

# Financial Services and Credit Guide

Cheers Financial Services

It is important that you read this Financial Services and Credit Guide (FSCG). It contains information that will help you decide whether to use any of the financial services I offer, as described in this guide, including:

- who I am and how I can be contacted
- the advice and services I can provide
- information about my licensee AMP Financial Planning Limited (AMP Financial Planning)
- my fees and how I, and AMP Financial Planning, are paid in connection with those services
- how I manage your private information
- how you can complain about a matter relating to me or AMP Financial Planning

## Documents you may receive

I will provide you with a number of documents as you progress through our financial planning process to capture each stage of your advice journey. I may provide these documents to you electronically to your nominated email address, unless otherwise agreed.

When I provide personal advice, it will normally be documented and provided to you in a Statement of Advice (SoA), known as a financial plan. The financial plan contains a summary of your goals and the strategies and any financial products I may recommend to achieve your goals. It also provides you with detailed information about product costs and the fees and other benefits I and others, will receive as a result of the advice I have provided.

If I provide further personal advice, a financial plan may not be required. I will keep a record of any further personal advice I provide you for seven years. You may request a copy of such records by contacting our office during that period.

If I recommend or arrange a financial product for you, I will provide a product disclosure statement (PDS) or investor directed portfolio service (IDPS) guide where relevant. These documents contain the key features of the recommended product, such as its benefits and risks as well as the costs you will pay the product provider to professionally manage that product.

You should read any warnings contained in your advice document, the PDS or IDPS guide carefully before making any decision relating to a financial strategy or product.

# About my practice

Name	Kenneth Cheers trading as Cheers Financial Services
Australian Business Number	96 844 183 293

## About Kenneth Cheers



Authorised representative number	248668
Credit representative number	371161
Experience	Kenneth Cheers have been in the financial planning industry since 1989.

### Qualifications

CFP, Diploma in Financial Planning, Diploma in Financial Services, JP, Qualified Automotive Engineer, 13 years of farming experience

### Professional memberships

Member of Financial Planning Association of Australia Limited  
Member of Association of Financial Advisers Ltd

### Office contact details

Address	96 Binya Street, , GRIFFITH, NSW 2680
Phone	02 6964 7777
Fax	02 6964 6099
Email	admin@cheersamp.com
Website	www.kennethcheers.amp.com.au

## My advice and services

I can provide you with personal and general advice about specific services and financial products listed below. I can also arrange for financial products to be issued without advice from me.

The following table sets out the areas of advice I can help you with as well as the products and services I can arrange.

I can provide advice on	I can arrange the following products and services
— Investments strategies (strategic asset allocation)	— Superannuation, including retirement savings accounts
— Budget and cash flow management	— Employer superannuation
— Debt management (including borrowing for personal and investment purposes)	— Managed investments
— Salary packaging	— Investor directed portfolio services (for example, administration platforms)
— Superannuation strategies and retirement planning	— Deposit and payment products (for example term deposits, cash management accounts and non-cash payment products)
— Personal insurance	— Standard margin loans
— Estate planning	— Retirement income streams, including pensions and annuities
— Centrelink and other government benefits	— Personal and group Insurance (life cover, disability, income protection and trauma)
— Ongoing advice and services, including regular portfolio reviews	— Life investment products including whole of life, endowment and bonds
	— Arranging for listed securities, shares and debentures to be bought and sold via a platform and broker.
	— Limited selection of investment guarantees

AMP Financial Planning maintains an approved products and services list, which includes products issued by AMP companies and a diversified selection of approved Australian and International fund managers. These have been researched by external research houses as well as my in-house research team.

AMP Financial Planning periodically reviews these products to ensure that they remain competitive with similar products that address similar client needs and objectives. Generally, I recommend products that are on the approved products and services list. However, if appropriate for your needs, I may, subject to AMP Financial Planning's approval, recommend other products.

A copy of the approved products and services list can be supplied to you upon request.

If I recommend a new platform or portfolio administration service, I use those issued or promoted by the AMP Group or as otherwise approved by AMP Financial Planning and where appropriate to your circumstances.

I am also a Credit Representative of AMP Financial Planning and am authorised to provide credit advice regarding how to structure debt, suitability of existing loan structures and repayment options. If you require advice involving mortgages or other lending products, I can refer you to an Accredited Mortgage Consultant.

The full list of approved lenders is available on request but is not an exhaustive list of lenders who offer credit of the nature you may seek.

As at September 2017, the lenders whose products are most commonly recommended by Accredited Mortgage Consultants authorised by AMP Financial Planning are:

- AMP Bank
- ANZ
- ING Direct
- AFG Home Loans
- Westpac
- Commonwealth Bank
- Bankwest
- Macquarie Bank
- St George
- National Australia Bank

## Tax implications of our advice

Under the Tax Agent Services Act 2009, , trading as Cheers Financial Services is authorised by the Tax Practitioners Board to provide tax (financial) advice services on matters that are directly related to the nature of the financial planning advice provided to you. We will not consider any other tax matters in our advice to you. Where tax implications are discussed they are incidental to our recommendations and only included as an illustration to help you decide whether to implement our advice.

## Transaction services

If you do not require advice, I can also arrange for you to apply for limited types of financial products where I can take your instructions and arrange for the transaction to be completed, without providing personal advice. If you wish to proceed without my advice, I will ask you to confirm your instructions, which I will document in writing. You can ask me for a copy of this documentation at any time.

## Your relationship with me and using my services

You can contact me directly with any instructions relating to your financial products. This includes giving me instructions by telephone, mail or email. I can only accept your instructions via email once you have signed an authority form.

I will work with you to agree what advice and services I will provide and when and how often I will provide them.

Where you agree to ongoing advice and services, the details will be documented and provided to you in a service agreement. This includes the frequency of contact between me, service standards that may apply, any ongoing fee arrangements and how the service can be terminated.

If at any time you wish to terminate your relationship with me, please contact me using the details shown in this Guide.

## Changing service providers

To ensure that you are provided at all times with ongoing servicing to meet your financial needs, I may transfer my rights and obligations under this servicing arrangement to another adviser or financial planning practice within the AMP network or to another AMP licensee (the new service provider). If I do this, the new service provider will provide the ongoing servicing to you and will be entitled to the agreed ongoing fees. The new adviser will then take over the rights and obligations on the same terms and conditions set out in this servicing arrangement and I will be released from those rights and obligations. I will write to you in advance of a transfer occurring, to introduce your new service provider. You may notify your new service provider at any time if you want to vary or end your servicing arrangements.

## Providing information to me

It is important that I understand your circumstances and goals, so that I can provide you with appropriate advice and services. You have the right not to provide me with any personal information. Should you choose to withhold information, or if information you provide is incomplete or inaccurate the advice or services I provide you may not be appropriate for you.

It is also important that you keep me up to date by informing me of any changes to your circumstances so I am able to determine if our advice continues to be appropriate.

## My fees

My preferred method of payment is by an agreed fee. The actual fee charged to you will depend on the nature of the advice or service I provide. I will discuss and agree the actual fees with you before we proceed. The following section outlines the types of fees that may apply.

The fees charged for our advice and services may be based on a combination of:

- A set dollar amount; or
- A percentage based fee.

My agreed advice and service fees may include charges for:

- Initial advice; and
- Ongoing advice.

Please note that for services in relation to insurance, banking deposit products, some loan products and older investment products, commissions may be paid by the product provider as follows:

- Initial commission - a percentage of the value of your investment contributions, loan balance or insurance premiums; and
- Ongoing commission - a percentage of the value of your investment balance, outstanding loan amount or premiums, usually calculated at the end of each month in which you hold the investment or loan, or on renewal of insurance products.

### Payment methods

I offer you the following payment options for payment of my advice fees:

- BPAY, direct debit (savings), credit card or cheque; and
- Deduction from your investment.

All fees and commissions will be paid directly to AMP Financial Planning as the licensee. They retain a percentage (as a licensee fee) to cover their costs and the balance is passed on to me. The percentage is determined annually, based on a number of factors, including my business revenue for the prior year.

For details of our service fees, please contact us to request a schedule of fees.

### Other costs

Where other costs are incurred in the process of providing my advice and services to you, you will be liable for these costs. However, I will agree all additional costs with you prior to incurring them.

### How I am paid

I am a sole trader and receive all fees and commissions paid to my practice.

### Other benefits I may receive

The following is a list of benefits I may receive other than those explained above. These are not additional costs to you. These benefits may be monetary or things like training, events or incentives I am eligible for.

In addition to the payments I may receive for my advice and services, I may receive other support services from the licensee. I may also be eligible to receive financial and training assistance, prizes and awards or events in recognition of financial planning excellence and innovation, and business performance. These benefits are paid at the licensee's discretion and the amounts are set by the licensee from time to time (usually on an annual basis).

I may also participate in business lunches or receive corporate promotional merchandise tickets to sporting or cultural events and other similar items.

## **Development, management and advice recognition**

I may be eligible for Development management and advice (DMA) recognition payments based on my performance relative to other AMP Financial Planning practices in the previous year. Up to 30% of all AMP Financial Planning practices may be eligible for DMA payments.

The DMA payment is based on a percentage of my practice revenue. My DMA percentage will be set annually and may range from 0% to 10% depending on my ranking. The relevant percentage is then applied to my practice revenue and the resulting payments are received twice a month (the 'payment period').

For example, if my DMA is set at 3% and my revenue for the payment period was \$8,500, I would receive  $\$8,500 \times 0.03 = \$255$ . Assuming an average revenue of \$8,500 per payment period, the total DMA payment received in a year would be  $\$255 \times 24 = \$6,120$ .

## **How my performance is ranked**

Ranking of practices is determined yearly by a points system which is a broad measure of the growth and professionalism of my practice as compared to other practices in the AMP Financial Planning network. The points system is based on a combination of factors within a balanced scorecard such as the quality of my services, compliance, my business goals and my engagement with my clients through a measure called Advice Growth Index (AGI). AGI measures the value of my fee for service revenue and the change in our clients' product holdings over the prior measurement period (usually a period of approximately 12 months) (usually a period of approximately 12 months).

## **Business growth advice payments**

All practices within the AMP Financial Planning network are eligible for Business Growth Advice (BGA) payments. The payments are based on my practice revenue.

BGA payments are set at 1% of my practice revenue. Payments are received twice each month. For example, if my practice revenue was \$8,500 in a payment period, I would receive  $\$8,500 \times 0.01 = \$85$ . Assuming an average revenue of \$8,500 per payment period, the total BGA payment received in a year would be  $\$85 \times 24 = \$2,040$ .

## **Business buy-back option**

If I leave the financial services industry or can no longer appropriately service a selection of my clients, and cannot find a buyer, AMP Financial Planning will either look after my clients or appoint one of its authorised representatives to do so.

If this happens, AMP Financial Planning makes available a facility for practices to transfer the servicing rights of their clients. The valuation will vary depending on certain factors including the annual recurring revenue of my practice and the level of my service standards.

## **Personal and professional development**

AMP Financial Planning provides personal and professional development opportunities in the form of a multi-tiered development program, offered annually to qualifying practices.

### **Summit**

The Summit is a national convention available to advisers from all AMP Financial Planning practices. AMP Financial Planning subsidises the expenses of those who attend the convention up to a maximum value of \$1,200 per annum per practice.

### **Mid-tier and base-tier study tours**

AMP Financial Planning will subsidise the cost of my participation in certain personal and professional development programs if I meet specific qualification criteria. The qualifying criteria is based on a combination of factors including the quality of my services, my business goals and my ranking against other practices in AMP Financial Planning. The maximum amount of this subsidy is \$12,000 per annum per practice.

### **Amicus program**

In addition to the above, certain practices that meet additional qualification criteria will be eligible to participate in the Amicus program, an additional personal and professional development program organised by AMP Financial Planning. The additional qualification criteria requires long term

achievement of the mid-tier study tour criteria. If a practice qualifies for the Amicus program, AMP Financial Planning will subsidise the cost of their participation up to a maximum value of \$15,000 per annum per practice.

### **Para-planning costs subsidy**

I may be eligible for a subsidy from AMP in relation to paraplaning costs, depending on the number of paraplaning requests that I make in a particular month. If my practice submits a minimum of 5 paraplaning requests per eligible authorised representative in my practice, I receive a discount of up to 25% in relation to these costs. For example, if the total cost of 5 SOAs is \$1,000 I will receive a discount of up to \$250 ( $25\% \times \$1,000 = \$250$ ) and pay a discounted fee of minimum \$750.

### **Placement fees**

From time to time AMP Financial Planning will receive fees from brokers or product issuers (including AMP group companies) for arranging client participation in Initial Public Offerings (IPOs) of financial products. The fee, which is generally a percentage of the fee paid to the broker, varies from offer to offer and by the level of participation by AMP Financial Planning. I may share in this fee based on the level of participation by my clients.



# Relationships and associations

It is important that you are aware of the relationships that AMP Financial Planning has with providers of financial services and products as they could be seen to influence the advice you receive.

## About my licensee

AMP Financial Planning Pty Limited

ABN 89 051 208 327

Australian Financial Services Licensee and Australian Credit Licensee

Licence No: 232706

AMP Financial Planning is a member of the AMP Group and has:

- Approved the distribution of this FSCG
- Authorised me to provide advice and other services as described in this FSCG
- Authorised me to provide credit assistance services to you

AMP Financial Planning's registered office is located at 33 Alfred Street, Sydney, NSW 2000.

## About the AMP Group

AMP Financial Planning is a member of the AMP group of companies. I can provide advice on products from a wide range of financial product providers, some of which are part of the AMP Group and as such AMP Financial Planning is affiliated with:

- |  |   |
|--|---|
| — National Mutual Funds Management Limited | — AMP Capital Funds Management Limited                |
| — NMMT Limited                             | — AMP Capital Investors Limited                       |
| — N.M. Superannuation Pty Limited          | — AMP Superannuation Limited                          |
| — Multiport Pty Limited                    | — AMP Life Limited                                    |
| — ipac asset management limited            | — Cavendish Superannuation Pty Ltd                    |
| — AMP Bank Limited                         | — Australian Securities Administration Limited (ASAL) |
| — SMSF Administration Solutions Pty Ltd    | — Super IQ Pty Ltd                                    |

If I recommend a product issued by the AMP Group or a third party product issuer, they will benefit from my recommendation by receiving product, administration and investment fees, as well as fees paid by fund managers to distribute their product. These fees are all disclosed in the relevant PDS or IDPS guide.

Authorised representatives and/or staff employed in our business may hold shares in AMP Limited, whose share price may be favourably affected by the sale of products issued by AMP Group companies.

## AMP Financial Planning's relationships with other companies

AMP Services Limited provides administration services and distribution infrastructure services to several issuers of financial products and loan products under agreements entered into prior to 1 July 2013.

In return for those services, AMP Services Limited receives remuneration as set out below:

- For investment products and loan products – up to 0.33%\* p.a. of funds under administration, the balance of any relevant cash account or the total loan value outstanding.
- For insurance products – up to 10%\* p.a. of the total premium paid.

\*includes GST

By way of example:

- If total funds under administration for a particular investment product is \$10 million, AMP Services Limited would receive \$33,000.
- If total premiums for insurance products are \$1 million, AMP Services would receive up to \$100,000.

From time to time, AMP Services Limited may facilitate access to AMP Financial Planning and its authorised representatives for issuers to train or educate AMP Financial Planning and its authorised representatives on their products.

## Arrangements with platform providers

We have arrangements with third parties for administration and support services in relation to the products below.

### WealthView eWRAP and PortfolioCare administration services

The range of WealthView and PortfolioCare administration services are issued by companies in the AMP Group. These companies have an agreement with Asgard Capital Management Limited (Asgard) under which Asgard administers the WealthView eWRAP and PortfolioCare administration services in addition to administration and support services also provided by AMP companies.

If you access a product in the WealthView eWRAP or PortfolioCare range, then administration and, where applicable, custodial share and trustee fees are deducted from your account. These fees, as set out in the product disclosure statement or IDPS Guide, are paid to AMP Financial Planning after deduction of expenses for administration and support described above.

A full description of the fees is in the relevant product disclosure statement or IDPS guide. Our practice does not receive any part of these payments.

## Our referral arrangements

Where you have been referred to us by someone else we may pay them a fee, commission or some other benefit in relation to that referral. Our current referral arrangements are detailed below:

Provider	Payment arrangement
Morgan Stanley	Advice and/or execution of share/ securities transactions 11% of any referral fees will be paid to AMP Financial Planning and we will receive the remaining 89%. For example, if the referral fee was \$1000, AMPFP will receive \$110 and we will receive \$890.
Smith Barney	Advice 11% of any referral fees will be paid to AMPFP and we will receive the remaining 89%
AMP Financial Planning Pty Ltd	Credit assistance with mortgages and loans. 35% of any one off commission on initial borrowing received by AMPFP Pty Ltd 35% of any ongoing commission on continued borrowing received by AMPFP Pty Ltd For example, if the initial commission was \$5000 and the ongoing commission was \$1000, we will initially receive \$1750 and continue to receive \$350 per annum thereafter.
AMP Bank	Home and business lending services Up to 0.85% initial commission and up to 0.25% ongoing commission For example, for a loan of \$100,000, we would receive up to \$850 initial commission and up to \$250 ongoing commission.



## Confidence in the quality of our advice

If at any time you feel like you are not satisfied with our services, the following will help you understand your options and find a resolution.

- Contact your adviser and tell them about your complaint.
- If your complaint is not satisfactorily resolved within three days, please contact AMP Advice Complaints on [advicecomplaints@amp.com.au](mailto:advicecomplaints@amp.com.au), or put your complaint in writing and send it to:

**Attention: National Manager, Advice Complaints**

Level 16, 33 Alfred Street

Sydney NSW 2000

- AMP Advice Complaints will try to resolve your complaint quickly and fairly.
- If your complaint has not been resolved satisfactorily, you may escalate your complaint to one of the following External Dispute Resolution Schemes listed in the following below.

<p>Any issues relating to financial advice, investments, superannuation or insurance matters</p>	<p><b>Financial Ombudsman Service (FOS)</b> GPO Box 3 Melbourne VIC 3001  1800 367 287 <a href="http://www.fos.org.au">www.fos.org.au</a> <a href="mailto:info@fos.org.au">info@fos.org.au</a></p>
<p>Any issue relating to your personal information</p>	<p><b>The Privacy Commissioner</b> GPO Box 5218 Sydney NSW 2001  1300 363 992 <a href="mailto:privacy@privacy.gov.au">privacy@privacy.gov.au</a></p>

You may also contact the **Australian Securities & Investments Commission (ASIC)** on 1300 300 630 (free call info line) to make a complaint and obtain information about your rights. You can also contact the **Financial Planning Association (FPA)** at [www.fpa.asn.au](http://www.fpa.asn.au) to make a complaint (please note that the FPA cannot award compensation).

## Professional indemnity insurance

We maintain professional indemnity insurance to cover our advice and the recommendations provided by your adviser. AMP Financial Planning is also covered by professional indemnity insurance and this satisfies the requirements imposed by the Corporations Act 2001 and National Consumer Credit Protection Act. The insurance covers claims arising from the actions of former employees or representatives of AMP Financial Planning, even where subsequent to these actions they have ceased to be employed by or act for AMP Financial Planning.

# Your privacy

We are committed to protecting your privacy. Below we outline how we maintain the privacy of the information we collect about you.

## Privacy Collection Statement

As part of the financial planning process, we need to collect information about you. Where possible we will obtain that information directly from you, but if authorised by you we may also obtain it from other sources such as your employer or accountant. If that information is incomplete or inaccurate, this could affect our ability to fully or properly analyse your needs, objectives and financial situation, so our recommendations may not be completely appropriate or suitable for you.

We are also required under the Anti-Money-Laundering and Counter-Terrorism Financing Act (AML/CTF) 2006 to implement client identification processes. We will need you to present identification documents such as passports and driver's licences in order to meet our obligations.

We keep your personal information confidential, and only use it in accordance with our Privacy Policy. Some of the ways we may use this information are set out below:

- Your adviser and AMP Financial Planning may have access to this information when providing financial advice or services to you;
- Your adviser may, in the future, disclose information to other financial advisers, brokers and those who are authorised by AMP Financial Planning to review customers' needs and circumstances from time to time, including other companies within the AMP group;
- Your information may be disclosed to external service suppliers both here and overseas who supply administrative, financial or other services to assist your adviser and the AMP group in providing financial advice and services to you. A list of countries where these service providers are located can be found in the AMP Privacy Policy;
- Your information may be used to provide ongoing information about opportunities that may be useful or relevant to your financial needs through direct marketing (subject to your ability to opt-out as set out in the AMP Privacy Policy);
- Your information may be disclosed as required or authorised by law and to anyone authorised by you.

Your adviser and AMP Financial Planning will continue to take reasonable steps to protect your information from misuse, loss, unauthorised access, modification or improper disclosure. You can request access to the information your adviser or AMP Financial Planning holds about you at any time to correct or update it as set out in the AMP Privacy Policy. The AMP Privacy Policy also contains information about how to make a complaint about a breach of the Australian Privacy Principles.

For a copy of AMP's Privacy Policy visit <http://www.amp.com.au/privacy> or you can contact us.