUATION / OTHER STRATEGIC ADVICE</b></p> <ul style="list-style-type: none"> <li>○ Fee for service for the analysis of your situation, research into appropriate solutions and the preparation of your SoA. This fee is based on the complexity of your situation with a minimum fee of \$1,100 and a maximum fee of \$4,400;</li> <li>○ Implementation fee with a minimum of \$550 up to \$2,200 depending once again on the complexity and time involved.</li> </ul> <p><b>PERSONAL INSURANCES</b></p> <ul style="list-style-type: none"> <li>○ Initial commission - This is payable to us by the product provider when the product is issued to you and is included in the cost of the insurance product. This may be up to 125% of the first year's premium (e.g. if you paid the first year premium of \$400, PATRON could receive up to \$500).</li> </ul>  |
| Ongoing/Review Advice | <p><b>INVESTMENTS / SUPERANNUATION / OTHER STRATEGIC ADVICE</b></p> <ul style="list-style-type: none"> <li>○ Fee for service ranging from \$2,750 to \$9,900 per annum based on the level of service you elect to receive. This will be discussed in our meetings prior to the implementation of our recommendations.</li> <li>○ Note that there is <u>NO correlation</u> between this fee and the level of funds under management;</li> <li>○ If your portfolio is geared you will not be charged an asset based fee on the portion of the portfolio where assets have been acquired using borrowed funds.</li> </ul> <p><b>PERSONAL INSURANCES</b></p> <ul style="list-style-type: none"> <li>○ Ongoing commission - This is payable to us by the product provider when the product is issued to you and is included in the cost of the insurance product. This may be up to 35% of the annual premium (e.g. if the annual premium is \$400, PATRON could receive up to \$140 pa).</li> </ul> |
| Other fees            | <p>Where strategic advice is provided and no product placement is involved or allows an adviser service fee, hourly rates are applicable as follows:</p> <p>Financial Adviser:           \$275 per hour<br/>           Planning Assistant:       \$165 per hour<br/>           Administrative Assistant: \$110 per hour</p>   |

As detailed, fees will be fully set out in your SoA and explained by your Adviser prior to the implementation of the recommendations.

## OTHER BENEFITS THAT MAY BE RECEIVED

PATRON has commercial arrangements with a number of product providers where we receive a payment based on the total volume of funds invested or placed through the relevant product provider's platforms, master trusts or products.

These product providers may pay us either a:

- set annual fee; or
- percentage of the total funds invested with the product provider; or
- percentage of the administration fees which they charge investors; or
- combination of these methods.

provided certain benchmarks are achieved as well as other variable factors being met. These include; net inflows, business quality and remuneration options selected. While PATRON is currently not eligible for most of the payments listed below, we have included these as they may be payable at some point in the future should the required benchmarks/factors be met.

**These arrangements do not further increase the administration fee, management expense ratio or premium that would otherwise be charged by the product provider if these arrangements were not in place. This additional payment is usually paid by the product providers on a quarterly basis and is not an extra cost to you.**

A summary of these arrangements include:

| PRODUCT PROVIDER                | TYPE AND LEVEL OF PAYMENT   |
|---------------------------------|---|
| <b>BT</b>                       | <i>Up to 22.50% of the administration fee for BT Wrap, Superwrap and Wrap essentials.</i>   |
| <b>BT Portfolio Manager</b>     | <i>Up to .15% of the funds under management for BT DKN Portfolio Manager Super and Non-Super.</i>   |
| <b>IOOF</b>                     | <i>Up to 0.25% of the funds under management in IOOF Pursuit and IOOF Portfolio Services platforms.</i>   |
| <b>Personal Choice (Asgard)</b> | <i>Up to 45% of the administration fee is payable to Personal Choice Portfolio Services Pty Ltd, which, after expenses including the product of PDS's distributes the balance to PATRON. This payment is as a result of PATRON being a member of the Association of Independently Owned Financial Planners (AIOFP).</i> |
| <b>Netwealth</b>                | <i>Up to .2% of the administration fee for Netwealth Investment Wrap and Netwealth Super Wrap products.</i>   |

Of the abovementioned payments, your adviser may be entitled to up to 50% of this revenue received by PATRON.

### OTHER BENEFITS

Other benefits may be received by PATRON from product providers including sponsorship for training events and/or conference attendance and/or research. We will keep details of any such benefits on a gifts and benefits register which you can ask to sight if you require further information.

## YOUR INFORMATION AND RIGHTS TO PRIVACY

Your adviser will maintain a record of your personal profile, including details of your objectives, financial situation, financial needs and any other information relating to your specific financial position. They will also maintain records of any recommendations they make.

PATRON is committed to ensuring the privacy and security of your personal information in accordance with the principals of the Privacy Amendment (Private Sector) Act 2001 (Privacy Act).

If you wish to obtain a copy of our Privacy Statement, please refer to our website, [www.financial-advice.com.au](http://www.financial-advice.com.au) or ask your adviser. If you would like to examine your file at any time, please ask your adviser. They will then make all necessary arrangements to provide you with the relevant information.

## RESOLUTION OF COMPLAINTS

It is important that you are satisfied with our services. If we have failed to meet your expectations, you should take the following steps:

1. Contact your financial adviser and discuss your areas of concern. It is preferred that you put your concerns in writing.
2. If your concerns are not satisfactorily resolved by your financial adviser, you should contact the **Compliance Manager** via one of the following means:

**MAIL** PO Box 1370, Parramatta NSW 2124

**PHONE** 02 9687 0311

**FAX** 02 9687 6133

The manager will investigate your complaint and attempt to fairly resolve your complaint as soon as possible.

3. If our Compliance Manager is unable to reach a satisfactory resolution of the complaint within forty-five (45) business days of receipt (or 90 days where we inform you more time is required), you can refer the matter to the Financial Ombudsman Service Limited (FOS). FOS is an independent body set up to assist investors to resolve certain types of complaints with authorised representative of Australian Financial Service Licensees.

FOS may be able to assist in resolving your complaint, but only if you are not satisfied with the response received from PATRON. If FOS accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and PATRON to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to an independent adjudicator for a determination that is binding, should the investor accept.

FOS can be contacted via one of the following means:

**PHONE** 1300 78 08 08

**EMAIL** [info@fos.org.au](mailto:info@fos.org.au)

**INTERNET** [www.fos.org.au](http://www.fos.org.au)

Alternatively, the **Australian Securities and Investments Commission's (ASIC)** website contains information on complaining about companies and people and describes the types of complaints handled by ASIC. To obtain further information, you can contact ASIC via one of the following means:

**PHONE** 1300 300 630

**EMAIL** [infoline@asic.gov.au](mailto:infoline@asic.gov.au)

**INTERNET** [www.asic.gov.au](http://www.asic.gov.au)

## COMPENSATION ARRANGEMENTS

PATRON Financial Advice is covered by professional indemnity insurance satisfying the requirements under the Corporations Act for compensation arrangements. This cover is designed to compensate retail clients for losses they suffer as a result of a breach by PATRON or your adviser in the obligations outlined in the Corporations Act.

It should be noted that the insurance continues to cover the actions of former employees or representatives of PATRON Financial Advice where subsequent to these actions they have ceased to be employed by or act for PATRON Financial Advice.



**PATRON**  
*Financial Advice*

**pa·tron** (pă'trən) *n* **1)** One who protects, fosters or supports some person; a protector. **2)** A saint regarded as the peculiar protector of some special person, cause, etc. **3)** One in the position of guardian, or helper, one who champions a cause.