



Financial Services Guide

Part 1

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This Financial Services Guide (‘FSG or Guide’) provides you with important information about Enlightened Financial Solutions Pty Ltd (‘EFS’), and its Authorised Representatives, who will provide you with the financial services described in this Guide. It is designed to help you evaluate and make an informed decision about whether to use the financial services described in this Guide. We suggest you retain this Guide for your future reference. If any part of this Guide is not clear, please speak to your financial adviser.

This Guide consists of two parts. Part 1 of this Guide contains important information about:

- *the financial services we offer as Authorised Representatives of EFS;*
- *EFS as the holder of an AFSL;*
- *the financial services that EFS offer;*
- *the process we follow to provide financial services;*
- *how we, our associates, and EFS are paid;*
- *any arrangements which may influence our advice to you;*
- *how we and EFS protect your privacy; and*
- *who to contact if you have a complaint or if you are not satisfied with the services provided.*

Part 2 of this Guide is an Adviser Profile and includes information on the services we are authorised to provide on behalf of EFS.

References in this Guide to ‘me’, ‘I’, ‘us’, ‘we’ and/or ‘our’ should be read as either EFS or your ‘Authorised Representatives’ of EFS, as the context requires.

Why EFS and its Representatives are not considered Independent

We aren’t considered independent as defined in Section 923A of the Corporations Act because:

When implementing insurance products on risk insurance advice, we receive commission payments directly from the insurer.

PART 1

Part 1 contains the following sections:

- Financial Services Guide (Section 1);
- Privacy Statement (Section 2); and
- Are you satisfied? (Section 3).

You must read each of these sections in conjunction with Part 2, which provides more detail 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 Authorised Representatives, are required to provide.

ABOUT EFS

Enlightened Financial Solutions formerly named Magnitude began on the 1st April 2007.

We believe that quality financial advice improves client's lifestyle and financial outcomes throughout their life. No matter if it's young families and wealth accumulators or those who are pre-retirees and the already retired, we have seen people at every stage of their life benefit from getting quality Financial Advice.

We believe that quality advice provides a stronger direction to achieving goals, aspirations and dreams; a greater level of security and above all else, the peace of mind that people seek to have with their finances.

We have professional interests across all areas of finance, financial advice, business, accounting and economics. These broad and diverse interests allow us to have meaningful conversations with many different clients in all areas of their Financial Advice needs. When we meet with you, we look to have meaningful, realistic and genuine conversations to address your needs today and tomorrow.

EFS holds an AFSL issued by the Australian Securities and Investments Commission and is a Professional Partner of the Financial Planning Association of Australia (FPA).

As an Authorised Representative, we act on behalf of EFS when providing the financial services, we are authorised to provide under EFS's AFSL.

Further information on these services is set out in the FSG Part 2 Adviser Profile.

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

SECTION 1

FINANCIAL SERVICES GUIDE

WHAT OTHER INFORMATION SHOULD YOU CONSIDER BEFORE DECIDING WHETHER TO PROCEED WITH OUR RECOMMENDATIONS?

If you receive personal financial advice this will be documented in a Statement of Advice (SoA), or in specific circumstances a Record of Advice (RoA), that confirms the discussions you have had with us, the recommendations we are making and the basis for those recommendations. These documents will also explain how those recommendations will work towards achieving your goals, any relevant fees received by us, and any associations with financial product providers.

When a financial product is recommended to you, you will be provided with a Product Disclosure Statement (PDS) or other disclosure document issued by the product provider. Among other things, the PDS contains information about the risks, benefits, features and fees payable in respect of the product. In combination, these documents will help you make an informed decision about whether to proceed with our recommendations.

WHO PROVIDES THE FINANCIAL SERVICES DESCRIBED IN THIS FSG?

The financial services described in this FSG are provided by us as Authorised Representatives of EFS.

Part 2 of this Guide contains further details about your financial adviser, and our experience, qualifications and professional memberships.

WHO IS RESPONSIBLE FOR THOSE FINANCIAL SERVICES?

As the holder of an AFSL, EFS is responsible for the financial services we provide to you. EFS acts on its own behalf when these financial services are provided to you. In relation to the financial services offered in this FSG, EFS, as the holder of an AFSL, does not act on behalf of any other person or licensee. EFS is only responsible for the services offered in the FSG.

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

WHAT FINANCIAL SERVICES DO WE OFFER?

EFS is able to provide financial product advice and to deal in a wide range of products (unless otherwise stated in Part 2 of this Guide) including:

- Deposit products;
- Government debentures, stocks or bonds;
- Life investment and life risk products;
- Managed investment schemes including investor directed portfolio services;
- Standard margin lending facilities;
- Retirement savings account products;
- Securities (e.g. shares); and
- Superannuation products

Some of the services you are able to access through EFS include:

- financial planning advice;
- wealth accumulation advice;
- income and asset protection;
- superannuation advice, including self-managed superannuation funds;
- pre and post retirement
- redundancy advice;
- business succession planning
- retirement advice;
- gearing strategies;
- cash flow advice;
- strategic debt management;
- aged care advice;
- social security benefits advice;
- life and disability insurance advice; and
- estate planning services (financial planning).
- Managed discretionary account services (Refer below)

Managed Discretionary Account Service

We may offer you a Managed Discretionary Account (MDA) Service to manage on your behalf, in accordance with an investment program agreed with you ('Investment Program'). The Investment Program will be documented in a Statement of Advice (SoA) which will detail our advice and how it will assist you in meeting your objectives.

How to accept a Managed Discretionary Account Service

Should you wish to use our advisory services, we may provide you with a SoA which contains our recommendations to you and this may include a recommendation for you to use Implemented Portfolios Limited as the MDA Provider. If you accept our MDA recommendation you will be given a Financial Services Guide and PDS prepared by Implemented Portfolios Limited. If you choose to accept Implemented Portfolios as the MDA Provider, you must do the following:

- Acknowledge the recommendations provided to you by signing the Authority to Proceed provided with your SoA recommending the use of MDA and the specific Investment Program;
- Enter an Enlightened Financial Solutions Service Agreement; and
- Enter into an MDA Contract which authorises Implemented Portfolios to transact on your behalf within the MDA service.

WHAT PRODUCTS ARE AVAILABLE?

A range of financial products offered by many leading financial product providers are available for recommendation by us. Details of the available products we can recommend are contained in the Approved Product List (APL).

Internal and external experts provide financial product research, which is used to carefully select and maintain an extensive list of Approved Products for us to select from. We conduct due diligence on external research report providers that provide us with research.

We will only recommend a product to you after considering its appropriateness to your individual objectives, financial situation and needs. The recommendations will be made after conducting an investigation into the financial products and may require us to investigate and consider a financial product which is not on the APL.

HOW DO WE ENSURE THAT THE ADVICE WE GIVE YOU SUITS YOUR NEEDS AND OBJECTIVES?

To ensure we provide advice suitable for your needs and financial circumstances, we firstly need to understand your financial situation, personal financial objectives and needs. We will follow a step-by-step process as outlined below:

- 1.) We will meet with you for an initial consultation. During this meeting we will discuss your expectations and provide you with details of the services we can offer.
- 2.) We will collect all the information we need from you, including your personal financial situation, financial objectives and needs. If you do not wish to provide the information we require, we will advise you of the possible consequences of not disclosing your full personal information and the impact on the recommendations given. This may include not being able to provide advice on the subject matter you request.
- 3.) We will help you identify your goals and may discuss your attitude towards investment risk.
- 4.) We may consider strategies and areas such as income, social security, insurance, cash and estate planning requirements. Where required we will also conduct a reasonable investigation of the financial products that may be suitable to implement the strategies as part of the recommendations. Based on these and other considerations, we will prepare and present you with a written SoA, or in some cases depending on the circumstances, an RoA. We will explain in the SoA (or RoA) the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice. Where we recommend financial products, we will provide you with a PDS or other disclosure document containing information about each product recommended, to help you make an informed decision about whether to purchase that product.

- 5.) We will discuss our recommendations with you, make any changes you require and gain your agreement to implement those recommendations.
- 6.) We will then implement those recommendations.
- 7.) We will meet with you periodically to review your financial circumstances if we agree to an ongoing fee arrangement which includes a regular review component. If an ongoing fee arrangement is entered into, this will be documented in your Ongoing Fee Arrangement Consent and/or SoA. *Where you have entered into an ongoing fee arrangement, we will renew your arrangement every year.*

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further.

In certain circumstances, we may not provide you with personal advice via a SoA or RoA, as outlined above. These circumstances may include:

- 1.) Where we provide you with only general advice, such as through seminars and newsletters;
- 2.) Further advice or verbal advice – if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a RoA. We will not necessarily provide you with a copy of the RoA unless you request it (see below).

WHAT DOCUMENTS DO YOU GET IF WE PROVIDE FURTHER ADVICE?

Where a further review is conducted and personal advice is provided, in some circumstances we are not required to provide you with a SoA for this further advice. Where this is the case, if you have not already been provided with a RoA, you may request a copy of the RoA from us by contacting us (on any of the contact details set out in Part 2 of this Guide) for a period of seven years from when the further advice was first provided to you.

HOW CAN YOU INSTRUCT US?

You may specify how you would like to give us instructions, for example, by phone, fax or email using any of the contact details set out in Part 2 of this Guide.

OTHER SERVICES

Alternatively, you may provide instructions to us in person. Where instructions are provided by telephone, these must be confirmed in writing.

We do not provide services other than financial planning services.

Examples of the services which EFS is not responsible for include:

- general insurance services (e.g. car insurance);
- real estate and direct property advice;
- taxation services, such as completion of tax returns;
- accounting and audit services;
- legal services;
- credit activities
- consulting services; and
- administration and compliance of Self-Managed Superannuation Funds.

HOW WE CHARGE FOR OUR SERVICES

We and EFS may receive:

- fees paid by clients;
- commissions paid by product providers;
- other payments by product providers; and
- other benefits.

All fees and commissions are payable (as directed by your Authorised Representative) to EFS.

Details of any fees, commissions or other benefits that we, EFS or other associated persons are entitled to receive if you implement our recommendations in relation to a specific financial product, will be disclosed to you in your SoA or RoA when personal advice is given.

WHAT TYPE OF FEES, COMMISSIONS, PAYMENTS AND OTHER BENEFITS DO WE RECEIVE FOR OUR SERVICES?

The types of fees, commissions and other benefits that may be received by us and by EFS include the following:

Service fees

We will discuss and agree our fee structure with you before we provide you with services. The types of fees you can be charged are listed below. You may be charged a combination, or part of, any of these fees.

Fees for 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 to the fees before we provide you with advice.

Ongoing advice fees

We may charge a fee to provide ongoing portfolio reviews and/or for the provision of ongoing services.

This fee will be agreed with you and is either a set amount, or an amount based on the amount of funds under our advice, and/or the time involved in reviewing your portfolio and circumstances.

Referral fees

We do not receive, or pay referral fees to any provider.

Payment methods

Our fees are either invoiced to you directly, or deducted from your investments, or a combination of these methods.

Where it is debited from your investments it is normally referred to as the Adviser Service Fee.

In most instances you will be able to select the method of payment that suits you best. We will discuss and agree the method of payment with you before we provide you with services.

Commissions

The commission payable for different classes of financial products include the following:

Life Insurance Products

Initial and ongoing commissions from insurance providers may be received by Enlightened Financial Solutions. These commissions are paid to Enlightened Financial Solutions by the company that issues the product that we recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product.

The initial commission is paid in the first year by the product issuer to Enlightened Financial Solutions. Ongoing commissions are payments paid by product issuers to Enlightened Financial Solutions in the years after the first year.

If you initiate an increase to your cover, Enlightened Financial Solutions may receive an initial commission and ongoing commissions on the annual increase to your policy cost. The ongoing commission on a client-initiated increase is only paid in respect of the period that starts from the first anniversary of the increase.

If the initial commission is equal to the ongoing commissions (as a percentage of your policy cost), Enlightened Financial Solutions may receive up to 31% (excl. GST) of your annual policy cost.

If the initial commission is higher than the ongoing commissions, the maximum commission that Enlightened Financial Solutions may receive is set out in the table below:

Date a new product is issued	Initial commission (% of annual policy cost or increase excl. GST)	Ongoing commission pa (% of annual policy cost or increase excl. GST)
Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 - 140%	0 - 38.5%
1 January 2018 - 31 December 2018*	0 - 80%	0 - 20%
1 January 2019 - 31 December 2019*	0 - 70%	0 - 20%
From 1 January 2020*	0 - 60%	0 - 20%

* Enlightened Financial Solutions may receive the pre 1 January 2018 commission rates above from the product issuer if:

- > your policy was issued before 1 January 2018 and you exercise an option or apply for additional cover under your policy after 1 January 2018; or
- > your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct an administrative error.

Example

We recommend an insurance product to you and it is applied for and issued on 2 February 2018. The annual policy cost is \$450. EFS may receive up to \$360 (80% excl. GST) as an initial commission and may pass up to \$360 to us. Assuming the policy cost stays the same each year, EFS may receive up to \$90 pa (20% excl. GST) as an ongoing commission and may pass up to \$90 pa to us.

From 2 April 2018, you decide to increase your insurance cover. The cost of this increased cover is \$100. The initial commission payable to EFS in respect of this increase will be \$80 (80% excl. GST) as the increase has occurred in 2018. The ongoing commission payable to EFS in respect of this increased policy cost will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (i.e. 2 April 2019). These commissions may be passed onto us.

From 2 April 2020, you decide to increase your insurance cover again. The cost of this increased cover is \$100. The initial commission payable to EFS in respect of this increase will be \$60 (60% excl. GST). The ongoing commission payable to EFS in respect of this increase will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (ie 2 April 2021). These commissions may be passed onto us.

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide you. Where personal advice is provided to you, you'll also find details of the commission that EFS and we are entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

In addition, EFS may receive benefits as part of the Partner Programs in the form of education, training and other support and resources to assist in the delivery of life insurance and investment product advice. Participants in the Partner Programs may pay a fee to EFS. Participants may be given the opportunity to provide training about their products. The total amount of fees, or the fees that may be paid by each product provider, will depend upon the commercial arrangements that may be negotiated from time to time between EFS and each product provider. These payments will not change the amount of the product cost payable by you.

OTHER BENEFITS

From time to time we may accept alternative forms of remuneration from product providers or other parties, such as hospitality or support connected with our professional development (e.g. training or sponsorship to attend conferences). We maintain a register detailing any benefit we receive which is valued up to \$300 and other benefits that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes.

A copy of the register is available on request for a small charge.

WHAT ARRANGEMENTS MAY INFLUENCE OUR ADVICE TO YOU?

EFS has a formal referral relationship in place with Sunsuper to provide advice to Sunsuper members. There are no financial incentives in place in respect to this arrangement.

Implemented Portfolios is a Managed Discretionary Account (MDA) service provider. EFS advisers are authorised to make recommendations to clients to utilise this MDA service where it is deemed to be in the client's best interest. There are no financial incentives in place in respect to this arrangement.

Any other relationships or associations we have that may influence our advice to you will be disclosed in Part 2 of this FSG.

SECTION 2

PRIVACY STATEMENT

WHY 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, to prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and to 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 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.

OTHER IMPORTANT INFORMATION

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at www.efsmackay.com.au. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Privacy Act 1988 (Cth), or a registered privacy code and how we will deal with your complaint; and;
- how we collect, hold, use and disclose your personal information in more detail.

DO WE DISCLOSE PERSONAL INFORMATION OVERSEAS?

We may disclose your personal information to 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, your past and present employers, 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.

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.

EFS is also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) 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 may disclose your personal information to a recipient which is located outside Australia. This includes:

- any financial institution which you hold an account with overseas where you have given us permission to make enquiries on your behalf.

We will update our privacy policy from time to time.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

We will use your personal information to contact you or send you information about other products and services offered by us or our preferred suppliers. If you do not wish to receive marketing communications from us, please contact us.

DEFINITIONS

“We”, “our”, “us” means Enlightened Financial Solutions Pty Ltd and its Authorised Representatives.

SECTION 3

ARE YOU SATISFIED?

WHAT TO DO IF YOU HAVE ANY CONCERNS ABOUT OUR SERVICES

EFS endeavors to provide you with quality financial advice. If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

- 1.) Contact us first about your concern.
- 2.) If your concern is not resolved to your satisfaction, you may contact EFS by:

Writing:

Advice Complaints

Enlightened Financial Solutions Pty Ltd 54 Gordon Street Mackay, QLD, 4740

PO Box 1983, Mackay 4740

Email: info@efsmackay.com.au

- 3.) If your complaint isn't resolved to your satisfaction, you may then refer the matter to the Australian Financial Complaints Authority (AFCA), an independent complaints handling body. We are a member of AFCA. AFCA provides a free, accessible, fair and independent dispute resolution service to consumers.

You may contact AFCA on:

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

In writing to:

The Manager, Australian Financial Complaints Authority Limited

GPO Box 3 Melbourne VIC 3001

- 4.) If your concern relates to a breach of ethical or professional standards you can lodge your written complaint with the Financial Planning Association (FPA) by:

Writing:

Professional Accountability Manager Financial Planning Association of Australia Ltd GPO Box 4285, Sydney 2001

Email: Professional.standards@fpa.asn.au

- 5.) If your concern relates to the handling or use of your privacy information, you may contact the Office of the Australian Information Commission on:

Writing:

GPO Box 5218, Sydney NSW 2001

Email:

enquiries@oaic.gov.au

Phone:

1300363992

- 6.) The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring that Australia's financial markets are fair and transparent, and is supported by informed investors and consumers alike. ASIC seeks to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services.

You may contact ASIC by:

Writing:

Australian Securities & Investments Commission GPO Box 9827

Your Capital City Or

PO Box 4000

Gippsland Mail Centre Victoria 3841

Website:

www.asic.gov.au

Phone:

1300 300 630

Contact us for more information on anything you have read in this document or if there is anything else we can help you with, please contact us at:

Address: 54 Gordon Street

Mackay Qld 4740

Postal Address: PO Box 1983

Mackay QLD 4740

Phone: 07 49571600

Email: info@efsmackay.com.au

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