



FIRST CAPITAL  
FINANCIAL PLANNING

## Financial Services and Credit Guide

Version 5 – 27 August 2018

## The Value of This Financial Services Guide

This Financial Services Guide (“FSG”) is an important document designed to provide you with information regarding the advice and services First Capital Financial Planning Pty Ltd trading as Edplan, ABN 35 003 212 717, (“First Capital” or “Edplan”) can offer you.

First Capital’s aim is to provide advice and services which meet your needs and provide you with the security of knowing that you have a plan in place for your future.

The information in this FSG will assist you in deciding whether to take advantage of the financial services offered by First Capital.

Our FSG also contain other important information about First Capital and how you can contact us. In particular, it contains information about:

- ▶ the fees, commissions, charges and other benefits that may be paid to First Capital and associates;
- ▶ associations and relationships that might influence the advice provided to you;
- ▶ the collection and handling of your personal information; and
- ▶ the receipt and handling of your complaints and concerns.

## Our History, Vision and Strengths

First Capital is an Australian Financial Services licensee. First Capital provides sound financial advice to individuals from all professions. Our specialist division Edplan focuses on giving advice to the teaching community and has done so since 1985 which makes us experts with NSW Department of Education teachers as sponsors of many Principal conferences at both the State and District level, over many years, including but not limited to:

- ▶ NSW PPA State Conference since 2006 ( Diamond Sponsor 2018);
- ▶ NSW PPA State Council Conference; and
- ▶ NSW PPA District Conference.

First Capital holds its own Australian Financial Services (AFSL number 281193).

## About Edplan

Edplan has specialised in providing tailored, financial advice to teachers since it was formed in 1985. Edplan prides itself on being the "expert advisers" to people in the teaching community because Edplan has depth of experience in understanding their needs.

Edplan's long-standing relationship with the teaching community has made us extremely proficient in understanding the needs of our clients in this profession. In particular Edplan understands the complex workings of the various State Superannuation Schemes.

Edplan has advised over 2500 teachers in managing their salary packaging arrangements alone. The advice given is holistic and objective, and Edplan's industry specialisation provides Edplan's clientele with an in-depth content unmatched in other advisory practices.



Edplan's primary objective is to create confidence and peace of mind for teaching professionals in financing their lifestyle and retirement.

Having worked with the teaching profession for such a long period of time we understand teachers have a unique work pattern and availability. We are flexible with consultations.

Edplan typically facilitates talks during a staff meeting or on a staff development day, also for principals and executive staff at their respective conferences.

Edplan is a regular contributor and sponsor at principal and executive conferences state-wide. Edplan often presents at these conferences, conducting informative talks on financial issues that affect the teaching community.

## The types of investments First Capital can recommend you

- ▶ Basic deposits and non-basic deposits products;
- ▶ Investment life insurance products;
- ▶ Life risk insurance products;
- ▶ Managed investment schemes;
- ▶ Superannuation funds;
- ▶ Government debentures, stocks or bonds;
- ▶ Securities; and
- ▶ Margin lending.

First Capital acts for you when giving advice and making strategy and product recommendations. First Capital's investment research considers a broad range of products but only those products that are worthy of recommendation to our clients are selected.

## What Happens When You See Your First Capital Financial Planner

### Understanding what you want to achieve

Financial planning is about developing strategies to achieve your financial and life goals.

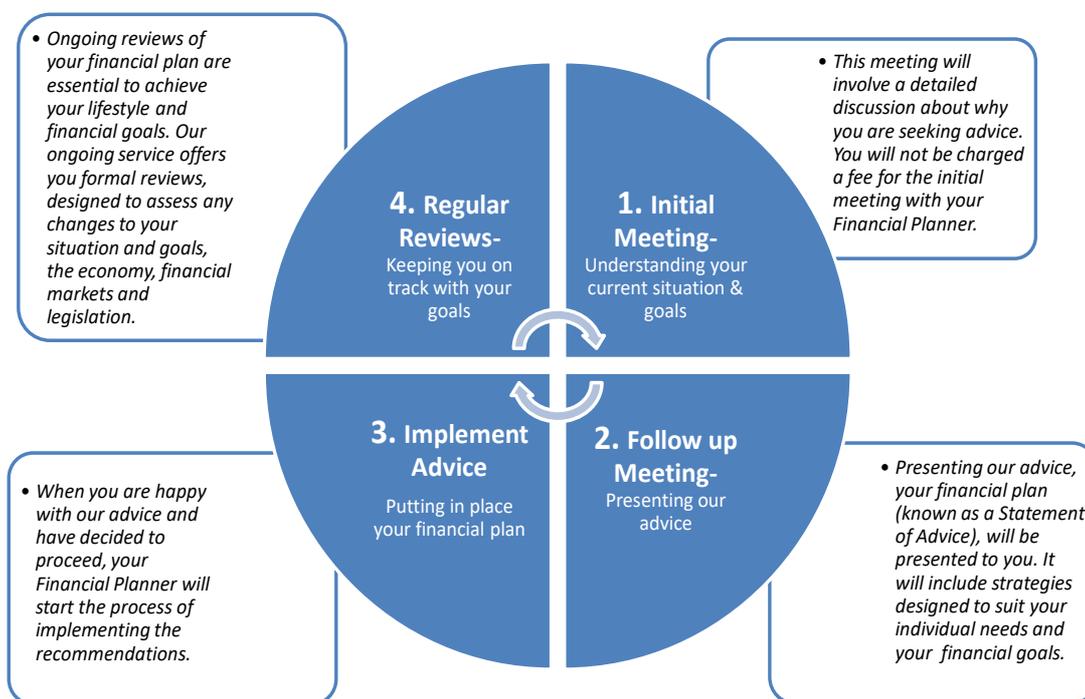
Starting with an understanding of your current financial situation, your financial plan is the roadmap you follow to lead you to your financial destination, seeking along the way to optimise your income, debt and taxation position.

### A financial plan is the key

A good financial plan is critical to your financial success. Developed specifically for your individual situation and taking into account your needs, circumstances and attitudes towards investing and risk, it can take a long-term view of your needs, covering your working life through to your retirement years.

The following four steps outline the financial planning process that occurs when you meet with your First Capital financial planner.

## First Capital Financial Planning & Advice Process



## 1. Initial meeting

The initial meeting is all about getting to know you, giving First Capital a clear picture of your current position and your personal and financial goals. This will involve a detailed discussion about why you are seeking advice, including:

- ▶ Gathering information on your current financial situation and budget.
- ▶ What you want to achieve – identifying your goals.
- ▶ Your approach to investing – understanding your risk profile.
- ▶ Identifying other issues that may be relevant in the context of providing you with financial services.

You will not be charged a fee for the initial meeting. The information obtained will be used if you decide to proceed to the next stage of having a financial plan prepared.

If you choose to proceed, a plan preparation fee (refer to 'Fees that are applicable to you') will be discussed and agreed upon. This fee covers the time and resources required to prepare your financial plan and will vary depending on your requirements and the necessary complexity of your plan.

## 2. Follow-up meeting: presenting our advice

At our second meeting, a Statement of Advice (known as a financial plan), will be presented to you. It will include strategies and products designed to suit your individual needs and your financial goals.

This meeting will involve confirming why you are seeking advice and explaining our advice to you. It is important you understand the recommended strategies and associated risks so you can make an informed decision regarding achieving your financial goals.

First Capital also provide you with educational information, which explains strategy and investment concepts contained in the Statement of Advice ("SOA"). Taking an active part and owning your financial future is an important step to success.

You will also be provided with Product Disclosure Statements ("PDS"), or other disclosure documents for any recommended products in your financial plan. These important documents will detail and explain the features, benefits, risks and product specific costs, fees and charges (refer to 'Fees that are applicable to you').

Where First Capital provides you with further advice and the basis of advice or your circumstances have not changed significantly, a Record of Advice ("ROA") may be used instead of an SOA. You have a right to request a copy of the ROA up to 7 years after the day on which the advice was provided.

### 3. Implementation: putting in place your financial plan

When you are happy with First Capital's advice and have provided your authority to proceed, your First Capital financial planner will start the process of implementing the recommendations. This may include, but will not be limited to:

- ▶ setting up new, or transferring existing investments;
- ▶ consolidating or rolling over your superannuation accounts;
- ▶ establishing regular investment or superannuation contributions; and
- ▶ establishing insurance policies.

Implementation can vary in time from days to months, depending on the complexity of your circumstances.

### 4. Regular reviews-ongoing advice and service

First Capital provides you access to our experienced office staff and Financial Planners for regular ongoing advice and service. Ongoing reviews of your SOA are essential to achieve your lifestyle and financial goals. Most important is to "Make a Plan and then stick to it!" We help you do that.

First Capital's ongoing service offers you formal reviews, designed to assess any changes to your situation and goals, the economy, financial markets and legislation. First Capital also provides information and administrative services to keep you informed and your portfolio aligned to your SOA.

Should you choose to receive ongoing advice and service, then an asset based fee will be charged on the funds we are overseeing and your individual circumstances will determine certain other fees charged for the ongoing relationship (refer to 'Fees that are applicable to you').

### 5. Ongoing Advice includes Operational Costs which are vital to last the distance.

The enduring quality and sustainability of any business depends on its structure and systems, rather than any individual.

The cost of providing long term advice is not limited to Adviser reviews, which forms only a part of the ongoing Advice Fee charged. Operational costs including quality staff, systems designed to improve efficiencies, compliance, technology plus office expenses, are essential to providing you with a robust infrastructure to change with the times and meet your goals. Edplan has been in operation since 1985, harnessing the Intellectual Capital delivering quality advice that has stood the test of time. Financial Plans are lifetime Goals and helping people develop plans that suit their needs and being there long term to see plans through to completion, changing with our client's situation and offering a retail outlet to our clients is the major part of the value and costs.

"Make a plan and then stick to it!" Edplan - built to last with a track record to prove it.

## Fees that are applicable to you

You know exactly how First Capital is paid as all the fees applicable to you are fully disclosed. First Capital operates on an asset based fee for ongoing advice, and a hybrid fee-for-service for upfront strategic work.

This means that the fees applicable to you are related directly to the advice and services First Capital provides you during the course of the relationship. First Capital always ensures that you understand these fees as they relate to the advice provided to you.

### SOA Preparation Fee

In the initial meeting with your First Capital financial planner, you will decide if you wish to proceed to the next stage, which is the preparation of an SOA. The fee for preparing an SOA generally starts at \$440 (GST inclusive) up to \$4,500 (GST inclusive) according to the time, complexity and resources required for your individual circumstances.

Your SOA will outline other fees that are applicable to you if you proceed with the implementation of the advice that is provided within the SOA.

### Advice Implementation Fee

The fees payable upon implementation of our advice to you relate to the costs of formulating the advice, as well as costs for the administration and implementation of your SOA.

These fees are payable when the advice is implemented and are generally taken out of your investment proceeds or included in the fees you pay to the product provider for your investment or insurance policy.

The implementation fee is either a flat fee or is based on a percentage of the value of the product you are investing in. It is usually paid when the product is issued, or may be paid over the life of the product.

### Ongoing Fee

First Capital will also charge an ongoing fee for providing financial services to you. The ongoing fee is either flat fees or percentage based fees on the value of the product you hold. These fees include management, account-keeping or performance based fees.

### Payment from product provider

When you invest in any product or service issued by other companies through First Capital, First Capital may receive an upfront and/or ongoing commission from the product provider. This may happen when you buy insurance, superannuation or managed investments. These commissions are paid to us by the company that issues the product that First Capital has recommended and they are included in the fees and premiums you pay for the product. Upfront commissions are no longer paid by product providers as of 1 July 2014. However, existing payments prior to 1 July 2014 will continue to be paid.

### Fees received by First Capital Financial Planning

Fees and commissions that First Capital receives vary and are based on the amount of funds you invest, the premium that you pay or the loan amount.

Initial fees/commissions and ongoing fees/commissions are as follows:

|   | Fee or Commission                                 |  |
|---|---|--|
|   | Initial   | Ongoing  |
| <b>Investment</b>                       | Fee of 0 – 5% of the investment amount            | Fee of 0 – 1.6% of the balance in your account                         |
| <b>Self Managed Superannuation Fund</b> | Fee of \$1,000 - \$5,000                          | Fee of \$1,000 - \$20,000  |
| <b>Life Insurance</b>                   | Commission of 0 – 88% of the first year's premium | Commission of 0 – 22% of the annual premium (excluding the first year) |
| <b>Margin Lending</b>                   | Fixed fee based on estimate of work required      |  |

If you decide to increase your life insurance policy our commission fees will increase only from the date of your increased policy cost based on the cost of the policy increase until the end of the year. The method used is  $0.88 \times$  remaining days in year. Then a commission of 22% of the increased insurance policy cost will apply annually from the anniversary date of our policy increase until the end of the year. The method used is  $0.22 \times$  remaining days in year.

For example, if First Capital invested \$10,000 of your funds in an investment with an initial fee of 3% and ongoing fee of 1%, the initial fee that First Capital charges will be \$300 and the ongoing fee will be \$100 per annum, assuming no change in your investment amount in subsequent years.

All fees will be discussed with you and agreed upon with First Capital prior to proceeding. All commission figures are GST inclusive.

## Association with product issuers

FC One Retirement Builder and FC One Investment Builder are products developed by First Capital in conjunction with Navigator Australia Limited. First Capital receives the following payments from Navigator Australia Limited when recommending FC One products. These payments are no longer paid on new funds that invested in FC One products post-1 July 2014.

|                             |   |
|-----------------------------|---|
| <b>Volume Bonuses</b>       | Annual payments of between 0.30% and 0.38% of First Capital's total funds under management  |
| <b>Administration Fees</b>  | Annual payments of 0.20% of First Capital's total funds under management  |
| <b>Additional Allowance</b> | One-off payment of 0.30% of initial investment balances (applicable to existing clients transferring existing superannuation and investments into FC One) |

*All the above calculations are inclusive of GST.*

First Capital Managed Portfolios are financial products managed in association with Morningstar Investment management Australia Limited and HUB24. First Capital will receive a portion of the investment management fee for First Capital's oversight of the First Capital Managed Account Portfolios. This fee is 0.22% p.a. (inclusive of GST) of the value of funds invested in the First Capital Managed Portfolios. No part of this investment management fee is paid directly to your adviser, however, there could be times when your adviser receives dividends or distributions on any investment they have in First Capital.

## How your financial planner is paid

First Capital financial planners are employees of First Capital and are paid a salary, superannuation and may also receive bonus payments or other non-monetary benefits should they satisfy certain qualitative and quantitative key performance indicators.

Two First Capital financial planners are shareholders and directors of First Capital and are entitled to dividend payments.

First Capital does not typically receive soft dollar benefits that exceed \$100 from product providers. In the unlikely event that First Capital receives soft dollar benefits, details in excess of \$100 will be maintained in a register. Should you wish to view this register please let First Capital know.

## First Capital Respects Your Privacy

First Capital aims to protect and maintain the privacy, accuracy and security of your personal and financial information.

First Capital respects your privacy and is committed to protecting you. First Capital uses the information you supplied to provide you with comprehensive advice in relation to your financial circumstances, goals and strategies.

First Capital will only use your information to assist you in setting up new investments with the product issuers with whom you choose to deal (and their representatives).

Keeping your information private is very important to us.

First Capital's Privacy Policy explains in more detail its commitment to protecting your personal information, how your personal information will be collected, maintained and who will have access to your personal information.

A copy of First Capital's Privacy Policy is available at [www.firstcapital.com.au](http://www.firstcapital.com.au) or contact First Capital for a copy.

## What to do if you have a concern

If you are not fully satisfied with any part of the advice or services First Capital provides for whatever reason, please let First Capital know. First Capital is always striving to provide quality advice and service and is eager to hear feedback that allows First Capital to continue to improve its services.

First Capital is committed to resolving your concern. As such, you can direct your concerns to First Capital's Head Office on:

Phone: (02) 9222 1202, Fax: (02) 9222 1240, Email: [info@firstcapital.com.au](mailto:info@firstcapital.com.au), or via our website [www.firstcapital.com.au](http://www.firstcapital.com.au) click 'Contact Us'; or in writing to GPO Box 5133, Sydney NSW 2001.

If your complaint remains unresolved, or you remain dissatisfied with First Capital's decision, you may escalate the matter to the **Australian Financial Complaints Authority** ("AFCA"). AFCA is an external dispute resolution scheme approved by the Australian Securities and Investment Commission.

You can contact AFCA on 1800 931678 or in writing, GPO Box 3, Melbourne, VIC 3001.

The Australian Securities and Investments Commission also has an info line on 1300 300 630. You can call this number to obtain further information about your rights.

First Capital holds a Professional Indemnity (“PI”) Insurance Policy, which complies with the requirements for compensation arrangements under section 912B of the Corporations Act.

Subject to its terms and conditions, this policy covers claims relating to the professional services provided by First Capital and its employees and representatives, including conduct of representatives who no longer work for First Capital but who did at the time of the relevant conduct.

## How to get in touch with us

You can contact your First Capital financial planner at any time regarding this FSG, our services or to provide instructions on implementing your strategies using the phone number or email address your planner provided you.

Alternatively, you can contact First Capital regarding any of the above matters by:

- ▶ visiting our offices at Level 20, 109 Pitt Street, Sydney NSW 2000
- ▶ calling us on (02) 9222 1202
- ▶ writing to us at GPO Box 5133, Sydney NSW 2001; or
- ▶ visiting our website at [www.firstcapital.com.au](http://www.firstcapital.com.au)

Information contained in this FSG may be updated from time to time without the need to notify you, provided the updated information is not materially adverse to you.