



# Financial Services Guide

1 February 2021

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This Financial Services Guide (FSG) is an important document that outlines the type of products and services the licensed entities below are authorised to provide under their Australian Financial Services Licenses (AFSL). This FSG is provided by one of the following entities:

**Merit Wealth Pty Ltd** | ABN 89 125 557 002; AFSL 409361 (Merit);  
**The SMSF Expert Pty Ltd** | ABN 17 155 686 356; AFSL 445113 (SMSF Expert);  
**GPS Wealth Ltd** | ABN 17 005 482 726 AFSL; 254544 (GPS);

collectively referred to within this FSG as ‘the Licensees’, ‘we’, ‘us’, or ‘our’. Where these terms appear in this document you should associate them with the Licensee who provided this FSG to you.

#### The FSG contains information about:

- who we are and how we can be contacted;
- the financial services that we provide;
- how we and other relevant parties are remunerated;
- when we provide those services;
- important matters relating to our relationships with third parties; and
- how to get details on our privacy policy.

## Who are we?

GPS, SMSF Expert, and Merit are wholly owned subsidiaries of ASX-listed entity Easton Investments Limited (ASX: EAS) (**Easton Wealth**).

The Licensees manage financial planners operating as authorised representatives of GPS, SMSF Expert, and Merit (collectively, ‘**Advisers**’). Under these arrangements the Licensees provide client engagement services, training, licensing, compliance, investment advice, and support services to the Advisers. The Licensees do not provide legal advice and we do not make any representations about the current or future value of any investments that you acquire, vary, or dispose of through us. You should always make your own enquiries.

Before seeking our financial product advice you may have a number of questions you would like to ask us. We provide you with this FSG prior to the provision of any financial product advice and we recommend that you read it as it contains answers to some of the questions you might have.

## How to instruct us

We expect that you will provide us with instructions in person, but you can also give us instructions via email. In some cases, we may require you to sign original documents (such as product application forms) or meet identification requirements.

We can be contacted at **GPO Box 4463, Sydney, 2001; Level 15, 115 Pitt St, Sydney 2000**; by phone on **02 80748599**; or via email as noted below.

<b>Merit:</b>	<a href="mailto:contact@meritwealth.com.au">contact@meritwealth.com.au</a>
<b>GPS:</b>	<a href="mailto:info@gpswealth.com.au">info@gpswealth.com.au</a>
<b>SMSF Expert:</b>	<a href="mailto:info@thesmsfexpert.com.au">info@thesmsfexpert.com.au</a>

## We are Not Independent

Easton Wealth is part of Easton Investments Limited (EAS) group of companies. EAS has as a material shareholder, Hub24 Limited, a provider of investment and administration platforms. EAS also offers a series of managed accounts called CARE managed portfolios for which it receives fees. Easton Wealth also receives some commission in respect to insurance policies placed with various insurance companies. Each of these components restrict Easton Wealth from referring to ourselves as independent, impartial or unbiased.

## Complaints

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms. If you have a complaint about any of our advice you should take the following steps.

### Contact your Licensee Representative:

In the first instance please contact the Licensee representative who provided you with the particular service and tell them about your complaint. They will then try to resolve your complaint quickly and fairly.

### Internal Dispute Resolution:

If you have raised your concern with your Licensee representative and the matter has not been resolved to your satisfaction, our Dispute Resolution Department can assist. There are three ways you can lodge your complaint:

<b>By telephone:</b>	Call 02 8074 8599, between 8.30am - 5.00pm Monday to Friday (AEST).
<b>In writing (by mail):</b>	Mail your written complaint to: Complaints Manager Easton Wealth GPO Box 4463, Sydney NSW 2001
<b>By email:</b>	<a href="mailto:complaints@eastonwealth.com.au">complaints@eastonwealth.com.au</a>

Once you have contacted Easton Wealth, we will begin the process of investigating and resolving your complaint. Easton Wealth will endeavour to resolve your complaint quickly and fairly, generally within 5 business days. However, some complaints do take more time than others. We expect to resolve all complaints within 30 days. If we do not resolve your complaint within 30 days we will advise you of the reasons for the delay, your right to contact the Australian Financial Complaints Authority (AFCA) if you are dissatisfied, as well as AFCA's contact details.

### External Dispute Resolution

If you do not feel your complaint has been resolved in a satisfactory manner, or if you have not received a response after 30 days, you can lodge a complaint with AFCA. AFCA provides fair and independent financial services complaint resolution that is free for you to use.

AFCA can be contacted as follows:

<b>By telephone:</b>	1800 931 678 (free call)
<b>In writing (by mail):</b>	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
<b>By email:</b>	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
<b>Website:</b>	<a href="http://www.afca.org.au">www.afca.org.au</a>

The Australian Securities and Investments Commission (ASIC) also has a free call Info line on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

You may also contact ASIC by writing to:

<b>In writing (by mail):</b>	Australian Securities and Investment Commission GPO Box 9827, Sydney NSW 2001
<b>Website:</b>	<a href="http://www.asic.gov.au">www.asic.gov.au</a>

## What is our Advice Process?

Our advice to you is principally about developing appropriate strategies to achieve your financial goals, taking into account your current circumstances.

The two types of advice that can be provided by our Advisers are:

- **Personal Financial Advice** - under Personal Advice we provide you with advice which takes into account your personal objectives, goals, financial situation, and needs. Where we provide you with Personal Financial Advice we will provide you with an advice document.
- **General Financial Advice** - General advice does not take into account your personal objectives, goals, financial situation, or needs. Where we provide you with General Financial Advice we will not provide you with an advice document.

Our Advisers meet strict education and training requirements and are supported by a team of investment and product specialists.

We will be responsible to you for any financial product advice services that your Adviser provides.

We do not guarantee the performance of any investment product, nor are we liable in any way for shortfall or loss of any kind (whether direct or indirect and whether reasonably foreseeable or not) arising out of the default by any other client or dealer, or any other person (whether by contract, indemnity, negligence, fiduciary duty, or otherwise), except to the extent required by law.

## What Financial Products and Services are we Authorised to Provide Advice on?

We act for you when giving advice and arranging financial products.

Both **Merit and GPS** are authorised to provide financial product advice on, and deal in, the following classes of financial products:

- Basic deposit and payment products;
- Retirement savings accounts;
- Government debentures, stocks, or bonds;
- Securities, which includes shares and debentures;
- Life products, including investment life products;
- Standard margin lending facilities;
- Interests in managed investment schemes, including investor directed portfolio services ('IDPS' or 'Wrap'); and
- Superannuation and self-managed superannuation funds.

**SMSF Expert** is authorised to provide retail client financial product advice on:

- Superannuation, limited to:
  - self-managed superannuation funds;
  - customers who are existing holders of a superannuation product, but only to the extent required for making a recommendation for the establishment of a self-managed superannuation fund and providing advice to the person on contributions or pensions under a superannuation product;
- basic deposit and payment products;
- general insurance products;
- life products, including investment life products; and
- simple managed investment schemes and securities, which includes shares and debentures.

SMSF Expert is authorised to arrange for another person to deal in by issuing, applying for, acquiring, varying, or disposing of superannuation financial products, limited to self-managed superannuation funds for retail clients.

Our internal investment team, supplemented by external experts, provides financial product research, which is used to carefully select and maintain an extensive list of approved products ('**APL**') for our Advisers to use when providing personal advice. We will predominantly recommend products on our APL, but may, dependent on particular circumstances, include investigating and recommending products which are not on the APL.

### **Important Note**

Individual GPS and Merit Wealth Advisers may only be authorised to provide advice in some of the above areas. Please refer to your Adviser's Authorised Representative Certificate, which sets out those areas in which they are authorised to provide advice.

## **Other Services**

Some Advisers may provide services other than financial product advice services, through separate business arrangements to their financial planning businesses. This may include, for example, accounting or legal advice, or advice in respect of real estate investments or lending products.

These other services are not provided under the Licensees' AFSLs and the Licensees do not train, support, or supervise the provision of these other services and have no responsibility in relation to those services.

Examples of the services for which the Licensees are not responsible include, but are not limited to:

- General insurance services (for example, car insurance);
- Real estate and direct property advice;
- Taxation services, such as completion of tax returns;
- Accounting and audit services;
- Legal services;
- Consulting services; and
- Administration and compliance of self-managed superannuation funds.

## How do You Pay for Our Services?

We will discuss and agree our fee structure with you before we provide you with services. We provide ongoing services in addition to advice.

Details of fees, commissions, or other benefits that we are entitled to receive in relation to a specific financial product recommendation will be disclosed to you in dollar and percentage terms in an advice document, if known at the time. In circumstances where an amount or percentage is not known at the time of providing advice, an estimate will be provided at the time.

Our fees are invoiced to you directly. All fees relating to financial advice provided to you are payable to your Licensee, who may pass up to 100% of those fees onto your Adviser.

The fee rate ranges vary, depending on the complexity and nature of the work undertaken and type of advice provided. You may request further details of the fees.

If you elect to receive ongoing advice services from your Adviser, fees are applied based on the desired frequency of contact with your Adviser and the complexity of your circumstances. These fees may be a fixed dollar amount or an asset-based fee. The fixed fee typically ranges between \$2,000 and \$15,000 per annum, while the asset-based fee will generally not exceed 1.1% per annum (inclusive of GST) of the total value of your portfolio. We do not charge asset-based fees in respect of assets acquired using borrowed funds.

In some cases, fees may be charged based on an hourly rate. In such a case you can expect to pay up to \$660 per hour (inclusive of GST). Where we receive commission in respect of placement of insurance, we will receive an upfront commission of up to 60% of the initial premium, and ongoing commission of up to 20% of renewal premiums.

Your Adviser will be able to explain how this fee has been calculated. However, in some circumstances and depending on the complexity of the advice being sought, a fee may be charged that falls outside of this range.

Other fees and charges may be payable by you to the product provider depending on the recommendations in the Statement of Advice (SOA). These fees might include administration fees, investment fees, establishment fees, and other charges levied by the product provider. These fees and charges will be disclosed in their Product Disclosure Statements (PDS) or other documents provided to you.

## Other Product Provider Payments

### CARE Managed Accounts

Easton Wealth and/or the Licensees will receive fees for the provision of investment advice in their role as investment adviser to the CARE investment process (please contact your Adviser for more details of our CARE investment process). Any such fees will be outlined in the SOA, should it be applicable, and relate to the work done by the Licensee's Investment Committee in maintaining the CARE portfolios. The CARE Portfolio Management fee is 0.297% (inclusive of GST) of funds invested as part of CARE. For example, if your account balance in the CARE Managed Account facility was \$100,000, the fee would be \$297 (inclusive of GST) for that year.

## What Other Remuneration may be Paid to Your Licensee?

We and our Advisers may receive some or all of the following types of remuneration, in addition to the remuneration disclosed above, in recommending strategies which will be outlined in your SOA:

### Initial and Ongoing Commissions or Payments for Investments

Commission-based remuneration for the placement of investment products is no longer allowed. All remuneration must be fee based and agreed between you and your adviser.

### Referral Arrangements

Under the FASEA Code of Ethics your Adviser is not permitted to directly receive any referral fees for acting on your behalf. Referral fees may, however, be paid to your Adviser's employer, or your Licensee.

We will also not refer to a third party, or provide advice, in circumstances where there is a conflict of interest, unless it can be shown that this course of action is demonstrably in your best interest, and with your prior informed consent. If there is a conflict of interest such that it is not demonstrably in your best interest, then we will decline to provide that advice. We require all of our Advisers to conduct due diligence on referral partners to ensure that referral partners are only recommended where they meet this requirement.

## Other Relationships Which Might Influence Easton Wealth in Providing Financial Advice Services

### Hub24

Easton Investments Limited (Easton), an ASX listed company, is the owner of GPS Wealth, Merit Wealth and SMSF Expert. Hub24, a platform provider, has a material shareholding in Easton.

The Hub24 platform is on both the GPS Wealth and Merit Wealth APL and both GPS Wealth and Merit Wealth advisers do recommend Hub24 when it is appropriate and in a client's best interests. This creates a potential conflict of interest for both GPS Wealth and Merit Wealth, which must be managed.

Importantly, no GPS Wealth or Merit Wealth adviser or practice is under any incentive, sales target, or obligation to recommend the Hub24 platform.

This conflict is managed by ensuring that any advice provided to you is demonstrably in your best interests and appropriate for your needs, objectives, and circumstances.

### **Alternative Remuneration**

In accordance with industry requirements and the law, the Licensee and your Adviser each maintain an Alternative Remuneration register that contains information about any alternative forms of payments or benefits over \$100 that may be received (e.g. tickets to events and conferences). If you wish to inspect the Alternative Remuneration register or ask any questions about this, please ask your Adviser.

Your Adviser may not receive one-off benefits in excess of \$300 per annum from any individual service provider, or benefits that exceed \$300 per annum for a series of benefits from the same provider.

### **Professional Development Education Support**

The Licensee may receive funds for education support from various product providers. Funds associated with this support must be used in the education and training of advisers.

## **Professional Indemnity**

Each Licensee holds a professional indemnity ('PI') insurance policy, which complies with the requirements for compensation arrangements under the Corporations Act (subject to its terms and conditions), covering claims relating to the professional services provided by the Licensee and the Advisers.

Each Licensee's PI insurance policy covers advice in relation to professional services provided by Advisers while authorised by the Licensee, even where that representative has subsequently ceased to be an Adviser of the Licensee.

## **Privacy**

Your privacy is important to us. In general, we collect and verify information about you (and where applicable, persons acting on your behalf) to manage our relationship with you, to ensure that we provide the products and services most appropriate to your needs, and to make certain that we comply with our legal obligations.

The information required to be collected and verified by us depends on who you are and the nature of the service to be provided by us. If you fail to provide us with the required information, or if you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking within the time periods contemplated.

Information acquired by us in the course of providing our services may be provided to external service providers, product and platform providers, auditors, taxation and legal advisers, and information technology consultants. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction.



If you think any of the details that we hold are incorrect or out of date, please contact us to correct this. You can always access the personal information held about you by contacting us.

A copy of our privacy policy and privacy collection statement are on our website. Otherwise if you contact us, we can send you a copy.



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