financial services guide

ipac financial planning

The financial services guide helps you to understand who ipac securities limited (ipac) ABN 30 008 587 595 Australian Financial Services Licence No. 234656 is, the services we offer, how we and our associates are paid, any arrangements that may influence our advice and how we deal with complaints.

We are licensed to implement our recommendations to you through the use of:

- ~ cash management trusts
- ~ managed investments
- ~ superannuation
- ~ self managed superannuation funds
- ~ retirement income streams
- ~ deposit taking facilities
- ~ portfolio administration services
- ~ listed securities
- ~ life insurance
- ~ margin lending

our services

For over 25 years, our advisers have helped thousands of people to:

- ~ achieve financial independence
- ~ develop more effective money behaviours, for example to reduce debt or increase savings
- ~ plan successfully for retirement
- ~ manage superannuation and rollover retirement income strategies
- ~ invest smarter to build wealth
- ~ deal with the financial impacts of life changes like retrenchments, divorce and ill health
- ~ navigate through the complexities of aged care

what happens when we give advice?

Our advisers will only provide advice to you after considering your individual objectives, financial strategies and needs.

Your adviser will present you with a 'Statement of Advice' (SOA) which confirms the planning conversations that have taken place. The SOA goes through each recommendation and ties it back to your lifestyle goals and objectives, with explanations as to why the recommendations will help you achieve them. It also outlines any risks, fees associated with the advice and our associations with any product providers.

Before any advice strategies are implemented you must be comfortable with the recommendations provided and give us an authorisation to proceed. On an ongoing basis, a Record of Advice (ROA) will be prepared if there have been no significant changes in your personal circumstances or the basis of the advice has not significantly changed since your last Statement of Advice. You have the right to request a copy of your ROA from us at any time at no cost to you.

Note: It is important that you keep copies of any Statements of Advice or Records of Advice for your own records.

about ipac

ipac specialises in personal financial advice and portfolio management. As a principal partner of the Financial Planning Association (FPA), we are fully committed to the FPA's Code of Ethics and Rules of Professional Conduct. ipac has provided financial advice for over 25 years and are entrusted with more than $15 billion in funds under our management.

ipac is a wholly owned subsidiary of the AMP Group, a leading financial solutions provider and investment manager. The following entities are also part of the AMP Group and as such affiliated with ipac:

- The National Mutual Life Association of Australasia Limited
- National Mutual Funds Management Limited
- NMMT Limited
- N.M. Superannuation Pty Limited
- ipac asset management limited
- Multiport Pty Ltd
- AMP Bank Limited
- AMP Capital Investors Limited
- AMP Superannuation Limited
- AMP Life Limited
- AMP Group Financial Services Limited

ipac has advisers and affiliated advisers in all major cities in Australia.

product recommendations

We offer the North and iAccess platforms which includes products issued by ipac and other companies within AMP, as well as external companies. Within the platforms, you gain access to quality investments, superannuation and retirement income funds.

While there may be other products and services suitable for you, we only advise and deal with products and services that have been researched and approved by ipac and are on our Approved Product List. Please ask your adviser for a copy of this list if you want more information.

If you are recommended a product or investment, you'll receive a Product Disclosure Statement (PDS) that tells you about the key features, risks, benefits and fees associated with the product. It will help you to make a decision about the product. To invest in any of our financial products you must complete the application form attached to the PDS.

We have a preference for recommending well diversified portfolios specifically designed by ipac asset management to meet our clients' needs. Our specialist investment division uses in-depth research and stringent fund manager selection processes to ensure that quality investment outcomes are achieved.

Your adviser has direct access to information on how the portfolios are managed. This gives them greater insight into how the portfolio investment strategies impact your overall financial plan.

When appropriate, ipac will recommend other investment vehicles.

how you pay for our services

The table below outlines all the potential fees that may apply to advice you receive and products recommended by ipac. Not all of these charges will apply to you, it will depend on your individual circumstances. All fees are inclusive of GST.

financial advice fees

1. initial financial advice fee[1]	This fee is based on the time and complexity involved in gathering information about your personal and financial needs, researching and developing the recommendations, preparing your Statement of Advice and implementing the recommendations. This fee will be based between $1,100 and $11,000. example: Assume you require advice on a comprehensive range of issues, such as superannuation, income streams, Centrelink benefits and tax implications. This would be provided for a fee of approximately $3,300.
2. private client service fee[2]	This fee is for ongoing advice services you receive and is typically deducted from your investments. This fee will be a maximum of 1.65% pa of the monthly balance of your funds under management or a flat dollar fee of up to $5,500 pa whichever is greater. A minimum fee of $2,970 (indexed to inflation each year) may apply if the amount you invest is less than $250,000. examples: ~ Assume you invest $400,000. Your Private Client Service fee would be a maximum of $550 per month ($400,000 x 1.65% pa, then divided by 12) ~ Assume you invest $150,000. Your Private Client Service fee would be approximately $247.50 per month (minimum fee of $2,970 pa).
2. private client service fee – complex[3]	This service is provided to clients with more complex financial affairs, who require a coordinated approach from a range of professional service providers, and have substantial investment holdings outside of ipac. The service will incur a flat dollar fee of up to $12,000 pa in addition to the standard Private Client fee, indexed annually to inflation. example: Assume you invest $400,000 with ipac as well as maintain substantial investment holdings outside of ipac in various related entities. If your entire investment holdings form part of our on-going advice (that require coordination with other service providers) your Private Client Service fee would be a maximum of $550 per month ($400,000 x 1.65% pa, then divided by 12) plus a maximum of $1,000 per month ($12,000 divided by 12).
3. additional advice fee	A flat fee agreed with your adviser that is paid by you or deducted from your account and will be in line with the initial financial advice fee as described above. This fee may be charged if you are not a Private Client and you request further advice. Where the fee is charged to your account it will appear on your statement as 'member advice fee – additional advice' or 'client advice fee – additional advice' depending on which financial product you invest in.
4. contribution fee	This fee may apply to investments established prior to 1 July 2010 if you are not paying a private client service fee. It is deducted from each future contribution you make into an investment and it can be up to a maximum of 5.5%. It is agreed between you and your adviser. example: Assume you contribute $1,000 a month into your superannuation and your agreed contribution fee is the maximum 5.5%. The amount deducted would be $55.

investment product fees

1. investment management fees	This fee is received by the product provider for the day-to-day management of your investments. It is calculated as a percentage of each investment in your portfolio and is included in the unit price. The relevant Product Disclosure Statement details these fees ranging from 0% to 2.89% pa depending on the financial product.
2. portfolio administration fees	This fee is received by the product provider for the day-to-day administration of your investments. It is calculated as a percentage of your total portfolio and is deducted monthly from your account. The relevant Product Disclosure Statement details these fees ranging from 0% to 0.9475% pa example: Assume you invest $400,000. Your investment management fee would be up to a maximum of $11,560 pa and your portfolio administration fee would be up to $3,790 pa.

[1] For new accounts from 1 July 2010, this may appear on your statement as 'member advice fee - initial' or 'client advice fee - initial' depending on which financial product you invest in.

[2,3] For new accounts from 1 July 2010, this may appear on your statement as 'member advice fee' or 'client advice fee' depending on which financial product you invest in.

3. guarantee fees	This fee is charged through the North product where protection of the portfolio is available as an option. The fee charged will depend on the protection term and your investment strategy. The relevant Product Disclosure Statement details these fees ranging from 2% initially and up to 2.65% pa ongoing. example: Assume you invest $400,000 in the North Protected Investment Guarantee. Your guarantee fee would be up to $8,000 initially and up to $10,600 pa.
4. other fees	You may incur other fees relating to your products, such as performance fees, buy/sell spreads, trustee fees, switching fees and withdrawal fees. The relevant Product Disclosure Statement details these fees.

payments we receive from product providers

These payments are not an additional cost to you but are paid to ipac by the product provider.

1. investment products	ipac will not receive any initial or ongoing commissions on investment products within the ipac and AMP Group of companies for accounts established after 1 July 2010. If we have previously recommended an investment product external to the AMP Group we may receive an ongoing servicing payment of up to 0.60% of the amount invested. example: Assume you invested $400,000 in an external product. If the provider pays us the maximum ongoing servicing payment of 0.60% pa, ipac would receive $2,400 pa.
2. insurance protection	ipac is part owner of a specialist risk insurance provider, Australian Financial Risk Management (AFRM). AFRM will pay ipac a fee of up to 25% of the revenue it receives which includes commission, initial and ongoing advice fees. An insurance product may pay an initial commission of up to 130% of the premium and ongoing commission of up to 33% pa of the annual premium. example: If your insurance premium is $1,000 pa, AFRM may receive up to $1,300 initially and up to $330 for each year that you hold the product. Of this ipac will receive an initial payment of $325 and $82.50 in subsequent years.
other providers **referral arrangements**	If you have been referred to us ipac may pay the referrer a fee. Your Statement of Advice provides detail of any referral fee paid and when. When we refer you to another service provider ipac may receive a referral fee.

how does your adviser get paid?

Your adviser receives a salary from ipac, and may also receive a bonus or rewards. Your adviser must meet our professional and technical standards to qualify for a bonus based on their contribution to the profitability of ipac. Your Statement of Advice provides detail of any remuneration your adviser will receive.

alternative remuneration

We maintain a register that records any forms of alternative remuneration. This is available to you upon request.

why do you need to provide information?

For your adviser to fully understand your situation they will ask you questions about your lifestyle objectives, current financial position and expected future needs. They will also ask for supporting documents where possible.

You don't have to provide this information, but if you don't our advisers will need to warn you about how non-disclosure of personal information may affect strategies and advice recommendations.

privacy

We aim to protect the privacy and security of the personal and financial information you give us. Keeping this information private is very important to us. If you want to access your personal information at any time, please let your adviser know.

Our Privacy Policy is available at www.ipac.com.au and explains in more detail our commitment to protecting your personal information.

We are required under the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) 2006 to implement client identification processes. This means we will ask you to present identification documents such as passports and driver's licences in order to meet this obligation. We will also retain copies of this information and assure you that this information will be held securely.

professional indemnity insurance

ipac maintains professional indemnity insurance policies on behalf of your adviser. These policies cover advice, actions and recommendations which your adviser has been authorised by ipac to provide to you. These arrangements satisfy the requirements imposed by the Corporations Act 2001 and financial services regulations. This insurance will continue to provide such coverage for any adviser who is no longer authorised by ipac.

what should you do if you have a complaint?

We want you to be happy with the service and advice that you receive. If you have a complaint please contact us so we can work with you to resolve it.

1st step Contact your adviser and provide details of your complaint.

2nd step If you are still not happy please direct your complaint to the General Manager for your office, or send to: Head of Professional Standards, ipac securities limited, Locked Bag No. 15, Grosvenor Place, NSW 1220.

3rd step If you've exhausted your options within ipac – ipac is a member of the Financial Ombudsman Service (FOS). You can contact them by calling: 1300 780 808 or email info@fos.org.au or visit their website www.fos.org.au

The Australian Securities and Investment Commission (ASIC) also has an infoline 1300 300 630 where you can raise a complaint. If the complaint is in relation to the handling of your personal information, the Office of the Privacy Commissioner's infoline is 1300 363 992.

If you have any questions relating to this FSG, please discuss with your adviser.

ipac

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