

Supplementary Financial Services Guide

This Supplementary Financial Services Guide was prepared on 27 April 2009 and is required to be read together with Police Credit's Financial Services Guide identified as FSG 10 February 2009.

Please note the following amendments to Part 4 of the above FSG.

Police Credit's financial planning department is now known as PC Planning, a registered business name of Police Association Credit Co-operative Limited ABN 33 087651661 AFSL 240293.

If you are looking to use the Police Credit's financial planning service, PC Planning, you should read this Part 4 of the FSG in conjunction with Part 1 of the Financial Services Guide dated 10 February 2009.

The advisers

PC Planning advisers are members of the Financial Planning Association of Australia.

PC Planning's offices are located at Police Credit's 121 Cardigan Street, Carlton Victoria branch and you can contact the financial planners on telephone number 13 63 73.

As representatives of Police Credit, Police Credit is responsible to you for PC Planning's advisory services the advisers provide to you.

Police Association Credit Co-operative Limited is a principal member of the Financial Planning Association of Australia.

PC Planning's advisers provide advice on a range of investment and personal risk insurance options.

An investment, superannuation or personal risk insurance product will only be recommended to you

after consideration of its suitability to your specific objectives and current financial situation and needs.

As part of PC Planning's financial planning service, the advisers will undertake reviews of your portfolio.

How will you pay for our services

The advisers are salaried employees of the PC Planning.

PC Planning's advisers do not receive a commission for products recommended to you, however we may receive additional benefits such as assistance with complimentary attendance at conferences. PC Planning does charge a Service Fee for its advisers' services and may receive payments from fund managers, insurers and other issuers of the products that are recommended to you.

In addition PC Planning may be entitled to a licensee commission for placing investments in selected products and an initial and ongoing commission for personal risk insurance products. These incentives will be fully disclosed to you in our Statement of Advice.

The following fees applied by PC Planning, the fund managers, insurance providers and other issuers for the services of the PC Planning are listed below.

Significant Fees

Service Fees

These are the fees charged for the services provided by the adviser at

- *initial appointment*
- *provision of financial plan*
- *Limited Advice or Placement Advice financial plan.*

All PC Planning Service Fees quoted and charged are inclusive of GST.

Amount in percentages

This fee is not charged on a percentage base.

Amounts in dollars and cents

Your initial meeting will incur a fee of \$99.00 that is

rebated in full from the cost of your financial plan.

The provision of a Statement of Advice incurs a cost to you of \$220.00 per hour it is anticipated that, on average, it will take some 8 hours to complete the plan.

Quotations for plan preparation will be provided at the initial consultation.

For preparation of Limited or Placement Advice plan the service fee is \$220.00.

How and when paid

The initial appointment fee is payable at the completion of the meeting.

At the time you decide you require a financial plan, you will need to provide PC Planning with your deposit. For a standard financial plan the deposit is \$100.00. The deposit for a Limited or Placement Advice plan is \$50.00.

The balance will be payable on collection of your financial plan.

Statement of Advice fees

The fee for preparing your statement of advice is \$220.00 per hour.

The amount of time it takes to prepare your Statement of Advice will depend on the complexity of your situation and of the strategies and recommendations provided.

On average, a Statement of Advice will take 8 hours to prepare. This would translate to a Statement of advice fee of \$1,760.00.

On average, a Statement of Advice for Personal Risk Insurance will take 3 hours to prepare. This would translate to a Statement of Advice fee of \$660.00.

Where the advice being sought is limited to a specific area or objective, the fee remains at \$220.00 per hour, however it may take less time to prepare a Statement of Advice and the overall fee should be less.

A quote for the cost of a Statement of Advice will be provided after your first meeting with a PC Planning adviser.

This fee will be payable on the presentation of the Statement of Advice or can be charged directly from an investment account, where appropriate, at the implementation of the advice.

Entry fee

This is the fee to set up your account in the fund. It is the fee for the initial and every subsequent investment you make to the fund (or that may be made on your behalf, e.g. by an employer).

The level of percentage is variable and is set at a maximum of 1.5% (plus GST) of the sum invested.

For example, an amount of \$50,000.00 invested, you would pay up to \$750.00 (plus GST) as an Entry fee.

The entry fee is payable at the commencement of the investment. This fee is paid to the Fund Manager. In most cases 100% of the fee is passed on to PC Planning.

Details of the all fees and commissions applicable to your particular investment or personal risk insurance will be advised in the Product Disclosure Statement provided by the fund manager or insurer and/or in your Statement of Advice.

With regard to ongoing fees and commissions, the level of fees and commissions applied to your investment or insurance product will vary from fund

manager to fund manager and insurer to insurer is dependent on the amount invested or risk product selected.

The information shown below is for a **non-Asgard** managed fund 'Investment Account'.

Total ongoing fees and commissions
Ongoing fees and commissions
<i>This is the total of all ongoing administration, responsible entity and expense recovery fees charged by the fund. A description of these fees is shown in the table below.</i>
Amount in percentages p.a. Ongoing fee levels vary depending on fund managers and the types of investments. Typically the percentage will range from a minimum of 1.5% to a maximum of 3.2% p.a. of the balance of the funds invested. PC Planning will receive up to the first 0.6%. This is paid as a 'trail commission' or 'Adviser Service Commission'.
How and when paid Calculated daily, paid monthly and deducted from the gross unit price
Administration fee
<i>This is the fee to cover the general administration of the fund.</i>
Responsible Entity fee (formerly known as the Trustee fee)
<i>This is the Administrator's fee for overseeing the funds operation and/or providing access to the funds investment options.</i>
Recovery fee
<i>This is an estimate of the out-of-pocket expenses.</i>
Amounts in percentage p.a. Fund related expenses such as audit and legal fees can be recovered from the fund by the trustee.

How and when paid

The fee is deducted from the gross unit price.

Investment management fee

This is the fee for managing the fund's investments. (The amount you pay for specific investment options is shown in the Statement of Advice.)

Amounts in percentage p.a.

This fee depends on the managed investments you select. This cost will be set out in the Product Disclosure Statement for the product you select. It is reflected in the total ongoing fees.

How and when paid

The fee is deducted from the gross unit price.

For example,

For a non-Asgard investment of \$50,000.00 where the balance at the end of the month is \$50,000.00 and assuming a 'total ongoing fee' of 2%p.a, you would incur the following ongoing fees.

$$\$50,000.00 \times 2.0\% = \$1,000.00 \text{ p.a.}$$

Out of this amount an amount of 0.6% (\$300.00) is paid to Police Credit.

Note: You won't actually see this amount deducted from your account, as the total ongoing fees are deducted from the gross unit price of your investment. However the value of your investment will effectively be reduced by this amount.

The information shown below describes the total of all ongoing fees applied to your investment for an **Asgard** managed fund Investment Account.

Total Ongoing fees

Ongoing fees

This is the sum of all ongoing administration, responsible entity (trustee) and expense recovery fees charged by the fund. A breakdown of these fees is

shown in the table below.

Amount in percentages p.a.

On-going fee levels payable to Asgard for the administration of your account will vary depending on the value of your account.

How and when paid

These fees are calculated on the balance of your account at the end of the previous month and deducted from your account balance monthly in arrears at the beginning of each month.

Administration fee

This is the fee to cover the general administration of the fund.

If you have not selected to pay the Adviser directly (see Adviser Remuneration commission below), an Adviser Service Commission of 25% of the Administration fee will be added to the Administration fee.

Amounts in percentages p.a.

The Administration fee has a tiered scale.

Account value at the end of month	Fee p.a. (incl Adv Service fee)	25% (Adviser Service commission)	Net fee p.a.
First \$50,000.00	1.54%	0.39	1.15%
Next \$50,000.00	1.28%	0.32	0.96%
Next \$150,000.00	0.92%	0.23	0.69%
Next \$750,000.00	0.62%	0.16	0.46%
Over \$1M	0.10%	0.03	0.07%

Responsible Entity fee (formerly known as the Trustee fee)

This is the Administrator's fee for overseeing the funds operation and/or providing access to the funds investment options.

Amounts in percentages p.a.

It is charged at 0.10% per annum of your account balance.

Recovery fees

This is an estimate of the out-of-pocket expenses such as audit, legal fees, registry and reporting on your investments the Responsible Entity is entitled to recover from the fund.

Amounts in percentages p.a.

This fee will be applied at a maximum of 0.36% per annum of your account balance.

Wholesale Investment Management Fees

Investment Manager charges are expressed as a percentage of the average value of a managed investment over a year. This percentage is known as the "Management Expense Ratio" (MER).

Amounts in percentages p.a.

The cost of the managed investments you choose will be set out in the disclosure documents and/or product disclosure statements for those investments and are also listed in the Investment Selection within the PDS. Wholesale Investment Manager charges may be varied at any time by an Investment Manager.

How and when paid

This fee is deducted by the Wholesale Investment Manager from the gross unit price who transact with Asgard using a net unit price only.

Adviser Remuneration Fee

For Asgard Investments the fee payable to PC Planning will be structured along the lines of four levels of service.

The appropriate service level will be discussed and agreed with you at the time of your initial investment or following receiving your advice.

Amounts in percentages p.a.

This fee is not charged on a percentage base.

This is a flat dollar fee based on the PC Planning Service levels applicable to Asgard Investments

- Basic Service
- Advanced Service
- Professional Service
- Premium Service

How and when paid

This flat dollar fee will be deducted from your account monthly by Asgard and paid to PC Planning. At your direction, Asgard will increase this fee annually in line with the Consumer Price Index (CPI).

Details of PC Plannings's Adviser Remuneration fee service level provisions and applicable fees are listed in the table Package Choices on page 12 that follows.

By agreement with the adviser, you may elect not to have a formal review agreement. In these circumstances you will need to contact the adviser should your financial needs, goals or objectives change or if you wish to review your investment portfolio. In these circumstances PC Planning will still receive the standard Adviser Service commission from the product provider. This commission will be fully disclosed in the Statement of Advice or Product Disclosure Statement. If you request a review you may be charged a review fee at that time. Currently the review fee is \$220.00 per hour.

For example

This example displays the Wholesale Investment Management Fee, the ongoing fees payable to Asgard as administrator and Adviser Service Fee payable to PC Planning over the period of twelve months.

The table on page 10 provides estimates, current for an account valued at \$50,000.00 with the ongoing PC Planning Basic service level (\$330.00 per annum)*.

Cash	
Wholesale Investment Managers Fee	0.37%
Asgard's Net Administration Fee excluding Adviser Fee	1.15%
Responsible Entity Fee	0.10%
Expense Recoveries	0.36%
*Service level	0.66%
Total Amount in percentages	2.64%
Total Amount in dollars	\$1,320.00
Fixed Interest	
Wholesale Investment Managers Fee	0.43%
Asgard's Net Administration Fee excluding Adviser Fee	1.15%
Responsible Entity Fee	0.10%
Expense Recoveries	0.36%
*Service level	0.66%
Total Amount in percentages	2.70%
Total Amount in dollars	\$1,350.00
Property	
Wholesale Investment Managers Fee	0.60%
Asgard's Net Administration Fee excluding Adviser Fee	1.15%
Responsible Entity Fee	0.10%
Expense Recoveries	0.36%
*Service level	0.66%
Total Amount in percentages	2.87%
Total Amount in dollars	\$1,435.00
Australian Shares	
Wholesale Investment Managers Fee	0.93%
Asgard's Net Administration Fee excluding Adviser Fee	1.15%
Responsible Entity Fee	0.10%
Expense Recoveries	0.36%
*Service level	0.66%
Total Amount in percentages	3.20%
Total Amount in dollars	\$1,600.00

International Shares	
Wholesale Investment Managers Fee	1.20%
Asgard's Net Administration Fee excluding Adviser Fee	1.15%
Responsible Entity Fee	0.10%
Expense Recoveries	0.36%
*Service level	0.66%
Total Amount in percentages	3.47%
Total Amount in dollars	\$1,735. 00

Investment Reviews

PC Planning will offer annual investment reviews.

Review fees

Non Asgard reviews

Clients can select to have a Limited Advice plan review or a full financial plan review. The frequency of this review depends on the level of service you select, see below.

Amount in percentages

Review fees are not charged on a percentage base.

Amount in dollars and cents

\$220.00 per hour.

How and when paid

The review fee is payable at the completion of the meeting.

Asgard reviews

Clients can select to have a Limited Advice plan review or a full financial plan review. The frequency of this review depends on the level of service you select, see below for package details.

Amount in percentages

Review fees are not charged on a percentage base.

Amount in dollars and cents

The Review fee charged depends on the level of service you select, see below.

How and when paid

Any Review fee charged is payable at the completion of the meeting.

Personal risk insurance premiums

PC Planning may receive up to 75% (including GST) of the initial year's insurance premium and up to 24.75%pa for each subsequent year's premium. This remuneration is included in the premium rate and is paid when each premium payment is made.

The premium you pay will be based on a number of factors, including but not limited to your age, occupation and medical condition and will be disclosed by your advisor in your Statement of Advice.

Package Choices

Basic

This Service level will provide for general administration of your investment fund by PC Planning

- Investment statements provided at least annually.

Cost: \$27.50 per month (\$330.00 per annum).

Advanced

This Service level will provide for the general administration of your investment fund by PC Planning and for:

- One (1) annual face to face meeting to review your financial circumstances
- One (1) annual portfolio review
- Half-yearly rebalancing of your portfolio to benchmark asset allocations; and
- Advice and facilitation of any changes to fund Manager Selections.
- Quarterly Newsletter
- Offer to at least one (1) seminar per annum, which you can bring family members along to subject to availability
- Investment statements provided at least twice annually
- Direct access to your adviser
- Quarterly contact from your adviser

Cost: \$125.00 per month (\$1,500.00 per annum).

Professional

This Service level will provide for general administration of your investment fund by PC Planning as well as:

- Two (2) annual face to face meetings to review your financial circumstances
- One (1) annual portfolio review
- Advice and facilitation of any changes to fund Manager Selections
- Weekly Economic and Market email
- Quarterly Newsletter
- Offer to at least two (2) seminars per annum, which you can bring family members along to subject to availability
- Investment statements provided at least twice annually
- Direct access to your adviser
- Bi-monthly contact from your adviser

Cost: \$230.00 per month (\$2,760.00 per annum).

Premium

This Service level will provide for general administration of your investment fund by PC Planning as well as:

- Two (2) annual face to face meetings to review your financial circumstances
- Two (2) annual portfolio reviews
- Advice and facilitation of any changes to fund Manager Selections.
- Weekly Economic and Market email
- Quarterly Newsletter
- Offer to at least four (4) seminars per annum, which you can bring family members along to subject to availability
- Once a year access to our Estate Planning and Taxation service supplied by State Trustees
- PC Planning Annual Function
- Investment statements provided at least twice annually
- Direct access to your adviser
- Monthly contact from your adviser
- Structural changes requiring a Statement of Additional Advice are provided free of charge (waiving the usual \$220.00 per hour charge)

Cost: \$333.33 per month (\$4,000.00 per annum).

In addition to the review fees shown above, PC Planning may charge an extra amount for reviews of \$220.00 per hour should the review require more than two hours work by the planner.

You have the right to know all the details of the commission and other benefits PC Planning receives when you accept investment recommendations.

This information will be provided to you in a **Statement of Advice.**

Relationships between PC Planning and other parties

Police Credit is owned and controlled by its shareholders (members). Police Credit and PC Planning are registered business names of Police

Association Credit Co-operative Limited. We have an agreement with SECURITOR Financial Group Ltd to provide us with support services, such as compliance, training, technical services and commission processing. SECURITOR is owned by Westpac Banking Corporation (Westpac). The Westpac Group includes St George Bank, Asgard Wealth Solutions, Asgard Capital Management, Securitor, and also includes companies that bear the “Westpac” and “BT” names. Other than relationships with business partners identified within this FSG and the providers of the products recommended to you by the advisers, PC Planning and Police Credit have no relationships with third parties which might influence the circumstances in which this financial service is provided.

Investment needs, personal risk insurance needs and financial circumstances

To ensure the adviser provides advice which meets your investment and/or insurance needs and financial circumstances the adviser needs to determine your specific investment objectives and your current financial situation and needs before any investment or insurance product is recommended to you.

You are not obliged to disclose any information to the adviser if you do not wish to do so. In that case, the adviser is required to warn you that the advice may not be appropriate to your needs. You should read the warnings carefully.

Execution related Telephone Advice

Where you may have received execution-related telephone advice, and a record of that advice has not been provided to you, you may request the adviser to provide you with a record of that advice. You have 90 days from the date the advice was given to request a record of the advice. Call 13 63 73 and ask to speak with the adviser.

Who should you approach if you have a complaint about the service you have received?

PC Planning will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This

procedure is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by telephoning Member Response on 13 63 73.

Briefly, if you are concerned or have a complaint about the service provided to you, you should take the following steps:-

Firstly, contact the adviser you have been dealing with about your concern.

Where you have a complaint, simply contact us on 13 63 73 and ask to speak to the adviser. If you do not know the name of the adviser, ask to speak with the Complaints Officer.

Secondly, if you believe your complaint is not satisfactorily resolved within five working days, ask to be referred to the Manager Compliance who will arrange for a senior officer with independent decision-making authority to review the matter for you.

Our Complaints Officer and Manager Compliance can be contacted by telephoning 13 63 73, by mail to PO Box 669 Carlton South 3053 by email to carlton@policecredit.com.au or facsimile to 03 9268 9222.

If you are still not satisfied you have the right to refer your complaint, free of charge, to the Financial Ombudsman Service at GPO Box 3 Melbourne Vic 3001. You may telephone the service on 1300 780 808. You may send a facsimile to 03 9613 6399.

Product Issuer:

Police Association Credit Co-operative Limited

ABN 33 087 651 661 AFSL 240293

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