

financial services guide

Receipt of document confirmation

I confirm that my adviser has provided me with a Financial Services Guide that includes the Meritum Privacy Statement.

- Financial Services Guide
- Privacy Statement

Name (applicant 1)

Signed

Name (applicant 2)

Signed

Date



Meritum Financial Group Pty Ltd

ABN 93 106 888 215
Level 1, 509 St Kilda Road
Melbourne Vic 3004
Telephone: (03) 9863 1200
Facsimile: (03) 9866 7584
Australian Financial Services Licence
Number: 245569

Version 3.0 (December 2007)

if you have any complaints

Who can I speak to if I have a complaint about the financial services?

We are committed to providing quality financial services to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

1. Contact a representative of the financial services provider and tell them about your complaint.
2. If your complaint is not satisfactorily resolved within 7 days please contact Meritum on (03) 9863 1200 or put your complaint in writing and send it to us at Level 1, 509 St.Kilda Road, MELBOURNE VIC 3004. We will try and resolve your complaint quickly and fairly.
3. If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Industry Complaints Service on 1800 335 405. Meritum is a member of this complaints resolution service. The Australian Securities & Investments Commission (ASIC) also has an Infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

meritum privacy statement

Meritum is committed to ensuring the confidentiality and security of your personal information. Some personal information we collect is sensitive information, which may include information relating to a person's racial or ethnic origin, political opinions, religion, trade union or other professional or trade association membership, sexual preferences and criminal record, that is also personal information, and also includes health information about an individual. The Meritum Privacy Policy detailing our handling of personal information is available upon request. You may request access to information held about you by contacting the Meritum Privacy Officer.

In order to undertake the management and administration of our business, being to:

- provide financial services and financial product advice to individuals in accordance with the terms and obligations contained in our Australian Financial Services Licence;

- supervise our Authorised Representatives in accordance with the terms of the Authorised Representatives Agreement and also in accordance with the Corporations Act 2001 or other appropriate legislation;
- conduct our business;
- comply with our legal obligations; and
- help us manage and enhance our services,

it may be necessary for us to disclose your personal information to certain third parties.

The types of organisations to whom we may need to disclose your personal information to include:

- financial services product providers (e.g. insurance companies and fund managers);
- our authorised representatives;
- consultants we engage;

- organisations involved in a transfer or sale of all or part of our assets or business (including accounts and trade receivables);
- organisations involved in managing our funding functions;
- regulatory authorities, if required by law, including the Australian Securities and Investment Commission (ASIC); and
- anyone else to whom you authorise us to disclose it.

We will only disclose your personal information to these organisations to enable them to undertake specific management, administration and advisory services.

You may request further information about our Privacy Policy from Meritum by contacting us on (03) 9863 1200, e-mailing to compliance@meritum.com.au or by writing to us at: Meritum Financial Group Pty Ltd, Level 1, 509 St Kilda Road, MELBOURNE VICTORIA 3004.



financial services guide

A guide to our professional relationship with you

The purpose of the Financial Services Guide is to help you to decide whether to use any of the services offered by the financial services provider. It contains important information about remuneration received by Meritum Financial Group Pty Ltd ("Meritum"), its Authorised Representatives and other relevant parties in relation to the provision of the financial services. It also contains information about your privacy and what to do if you have a complaint. The distribution of this Financial Services Guide is authorised by Meritum. If you need more information or clarification, please ask your financial services provider or Meritum.

You should also be aware that you are entitled to receive a Statement of Advice whenever we provide you with any advice which takes into account your objectives, financial situation and needs. The Statement of Advice will contain the information about fees, commissions and associations which may have influenced the provision of the advice. The purpose of the Statement of Advice is to help you to decide whether to act on our advice.

In the event we make a recommendation to acquire a particular financial product (other than securities) or offer to issue or arrange the issue of a financial product, we will also provide you with a Product Disclosure Statement (PDS) containing information about fees payable in respect of the financial product, risks of the financial product, benefits of the financial

product and significant characteristics of the financial product. The purpose of the PDS is to enable you to make an informed decision in relation to the acquisition of that product.

After we have provided you with one Statement of Advice, we may provide further personal advice to you without giving you a written record of that advice. We may do this where your relevant personal circumstances and the basis for the new advice are not significantly different from when we gave the Statement of Advice to you. When you do not receive a written record of our advice, you may request one from us by asking your adviser (either verbally or in writing). You must make this request within seven years of the day on which we give the advice to you, otherwise we will not be obliged to provide the record to you.

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before you obtain our services —○

Who will provide the financial services to me?

Your financial services provider is an Authorised Representative of Meritum and will provide the financial services to you. It is important that you refer to the attached Financial Services Provider Profile for further information about your financial services provider. This document is part of the Financial Services Guide issued by Meritum. The Financial Services Provider Profile is the other document that makes up the Financial Services Guide.

Who do you act for when you provide financial services to me?

The financial services provider and its sub-authorised representatives are authorised representatives of Meritum and act on behalf of Meritum when providing financial services to you. Meritum holds an Australian Financial Services Licence (No. 245569) and is responsible for the financial services provided by its representatives. Meritum's principal duty as a financial adviser is to you, the client.

Meritum is majority owned by its management and advisers. The Aviva Australia group, through its member Aviva Marketing Services Pty Ltd, also has a shareholding in Meritum. Through this shareholding, the Aviva Australia group has a voting interest in Meritum and is entitled to appoint directors to the Meritum board. Of the nine directors appointed to Meritum's board, 5 are appointed on behalf of Meritum advisers and 4 on behalf of the Aviva Australia group.

The purpose of Meritum is to facilitate services and supervision of its authorised representatives to ensure that you receive appropriate advice relative to your objectives, financial situation or needs.

Meritum is a principal member of the Financial Planning Association of Australia (FPA) and abides by the Association's Professional Code of Conduct and Ethics.

What financial services are available to me?

The Australian Financial Services Licence held by Meritum authorises it to carry on a financial services business to provide financial product advice and deal in the following classes of financial products:

- (i) deposit and payment products limited to:
 - basic deposit products;
 - deposit products other than basic deposit products;
- (ii) debentures, stocks or bonds issued or proposed to be issued by a government;
- (iii) life products including investment life insurance products and life risk insurance products;
- (iv) interests in managed investment schemes including investor directed portfolio services;
- (v) retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
- (vi) securities; and
- (vii) superannuation.

Meritum is authorised to provide financial product advice and deal in these products on behalf of retail and wholesale clients.

Meritum provides advice on appropriate wealth creation strategies and can recommend new investments in shares, debentures, unit trusts, superannuation, rollover funds, annuities, insurance bonds, friendly society bonds, mortgage investments and life risk insurance products. Meritum recommends that you regularly review your financial strategy and investments with us (we recommend yearly), to ensure that they remain appropriate for your circumstances. Clients are also encouraged to contact us at any time for an interim review, or to ask any questions they may have. We will only recommend an investment or life risk product to you after considering its suitability for your individual objectives, financial situation or needs. Meritum offers both personal and general advice. Clients should be aware that when general financial product advice is provided it will not necessarily be appropriate for every client. That is why we recommend you seek a personalised review of your objectives, financial situation or needs before making an investment or insurance decision.

How will I pay for the services?

Meritum offers a range of payment options including fee for service and commissions on funds placed, or a combination of both methods. The financial services provider will explain these options to you.

How are fees, commissions or other benefits in relation to providing the financial services to me calculated and deducted?

Meritum may receive initial commission paid on the placement of your investment or payment of your insurance premium. Initial commission is generally paid as a portion of the entry or exit fee charged by the fund manager or life insurance company which provides a product to you. This is generally a one off payment paid at the start of your investment or insurance policy. Initial commission may range between 0% to 5% of the amount invested depending on the fund manager and type of investment product selected or up to 125% of the first year premium for an insurance policy placement. This amount is paid to Meritum by the fund manager and/or life company upon placement of your investment or receipt of your insurance premium. An example of initial commission for a \$10,000 investment would be \$400 where a 4% commission applied or \$300 where a 3% commission applied. An example of initial commission payable on a \$500 first year risk insurance premium would be \$625 where 125% commission applied.

In addition to initial commission, Meritum will receive ongoing commission based on the amount of funds invested or renewal commissions based on the level of premium you pay for your risk insurance. Ongoing commission on investments will range between 0% to 1.5% per annum. Renewal commission on risk insurance products will range between 5% and 40% per annum which will be paid by the product provider after it has received your renewal premium. An example of ongoing commission for a \$10,000 investment would be \$60 per annum where a 0.6% commission applied or \$30 per annum where a 0.3% commission applied. An example of renewal commission for a risk insurance product

for a \$500 annual premium would be \$140 per annum where a renewal commission of 28% was applied. Initial commission and ongoing commission is paid from your investment by the product provider.

It is important to highlight that all commission is paid as a portion of the investment product entry, exit fee and/or management fee or the insurance premium and not in addition to these. For investment products, product entry, exit and management fees are disclosed in the Product Disclosure Statement (PDS) supplied when you seek our advice. All entry, exit fees and commissions for each individual investment or insurance product we recommend are also disclosed within the Statement of Advice that is provided to you by your Authorised Representative.

Meritum receives between 0% and 0.37% of total funds invested as a partnership allowance from some product managers. A partnership allowance is an ongoing commission paid to Meritum. These allowances are used to fund operational costs and obligations that Meritum maintains as a Licensee. An example of the administration subsidy for \$10,000 of funds under administration would be \$20 where a 0.2% rate applied. This subsidy is paid as a portion of the standard management / administration fee charged to you and not in addition to it.

when you get our advice —○

Do I get detailed information about actual commissions and other benefits that the authorised representative(s) will get if I act on their recommendations?

Yes. You have the right to know about details of commissions and other benefits the authorised representative(s) receive(s) for recommending financial products to you. We will provide this information to you when we make specific recommendations.

What should I know about any risks of the investments or investment strategies recommended to me?

We will explain to you any significant risks of investments and strategies that we recommend to you.

Employees and directors of Meritum are paid a salary as a result of its authorised representatives providing financial services. If we provide you with personal advice and we stand to receive a commission if you act on that advice, we will tell you the amount of that commission in the Statement of Advice or, if we cannot determine the amount at the time of giving you the Statement of Advice, we will tell you the method of calculation of the commission, in the Statement of Advice.

Do any relationships or associations exist which might influence you in providing me with financial services?

Meritum has established a loan facility through the Aviva Australia group. These funds remain available to Meritum as a source of capital and a safety net to ensure that it can continue to meet its regulatory requirements at all times. Loan repayments are paid by Meritum at a commercial rate of interest.

The Aviva Australia group also has a shareholding in Meritum. Through this shareholding, the Aviva Australia group has a voting interest in Meritum and is entitled to appoint directors to the Meritum board. Together with the other shareholders in Meritum, the Aviva Australia group may be entitled to a proportion of the profits earned by Meritum through the payment of dividends to its shareholders.

Will you give me advice that is suitable to my objectives, needs and financial circumstances?

Yes. However, to do so we need to find out your individual objectives, financial situation and needs before we recommend any financial product to you. You have the right not to divulge this information to us, if you do not wish to do so. In that case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile that includes details of your investment objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you

Whilst financial services providers authorised through Meritum have access to a broad selection of investment products, investment platforms and insurance underwriters, Meritum chooses to maintain preferred platforms and risk insurance providers. If appropriate to your requirements, objectives and circumstances, then a Meritum Adviser will likely recommend an investment platform administered by the Aviva Australia Group, Colonial First State, ING and Perpetual or an insurance underwriter as follows, Aviva Australia group, Comminsure and ING.

Product Managers may also provide financial support for training and conferences or contribute to costs associated with providing seminars and advertising from time to time. Details of these benefits will be explained in the Statement of Advice that is provided by the financial services provider.

Is anything payable to a third party for referring me to you?

The financial services provider may have referral arrangements or associations with other financial providers including accountants, solicitors or finance brokers. Details of these associations are provided within the Financial Services Provider Profile section of this Financial Services Guide. Where a commission or incentive is paid for any referral, this will be explained in the Statement of Advice that is provided by the financial services provider.

wish to examine your file, you should ask us and we will make arrangements for you to do so.

We are committed to implementing and promoting a privacy policy which will ensure the privacy and security of your personal information. A copy of our privacy policy is available for your information. To obtain a copy please contact our compliance manager, Meritum Financial Group on (03) 9863 1200 or email compliance@meritum.com.au.

Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions. For example, by telephone, fax or other means. But in all cases we must receive a written confirmation of these instructions.