

Financial Services Guide

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Issue date: September 2014

The purpose of this Financial Services Guide ('FSG') is to provide you with information about M D Phillips & Associates Pty Ltd trading as Phillips Financial, to help you decide whether the financial services that we offer meet your needs. It is important that you understand this Financial Services Guide and Credit Guide (the 'Guide') as it is a legal document. If any part of this document is not clear please speak to your financial adviser. The Schedule of Fees and Client Acknowledgement form also form part of this FSG. **Note: This FSG is only complete when accompanied by an Adviser Profile.**

M D Phillips & Associates Pty Ltd Financial Services Guide & Credit Guide

Part 1 of this document contains:

- Financial Services Guide
- Credit Guide
- Privacy Statement
- Meeting our Obligations

Part 2 of this document forms part of this Guide and is known as the Adviser Profile. The Adviser Profile includes the products and services authorised to be provided to you either as an Authorised Representative (for Financial Services) or, if applicable, as a Credit Representative, on behalf of M D Phillips & Associates Pty Ltd "Phillips Financial". References in this Guide to 'me', 'I', 'us', 'we' and/or 'our' should be read as your 'Authorised Representatives' or 'Credit Representatives' as the context requires.

FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) outlines the financial planning services we provide as your financial adviser and as an authorised representative of Phillips Financial. It is an important document which will help you decide if you want to use the services being offered. It contains information about:

- Phillips Financial and us;
- the services offered;
- how financial advice is documented;
- how we, Phillips Financial and other relevant persons are remunerated in relation to the services; and
- who to contact if you have a complaint or if you are not satisfied with the services provided.

You must read Sections 1 and 4 in conjunction with the Adviser Profile in Part 2, which gives you more details to allow you to make an informed decision about whether to use the financial services we offer.

Together these documents form the complete FSG which we, as an Authorised Representative, are required to provide.



The Phillips Financial Story

Phillips Financial is the business trading name of M D Phillips & Associates Pty Ltd. M D Phillips & Associates Pty Ltd was established in 1979 and has been operating for 30 years, providing strategic financial guidance and investment management services to help our clients manage their financial affairs and investments, and achieve their long term wealth goals.

M D Phillips and Associates Pty Ltd holds Australian Financial Services Licence (AFSL) No: 223328 issued by the Australian Securities and Investments Commission. Each of our Advisers are professionally qualified and authorised to advise you on your financial affairs and management of your investments.

M D Phillips and Associates Pty Ltd is responsible for the conduct and advice given by our Advisers. Details of the professional qualifications, accreditations and expertise of your Adviser(s) are set out in the Adviser Profile(s) which accompany this FSG.

As the holder of an AFSL, Phillips Financial is responsible for the financial services we provide to you. Phillips Financial acts on its own behalf when these financial services are provided to you.

M D Phillips & Associates Pty Ltd is a privately owned company. It is not owned by any bank, Life Insurance Company or other financial institution. Michael Phillips holds shares in M D Phillips & Associates Pty Ltd and is the sole director.

M D Phillips and Associates Pty Ltd is the trader of the following registered business names:

- Phillips Financial
- Estate Planning Strategists
- Accounting Administration Custodial Services

MD Phillips & Associates Pty Ltd and individual staff members are member of the following professional associations:

- Financial Planning Association of Australia (FPA)
- Association of Financial Advisers (AFA)
- Association of Independently Owned Financial Planners (AIOFP)
- Self-Managed Super Fund Professionals' Association of Australia (SPAA)
- Mortgage & Finance Association of Australia (MFAA)
- Tax Practitioners Board (TPB)

We must abide by the above associations' Code of Professional Practice, which sets out the obligations of members in the financial planning profession.



Our Financial Product and Advisory Services

M D Phillips and Associates Pty Ltd is licensed to offer and provide advice to its clients on the following types of financial products: Managed investments, cash deposits, term deposits, portfolio administration services including investor directed portfolio services, shares and listed securities, superannuation, life insurance and life insurance investment products and retirements savings accounts.

M D Phillips and Associates Pty Ltd is also licensed to offer comprehensive financial advisory services in the following areas:

- Personalised financial budgeting
- Comprehensive financial planning
- Investment strategies
- Superannuation strategies, including self managed superannuation funds
- Life and disability insurances, including investment life insurance
- Asset and investment structuring
- Retirement & Centrelink planning
- Managed portfolio services
- Portfolio review and ongoing advisory services
- Debt management and gearing strategies
- Tax (financial) advice service
- Estate planning services

M D Phillips & Associates Pty Ltd subscribes to the list of approved financial products issued by Asgard and MLC. Asgard is a member of the BT Group and is a subsidiary of the Westpac Banking Group of companies. MLC is the wealth management division of the National Australia Bank (NAB).

M D Phillips & Associates Pty Ltd and its authorised representatives will only recommend financial services, strategies and products to you after considering their suitability to your individual objectives, financial situation and needs. M D Phillips & Associates Pty Ltd only recommends financial products that are listed on the Asgard Approved Products List or are otherwise researched, verified and approved by M D Phillips & Associates Pty Ltd.

In compliance under the National Consumer Credit Protection Act 2009, M D Phillips & Associates Pty Ltd has registered with the Australian Securities & Investments Commission and has a national credit licence as required to permit us to engage in credit activities from 1 January 2011. M D Phillips & Associates Pty Ltd is entitled to engage in credit activities under the present regulatory system.

Approved Product List

Phillips Financial has an extensive Approved Product List. This means we are not limited to recommending products from a particular organisation when choosing an appropriate product to suit your objectives, financial situation and needs. The recommendations will be made after conducting an investigation into the financial products and may require us to consider a product that is not on the Approved Product List. All products on the Approved Product List are supported by research from external and/or internal research experts. We conduct due diligence on external research report providers that provide us with research. Should we consider it in your interests to use a non Approved Product, we follow Phillips Financial's review and approval process to ensure the product is appropriate for your circumstances.

Phillips Financial has established a Risk Partner Program with various life insurance underwriters, which provides support and resources to Phillips Financial's Authorised Representatives to assist them in the delivery of life insurance advice.

Phillips Financial ensures its Authorised Representatives:

- are only authorised to provide services to you where appropriate qualifications are held;
- stay up to date with relevant industry and legal changes to maintain advice credentials and capabilities;
- are provided with excellent technical support and tools to provide financial planning advice;
- are provided with high quality financial product research; and
- are monitored and supervised to ensure they comply with the requirements of the law Phillips Financial's standards.

Our Financial Product and Advisory Services

Protecting your assets

Phillips Financial and its Authorised Representatives promote long-term investment strategies which do not take unnecessary risks with your investments. For this reason, Phillips Financial Authorised Representatives are not permitted to switch your investments frequently or make speculative investments in products such as tax-driven schemes or unregulated products.

Phillips Financial Authorised Representatives are also restricted to Phillips Financial's Approved Product List unless they consider it is in your interests to recommend a product that is not on the Approved Product List, in which case they will follow Phillips Financial's review and approval process to ensure the product is appropriate for your circumstances.

To further protect your interests, except in limited circumstances permitted by Phillips Financial and where agreed by you, Phillips Financial does not allow its Authorised Representatives to:

- act as a trustee or operate a trust account on behalf of clients;
- hold a Power of Attorney
- hold funds or have access to withdraw client funds;
- act on behalf of any other Australian Financial Services Licence holder; or
- ask clients to sign documents which have not been fully addressed or completed.

What you will receive when provided with financial services

When you are provided with personal advice, we will:

- work with you to understand the subject matter of the advice to be provided and your relevant needs, objectives and personal circumstances;
- explain to you the scope of advice being provided and importantly what is not being provided;
- present recommendations on how to meet your goals (the advice) in a Statement of Advice (SOA) after having conducted a reasonable investigation into any financial products recommended;
- explain in the SOA the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice; and
- where financial products are recommended, provide you with a Product Disclosure Statement or other disclosure document (PDS) containing information about each product recommended to help you make an informed decision about whether to purchase that product.

Other services

We may provide services other than financial planning services. While we may provide these other services you should understand that these other services are not provided under Phillips Financial's AFSL and Phillips Financial does not train, support or supervise the provision of these other services and has no responsibility in relation to those services.

Examples of the services which Phillips Financial is not responsible for include:

- general insurance services (for example, car insurance);
- real estate and direct property advice;
- completion of tax returns, accounting and audit services;
- legal services;
- consulting services; and
- administration and compliance of Self-Managed Superannuation Funds.

List of Documents

This is a brief summary of the main documents that we will give you (and their purpose and contents) to help you decide whether to become a client of M D Phillips & Associates Pty Ltd trading as Phillips Financial:

Financial Services Guide ('FSG')

The FSG gives you key information about M D Phillips & Associates Pty Ltd trading as Phillips Financial, and contains information, amongst other things, about the types of financial products and services we are licensed to provide to you, our fees and charges, how we are remunerated for our services, and together with the Letter of Engagement, sets out your rights and obligations as our client.

Adviser Profile: The Adviser Profile gives you key information about the professional qualifications, accreditations and expertise of your Adviser, how they are paid and what services they are authorised to offer you.

Privacy Policy & Privacy Statement: M D Phillips & Associates Pty Ltd is committed to ensuring the confidentiality and security of any personal information that we may hold about you. Our Privacy Statement gives you a brief summary about how we manage the personal information we hold about you and how we discharge our obligations for collecting, storing, using, disclosing and protecting your personal information. Full details about how we manage your personal information are set out in our Privacy Policy, which is available to you on request. You can also obtain a copy of our Privacy Policy from our website at www.phillipsfinancial.com.au

Client Acknowledgement: Our Client Acknowledgement sets out a list of documents and information that we are required to give to you by law or through our industry accreditation requirements. The Client Acknowledgement form requires you to confirm that you have received each of these from us.

Letter of Engagement: To ensure there is clear agreement between us, you will need to confirm your instructions for us to prepare a Statement of Advice and provide any on-going portfolio management and other advisory services to you in a Letter of Engagement. The Letter of Engagement also sets out our fees and charges for our services, how we will deliver our services to you, and together with the FSG, sets out your rights and obligations as our client.

'Understanding You' Client Profile: Before we can give you any financial advice or make any recommendations about financial products for you, we will ask you to complete our confidential 'Understanding You' client profile to give us full details of your personal circumstances, financial situation, business and investments, lifetime goals, and your attitude towards investment and other risks. This way, we can ensure that our advice is appropriate to your financial circumstances, needs and long term wealth objectives.

Statement of Advice ('SOA'): The SOA is individually prepared for you and sets out our personalised financial planning advice and recommendations for you and the basis on which our advice has been developed. The SOA is based on the information you provide to us. So that you can make an informed decision about our recommendations and advice, the SOA also discloses:

- all benefits we may receive if you implement our advice
- all relevant potential conflicts of interest arising from our advice
- the types of rewards and remuneration that M D Phillips & Associates Pty Ltd and its Advisers and associates, if any, may receive from providing financial planning services to you. Please note that specific benefits and amounts can only be calculated once the investment recommendations are implemented for you.

We may meet with you several times to discuss our advice before finalising our recommendations to you. Once we have finalised our advice, we will explain our recommendations, and record it for you in an SOA. You should only implement advice after taking the time to read and understand the SOA and PDS (see below) and should contact us if you have any questions about the SOA or PDS.

List of Documents

You may not receive an SOA in the following circumstances:

- The types of rewards and remuneration that M D Phillips & Associates Pty Ltd and its Advisers and associates, if any, may receive from providing financial planning services to you. Please note that specific benefits and amounts
- General advice — such as advice provided in seminars and through newsletters, which does not consider your personal circumstances;
- Further advice — if you previously received advice recorded in an SOA, any further personal advice may be recorded in a Record of Further Advice (ROFA). You may request a copy of a ROFA by contacting us and can do so for a period of seven years from the date the further advice was first provided to you; and
- Mortgage broking — advice provided as part of mortgage broking or finance broking services (other than margin loans).

Product Disclosure Statement ('PDS')

We will give you a PDS for each financial product that we recommend to you in your SOA. The PDS contains information specifically about a particular financial product, including its significant features, benefits, fees and risks to assist you in deciding whether or not to acquire that particular financial product. You should only implement advice after taking the time to read and understand the SOA and PDS and should contact us if you have any questions.

The Phillips Financial Process

Complimentary 'No Obligation' Interview

Complimentary 'No Obligation' Interview

The 'first step' in our advice process is a complimentary 'no obligation' interview with you to help you to assess whether you wish to become our client. At this meeting we will discuss what you would like to achieve from our services, and our initial service for our clients (which we call our 'lifestyle planning process'). We will also work with you at this meeting to:

- gather full details from you about your personal and financial circumstances, life and wealth goals and your attitude to investment and other risks; and
- help you complete our confidential 'Understanding You' client profile.

Becoming Our Client

Becoming Our Client

You will need to authorise us in a Letter of Engagement to provide services to you and collect fees before we can provide our lifestyle planning process to you. You will also need to confirm that you have given us full details about your personal and financial circumstances and your tolerance for investment and other risks in your 'Understanding You' client profile.

Strategy Development

Strategy Development

We will collate and verify your information in the 'Understanding You' client profile and then prepare a strategy paper setting out our financial advice, strategy and recommendations for you, based on the information you give us about your financial circumstances, investment needs and risk tolerance. Our strategy paper generally includes several financial and investment options for your consideration.

Strategy Meeting

Strategy Meeting

We will hold an interactive 'strategy meeting' with you to discuss the "pro's and con's" of the recommendations, advice and options set out in our strategy paper. We will explain the risks associated with any financial products and strategies we recommend, and we will give you a Product Disclosure Statement for each financial product that we recommend.

Agreement on Strategy

Agreement on Strategy

Once we agree on your preferred financial strategy, we will prepare a formal Statement of Advice for you, setting out the agreed strategy. You will need to authorise us to proceed with your agreed strategy, and complete any applications and forms contained in the applicable Product Disclosure Statements.

Implementing Your Financial Plan & Strategy

Implementing Your Financial Plan & Strategy

We will implement your financial strategy for you, including completing all the required documentation, submitting your application forms to the relevant financial institutions, and monitoring the whole process to completion.

Ongoing Services & Regular Portfolio Review

Ongoing Services & Regular Portfolio Review

Once your financial plan, wealth strategy and investment portfolio are in place, we will review your portfolio and your financial situation & plans regularly with you. We will also arrange regular planning meetings and investment briefings with you, so you can be confident that your financial affairs and your long term wealth plans are on track and in line with your financial situation and long term goals.

PLEASE NOTE: As our client, you are always in control of your investments and can instruct us at any time to buy or sell your investments, or take out or cancel a loan or insurance policy. You may specify how you would like to give us instructions; however we recommend that you seek our advice first and complete the appropriate documents in our presence. All instructions to us need to be in writing.

Remuneration and Benefits Relating to Financial Services

Fees, commissions and incentives

You will find more detailed information about the fees, commissions and incentives we might receive in the attached Adviser Profile, and specific details in each SOA or ROFA you receive. You can ask us for details about fees, commissions and incentives at any time.

What fees are charged for initial advice?

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you.

We will discuss these fees with you and gain your agreement on the fees before we charge you these fees.

What fees are charged for subsequent services?

Ongoing administration and advice services may also be provided to you to ensure the strategy and products recommended continue to meet your objectives, needs and financial situation. If you choose to receive ongoing services, you may be charged a fee based on the scope of the services you receive and/or the value of your account balance or insurance premiums. The amount of these will be agreed with you.

This fee may be deducted from your account each month or payable directly to us. You may continue to be charged the agreed ongoing services fee until you notify us you no longer require ongoing services.

A further fee may be charged for each additional contribution you make to your account. The amount of this fee may be based on the scope of the services you receive and/or the value of the funds you invest or insurance premium paid and will be agreed with you. There may also be charges for any additional services that we provide, for example, rebalancing of your investment portfolio.

Commissions received from product providers

Upfront or ongoing commissions from insurance providers may be received by Phillips Financial, initial and/or ongoing commissions from product providers in relation to other financial products under an arrangement prior to 1 July 2013 may also be received.

An upfront commission is a one-off payment paid by the product provider based on a percentage of the amount of funds you invest, the insurance premium you pay or the size of the margin loan you take out. This is paid at the time you purchase the investment or insurance or take out the margin loan.

Ongoing commissions are generally monthly payments paid by the product provider based on a percentage of the amount of funds you invest, the insurance premium you pay or the size of the margin loan you take out. These are generally paid each month, for as long as you hold the product and while we continue to act for you.

What other benefits do Phillips Financial and my financial adviser receive from product providers?

Some product providers, who had an existing arrangement with Phillips Financial prior to 1 July 2013, pay a licensee commission to Phillips Financial based on the total funds invested in their products, insurance premiums paid for their insurance product, or amount of margin loans made by Phillips Financial's Authorised Representatives.

Product fees are generally calculated as a percentage of the amounts or value of your investment in these products. For example, Personal Choice Portfolio Services Pty Ltd ACN 104 241 072 – Personal Choice eWrap Account Remuneration and Benefits relating to financial services currently pays us 0.45% of their net administration fees (which is about 0.80%) to Phillips Financial in select Asgard platforms prior to 1 July 2014.

Product providers owned by Asgard include:

- Personal Choice eWrap Investment Account
- Personal Choice eWrap Pension Account
- Personal Choice eWrap Super Account
- Personal Choice Cash Account (eCASH and CASH Connect)

Other benefits

We and Phillips Financial may also receive additional benefits such as help with marketing expenses, complimentary or subsidised attendance at conferences, and other rewards such as gift vouchers, tickets to sporting events and invitations to social events that are below \$300. These benefits that are between \$100 and \$300 in value, and other benefits, that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes, are recorded in a register which meets legislative requirements. The Phillips Financial Register is publicly available and Phillips Financial can provide a copy to you for a small charge at your request.

Further details on remuneration and benefits relating to Financial Services

When you are provided with personal advice on specific financial products, we will disclose certain details of remuneration (including commission) or other benefits that we receive, or that Phillips Financial or another firm receives, as a result of that advice (Remuneration or Benefits).

If the Remuneration or Benefits can be calculated at the time you receive personal advice, these amounts will be disclosed at that time; or as soon as practicable after that time in the SOA or ROFA. If the Remuneration or Benefits cannot be calculated at the time you receive personal advice, we will disclose how these amounts will be calculated instead.

These details will only be disclosed when personal advice is given if the Remuneration or Benefits are reasonably capable of influencing us in providing the advice.

Our services

The National Credit Code generally regulates loans to individuals where the loan is provided or intended to be provided wholly or predominantly for personal, domestic or household purposes, or to purchase, renovate or improve residential property for investment purposes (or the refinancing of any such loans). Phillips Financial provides credit services in relation to loans regulated by the National Credit Code, including:

- strategic credit advice;
- referral to a broker or credit provider; and/or
- other credit assistance.

Where your financial adviser is a Credit Representative of Phillips Financial, your financial adviser may provide credit services in relation to credit contracts with a range of credit providers. The credit providers with which Phillips Financial deals most are:

Residential Loans

- Adelaide Bank
- AMP Banking
- ANZ Bank
- Australian First Mortgages
- Bankwest
- Citibank
- Deposit Power
- Heritage Building Society
- Homeloans Ltd
- Homeside Lending
- Macquarie Mortgages
- Nationwide Capital
- Pepper Homeloans
- Suncorp- Metway
- The Rock Building Society
- Westpac

Commercial Loan

- ANZ
- Liberty

Asset & Motor Finance

- Australian First Mortgages
- Liberty Financial
- Macquarie Leasing

We may also be able to source finance products for you from lenders not listed here.

Phillips Financial uses the services of Loan Kit, the aggregator, to enable you to enter into credit contracts with a large range of credit providers, in addition to the credit providers listed above. Not all of Phillips Financial's Financial Advisers are authorised to provide the credit services. Part 2 of this document will indicate if your financial adviser is a Credit Representative of Phillips Financial and what credit services they can provide in that capacity.

When providing any such credit services, Credit Representatives of Phillips Financial will not act as your agent, and will not act as agent of any credit provider, except to the extent necessary as part of the application process.

If your financial adviser is not a Credit Representative of Phillips Financial, any credit services they provide are not provided as a representative of Phillips Financial, and Phillips Financial does not train, support or supervise your financial adviser in providing those credit services, and Phillips Financial is not responsible for the provision of those credit services.

Our general obligation

We will not suggest that you apply, or assist you to apply, for a credit contract or for an increase to the credit limit of a credit contract, or suggest that you remain in a credit contract if we assess that the credit contract is unsuitable for you. This assessment is the 'Preliminary Assessment'.

When will a credit contract be unsuitable?

A credit contract will be unsuitable if:

- the credit contract does not meet your requirements or objectives;
- it is likely that you will be unable to comply with your financial obligations under the credit contract; or
- it is likely that you could only comply with your financial obligations under the credit contract with substantial hardship.

Information that will be required from you

Under the NCCP Act, we are obliged to make sure that any loan, or principal increase to a loan, or lease that we assist you to obtain is not unsuitable for you. We will need to ask you a series of questions to make this assessment. The law requires us to:

- make reasonable enquiries about your borrowing objectives and requirements;
- make reasonable enquiries about your financial situation; and
- take reasonable steps to verify the details of your financial situation.

Credit will be unsuitable if, at the time of making the assessment, it is likely that, at the time the recommended loan or lease is made:

- you cannot afford to repay the loan or lease or can afford to repay it only with substantial hardship; or
- the loan or lease does not meet your borrowing objectives and/or requirements.

For these reasons, we must ask you to provide us with a significant amount of information, much of which we will need to verify. It is therefore very important that the information you provide to us is accurate and complete.

If we provide you with credit assistance, we are required to provide you, upon your request, a copy of our preliminary credit assessment for up to seven years.

Information provided by us

We provide financial advice but do not provide legal advice. It is important to understand your legal obligations under a proposed loan or lease and the financial consequences imposed by the debt. If you have any doubts, you should obtain independent financial and legal advice before you enter into any finance contract.

We do not make any representations about the current value of any real estate you finance through us, or the future prospects of its value. You should always rely upon your own enquiries.

Fees Payable by you

We may charge you for our services if you apply for a home loan, an investment property loan, a personal loan or a lease. If a fee is to be charged, this will be disclosed to you in a Credit Quote which will be provided to you before applying for finance.

You may need to pay fees to us on behalf of third parties. Again, if these fees are to be paid, they will be detailed in your Credit Quote.

You will need to pay fees to the finance provider. These will be detailed in a Credit Proposal that we will provide to you before applying for finance.

How can you access a copy of the Preliminary Assessment?

We will give you a written copy of the applicable Preliminary Assessment, if you request a copy of this from us during the period of 7 years from the date of the quotation for credit assistance we have provided to you (the 'Quotation Date').

We will give you a copy of the Preliminary Assessment after we receive your request, within a reasonable timeframe.

We are not required to provide you with a copy of the assessment if the credit assistance our request relates to was provided before 1 January 2011 or when you have decided not to proceed with the credit assistance.

What types of fees, charges and commissions do we receive for our services?

We may charge fees or charges for the preparation, presentation and implementation of our credit advice. These fees or charges will be based on your individual circumstances and the complexity of the credit assistance you require. We will discuss and agree these and any other fees or charges with you before we provide you with credit assistance.

Referral Fees and Commissions

If you take out a credit product through us, Phillips Financial may receive commissions from the finance provider that provides your loan or lease. These are not fees payable by you. Further details of the commission earned by us will be provided in the Credit Proposal that we will provide to you before applying for finance.

We may receive additional commissions or bonuses from finance providers relating to the volume of finance that we arrange. Such payments are dependent upon a number of factors and cannot be quantified at this point.

Referrals from a broad range of sources are sourced by us and our representatives. For example, we or our representatives may pay commissions or fees to call centre companies, real estate agents, accountants, solicitors or other businesses for referring you to us. These are not fees payable by you. Any referral fee or commission paid in relation to your referral will be disclosed in the Credit Proposal that will be given to you before applying for finance.

If we or Phillips Financial are likely to pay referral fees or commissions to a third party (such as financial advisers, accountants, lawyers or real estate agents) who refer you to us for credit assistance, further details about these payments will be included in Part 2 of this document where applicable. If these payments apply, you may also request from us an estimate of the payment and how it is calculated.

Further Information

Part 2 of this document contains further detail about the fees you may pay to Phillips Financial and its Credit Representatives, and the fees and commissions Phillips Financial and its Credit Representatives may receive.

You may also request further information from us as follows:

- how the amount of fees and charges payable by you are calculated; and
- a reasonable estimate of the commissions that we or Phillips Financial may receive directly or indirectly, and how they are calculated.

The law requires Phillips Financial to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Phillips Financial or its Authorised Representatives. Phillips Financial has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

Relationships with Product Issuers & Referrers

M D Phillips & Associates Pty Ltd owns one share in Personal Choice Portfolio Services Pty Ltd ('PCPS'). Michael Phillips is a director of PCPS which is the licensee and promoter of the Personal Choice eWRAP Investment/Super/Pension Account ('Account'). Asgard Capital Management Limited ABN 92 009 279 592 ('Asgard') administers the Account for PCPS.

As a shareholder of PCPS, M D Phillips & Associates Pty Ltd may receive other benefits such as dividends and bonuses from PCPS in the future. Any payments to M D Phillips & Associates Pty Ltd by or on behalf of PCPS are not tied to volume targets, and there are no restrictions placed on recommendations made by M D Phillips & Associates Pty Ltd or its Advisers. Most importantly, any such payments do not change the fee structure, and are not an additional cost to our clients.

Where a client (of M D Phillips & Associates Pty Ltd, for example) takes up an Account prior July 2014, Asgard collects an administration fee from the client on behalf of PCPS. PCPS pays Asgard approximately 50% of this administration fee to administer this product, and remits approximately 90-95% of the remainder of the administration fee to M D Phillips & Associates Pty Ltd. Alternatively (to the same effect), Asgard may retain its administration fee from the fees collected from the client and remit the balance of the administration fee to PCPS, who then remits approximately 90-95% of the net balance of the administration fee to M D Phillips & Associates Pty Ltd.

From time to time, M D Phillips & Associates Pty Ltd may receive a referral from a third party referrer (such as an accountant, solicitor or tax agent) for us to provide services to you with respect to your financial affairs. In the event that the third party referrer is entitled to receive a referral fee for introducing you to us, all such fees will be paid to the third party referrer by M D Phillips & Associates Pty Ltd, and will not involve any additional cost to you. Any referral fees payable by M D Phillips & Associates Pty Ltd will be set out in your Statement of Advice.

From time to time, M D Phillips & Associates Pty Ltd may, with your consent, refer you to a third party to provide business, legal or other specialist professional services to you. In certain circumstances, M D Phillips & Associates Pty Ltd may be entitled to receive a referral fee for introducing you to the third party. Any such referral fees payable to M D Phillips & Associates Pty Ltd will be set out in your Statement of Advice.

We maintain a record of your personal profile over time, including information which personally identifies you, details of your investment objectives, financial situation and needs, as well as records of any recommendations made and discussions of significance we may have with you. We aim to protect and maintain the privacy, accuracy 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 us know.

The Privacy Policy explains the main ways we protect your privacy and how we comply with the National Privacy Principles. You may obtain a copy of the Privacy Policy by visiting the Phillips Financial website PhillipsFinancial.com.au

Why do we collect your personal Information

We collect personal information, including sensitive information (e.g. health information), from you to provide you with services including financial advice. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

Collecting and Disclosing your Personal Information

We may disclose your personal information to other members of our organisation, anyone we engage to do something on our behalf such as a service provider, and other organisations that assist us with our business. We may also disclose your personal information to third parties such as a complaints body to whom a complaint relating to a product or service is referred, any party acquiring an interest in our business and anyone acting on your behalf.

We may also collect from the parties listed above any personal information they may hold about you which relates to our provision of financial advice. We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) and its corresponding rules and regulations, to implement certain client identification processes. We may be required to obtain information about you at the time of providing financial services to you and from time to time in order to meet our legal obligations. We have certain reporting obligations pursuant to the AML/CTF Act, and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

Meeting Our Obligations

Phillips Financial endeavour to provide you with quality financial advice. If you have any complaints, we and Phillips Financial are committed to resolving them as quickly and as fairly as possible.

As part of our legal and industry regulatory requirements, M D Phillips & Associates Pty Ltd has arrangements in place to compensate persons who suffer loss or damage in the event of breaches of the Corporations Act by M D Phillips & Associates Pty Ltd or its representatives.

1. If you have any concerns or complaints about our services or the way we handle your financial affairs, please follow our procedure below, so we can deal with your concerns together with you. We are committed to resolving your concerns with you as quickly as possible.
2. Please call us: Please feel free to call us at any time about any concerns or complaints you may have about our services or the way we handle your financial affairs.
3. Letter of complaint: Alternatively, please write a letter of complaint to the Managing Director, M D Phillips & Associates Pty Ltd, PO Box 1889, North Sydney NSW 2059, outlining the specific areas of service of concern to you. Please include all relevant details about the facts relating to your complaint in your letter, and how you believe M. D. Phillips & Associates Pty Ltd can investigate and resolve the matter to your satisfaction.
4. Investigating and resolving your complaint: M D Phillips & Associates Pty Ltd will investigate your complaint and will make every effort to ensure you receive a fair and prompt reply. M D Phillips and Associates Pty Ltd will endeavour to resolve your complaint within 5 business days and will keep you informed about what is happening with your complaint if it cannot be resolved within this time.
5. Financial Ombudsman Service (FOS): If your complaint is not resolved to your satisfaction and it meets FOS jurisdiction rules, you can take your complaint to FOS. You can contact FOS on 1300 780 808 or by writing to FOS at GPO Box 3, Melbourne Victoria 3001 or through their website at fos.org.au. M D Phillips & Associates Ltd is a member of FOS.
6. Australian Securities and Investments Commissions (ASIC): ASIC supervises the provision of financial planning and investment advice on securities and regulates the provision of superannuation and life insurance products and services. You may choose to phone the ASIC toll free Infoline on 1300 300 630. Infoline consultants will talk to you about your rights as well as how to make a complaint about a suspected breach of the law. You can also lodge a complaint on-line through the ASIC website at asic.gov.au or post your complaint to ASIC at PO Box 4000 Gippsland Mail Centre, Victoria 3841 or send it to ASIC via email at infoline@asic.gov.au. Australian Securities & Investments Commission