

# Financial Services Guide

## Part 1

### *Important Information – Product Details and Advice*

This Financial Services Guide (FSG) sets out information to assist you in deciding whether to acquire any of the products or services Police Credit is authorised to provide. It contains important information about

The services we offer

How we are paid

How complaints are dealt with

If you obtain personal advice about an insurance product or about any other product that is not a 'basic deposit' product or a related facility for making payments other than by cash, that is, advice which takes into account any one or more of your objectives, financial situation and needs, you should also receive a Statement of Advice, which sets out the personal advice given to you, including any recommendations about a particular financial product, the basis upon which those recommendations are made and information about fees and commissions and associations with others which may have influenced the advice.

We will give you a Product Disclosure Statement or disclose the key information contained in the Product Disclosure Statement whenever we recommend, offer or issue you with a financial product which we are authorised to provide by our Australian Financial Services Licence. The Product Disclosure Statement will contain information about the product including its terms and conditions, benefits and features and any costs associated with the product. The Product Disclosure Statement will assist you to decide whether you wish to acquire the product.



**Police Credit**

*Securing your future*

Issue Date: 16 April 2010

Providing Entity Details:

Police Association Credit Co-operative Limited

ABN 33 087 651 661 AFSL 240293

Trading Name: Police Credit

121 Cardigan Street Carlton Vic 3053

T 13 63 73 [www.policecredit.com.au](http://www.policecredit.com.au)

E [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au)

[pcinsurance@policecredit.com.au](mailto:pcinsurance@policecredit.com.au)

[pcloans@policecredit.com.au](mailto:pcloans@policecredit.com.au) for Credit Services

This FSG contains the following:

## **Part 1 Important information:**

- product details and advice
- providing entity details
- financial service to be provided
- Privacy Statement

## **Part 2 Deposit and payment services**

## **Part 3 Insurance Services**

## **Part 4 PC Planning, Financial Planning Department**

## **Part 5 SuperFuture Retirement Savings Account, and**

## **Part 6 Referral Services**

If you are looking to acquire or use

- a credit union product or service, please refer to Parts 1 and 2
- an insurance product, refer to Parts 1 and 3
- If you are seeking the Financial Planning advisory service PC Planning, you should refer to the Pars 1 and 4
- the SuperFuture Retirement Savings Account, refer to Parts 1 and 5 of the FSG.

If you are seeking information about our referral services, refer to Parts 1 and 6.

## **Financial service to be provided**

The FSG contains general information about Police Credit services offered, how we and other relevant persons are remunerated in relation to the services, our service providers and business partners and our internal and external dispute resolution procedures and how to access them.

Police Credit as an AFS licensee is authorised to deal and advise in:

### **Deposit Accounts**

- Multipack At-Call
- Investment At-Call
- **easyinvest**  At-Call
- Bonus Saver
- Little Copper Club
- Christmas Club
- First Home Saver (FHSA)
- Deeming At-Call
- 14 Day Notice
- 12 months Regular Income
- Term Deposits, with terms of 3 to 60 months
- 50+ Investment, with terms of 1 to 5 years

## **Payment services**

- PC Visa Debit Card
- Personal cheques
- Rapid Response telephone banking
- pc.easynet internet banking
- BPAY
- Regular Payments
- Direct debits
- International drafts
- International telegraphic transfers

## **Insurance as an agent or mere referrer**

- Home Building
- Home and Contents
- Motor Vehicle
- Pleasure Craft
- Caravan and Trailer
- Landlord
- Life
- Sickness and Accident
- Consumer Credit
- Travel

## **Financial Planning services**

- Government debentures, stocks or bonds
- Debentures of a body corporate or unincorporated body
- Managed Investment Schemes, including Investor Directed Portfolio Services
- SuperFuture RSA - Retirement Savings Account
- Superannuation
- Personal risk insurances

Police Credit provides additional services in:

## **Credit Facilities**

- Overdrafts
- Personal loans
- New and used car loans
- Home loans
- Investment loans
- Credit cards
- Line of Credit

## **Other Non-Cash Payment Services**

- Foreign cheque conversion

Police Credit also acts as a referral service for:

## **Health Insurance**

- HBA

## Life Insurance

→ Allianz and St Andrew's

## Cash Passbook Card

→ Travelex

## Reverse Mortgage credit facilities

- Australian Seniors Finance
- Legal and other services including
  - preparation of wills
  - preparation of power of attorney
  - tax advice

# Privacy Statement

## Our Commitment

In handling your personal and financial information, Police Association Credit Co-operative Limited ABN 33 087 651 661 (Police Credit) is committed to complying with the Privacy Act 1988, the National Privacy Principles and any industry Code of Practice to which we have agreed to be bound.

A copy of our Privacy Policy is available on request.

## Collection and Use of Personal and Financial Information

We collect personal and financial information from you when you apply for membership, when you inform us of any change to personal and financial information we hold about you and when you apply to use our products and services.

We collect information to enable us to:

- assess your eligibility for membership,
- if accepted, to provide membership benefits to you,
- assess your eligibility for our products and services,
- if approved, to provide you with the products and services you require, and
- provide you with information about products and services available to you from Police Credit and associated businesses including information about discounts, competitions and special offers.

## Providing Your Personal and/or Financial Information to Other Organisations

In providing products and services to you it may be necessary for us to provide your personal and/or financial information to other organisations with whom we conduct business.

Such organisations include

- our legal advisors, accountants and auditors,
- printers and mailing services who assist us in providing products and services to you,

- insurers and mortgage insurers used by Police Credit and reinsurers of any mortgage insurer,
- collection agents, credit reporting agencies, conveyancers, an organisation proposing to fund the acquisition or acquire any interest in any obligation you may owe us (whether under a loan, guarantee or security), that organisation's agents, persons involved in assessing the risks and funding of the acquisition and after acquisition the purchaser and any manager,
- other financial institutions,
- our agents,
- external payment systems operators,
- other organisations with whom we have an alliance or arrangement for the purpose of promoting our respective products and services, and agents used by us and our business partners in administering such an alliance or arrangement,
- suppliers of goods or services to you in connection with a rewards program associated with a facility,
- contractors and external advisers (such as Indue Ltd) whom we engage from time to time to carry out or advise on our functions and activities,
- information technology service providers including those who assist or support us with data storage and processing and software development,
- government agencies, such as Australian Prudential Regulation Authority, Australian Transaction Reports and Analysis Centre and Australian Securities and Investments Commission, which regulate our products and services,
- law enforcement bodies and courts,
- your agents and contractors such as your legal adviser, financial adviser, financial institution, builder, conveyancer and settlement agent or insurers or prospective insurers and their underwriters,
- your executor,
- your administrator, trustee, guardian or power of attorney, your employer, your referees and any other person to the extent deemed necessary by us, in order to deliver any instruction you give us.

Your personal and/or financial information is only provided to those entities to the extent necessary to enable us to provide member benefits and our products and services to you and to the extent required by law.

## **Marketing Information**

If you have not opted-out of receiving marketing material, we may provide you with information from time to time about new products and services available to you from Police Credit, or other businesses with whom we have a relationship.

Your consent to our providing this information to you will be implied unless you notify us that you wish to opt-out, i.e. not to receive marketing material. You may do this by contacting Member Response on 13 63 73 or sending an email to [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au) and advising us that you do not wish to receive marketing information.

## **What if You Do Not Wish to Provide Us With Information**

In order to provide products and services to you we require information about you. If you do not provide us with all of the information we require we may be unable to accept your application for membership or provide products or services to you.

If you are applying for an account or a service governed by the Anti-Money Laundering and Counter Terrorism-Financing Act 2006, you must provide information such as your name, residential address, date of birth, occupation, country of residency and contact details and if we are unable to verify your identity, your account or the service you have requested can not be provided and/or as the signatory you, or your authority to operate, may not be able to withdraw funds.

The Insurance Contracts Act says you and any life to be insured have a duty to disclose information which may affect the insurance company's decision to grant insurance or the terms of insurance.

Under the First Home Savings Account Act and Retirement Savings Account Act we are required to collect information about your identity and circumstances for the purposes of opening and operating the account.

If you do not provide us with your Tax File Number there may also be taxation implications for you.

## **Your Rights**

Under the Privacy Act you have the right to access personal information we hold about you. If the information is incorrect, you have the right to require us to amend the information.

## **Further Information**

Should you require further information about our Privacy Policy or access to your personal and/or financial information, please contact Member Response on 13 63 73.

If you have a concern or complaint about our Privacy Policy or procedures, you may contact our Privacy Officer by telephone on 13 63 73 or by mail to: PO Box 669 Carlton South 3053.

If you are still not satisfied, you may be able to access the Director of Complaints, Office of Federal Privacy Commissioner which is an impartial and respected alternative to legal action. You may telephone the service on 1300 363 992, write to: GPO Box 5218 Sydney NSW 1042 or send an email to [privacy@privacy.gov.au](mailto:privacy@privacy.gov.au).

## **Part 2 Deposit and payment services**

If you are looking to acquire a Police Credit deposit or payment service, you should read this Part 2 of the FSG in conjunction with Part 1.

The information that follows outlines our fees, commissions and relationships between Police Credit and other parties that apply to our:

- Savings accounts
- Non-Cash Payment services
- Investment accounts.

## **How will you pay for our services**

Our representatives are salaried employees who do not receive any commission for the products they issue or recommend. Any commission from third party product issuers which we recommend are paid directly to Police Credit and are applied for the benefit of all members.

Any transaction fees applicable to our products and services we provide, are set out in our Fees and Charges Brochure which forms part of our Product Disclosure Statement and which is available on application.

## Relationships between Police Credit and other parties and commissions

We provide a debit card, PC Visa Debit Card, on behalf of Visa International. We receive commission of the value of a credit transaction effected by our cardholders.

We also receive a currency conversion fee on all international transactions.

Type of transaction	Domestic	Asia	International
Electronic	0.16%	1.16%	7%
Currency Conversion			3.65% of the AUD amount (Included in the Australian dollar transaction amount shown in your Statement of Account.)

We provide the BPAY bill paying services on behalf of BPAY. We receive commission of 45 cents for every individual transaction effected by our members. Of this payment, 14 cents is passed on to our service provider, Indue.

We provide international telegraphic transfers and drafts on behalf of Travelex. For this service, we receive commission of \$10 and \$5.00 respectively from Travelex for every individual transaction effected by our members.

We do not otherwise act for anyone but ourselves when we provide deposit products and payment services.

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

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This procedure covers complaints that relate to our services and is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by calling Member Response on 13 63 73.

If your grievance, complaint or dispute relates to a feature of the Travelex product, you will need to contact our Member Response service who will pass on your complaint and contact details to the Complaints Officer of Travelex.

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

**Firstly**, contact the representative or adviser you have been dealing with about your grievance.

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

branch or department responsible for the product or service.

**Secondly**, if you believe your complaint is not satisfactorily resolved within five working days, ask to be referred to the Complaints Officer who will arrange for a senior officer with independent decision-making authority to review the matter for you. They will write to you within 21 working days advising the outcome of the review and the reason/s for their decision.

Police Credit's Complaints Officer can be contacted, by calling 13 63 73, by mail to PO Box 669 Carlton South 3053, by email to [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au) or facsimile to 03 9349 1631.

If you are still not satisfied, you can contact the FOS Financial Ombudsman Service by calling 1300 780 808, by mail to GPO Box 3 Melbourne Vic 3001.

## Part 3 Insurance services

If you are looking to acquire a general insurance or consumer credit insurance product through Police Credit, you should read this Part 3 of the FSG in conjunction with Part 1.

### About Police Credit and PC Insurance Agency

Police Credit trading as PC Insurance Agency acts as an agent for

- Allianz Australia Insurance Limited (Allianz)
- CGU Insurance Limited (CGU)
- Club Marine
- Mondial Assistance
- Swann Insurance (Swann).

Allianz, CGU, Club Marine, Mondial Assistance or Swann will be the insurer of the relevant policy issued to you. Police Credit can arrange the issuing of the policy with one of its insurers unless we inform you otherwise.

Other than consumer credit insurance, Police Credit does not provide life insurance products and only our PC Planning staff can advise you on such products, however our staff can refer you to AIG who may be able to assist you with sickness and accident insurance policy, to Allianz for life, critical illness and permanent disability insurance or to St Andrews for Term Life insurance.

Police Credit can also refer you to HBA Health Insurance for quality health cover, issued by BUPA Australia Health Pty Ltd ABN 50 003 098 655.

Refer to Part 6 of this FSG.

### What service we provide

Police Credit is able to arrange the following insurance policies

#### Allianz

- Home
- Prestige Home
- Motor Vehicle

- Caravan and Trailer
- Landlord
- Consumer Credit Insurance
- Pleasure Craft
- Travel

**Mondial Assistance**

- Travel

**Club Marine**

- Pleasure Craft

**CGU**

- Home
- Landlord
- Motor Vehicle
- Boat
- Caravan
- Travel

**Swann**

- Consumer Credit Insurance

**Relationships that may influence the provision of financial services**

Police Credit is owned and controlled by its shareholders (members). Other than as disclosed in this FSG, Police Credit does not have any other relationships that may influence the insurance services we provide.

Mondial Assistance and Club Marine are underwritten by Allianz.

**How will you pay for our services**

Where you acquire the relevant insurance policy you will be charged a premium, payable yearly or monthly, for that policy based on your circumstances (plus relevant taxes and charges) by Allianz, CGU or Swann which Police Credit will calculate and inform you of before you acquire that policy.

Police Credit receives a commission from the insurer when you first acquire a policy and on renewal of that policy, as follows:

Type of Insurance	Commission
Allianz	5 - 20%
CGU	10 - 20%
Club Marine	5 - 20%
Mondial Assistance	30%
Swann	20%

- Example 1. A member obtains an insurance policy covering their home contents for an amount of \$28,200.
- Example 2. A member has upgraded their motor vehicle. Their insurance policy is endorsed reflect this.

Transaction	Premium Paid	Gov't taxes levies & duties	Total Premium	Commission to Police Credit
Example 1	\$226.67	\$99.73	\$326.40	\$45.33
Example 2	\$7.78cr	\$1.64cr	\$9.42cr	Nil

Police Credit staff are salaried employees and do not receive a commission for policies recommended to you.

They may be eligible to receive incentives based on a number of factors, which include:

- achieving standards in member service; and
- the credit union's performance against targets.

The incentives will take the form of tickets to events or similar rewards, either from Police Credit or from the insurance provider for whom we act as an agent.

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

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This procedure covers complaints that relate to our insurance services and is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any branch or by calling Member Response on 13 63 73.

If your grievance, complaint or dispute relates to a feature of the insurance policy or a claim you have made, you will need to contact the Complaints Officer of the insurance company.

If you are concerned or have a complaint about the service provided to you by Police Credit, you should take the following steps:

**Firstly**, contact the representative you have been dealing with about your grievance.

Where you have a complaint, simply contact us on 13 63 73 and ask to speak to the representative. If you do not know the name of the representative, ask to speak with the manager of PC Insurance Agency.

**Secondly**, if you believe your complaint is not satisfactorily resolved within five working days, ask to be referred to the Complaints Officer who will arrange for a senior officer with independent decision-making authority to review the matter for you. They will write to you within 21 working days advising the outcome of the review and the reason/s for their decision.

Police Credit's Complaints Officer can be contacted at Police Credit, by calling 13 63 73, by mail to PO Box 669 Carlton South 3053, by email to carlton@policecredit.com.au or facsimile to 03 9349 1631.

If you are still not satisfied, you may be able to access, free of charge, the Ombudsman at the FOS Financial Ombudsman Service by calling

1300 780 808, by mail to GPO Box 3 Melbourne Vic 3001.

If you are not satisfied with the determination or the internal dispute resolution procedure of the insurance company you may be able to access, free of charge, the insurance companies external dispute resolution scheme, namely the Insurance Enquiries and Complaints Limited (IEC). The IEC can be contacted by telephone on 1300 780 808, by mail to PO Box 561 Collins Street West, Melbourne Vic 8007 or visit their website [www.insuranceombudsman.com.au](http://www.insuranceombudsman.com.au).

## **Part 4 PC Planning, Financial Planning Department**

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.

### **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

*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.*

#### 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**

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

**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.*

**Recovery fee**

*This is an estimate of the out-of-pocket expenses.*

**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.

$\$50,000.00 \times 2.0\% = \$1,000.00$  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 following 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 20 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 following provides estimates, current for an account valued at \$50,000.00 with the ongoing PC Planning Basic service level (\$330.00 per annum)\*.

<b>Cash</b>	
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%
<b>Total Amount in dollars</b>	<b>\$1,320.00</b>
<b>Fixed Interest</b>	
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%
<b>Total Amount in dollars</b>	<b>\$1,350.00</b>
<b>Property</b>	
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%
<b>Total Amount in dollars</b>	<b>\$1,435.00</b>
<b>Australian Shares</b>	
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%
<b>Total Amount in dollars</b>	<b>\$1,600.00</b>
<b>International Shares</b>	

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%
<b>Total Amount in dollars</b>	<b>\$1,735.00</b>

## 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 the following.

#### 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](mailto: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.

## Part 5 SuperFuture, Retirement Savings Account

If you are looking to acquire Police Credit Retirement Savings Account, SuperFuture, you should read this Part 5 of the FSG in conjunction with Part 1.

### How will you pay for our services

Our representatives are salaried employees and they and Police Credit do not charge you a fee for their services. However, there are fees and taxes that may be applicable in managing and maintaining your RSA account.

#### Significant Fees

##### Withdrawal or exit fee

This is the fee charged for each withdrawal you make from the RSA (including any instalment payments and your final payment).

##### Amount in percentages

Not applicable.

### Amount in dollars and cents

\$40.00

The fee is indexed each year (at 30 June) in line with movements in Average Weekly Ordinary Time Earnings.

### How and when paid

The fee is charged by our service provider, Financial Synergy Pty Ltd and is deducted from the RSA balance at the time of withdrawal.

Otherwise no payment is received in relation to our advice on the SuperFuture Retirement Savings Account.

## Relationships between Police Credit and other parties and commissions

Police Credit is owned and controlled by its shareholders (members). Other than its relationship with Financial Synergy Pty Ltd Police Credit does not have any other relationships which might influence the circumstances in which advice on our SuperFuture RSA is provided.

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

Police Credit has its own internal dispute resolution procedure outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by calling Member Response on 13 63 73.

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly.

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

**Firstly**, contact the representative 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 representative. If you do not know the name of the representative, ask to speak with the Manager Superannuation.

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

Police Credit's Complaints Officer can be contacted at Police Credit, by calling 13 63 73, by mail to PO Box 669 Carlton South 3053, by email to the Complaints Officer at [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au) or by facsimile to 03 9349 1631.

If you are not satisfied with Police Credit's action, you may be able to access, free of charge, the Superannuation Complaints Tribunal by calling 1300 780 808, by mail to the Tribunal at Locked Bag 3060 GPO Melbourne Vic 3001, by email to [info@sct.gov.au](mailto:info@sct.gov.au) or by facsimile to 03 8635 5588.

## Part 6 Referral services

You should read this Part 6 of the FSG in conjunction with Part 1.

### Life and Health Insurance

Police Credit does not provide life insurance products, however if you are looking to acquire a such a product PC Planning can assist with a personal risk assessment and advise on appropriate products or Police Credit can refer you to a company with who it has a referral business arrangement.

Police Credit has approved business relationships with the following companies:

AIA Insurance Limited ABN 79 004 837 861 AFSL 230043 (AIG Life)  
St Andrew's Life Insurance Limited ABN 98 105 176 243 AFSL 281731 (St Andrew's); and  
Allianz Australia Life Insurance Limited ABN 27 076 033 782 AFSL 296559 (Allianz Life)

AIG Life, St Andrew's or Allianz Life will be the insurer of the relevant policy issued to you.

### What service we provide

Police Credit is able to refer to the above companies for the following types of insurance policies

- Allianz Life:
  - Life,
  - Critical Illness and
  - Permanent Disability,
- AIG Life:
  - Sickness and Accident
- St Andrew's:
  - Term Life Insurance and
  - Accidental Death Benefit Plan

### Health insurance – and the service we provide

Police Credit does not provide health insurance products, however if you are looking to acquire such a product we can refer you to HBA Health Insurance with who it has a referral business arrangement.

HBA Health Insurance provides quality health cover, issued by BUPA Australia Health Pty Ltd ABN 50 003 098 655 as part of the Bupa Group, one of the world's leading health and care organisations.

### Relationships that may influence the provision of financial services

Police Credit is owned and controlled by its shareholders (members). Other than as disclosed in this FSG, Police Credit does not have any other relationships that may influence the insurance services we provide.

### How will you pay for our services

Where you acquire the relevant insurance policy you will be charged a premium for that policy based on your circumstances (plus relevant taxes and charges) by HBA Health Insurance, AIG Life, St Andrew's or Allianz Life. The provider of that policy, not Police Credit, will calculate and inform you of before you acquire that policy.

Police Credit receives a commission from the insurer when you first acquire a policy and on renewal of that policy, as follows:

Type of Insurance	Commission
HBA Health Insurance	Up to 3%
<b>Allianz Life</b>	
Life insurance - new	20%
Life insurance - renewal	10%
Critical illness	
Permanent and Disability	
<b>AIG Life</b>	
Sickness and Accident	5%
<b>St Andrews</b>	
Term Life Insurance	20%
Accidental Death Benefit Plan	20%

Examples of how this commission is applied appear in the table below.

Transaction	Premium	Commission to Police Credit
Example 1 New Life Insurance Policy through Allianz	\$150.00	\$30.00
Example 2 Renewal of Life Insurance Policy through Allianz	\$165.00*	\$16.50

\*Premiums quoted are examples only and are only intended to aid in the calculation of commission. Premiums are not based on actual premiums and your actual premium may be higher or lower when assessed by the insurance provider having considered your individual circumstances. Premiums may increase each year on renewal based on your age and any increases to the sum insured.

Police Credit staff are salaried employees and do not receive a commission for policies you may acquire through the referral.

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

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This procedure covers complaints that relate to our insurance services, financial planning and/or Member Services and is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by calling Member Response on 13 63 73.

If your grievance, complaint or dispute relates to a feature of a life or health insurance policy or a claim you have made, you will need to contact the Complaints Officer of the insurance company.

If you are concerned or have a complaint about the service provided to you by Police Credit, you should take the following steps:

**First**, contact the representative you have been dealing with about your grievance. Where you have a complaint, simply contact us on 13 63 73 and ask to speak to the representative or adviser. If you do not know the name of the representative or adviser, ask to speak with the manager of the department or branch.

**Secondly**, if you believe your complaint is not satisfactorily resolved within five working days, ask to be referred to the Complaints Officer who will arrange for a senior officer with independent decision-making authority to review the matter for you. They will write to you within 21 working days advising the outcome of the review and the reason/s for their decision. Police Credit's Complaints Officer can be contacted at Police Credit, by calling 13 63 73, by mail to PO Box 669 Carlton South 3053, by email at [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au) or by facsimile to 03 9349 1631.

If you are not satisfied with the determination or the internal dispute resolution procedure of the life insurance company you may be able to access, free of charge, the insurance companies external dispute resolution scheme, namely the Insurance Enquiries and Complaints Limited (IEC). The IEC can be contacted by calling 1300 780 808, by mail at PO Box 561 Collins Street West, Melbourne Vic 8007 or visit their website [www.insuranceombudsman.com.au](http://www.insuranceombudsman.com.au).

If you are not satisfied with the determination or the internal dispute resolution procedure of the health insurance company you can contact the Private Health Insurance Ombudsman. It has been established by the Commonwealth Government to deal with enquiries and complaints about any aspect of private health insurance on 1800 640 695.

## Reverse Mortgages

Police Credit does not provide a reverse mortgage product, however we do have a referral business arrangement with Australian Seniors Finance Limited (ASF) who can provide you with such a product.

## What service we provide

Police Credit can provide you with information and application forms for ASF's reverse mortgage product 'ASF Lifetime Loan'.

## Relationships that may influence the provision of financial services

Police Credit is owned and controlled by its shareholders (members). Other than as disclosed in this FSG, Police Credit does not have a relationship that may influence the provision of this product.

Type of loan	Runumeration
Lifetime loan	0.70% upfront
Customer serving allowance	0.30% p.a. based on increasing value of loan

Police Credit staff are salaried employees and do not receive a commission for the products you may acquire through the referral.

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

Police Credit will endeavour to investigate and resolve any complaint promptly, thoroughly and fairly and has its own internal dispute resolution procedure. This procedure covers complaints that relate to our insurance services, financial planning and/or Member Services and is outlined in our Complaints and Dispute Resolution Guide which is available on our website, from any of our branches or by calling Member Response on 13 63 73.

If your grievance, complaint or dispute relates to a feature of a life or health insurance policy or a claim you have made, you will need to contact the Complaints Officer of the insurance company.

If you are concerned or have a complaint about the service provided to you by Police Credit, you should take the following steps:

**First**, contact the representative you have been dealing with about your grievance. Where you have a complaint, simply contact us on 13 63 73 and ask to speak to the representative or adviser. If you do not know the name of the representative or adviser, ask to speak with the manager of the department or branch.

**Secondly**, if you believe your complaint is not satisfactorily resolved within five working days, ask to be referred to the Complaints Officer who will arrange for a senior officer with independent decision-making authority to review the matter for you. They will write to you within 21 working days advising the outcome of the review and the reason/s for their decision. Police Credit's Complaints Officer can be contacted at Police Credit, by calling 13 63 73, by mail to PO Box 669 Carlton South 3053, by email at [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au) or by facsimile to 03 9349 1631.

If you are not satisfied with the determination or the internal dispute resolution procedure of the life insurance company you may be able to access, free of charge, the insurance companies external dispute resolution scheme, namely the Insurance Enquiries and Complaints Limited (IEC). The IEC can be contacted by calling 1300 780 808, by mail at PO Box 561 Collins Street West, Melbourne Vic 8007 or visit their website [www.insuranceombudsman.com.au](http://www.insuranceombudsman.com.au).

## Further information

As required by law, Police Credit has internal compensation arrangements, as well as professional indemnity insurance, in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Police Credit or its representatives.

Police Credit is committed to ensuring the safety and security of its members funds. Since December 1974, Police Credit has applied prudent financial management, resulting exceptional credit quality, long-term profits and no exposure to sub-prime debt or overseas investments. Like other Australian owned financial institutions we are regulated by the Australian Prudential Regulation Authority.

Under the Banking Act's Financial Claims Scheme, total deposits held with Police Credit up to and including \$1million per customer are guaranteed by the Australian Government.

More information is available on the financial services outlined in this document from your representative/adviser or Police Credit. If you require another copy or further information on any aspect of any of the financial services, then please contact us. The information contained in this document is current at the time of issue to customers.