

shadforth

Financial Services Guide

A guide to our relationship with you

Shadforth Financial Group Limited
ABN 27 127 508 472
AFSL 318613

Part of the Insignia Financial Group
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About this guide

This Financial Services Guide (FSG) explains the financial services provided by Shadforth and your adviser (who is authorised through Shadforth). It is designed to help you make a fully informed decision about whether you want to use our services.

Please take the time to read this guide carefully. Sound financial advice is based on open communication. Understanding our services and our fees is the cornerstone of this communication. It is also important that you know who authorises your adviser, the nature of their associations and relationships and what to do if you have a complaint. If you have further questions, or if there is anything that isn't clear, please talk to your adviser or contact us.

Not independent

We are a wholly owned subsidiary of Insignia Financial Ltd (ABN 49 100 103 722) and part of the Insignia Financial Group of companies (Insignia Financial Group) which is listed on the Australian Securities Exchange (ASX: IFL). Insignia Financial Group is an issuer of financial products, some of which are included in our Approved Product List. In addition, we may receive commission on life insurance products as explained in this FSG under the heading 'How we are paid'. For these reasons, we do not refer to ourselves or our advice as independent, impartial or unbiased.

About us

Improve your life today, with a plan for a more confident tomorrow

Our experienced and dedicated private wealth advisers offer highly personalised financial advice, developing tailored financial solutions and services for each client's circumstances and objectives. As a Shadforth client, you will be provided with all the information and resources you need to feel empowered and in control of your finances, leaving you to enjoy the things that are really important in life.

We regularly meet with our clients to stay up to date with their personal circumstances and affairs, and also to adjust our recommendations so they can take advantage of emerging opportunities created by the ever-changing environments of taxation, superannuation, investment markets and government regulations.

We challenge ourselves to be the best in everything we do, and we embrace the opportunity to question conventional wisdom and champion better outcomes for our clients.

CEFEX Certification

Shadforth is one of the largest advice firms in Australia to be independently certified as a fiduciary. As a fiduciary we are bound by the highest standards of authority and trust and have a duty to act in the best interests of our clients.



Every year, we are independently assessed by the Centre for Fiduciary Excellence (CEFEX) to ensure we continue to meet fiduciary standards. This provides our clients with absolute certainty that they are dealing with professionals they can depend on.

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Website: sfg.com.au

Products and services we provide

We offer you the flexibility and convenience of accessing high quality financial advice and services to help you generate and maintain wealth over time. Services offered or arranged by us include:

- Advice designed to meet your goals
- Wealth creation planning and protection, including long-term cashflow modelling where applicable
- Retirement planning and superannuation advice
- Self-managed super funds advice and administration
- Personal insurance
- Philanthropic advice and management
- Centrelink and aged care planning
- Estate planning advice
- Investment advice and portfolio management
- Corporate superannuation advice
- Retrenchment and redundancy advice
- Regular review of your strategies, objectives, investments and insurance.

We can advise and deal in relation to the following financial products:

- Managed investments including Investor Directed Portfolio Services (IDPS)
- Superannuation and retirement savings accounts
- Managed Discretionary Account (MDA) services
- Separately Managed Accounts (SMA)
- Listed securities, including equities, hybrids and listed investment companies
- Deposit products
- Derivatives
- Government debentures, stocks or bonds
- Investment life insurance and life risk products
- Standard margin lending facilities.

In some cases, advisers and other persons authorised to provide services on our behalf are only authorised to provide a certain range of services. In these circumstances, it is important to review any restrictions to the authority issued to the representative (a copy of which is available on request).

Important documents you can expect to receive

When your adviser provides personal financial advice for the first time, you will generally be given a Statement of Advice (SoA). The SoA sets out your personal advice, the basis on which it is given, the cost of the advice, and information about any associations or relationships that could influence the advice.

If you require further advice at a later time, providing your circumstances have not changed significantly since your previous SoA, your adviser may be able to provide the further advice verbally or via a shorter Record of Advice (RoA). If you are given verbal advice, your adviser will document the discussion and a copy of this record can be made available to you on request. If you are given further advice and your circumstances have changed significantly since your previous SoA, you will generally be given another SoA.

To help you make an informed decision about a financial product, you will generally be given a Product Disclosure Statement (PDS) which outlines the product features and costs in detail. In certain circumstances, there is no requirement to provide a PDS (including, for example, where you already have one).

If you ask your adviser to undertake a transaction without receiving advice from that adviser, you may be given a letter confirming your instructions and disclosing any costs payable by you in relation to that transaction.

Our Approved Product List

Our Approved Product List (APL) is a list of what we consider to be sound quality, fully researched products, but doesn't include all possible products available in the market. Only products and services that have been examined by our experienced research team are placed on our APL.

When selecting products for you, your adviser is generally limited to the range of investment products and a selection of up to 12 insurance providers on the APL.

Your adviser will first source from the APL before providing any recommendations. They will only recommend a product or service after considering its appropriateness in relation to your individual objectives, financial situation, needs and best interests. Where your strategy requires products and services other than those on the APL to act in your best interests, the Insignia Financial research team will be consulted and we will seek to find an alternative solution.

The APL includes products issued and platforms operated by related companies, including IOOF Investment Management Limited, IOOF Investment Services Limited, Managed Portfolio Services Limited, OnePath Funds Management Limited, OnePath Custodians Pty Limited, Oasis Funds Management Limited, MLC Investment Limited, NULIS Nominees (Australia) Limited, Navigator Australia Limited, Antares Capital Partners Ltd, Fairview Equity Partners Pty Ltd, Intermede Investment Partners Limited and MLC Asset Management Services Limited.

Our related companies will receive fees and benefits as disclosed in the relevant disclosure document if you invest with them.

Important relationships and other benefits

In addition to the related companies listed above (under the heading 'Our Approved Product List'), you should also be aware of the following relationships and benefits that we may receive. Any payments noted below are not an additional cost to you and will only be made to the extent permitted by law. Arrangements that are relevant to the advice being provided to you will also be disclosed in your written advice.

Distribution fees

Related companies of Shadforth may receive fees for acting as the distributor of financial products which your adviser may recommend. Any fee is paid by the product issuer or administrator of the product out of its own funds. Neither your adviser nor Shadforth receive any of these fees.

Advisory fees

Product providers may pay advisory fees to an investment management entity associated with Shadforth. This fee is for the provision of portfolio management advisory services where Shadforth model portfolios are utilised via managed accounts or separately managed accounts. In the event of this occurring, the fee is calculated as a percentage, likely to be up to 0.15% of the managed account or separately managed account portfolio balance. Neither Shadforth nor your adviser receive any of this fee.

Referral partners

Shadforth has referral relationships with third parties. These third parties may include accountants, mortgage brokers, general insurance brokers, solicitors, real estate agents and other third parties who specialise in a specific field.

If you are referred to your adviser by one of these third parties, that third party may receive a referral fee, commission or non-monetary benefit. These referral fees can vary and may be up to 30% of revenue received by your adviser's practice or an equivalent or lesser value non-monetary benefit. These referral relationships may

change over time and, as such, the referral fee ranges may also vary over time. If this is applicable to you, the relevant referral fee will be disclosed in the written advice provided to you.

Referrals to a third party

Where you are referred to a third party (including to other financial advisers) by your adviser, your adviser does not receive any payment for that referral. We also do not approve or endorse their advice. You must assess the merits of their advice in light of your own circumstances and objectives.

Other payments

We keep a full register of any benefits received by advisers valued between \$100 to \$300. By law, your adviser is not permitted to receive benefits in excess of \$300 per year from a product issuer. In addition, Shadforth keeps a register of any other non-monetary benefits your adviser may receive in relation to education, training, technology support or software that is relevant to the provision of financial advice. If you would like a copy of either register, please ask your adviser and one will be made available to you.

How we are paid

We receive remuneration from:

- Advice and service fees paid by you (fee for service)
- Commissions from insurance providers
- Other payments and benefits as outlined above under the heading 'Important relationships and other benefits'

All fees and commissions are collected by Shadforth. Your adviser is an employee of Shadforth and is paid a salary and may also receive a bonus based on performance and achievement of various objectives. The variable/bonus component of your adviser's remuneration is generally determined annually based on factors such as client retention, the standard of service provided to clients, training undertaken and revenue received by Shadforth in the previous year.

Advice and service fees paid by you

Before providing personal advice, your adviser will agree the fees and payment options with you. Fees and commissions that are relevant to the advice being provided will also be disclosed in the written advice provided to you.

The types of fees you may be asked to pay can include:

- Statement of Advice (SoA) fee – a fee to gather information, analyse your situation, prepare your SoA and implement our advice.
- Annual fee for service – a fee for the provision of review services if you enter into a service agreement with your adviser.

Your adviser may also charge other fees for the ad hoc provision of advice or services, including if you instruct your adviser to complete a transaction on your behalf, such as buying or selling specific financial products.

Typical examples of fees (inclusive of GST)

<p>Preparation of Statement of Advice and Implementation</p>	<p>Your adviser may charge fees for the preparation and implementation of our advice. These fees will be based on your individual circumstances, the complexity of your situation and the time it takes to prepare personal financial advice for you. The minimum fee charged is \$3,300. However, depending on the complexity of the advice, you may be charged a higher fee.</p> <p>For example, complex advice that addresses multiple goals, strategies and/or tax structures, including but not limited to self-managed superannuation funds, family trusts and companies, is likely to incur a higher fee. Less complex advice that addresses limited goals, strategies and/or tax structures is likely to incur a charge closer to the minimum.</p>
<p>Annual fee-for-service</p>	<p>Your adviser may charge a fee for the provision of services that may include an annual review and/or a portfolio review. This fee will be either a set amount based on the time involved and complexity in reviewing your portfolio, or a percentage fee based on the amount of funds under our advice. The minimum fee charged is \$4,400.</p> <p>Details of the services and the relevant fees and charges will be set out in your Client Service Agreement, if you enter into such an agreement.</p>
<p>Ad hoc advice</p>	<p>Where you do not wish to participate in an annual fee-for-service, but require ongoing advice on an ad hoc basis, an hourly fee of \$440 may apply.</p>
<p>Fees for share and derivatives transactions</p>	<p>Any commission or brokerage payment for shares or derivative transactions we receive are offset against charges we incur for the cost to facilitate the service. Brokerage fees charged by providers we use generally vary between a minimum of \$17 plus 0.03% and a maximum of 2.75% – subject to a minimum brokerage fee that might be set from time to time. The cost of brokerage for share transactions through platforms are set out in the relevant disclosure documents. We will tell you what brokerage fees will be incurred for share transactions.</p>

Commission for life insurance products

Where we arrange a life insurance product for you, the relevant insurer will pay an initial commission to us. The commission is calculated as a percentage of the premium paid (and may include health, occupational, frequency, loadings dependent on your level of risk and policy fees, but excludes stamp duty).

Ongoing commission will also be paid when you renew your policy each year.

The rates of initial and ongoing commission will depend on the date the policy is issued and are set out in the table below:

Date policy is issued	Initial Commission (% of annual policy cost including GST)	Ongoing Commission (% of annual policy cost including GST)
Before 1 January 2018 (or before 1 April 2018 where the application was received before 1 January 2018)	up to 130%	up to 33%
From 1 January 2018	up to 88%	up to 33%
From 1 January 2019	up to 77%	up to 33%
From 1 January 2020	up to 66%	up to 33%

We may receive commission at pre 1 January 2018 rates if:

- you increase your cover, add new cover or otherwise amend a policy purchased by you before 1 January 2018; and
- that policy amendment results in commission receivable by us; and
- that policy amendment is eligible for pre 1 January 2018 commission rates.

Example (all figures include GST):

You purchase a policy for \$1,000 on 1 December 2019. We may receive an initial commission of up to \$770 ($\$1,000 \times 77\%$) in the first year and ongoing commission of \$330 per annum ($\$1,000 \times 33\%$) for as long as you continue to hold the policy.

If you increase your cover on 1 July 2020 for a cost of \$500, we may receive an initial commission of up to \$330 ($\$500 \times 66\%$). The ongoing commission on the additional cover may be up to \$165 ($\$500 \times 33\%$). This is in addition to the ongoing commission of \$330 per annum when the policy was purchased. Total ongoing commission payable to us may be up to \$495 ($\$1,500 \times 33\%$).

Please note that the initial and ongoing commission on life insurance products is paid to us by the product provider and is not an additional cost to you.

If you have a complaint

If you have a complaint about financial services provided to you, your complaint can be directed to your adviser in the first instance. You can also raise your complaint at any time by contacting us at:

Email: advicecomplaints@insigniafinancial.com.au

In writing to: Insignia Financial Advice Dispute Resolution Team
Level 3, 30 Hickson Road, Millers Point NSW 2000

Phone: 1800 271 147

We will investigate and endeavour to resolve your complaint promptly and fairly. If your complaint has not been resolved to your satisfaction within 30 days, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA).

AFCA is an external dispute resolution scheme which provides fair and independent financial services complaint resolution that is free to consumers. AFCA's contact details are:

Email: info@afca.org.au

Website: www.afca.org.au

In writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Phone: 1800 931 678

The Australian Securities and Investment Commission (ASIC) has an information line 1300 300 630 which you may use to obtain information about your rights, and to make a complaint. For more information, please visit their website www.asic.gov.au

Professional indemnity insurance

Shadforth is covered by professional indemnity insurance satisfying the requirements under the Corporations Act for compensation arrangements. Our insurance arrangements cover claims made against us as the licensee and both our current and former authorised representatives.

Our Privacy Policy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our Privacy Policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information (including sensitive information, where required and authorised) from the questionnaire you complete with your financial adviser. As a financial service provider, we are obligated to verify your identity and the source of any funds. Accordingly, we will ask you to present identification documents, such as your passport and driver's licence, which will be held on file.

What is my personal information used for?

The main reason we collect, use and/or disclose your personal information is to provide you with the products and services that you request. We may also use and/or disclose your personal information for the following related purposes:

- To help your financial adviser provide you with financial advice and services in relation to your financial products.
- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of Insignia Financial Group products and services.
- To establish and maintain insurance cover that you may request.
- To provide you with information about other products and services that we or other members of the Insignia Financial Group offer that may interest you.

We may also disclose your information to external parties, some of whom act on your or our behalf. These parties may include:

- your financial adviser
- banks or other financial institutions
- insurers and reinsurers and their claims agents and assessors
- product providers
- mail houses
- other companies within the Insignia Financial Group.

To facilitate the provision of financial services, paraplanning and other administrative services, our financial advisers may use a service provider located overseas and, if so, your personal information may be accessed from this overseas location. Any overseas disclosure of your personal information to enable these services to be provided does not affect our commitment to safeguarding your privacy and we will take reasonable steps to ensure that any overseas recipient complies with Australian privacy law.

As a financial service provider, we have an obligation under the Anti-Money Laundering and Counter-Terrorism Finance Act 2006 (Cth) to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as your passport or driver's licence. We will also retain copies of this information.

If you do not provide the personal information requested, we may not be able to provide you with the financial services you require.

Accessing and correcting your personal information

If you have concerns about the accuracy and/or completeness of the information we hold, you may request access to your personal information by contacting the Privacy Officer at the address listed in the contact details of this FSG.

Depending upon the nature of the request, we may charge you the reasonable costs of providing you any information you have requested.

You can get a copy of our Privacy Policy from your adviser, from our website (www.sfg.com.au) or by asking us.

For more information
contact us on 1800 501 204
or visit sfg.com.au

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