

Financial Services and Credit Guide Part 1

1 January 2020
Version 18

Paragem

A guide to our relationship with you and others

This Financial Services and Credit Guide (“Guide”) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial or credit service.

This Guide 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 complaint procedures, along with how you can access them.
- Privacy (i.e. collection and handling of your personal information)

It is 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 Guide, designed to help you understand the financial and credit 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.

The financial and credit services that you receive from Paragem are provided by our Authorised Representatives (advisers). 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 Guide.

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

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.

If credit services are to be provided, we and our representatives must provide you with credit assistance that is not unsuitable for your financial situations and objectives. To do this a preliminary assessment must be conducted. For our representative to conduct this assessment they must collect information about your financial situation and the objectives you have for seeking credit. If you do not provide the requested information we may not be able to provide any credit assistance to you.

You can request a copy of the preliminary assessment conducted by our representative within 7 years of the date that the written quote was provided to you for credit assistance. If you make the request within 2 years of the written quotation we will provide the copy of the assessment within 7 business days. If the request is made after 2 years but before the end of 7 years we will provide the copy within 21 business days. If you make the request after 7 years have past we are not obligated to retain a copy and may not be able to provide it to you.

Who is Paragem?

Paragem Pty Limited is a financial and credit 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 (AFSL) that authorises us to operate a financial services business and provide you with financial advice and services. We also hold an Australian Credit Licence (ACL) that authorises us to provide credit assistance. Paragem's AFSL and ACL number with ASIC is 297276.

Paragem is distinguished by our commitment to personal service. Whether you've previously received financial 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 and fair, and to provide excellent service.

Who is my adviser?

Information about your adviser is detailed in Part 2 (Authorised Representative Profile) of this Guide.

Who is responsible for the advice I receive?

Paragem is responsible for the advice, financial services and credit services provided to you, including the distribution of this Guide.

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

Paragem's AFSL 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 and investment products
- Managed Investment Schemes, including IDPS and MDA services
- Retirement Savings Accounts
- Securities (shares)
- Standard Margin Lending Facilities
- Superannuation, including Self Managed Superannuation Funds

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

What credit services are you authorised to provide me and what product/s do those services relate to?

Paragem's ACL authorises it to provide credit assistance to clients. This assistance may relate to mortgages, credit cards and personal loans.

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.

If you ask us for credit assistance and you do not provide the required financial information we will not be able to conduct a preliminary assessment of the suitability of a credit contract, consequently we will not be able to provide credit assistance.

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

Paragem is a wholly owned subsidiary of HUB24 Limited, an ASX listed company that provides an investment administration and reporting platform. If you use the HUB24 platform, Paragem's employees and representatives (our advisers) may benefit financially by virtue of being shareholders in the company.

Our advisers are obliged to always act in a client's best interests and will only recommend the use of the HUB24 platform if it is appropriate to do. We also continue to use other platforms to implement our investment advice and you are free to request your adviser use an alternative platform if you would prefer.

What credit providers do we use?

At the time of production of this Guide Paragem advisers have used the Bank of Queensland, Investec, Medfin Australia Pty Ltd, National Australia Bank, St George Bank and Westpac Bank to provide credit assistance. Part 2 of this Guide will list the Credit Providers that are used by your adviser.

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 as the risks associated with not acting on the recommended solutions. If they do not, you should ask them to explain the risks to you. The Statement of Advice, Record of Advice, Credit Quote, Product Disclosure Statement and/or Credit Proposal Disclosure document will contain important information in this regard.

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 and the preliminary assessment for credit assistance.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. Our Privacy Notification Statement is included within Part 2 of this Guide for your information. Our privacy policy can be reviewed on our website at paragem.com.au

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

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

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

Do you have compensation arrangements in place?

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

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 and 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, Credit Proposal, a management fee, an ongoing advice or services fee, or any fee that you will pay for the service);
- receipt of commissions from credit providers;
- receipt of commissions if we have an existing arrangement with the product/platform/insurance provider
- receipt of commissions for certain life insurance products; or
- a combination of any of the above.

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 IDPS platforms or wrap accounts 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 or Credit Provider. The commissions may be initial (upfront) and ongoing or ongoing only. Your adviser will tell you what commissions will be received.

We can only continue to receive commissions for super, investment and certain insurance products if we had an existing agreement with the insurance, product or platform provider prior to 1 July 2013.

If you pay for our financial 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.

In the case of Margin Lending products we receive commission based on the money that you borrow from the Margin Lending providers. We receive ongoing commissions from these Margin Lending companies.

Any commission in respect of credit assistance is part of the fees or interest the Credit Provider charges.

The amount of commissions paid by product issuers and credit providers varies from company to company.

If you receive personal advice or credit assistance from us, we will tell you about any fees, commissions and any other benefits, where possible in actual dollar amounts, in the Statement of Advice or Credit Proposal Disclosure document 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.

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

Our advisers are permitted to set their own fees and the amount of commission they will receive from product issuers and/or credit providers.

The fees charged and commissions received by your adviser are contained in Part 2 of this Guide. Your adviser is also required to provide you with an annual Fee Disclosure Statement which will set out the fees paid, and the services offered and taken in the previous 12 months.

All fees and commissions generated by 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 an agreed percentage of those fees and commissions onto the adviser.

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

Ownership

Paragem is a wholly owned subsidiary of HUB24, as mentioned previously in this FSG.

Additional Commissions

In certain circumstances our advisers 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 will pass an agreed percentage of any additional commission onto the adviser.

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

Will anyone be paid for referring me to you?

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

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:

1. Contact your adviser and tell them about your complaint.
2. If your adviser has not satisfactorily resolved your complaint within 5 days, please contact the Responsible Manager on (02) 8036 6490 or put your complaint in writing and send it to:

Mail: The Responsible Manager
Paragem Pty Limited
PO Box R1135
Royal Exchange NSW 1225
info@paragem.com.au

We will acknowledge receipt of a complaint as soon as practicable, we will then investigate the complaint and respond to you within 45 days. We will try and resolve your complaint quickly and fairly.

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:

Australian Financial Complaints Authority (AFCA):

Online: afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Services Complaints Authority
GPO Box 3
Melbourne VIC 3001

Contact us

If you have any further questions about the financial or credit services Paragem provides, please contact our head office or your adviser. Please retain this document for your reference and any future dealings with Paragem.

Online: paragem.com.au

Email: info@paragem.com.au

Phone: 02 8036 6490

Mail: PO Box R1135
Royal Exchange NSW 1225

Financial Services Guide

18 May 2020

Version 8.1

Part Two

Authorised Representative Profile

This document is part of a Financial Services and Credit Guide (“Guide”) and should be read in conjunction with Part 1 (A Guide to Our Relationship with You and Others) version 18, dated 1 January 2020.

Your adviser Amanda Griggs, is an Authorised Representatives of Paragem. ASIC Authorised Representative number is 324258.

Amanda Griggs, has completed a Master of Financial Planning with Kaplan Professional, and is a member of the Association of Financial Adviser (AFA).

Amanda Griggs’s employer is Wellings & Associates Pty Ltd (AR no. 243065) which is a Corporate Authorised Representative of Paragem

Suite 604, Avanti Building
90 George Street
HORNSBY NSW 2077
Telephone (02) 9476 2200
Email: secure@wellinvest.com.au

Amanda is authorised by Paragem to advise and deal in the following financial 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 including Self -Managed Super funds
- Retirement Savings Accounts
- Standard Margin Lending Facility

Amanda Griggs is not authorised to recommend any strategy that involves an agricultural scheme investment.

Remuneration

The following is a schedule of the fees that are payable for our services and/or the commissions we may receive from product issuers. Note that you may pay a fee for a service and we may also receive commissions as a result of you accepting our recommendations. The costs applicable to the services you require will be discussed with you by your adviser.

Paragem will pay Wellings and Associates Pty Ltd 90% of the fees and/or commissions detailed in this schedule and Paragem will retain the balance.

Amanda Griggs is a salaried employee of Wellings and Associates Pty Ltd.

Fees

Implementation Fees and Ongoing Service Fees (fees for advice)

In relation to Investment Accounts, including Managed Funds, Superannuation and Pension accounts, Wellings & Associates Pty Ltd may charge an Initial Service & Advice Fee of up to 1.10% (incl GST) on the dollar amount of the funds invested and/or an agreed Initial Fixed fee of up to \$1,200.

For example, for a portfolio investment of \$200,000 the initial fee would be up to \$2,200 which is 1.10% (incl GST) and/or agreed Initial Fixed fee of up to \$1,200.

An Ongoing Service Fee of up to 1.1% per annum (incl GST) of monthly account balance, paid monthly (0.0917% per month, incl GST). For example, for a portfolio investment of \$200,000 the on-going fee would be \$2,200.

Generally, Service & Advice Fees can be deducted from your funds, and remitted to us, by the provider/manager of the financial product, thus avoiding separate billing.

Please note that Wellings & Associates' fees are additional to those charged by the product provider/manager(s).

Ad hoc advice and/or Plan preparation

Wellings & Associates fees, as explained above, are intended to cover all matters related to the Service and Advice related to your Investment & Insurance products.

Should there be other areas of your finances upon which you may require advice, an hourly Consultation fee of \$275 per hour (incl GST) will apply.

Commissions

Investment products

We can only receive commissions from investment products if we have an existing agreement with the product provider prior to 1st of July 2013.

1. The issuers of the investment products I recommend may pay an initial commission. This commission which can vary depending on the product and manager is generally in a range of between 1% and 5% and calculated on your investment amount.

For example, if you invested \$10,000 and we charged you 1% initial commission we would receive \$100.

In Addition

2. The issuers of the investment products I recommend may pay an ongoing commission. This commission which can vary depending on the product and manager is generally in a range of between 0% and 1% of the balance in your account per annum. This commission is paid each quarter.

For example, if your account balance was \$11,000 and we charged 1% ongoing commission we would receive \$110 per annum.

Insurance Products

Commissions can be received for life insurance products with the exception of life insurance implemented after 1 July 2014 for a member in a default superannuation or a group life policy in a superannuation fund.

1. The issuers of certain insurance products I recommend may pay an initial commission. This commission which can vary depending on the product and insurer. The maximum initial commission that will be accepted is 66% (inclusive of GST) of the initial annual premium you pay in the first year.

For example if your premium is \$500 and the insurer pays us 50% we would receive \$250.

In Addition

2. The issuers of the insurance products I recommend may pay an ongoing commission when you renew your policy. The maximum renewal commission that will be accepted is 22% (inclusive of GST).

For example if your renewal premium is \$550 and the insurer pays us 10% we would receive \$55.

Potential Conflicts of Interest

Ownership

Paragem Pty Ltd, our licensee, is a wholly owned subsidiary of HUB24 Limited, an ASX listed company that provides an investment administration and reporting platform. If you use the HUB24 platform, Paragem's employees and Authorised Representatives may benefit financially by virtue of being shareholders in the company. The owner of Wellings & Associates is a shareholder of HUB24, either directly or through a related entity.

We are obliged to always act in a client's best interests and will only recommend the use of the HUB24 platform if it is appropriate to do so. We also continue to use other platforms to implement our investment advice. If you would like additional information on how HUB24 compares to other platforms or would like to use an alternative platform please let us know.

Additional Commissions

Wellings and Associates Pty Ltd may also receive additional commissions calculated on the aggregated amount of funds it has placed with the platform provider. The additional commission is calculated as a percentage of the administration fee after the deduction of all costs. Therefore the amount is already included in the fees the product provider deducts from your investment account or insurance premium. The percentage will increase as certain totals are reached. If an additional commission results from advice that Amanda Griggs provides to you then specific details of that arrangement will be provided with the advice. We are only able to receive these commissions where we had an existing arrangement with the platform provider prior to the 1st of July 2013. An example of this will be provided in the Statement of Advice, if applicable.

Privacy Statement

The privacy of your personal information is important to us.

1. Your representative will ask you many questions. Why is so much information required?

We collect your personal information to enable us to provide you with the products and services that are appropriate to your needs. Under the following Australian laws we may be authorised or required to collect your personal information:

- Corporations Act 2001,
- Australian Securities and Investment Commissions Act 2001,
- Anti Money Laundering and Counter Terrorism Financing Act,
- Taxation Administration Act 1953,
- Superannuation Guarantee (Administration) Act 1992, and
- Superannuation (Unclaimed Money and lost members) Act 1999,

as those acts are amended and any associated regulations. From time to time other acts may require or authorise us to collect your personal information.

We are required to collect sufficient information to identify a person's needs, objectives and financial circumstances so that we can provide appropriate financial advice.

We will gather the information by asking you numerous questions about you and possibly your family. We will record this information. We endeavour to retain accurate, complete and up to date personal information about you so we will ask you to review the information from time to time.

If the information you provide to us is incomplete or inaccurate this will impact on our analysis of your requirements and may result in advice that is not appropriate to your needs and circumstances. If this does occur you will need to make your own assessment concerning the appropriateness of our advice.

At times, we may collect personal information from someone other than yourself and you may not be aware that we collect or have collected this information.

2. Access and correction

You may (subject to permitted exceptions) access and update your information by contacting us. You may access the personal information we retain and request corrections. This right of access is subject to some exceptions allowed by law. We will give you reasons if we deny access though will endeavour to ensure that at all times the personal information about you that we hold is up to date and accurate. The accuracy of the personal information is dependent to a large degree on the information you provide and you should advise us if there are any errors in your personal information.

3. Providing personal information

We may provide personal information to:

- organisations (who are bound by strict confidentiality) to whom we outsource certain functions, such as our auditors (in these circumstances, information will only be used for our purposes);
- other professionals, such as solicitors, accountants, stockbrokers and mortgage brokers, as well as other advisers specialising in aged care, Centrelink, insurance or investment when a referral is required;
- entities based overseas (see below for details); or
- third parties when required to do so by law, e.g. legislation or Court Order.

4. Overseas disclosure

Sometimes we need to provide personal information to or get personal information about you from persons located overseas. For example we may outsource a function involved in the financial planning business to someone based overseas. Nevertheless, we will always disclose and collect your personal information in accordance with Privacy Principles.

5. Identifiers

Although in certain circumstances we are required to collect government identifiers such as tax file numbers, Medicare number or pension card number, we do not use or disclose this information other than when required or authorised by law or unless you have voluntarily consented to disclose this information to any third party.

6. Dealing with us anonymously or using a pseudonym

The nature of the provision of financial services does not lend itself to treating customers with anonymity. All transactions require personal information about the individual for whom the transaction is being completed.

In some instances we may be able to provide information or a service anonymously or to you under a pseudonym, for example, enquiries about products from a potential client.

You can deal with us anonymously where it is lawful and practicable to do so.

7. Marketing practices

Every now and then we might let you know about news, products and services that you might be interested in, via mail, email, SMS, telephone or online. We will engage in marketing unless you tell us otherwise. You can contact us at any time to update your marketing preferences.

8. Sensitive information

We will not collect sensitive information about you, for example where information is provided by you for insurance or risk purposes, without your consent. Exceptions to this include where the information is required by law or for the establishment, exercise or defence of a legal claim.

9. Privacy complaints

If you believe your privacy has been breached or you have a privacy complaint you should write to the Privacy Officer at Paragem, by email at info@paragem.com.au or at PO Box R1135, Royal Exchange NSW 1225.

If Paragem does not satisfactorily address your complaint you can escalate it to the Office of the Australian Information Commissioner: www.oaic.gov.au.

10. Our Privacy Policy

If you require more information please ask for a copy of our Privacy Policy or refer to Paragem's website.