

FINANCIAL SERVICES GUIDE

Dated 20/02/2019

Key Financial Partners Pty Ltd

ACN: 607 402 693

Address: Level 1 20 Kings Park Road West Perth

Telephone: 08 93212722

Email: bruce@altiuscapital.com.au

Facsimile: 08 93212711

Australian Financial Services Licence Number: 485113

Dated 20/02/2019 Version 3

How can we help you?

Before seeking our advice, you probably have a number of questions you would like to ask about us. You have the right to ask about our charges, the type of advice we will give and what you can do if you have a complaint about our services. Key information is set out in answer to the questions below. If you need more information or clarification, please ask us. Key Financial Partners Pty Ltd authorises the distribution of this Financial Services Guide (FSG). You should read this FSG with the Adviser Profile attached, as it forms part of the FSG.

You should also be aware that you are entitled to receive a Statement of Advice (SoA) whenever we provide you with any advice which takes into account your objectives, financial situations and or needs. The SoA will contain the advice, the basis on which it is given and information about fees, commissions and associations which may have influenced the provision of the advice.

If further advice is furnished, or when no financial product is recommended, a Record of Advice (RoA) may be provided to you instead of a SoA. You have the right to request a copy of the RoA (if you have not previously received a copy) within 7 years of that further advice being given.

In the event we make a recommendation to acquire a particular financial product (other than securities) or offer to issue or arrange the issue of a financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

BEFORE YOU GET OUR ADVICE

Who is my adviser?

The following persons are authorised to provide financial product advice on behalf of Key Financial Partners Pty Ltd:

- Bruce Broadbent BSc MBA - Chairman of Key Financial Partners Pty Ltd

We believe that your adviser must:

- hold appropriate qualifications
- be held to a fiduciary responsibility
- provide advice where any possible conflict is removed or fully disclosed
- not be employed, owned or aligned with a product provider or institution
- have the business and staff resources to deliver on their service promises
- At Key Financial Partners, there is no alignment to any bank, product provider or insurance company

Who does the adviser act for when providing financial services to me?

Key Financial Partners Pty Ltd and your Adviser act on your behalf when providing advice and services to you. Key Financial Partners Pty Ltd is responsible for the advice provided and services offered to clients by its Authorised Representatives.

What advisory services are available to me?

- Financial Planning
- Wealth creation
- Superannuation and Retirement Planning
- Self-managed superannuation advice
- Risk Insurance
- Margin Lending
- Gearing strategies
- Direct Equities
- Social Security Advice
- Managed Investments

In addition, your Adviser is able to offer you an on-going review service for your investment portfolio or life insurance program.

We are licenced to provide financial product advice and deal by applying for, acquiring, varying or disposing of a financial product on behalf of another person to retail and wholesale clients in:

- Basic deposit products
- Non-basic deposit products
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Life risk insurance products
- Managed investment schemes, including IDPS
- Retirement savings accounts
- Securities
- Superannuation, and
- Standard margin lending facilities

We will only recommend a financial product to you after considering its suitability for your individual needs, objectives and financial situation. The products we recommend are selected from our approved list of products and they have been researched by external experts.

How will I pay for the service?

Commissions – Investment/super products

On and from 1 July 2013 the Future of Financial Advice (“FOFA”) reforms banned conflicted remuneration structures including certain commissions arrangements. We have some legacy arrangements with product providers that pre-date 1 July 2013, where the product providers continue to make payments of upfront and ongoing commission and we lawfully continue to receive these payments under “grandfathered” exemptions set out in the Corporations Act 2001.

Depending on the product, an upfront commission may range from 0% to 4%, and additionally a trail commission of up to 5% p.a. may apply for as long as you hold the product. For example, where you invested \$10,000 and we received an initial commission of 4% and an ongoing commission of 5%, then we would receive an initial commission of \$400 and an ongoing commission of \$500 per annum

Commissions – Life insurance

When we provide insurance advice to you, we may receive upfront and ongoing commission payments from the insurer for insurance products implemented on your behalf. The ongoing commission will continue to be received by us whilst the policy remains in force and is serviced by us.

The Corporations Amendment (Life Insurance Remuneration Arrangements) Act 2017 mandates the maximum level of upfront and ongoing commission that we may receive for life

Key Financial Partners Pty Ltd
Level 1, 20 Kings Park Road West Perth WA 6005
ABN 26 607 402 693 AFSL 485113

insurance policies under a hybrid and level commission structure established after 1 January 2018. The table below sets out the relevant percentages depending on when the policy is established.

Date life insurance policy established	Maximum Commission	
	Upfront	Ongoing
Pre 1 January 2018 (<i>Level & Hybrid Structure</i>)	121%	23.1
Post 1 January 2018 (<i>Level Commission Structure</i>)	30.25%	30.25%
Post 1 January 2018 (<i>Hybrid Commission Structure</i>)	88.00%	22.00%
Post 1 January 2019 (<i>Hybrid Commission Structure</i>)	77.00%	22.00%
Post 1 January 2020 and Future Years (<i>Hybrid Commission Structure</i>)	66.00%	22.00%

The upfront and ongoing commission we receive is calculated based on a percentage (as disclosed in the table above) of your premium.

For example, If the upfront and ongoing insurance product premium was \$2,000 p.a. on 2 January 2019 and the upfront commission was 77% and ongoing commission was 22%, we would receive an upfront commission of \$1,540 in that year and an ongoing commission of approximately \$440 p.a. from Year 2 onwards whilst you continue to hold the product. It is important to note that in most cases each year's premium will increase on the anniversary of the policy, so the dollar amount of a 22% p.a. ongoing commission will increase as well.

Instead of using the hybrid commission structure noted above, we may be remunerated under a level commission structure. In this arrangement, we will receive an upfront maximum upfront commission of 30.25% and a maximum ongoing commission of 30.25% per annum. For example, if the initial and annual insurance product premium is \$2000 p.a. and the upfront commission was 30.25% and the ongoing commission was 30.25%, we would receive an upfront commission of \$605 and an ongoing commission of approximately \$605 from Year 2 onwards whilst you continue to hold the product. It is important to note that in most cases each year's premium will increase on the anniversary of the policy, so the dollar amount of a \$605 p.a. ongoing commission will increase as well.

The structure and actual commissions received will be disclosed to you in a Statement of Advice you will receive before agreeing to any recommendation we may make.

Or

Fee for Service

If a fee for service is payable rather than commission, the hourly fee rate is \$220 per hour, inclusive of GST.

If you choose to pay a fee we may rebate to you part or all of the commission we would otherwise receive. You may also be charged a Statement of Advice preparation fee. This can range between \$660 and \$4,400 (inclusive of GST) depending on the complexity and the time spent. Any fee for service must be paid within seven (7) days of the date of the tax invoice being issued to you.

What Commissions, Fees or other Benefits are Received?

We may from time to time receive a benefit from preferred product providers by way of sponsorship of educational seminars, conferences or training days. Details of benefits above \$100 will be maintained on a Register which you have a right to sight.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or authorised representative.

If we get paid or pay any referral fee to a third party, this will be disclosed to you.

Do Any Relationships Exist with Product Providers Which May Influence the Advice Being Given?

Neither your Adviser nor the Licensee have any association or relationship with the issuers of financial products that might reasonably be expected to be capable of influencing them in the provision of financial services.

Your adviser may hold an interest in a financial product. Any significant interest/ownership will be recorded in a register of financial product holding and where appropriate, this holding will be disclosed to you in the SOA or ROA.

WHEN YOU GET OUR ADVICE

Do I get detailed information about actual commissions and other benefits my adviser gets from making the recommendations?

Yes. You have the right to know about details of commissions and or other benefits your Adviser receives for recommending investments. We will provide this information to you when we make specific recommendations in the Statement of Advice or Record of Advice.

Will you give me advice that is suitable to my needs objectives and financial circumstances?

Yes. However, to do so we need to find out your individual objectives, financial situation and needs before we recommend any financial product to you. You have the right not to divulge this information to us, if you do not wish to do so. In that case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

What should I know about any risks of the investments or investment strategies recommended to me?

We will explain to you any significant risks of investments and strategies that we recommend to you. If we do not do so, you should ask us for further clarification.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile that includes details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to examine your file, you should ask us and we will make arrangements for you to do so.

Before providing any financial products and/or services to you, we will need to verify your identity in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act). Your adviser will let you know what documentation you will need to present to allow them to provide you with appropriate advice and to meet the relevant customer identification requirements under the AML/CTF Act.

We are committed to implementing and promoting a Privacy Policy which will ensure the privacy and security of your personal information. A copy can be provided on request.

Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions. For example, by telephone, email, fax or other means. But in all cases, we must receive a written confirmation of these instructions.

IF YOU HAVE ANY COMPLAINTS

Who can I speak to if I have a complaint about the advisory service?

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

Contact Bruce Broadbent at Key Financial Partners Pty Ltd on 08 9321 2722 about your complaint.

We will try and resolve your complaint quickly and fairly.

1. Key Financial Partners Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA). If we cannot reach a satisfactory resolution, or the dispute is not resolved within 45 days, or such longer period as permitted by AFCA you can have the right to refer the matter. AFCA contact details are

Postal Address: GPO Box 3, Melbourne VIC 3001

Phone: 1800 931 678

Fax: (03) 9613 6399

Email: info@afca.org.au

Web: www.afca.org.au

2. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

PROFESSIONAL INDEMNITY INSURANCE

We hold Professional Indemnity Insurance cover for the activities conducted under our AFS licence.. The insurance will cover claims made in relation to the conduct of authorised representatives, representatives and employees of the Licensee who no longer work for the Licensee (but who did at the time of the relevant conduct). We believe that our Professional Indemnity Insurance cover satisfies the requirements of section. 912B of the Corporations Act 2001. This is subject to the usual terms of the professional indemnity insurance policy in relation to providing indemnity.

Your Adviser is"

Bruce Broadbent BSc MBA

C/O Smart Capital

24 Norfolk Street

South Perth WA 6151

P: 0402 548 073

Key Financial Partners Pty Ltd
Level 1, 20 Kings Park Road West Perth WA 6005
ABN 26 607 402 693 AFSL 485113

Adviser Profile

Broadbent Family Trust: ABN: 91 997 011 657

T/A *Smart Capital*

This profile is part of the Financial Service Guide (FSG) and should be read in conjunction with the FSG.

Bruce Broadbent BSc MBA

I am an Authorised Representative (AR No. 283977) of Key Financial Partners Pty Ltd. Advice is provided by me through Key Financial Partners Pty Ltd (AFSL No. 485113).

I began building this Financial Services Business in association with my equity partners in 2006, and have worked in the Financial Services Industry since 2002. We applied for and received our Australian Financial Services Licence on 28th April 2017.

Qualifications

MBA Melbourne Business School 2001
BSc (Geology & Chemistry) JCU 1989

Services I can provide

Bruce Broadbent is authorized to provide the following financial services

Financial product advice and deal by applying for, acquiring, varying or disposing of a financial product on behalf of another person in:

- Basic deposit products
- Non-basic deposit products
- Government debentures, stocks or bonds
- Investment life insurance products
- Life Risk Insurance products
- Interests in managed investment schemes including IDPS
- Retirement savings accounts
- Securities
- Standard margin lending facilities and
- Superannuation

To retail and wholesale clients

I am authorised to advise and deal in all the financial products listed above. I will not provide advice on classes of financial products other than those identified above. I will not provide advice on products that are not on our Approved Products List as investments and products that are not on our Approved Products List have not been reviewed and assessed for their merits.

I can offer you the following services:

- Financial Planning
- Wealth creation
- Superannuation and Retirement Planning
- Self-managed superannuation advice
- Risk Insurance
- Margin Lending
- Gearing strategies
- Direct Equities
- Social Security Advice
- Managed Investments

Your Best Interest

I will act in your best interests at all times and I am bound by the law and the Codes of Professional Practice and Ethics of the Financial Planning Association of Australia. I am committed to providing you with quality financial advice and strategies which will be complimented by a wide choice of products and/or services to suit your individual circumstances

Remuneration

The cost of providing a financial advice service to you including initial consultation, strategy development, product considerations and a statement of advice including implementation of that advice will depend upon the nature and complexity of the advice and or service provided. You may be charged a fee-for-service, a commission or a combination of both for the services I provide based on an approach to which we both agree.

Prior to preparing any advice or providing financial services to you, we will discuss and agree upon all forms of remuneration that will apply. Full details of all fees and/or commissions will be outlined in the statement of advice that I will provide to you.

The relationship between Broadbent Family Trust T/A Smart Capital and Key Financial Partners Pty Ltd is that Bruce is a Trustee of the Trust and Chairman and Director of Key Financial Partners Pty Ltd. All fees and commissions are payable to Key Financial Partners Pty Ltd and Key Financial Partners Pty Ltd retains 10% of all income that Smart Capital generates to cover the costs of managing and operating the licence. The Broadbent Family Trust will receive remaining 90% of all income paid to Key Financial Partners Pty Ltd.

Bruce is also a shareholder of HECFS Pty Ltd

The relationship between HECFS Pty Ltd (CAR) and Key Financial Partners Pty Ltd (Licencee) is that they share the same ownership.

I receive a profit share in the form of distributions by HECFS Pty Ltd. My remuneration package is not linked nor related to specific investment recommendations but is related to individual performance and the profitability of HECFS Pty Ltd

Relationships or Associations

The Broadbent Family Trust (trustee), and HECFS Pty Ltd (director and shareholder) are not owned by any Fund Manager or Institution and there are no relationships that will influence the advice that you receive from us.

I may hold an interest in a financial product. Any significant interest/ownership will be recorded in a register of financial product holding and where appropriate, this holding will be disclosed to you in the Statement of Advice or Record of Advice.

Client Declaration

I/We hereby declare that:

A Financial Services Guide (FSG) and Adviser Profile were provided to me/us and I/we have read and understood both documents

- The information provided in this Client Data Form – Financial Planning is a true reflection of m/our personal financial situation, needs and objectives. I/We am/are not aware of any other information that would be relevant to the making of a recommendation by my/our adviser. Yes/No
- I/We understand that where I/we have not completed some of the sections within this Client Data Form – Financial Planning, my/our adviser is obliged to warn us that his/her advice may be based on incomplete or inaccurate information. Yes/No
- I/We confirm that I/we have completed the Client Risk Profile Questionnaire. I/We have read and understood my/our agreed risk profile and additionally, I/we understand that this profile will be considered in the advice process. Yes/No/Not yet
- Under certain legislative provisions under the Taxation Administration Act 1953, Superannuation Industry (Supervision) Act 1993 and other taxation law, superannuation law and personal assistance law as defined in the Privacy (Tax File Number) Rule 2015) Key Financial Partners Pty Ltd can collect, use and disclose your Tax File Number (“TFN”) for lawful purposes with your consent. I/We authorise our tax file number(s) as provided to be collected and maintained by Key Financial Partners Pty Ltd for the purposes of forwarding the TFN to financial institutions as requested or as necessary. I/We understand that a failure to provide our TFN is not an offence, however, a failure to provide a TFN to a product provider or service provider may require the product/service provider to deduct tax from the financial products held by you at the highest marginal tax rate. Yes/No
- I/We give permission for this information to be retained and used for the preparation of my/our relevant advice document and in relation to any investment which I/we hold or may hold and I/we and I/we understand that any advice and/or financial planning recommendations will be based on the information supplied in this Client Data Form – Financial Planning. I/We acknowledge, in accordance with the electronic Transactions Act (1999), this Client Data Form – Financial Planning may be electronically stored securely for record-keeping purposes by my/our adviser
- I/We authorise my/our adviser to contact the financial product providers that currently manage the financial products that I/we hold as listed in this Client Data Form – Financial Planning, or as otherwise notified to my/our adviser, in order for my/our adviser to ascertain my/our financial circumstances.

Client Authorisation

Name

Client (signature) Date

Name

Client (signature)

Key Financial Partners Pty Ltd
Level 1, 20 Kings Park Road West Perth WA 6005
ABN 26 607 402 693 AFSL 485113