



# Financial Services Guide

*1 July 2009*

Version 5

## A Guide to Our Relationship with You and Others

This Financial Services Guide (“FSG”) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. This FSG contains important information about:

- ✘ who we are;
- ✘ how we can be contacted;
- ✘ what services we are authorised to provide to you;
- ✘ how we (and any other relevant parties) are remunerated;
- ✘ details of any potential conflicts of interest; and
- ✘ details of our internal and external dispute resolution procedures, along with how you can access them.

It’s designed to assist you in deciding whether or not to use any of the services offered in the Guide and also contains information about remuneration paid in relation to the services offered together with information on what to do if you have a complaint about our services.

Our aim is to make you feel totally at ease with the services we offer. In doing so we are providing you with this easy-to-understand Financial Services Guide, designed to help you understand the financial services we are able to provide and also to answer frequently asked questions. If you would like more information or clarification, please don’t hesitate to contact your adviser.

**This document is part 1 of our Financial Services Guide and should be read in conjunction with ‘Part 2 – Authorised Representative Profile’, which will be given to you with this FSG. The two parts make up the FSG and the distribution of them has been approved by Paragem Pty Ltd (‘Paragem’).**

The financial services that you receive from Paragem are provided by our Authorised Representatives (advisers) and information about your adviser, including the services that can be provided, the costs to you for those services and the representative’s remuneration, is included in Part 2 of the FSG.

If we give you personal financial advice we will provide you with a Statement of Advice. To make sure that advice is appropriate to you we must make reasonable enquiries about your current financial situation and future needs.

In the Statement of Advice we will tell you about:

- ✘ our fees and commissions
- ✘ any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

If we provide further personal advice to you after we have issued an initial Statement of Advice and your circumstances have not significantly changed, we may provide the advice to you orally. We will also tell you about any fees or commissions and any associations with Financial Product Issuers or others who may have influenced that advice. We will record these details in a Record of Advice and keep this for seven years after providing the advice to you and you can request a copy of that Record from your adviser.

If we recommend to you a particular Financial Product we will give you information about the particular Financial Product - a *Product Disclosure Statement* - to help you make an informed decision about the Financial Product.

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**Who is Paragem?**

Paragem Pty Limited is a financial services business dedicated to providing you with financial consulting services and strategies suited for your personal circumstances and individual needs. We hold an Australian Financial Services Licence that authorises us to operate a financial services business and provide you with financial advice and services.

Paragem is distinguished by our commitment to personal service. Whether you've previously received financial services advice or not, we can help you develop solutions tailored to your circumstances.

In today's competitive environment business relationships are founded on professionalism, integrity and exceptional client service. These are also the principles upon which our business is founded. In our dealings with clients, as advisers we aim at all times to be professional, honest, fair and to provide excellent service.

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**Who is my adviser?**

Information about your adviser is detailed in Part 2 of this FSG.

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**Who is responsible for the advice I receive?**

Paragem is responsible for the advice and financial services provided to you, including the distribution of this Financial Services Guide (FSG).

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What kinds of financial services are you authorised to provide me and what kinds of Financial Product/s do those services relate to?

Paragem's licence authorises it to provide advice and deal in the following products:

- Deposit products (cash and Term Deposits)
- Debentures, stock and bonds issued by a government
- Life Insurance risk products
- Life Insurance investment products
- Managed Investment Schemes (Unit Trusts)
- Securities (shares)
- Superannuation
- Retirement Savings Accounts

We can restrict the services or products that an adviser may provide on our behalf. Part 2 of this FSG will include your adviser's authorisations.

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Will the advice I receive be appropriate for my personal circumstances?

In order for us to provide personalised advice you need to provide us with a list of your personal objectives, details of your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to tell us, if you do not wish to. However, if you do not, we may not be able to provide you with personal advice or the advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the warnings contained in the Statement of Advice or listen to any oral warnings carefully before making any decision relating to a Financial Product/s.

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Do you have any relationships or associations with Financial Product issuers which could influence your advice?

While we may receive commission and other benefits from product providers (which are disclosed in this FSG, your Statement of Advice or Records of Advice), no fund manager, bank, insurance company or other licensee has any influence over Paragem's approved product list or your adviser.

In this respect we have reinforced the importance of advice being arms length from product ownership conflicts.

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What should I know about any risks associated with the solutions recommended?

Your adviser will explain any significant risks associated with recommended solutions, as well the risks associated with not acting on the recommended solutions. If they don't, you should ask them to explain the risks to you. The Statement of Advice, Record of Advice and/or a Product Disclosure Statement will contain important information in this regard.

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

Your adviser will maintain a record of your personal profile including details of your objectives, financial situation and needs. They also maintain records of any recommendations made to you.

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 Notification Statement is enclosed for your information.

Should you wish to examine your file just ask your adviser and they will make all necessary arrangements to provide you with relevant information.

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How do I have to give you instructions about my Financial Product/s?

You need to give us instructions in writing (eg. letter, fax or e-mail) or another method as agreed by us.

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Do you have compensation arrangements in place?

Paragem holds appropriate compensation arrangements under the Corporations Act in the form of Professional Indemnity Insurance which includes services provided by both current and former Representatives.

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How will I pay for the services provided?

Operating a financial services business involves substantial costs and correctly priced fees assist us to afford the appropriate infrastructure, personnel and systems required to provide you with quality advice. We have an open, honest fee structure, which allows you to choose the payment option that suits you.

Paragem and your adviser are remunerated for the services you receive by the following methods:

Fee for service (means any of the following: a fee for providing a Statement of Advice, a management fee, an ongoing advice or services fee, or any fee that you will pay for the service), or  
Receipt of commissions from product providers, or  
A combination of fee for service and commissions

We recommend you pay a 'fee for service' which is based on the breadth and complexity of the advice and ongoing management of your affairs. Your adviser will discuss with you what remuneration structure is appropriate.

Fees are paid by you directly and are based on your adviser's fee scale. However, in the case of investment 'Wrap Accounts' or 'Platforms' the fee agreed on by your adviser and you may be deducted from your investment account on a monthly basis.

Commissions are paid to us by the Financial Product issuer/s. The commissions may be initial (upfront) and ongoing or ongoing only. Your adviser will tell you what commissions will be received.

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If you pay for our services on a commission basis, the product provider deducts the commissions from your original investment amount (initial) and from your account balance annually at a minimum (ongoing).

In the case of Life Insurance risk products we receive a commission based on the amount of premium you pay each year, which is determined by, among other things, the amount of insurance you take out. We receive both initial and ongoing commissions from life insurance companies.

The amount of commissions paid by product issuers varies depending on the issuer.

If you receive personal advice from us, we will tell you about any commissions, fees and any other benefits, where possible in actual dollar amounts, in the Statement of Advice or orally when providing further advice to you. Your adviser will give you this Statement of Advice or Record of Advice, before we proceed to act on your instructions. Where Time Critical Advice is given (where you instruct that the transaction takes place before the Statement of Advice is given to you) we will advise you orally of the fees, commissions and any other benefits applicable and these will be restated in our Statement of Advice to you.

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How are any commissions, fees or other benefits calculated for providing the financial services?

Our Authorised Representatives are permitted to set their own fees and the amount of commission they will receive from product issuers.

The fees charged and commissions received by your adviser are contained in Part 2 of this FSG.

All fees and commissions generated by our Authorised Representatives (your adviser) are paid to Paragem. Any cheques you write to pay for fees should be made payable to Paragem Pty Limited and not your adviser.

Paragem will then pass to the Authorised Representatives an agreed percentage of those commissions and fees.

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Do you have any special remuneration arrangements or conflicts of interest?

Paragem does not participate in any reward programmes or conferences or sponsorships from any product providers.

We do however have authorised representatives and they may have qualified for additional commission payments as a result of the support they have shown to particular product providers over the years that they have been providing financial services. The additional commission is normally a percentage of the ongoing fees that the product provider charges on the investment or the insurance premium that you pay. Paragem does not retain any part of this additional commission; it is all passed onto the particular authorised representative.

**An outline of any such arrangements will be included in Part 2 of the FSG with more detailed information provided when you receive the advice.**

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Will anyone be paid for referring me to you?

Where you are referred to us or our Authorised Representative by another person, that person may be paid a fee, commission or benefit in relation to that referral. Part 2 of this FSG will disclose if any such payments are made.

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What should I do if I have a complaint?

If you have any complaints about the service provided to you, you should take the following steps.  
Contact your adviser and tell them about your complaint.

If your adviser has not satisfactorily resolved your complaint within 5 days, please contact the Responsible Manager on (02) 9026 0400 or put your complaint in writing and send it to:

The Responsible Manager  
Paragem Pty Limited  
GPO Box 2711  
Sydney NSW 2000

Please mark the envelope "Notice of Complaint". We will try and resolve your complaint quickly and fairly.

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What if the complaint is not resolved?

If the complaint can't be resolved to your satisfaction within 45 days, you have the right to refer the matter to Financial Ombudsman Service (FOS). They can be contacted on 1300 78 08 08 or you can write to them at:

The Manager  
Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001

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If you have any further questions about the financial services Paragem provides, please contact our head office or your adviser.

Retain this document for your reference and any future dealings with Paragem.