

# FINANCIAL SERVICES GUIDE

## PART TWO ADVISER DETAILS

Cape Financial Planning  
is the business name for  
Cape Financial Planning Pty Ltd  
ACN: 077 049 033

Financial Wisdom Limited  
ABN 70 006 646 108  
Australian Financial Services Licence No. 231138

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Sydney NSW 2000  
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## **Information about this Financial Services Guide**

This is Part Two of the Financial Wisdom Limited Financial Services Guide (FSG), which is divided into two parts. Part One and Part Two must be read together.

Your financial adviser ('Adviser,' 'I', 'we' or 'my') is an Authorised Representative of Financial Wisdom and provides services on behalf of Financial Wisdom.

Part One – General details provides information about:

- Financial Wisdom, their relationship with your Adviser and other entities.
- Other documents you may receive.
- Financial services and products we provide.
- Collecting your personal information and providing instructions.
- What you can do if you are not satisfied with our services.

Part Two – Adviser details provides information about:

- Who your Adviser is and how they can be contacted.
- Financial services and products your Adviser is authorised to provide.
- Fees or other costs your Adviser may charge.
- How Financial Wisdom, your Adviser and any other relevant parties are remunerated.

## Part Two - Adviser Details

### 1. Your Adviser and how you can contact them

I am an Authorised Representative of Financial Wisdom and can be contacted using the following details:

**Name:** Cape Financial Planning is the business name for Cape Financial Planning Pty Ltd

**ACN** 077 049 033

**ASIC adviser identification number:** 000243077

**Address:** Unit 2, 12 Prince St, Busselton WA 6280

**Telephone:** 08 9751 2022

**Facsimile:** 08 9751 2033

**E-mail:** [reception@capefp.com.au](mailto:reception@capefp.com.au)

**Website:** [www.pvfarrar.financialwisdom.com.au](http://www.pvfarrar.financialwisdom.com.au)

Cape Financial Planning has developed a reputation for helping individuals and businesses successfully secure their financial freedom and security.

The following individuals are authorised by Financial Wisdom to provide personal financial advice through Cape Financial Planning:

#### **Cindell Baker**

ASIC Adviser identification number: 311777

Cindell holds an Advanced Diploma of Financial Services (Financial Planning) and has been an adviser since 2007. Prior to Financial Wisdom Limited, Cindell was a planning assistant with Westpac Financial Planning for 11 years. Cindell specialises in aged care, retirement planning strategies, Centrelink matters, superannuation and investment solutions, together with personal risk insurance.

#### **Naomi Kathleen Rhyne**

ASIC Adviser identification number: 1257446

Naomi holds an Advanced Diploma of Financial Planning and a Bachelor of Business (majoring in accounting and public practice) and has been an adviser since 2017. Before her time with Financial Wisdom Limited, Naomi was a financial planning assistant and paraplanner, then more recently an Authorised Representative with Millennium 3. Previous to that, Naomi worked for the Department of Human Services as a Customer Service Officer (7 years), Centrelink FIS Officer (1 year) and a Complex Assessment Officer for over 14 years. Naomi specialises in aged care, retirement planning, Centrelink entitlements and wealth building strategies.

### 2. Financial services and product types your Adviser can provide

I am authorised to provide personal financial advice, general financial advice, and transact on your behalf (dealing) in relation to the following types of financial products:

- Securities\*
- Managed investment schemes
- Investment and funeral bonds
- Deposit products
- Government debentures, stocks and bonds
- Personal and business risk insurance
- Superannuation
- Margin loans
- Retirement Savings Accounts

\* I am only permitted to deal in relation to a securities product and am not authorised to provide personal financial advice in relation to a securities product.

### Limits on the advice that can be provided

It is important to note that I cannot provide advice on the following:

- General insurance
- Direct share investments
- Derivatives
- Foreign exchange

In addition, if I identify that you require specialist advice on a particular product or service, such as estate planning, I may refer you to a specialist who can help.

I am registered with the Tax Practitioners Board as a Registered Tax (Financial) Adviser. Based on the information collected from you, my advice considers the tax consequences that relate directly to the financial advice being provided. However I am not a Registered Tax Agent and consequently this advice does not include an assessment of your overall tax position. As such, I strongly recommend you review this advice with a Registered Tax Agent.

### Securities

If I identify that you require securities advice, I may refer you to CommSec Advisory for personal advice on direct share investments or existing portfolios. Financial Wisdom and I may receive a fee as a result of this referral. Any referral fee that is received will be disclosed in your SoA.

Alternatively, I may seek portfolio research advice from CommSec Adviser Services and incorporate this research into the advice that they provide to you. The cost of this advice will be incorporated into the total advice fee and detailed in your SoA.

### 3. Referrals

You do not have to consult any professional that I may refer you to. You may want to consult a professional you have an existing relationship with, or choose another. The professional you choose to consult is responsible for the advice they provide to you. Financial Wisdom and I may receive a fee or other benefit as a result of that referral. We may also receive a referral fee or other benefit from the business that is transacted on your behalf.

### 4. Fees and other costs that may apply to you

A range of fees and other costs may be payable to Financial Wisdom for the advice you receive and the financial products used.

Outlined below are the types of payments that you may be charged. Before I provide you with any financial advice, I will discuss these options with you and help you select the best payment method for you.

Where we are aware that you have used borrowed funds (i.e. funds that are either secured or unsecured) to invest through us, we will charge you a flat dollar advice fee.

In all cases, details of payments required for the services provided will be given to you at the time of any personal financial advice or when executing a transaction on your behalf. You will be provided with a tax invoice for any services provided and payment is generally made to Financial Wisdom in accordance with the terms of the invoice and is payable by cheque or money order.

These amounts, where they can be determined, will be documented in your SoA. If at the time you receive your SoA the amounts cannot be determined, the manner in which they are calculated will be disclosed instead.

### **Fee for Service**

Under this method of payment, there are set fees payable for each service provided to you. Those services and fees include:

**Statement of Advice Fee** – The minimum cost of investigating financial planning strategies and financial products and documenting them in a Statement of Advice is \$550 (including GST). This cost is based on the complexity of the advice and will be discussed prior to any work being undertaken.

**Implementation Fee** – You may be charged up to 4.0% of the funds invested for the implementation of our recommendations. This fee is paid for the time it takes to research, prepare, present and implement your financial plan.

**Ongoing Adviser Service Fee** – You may be charged up to 2.2% of the funds invested. This fee will be agreed to between you and your adviser and disclosed in the Statement of Advice.

All fees and charges will be fully discussed and agreed upon before we proceed with any recommendations.

Alternatively, we may receive a payment called commission which is paid to us by the financial product issuer(s).

### **Hourly Rate Direct Charges**

I may charge an hourly rate for financial services. The current rate is \$250 per hour or part thereof. Part or all of the initial commissions received from a product provider may be rebated to you if this charging option is used.

Before going ahead, I will provide you an estimate of the time that I may need.

### **Revenue, Adviser Service fees and Commissions**

#### **Revenue**

Financial Wisdom may receive payments from certain product providers whose products I recommend. These payments are based on the level of investments by Financial Wisdom clients in those products or level of insurance premiums applicable.

#### **Adviser Service Fee**

The Adviser Service Fee is a fee that you and I agree on for the ongoing advice and service that I am to provide, and is payable to Financial Wisdom. Financial Wisdom may pass all or part of that fee on to me. Some products offer the option to deduct the Adviser Service Fee from your funds on a periodic basis.

#### Direct Share Investments

I may charge you a fee over and above the brokerage fee charged by CommSec Adviser Services for trading shares. A management fee based on the value of your direct share investment may also be charged. These fees are optional and have no minimum or maximum.

#### **Commissions**

Financial Wisdom may receive initial or ongoing commission payments when you invest in a product or commence an insurance policy through me. Under this arrangement, Financial Wisdom may receive commission payments directly from product providers.

An initial commission is a one-off payment made upon entry to a financial product and an ongoing commission is paid each year for which a financial product is maintained.

Commission payments are based on a percentage of the funds you invest or the insurance premiums you pay. They are not paid directly by you and are instead deducted from the investment, superannuation, loan or insurance premium by the product provider and paid to Financial Wisdom.

#### Investment and superannuation products

The initial commission that Financial Wisdom may receive on an investment or superannuation product can be up to 5.50% of the investment amount.

The ongoing commission that Financial Wisdom may receive can be up to 1.10% per annum of the investment amount.

Financial Wisdom only receives initial or ongoing commission payments on investment or superannuation products, where they are entitled to receive these payments through existing arrangements with product providers.

#### Life insurance products

*Additional cover added to an existing product which was issued before 1 January 2018*

The initial commission that Financial Wisdom may receive on insurance products can be up to 135% of the first year's premium. The ongoing commission that Financial Wisdom can receive may be up to 38.50% per annum of the renewal premium.

*New products issued on or after 1 January 2018*

The initial commission that Financial Wisdom may receive on insurance products applied for and issued on or after 1 January 2018 will be no more than 80% of the premium in the year of issue. The ongoing commission that Financial Wisdom can receive will not exceed 20% per annum of the premium (33% per annum of the premium for level commission structures).

Any commission payments that Financial Wisdom or I receive are not an additional cost to you.

#### Margin Lending

Financial Wisdom may receive commission payments on margin loans which are based on a percentage of the loan amount. This commission is paid on an annual basis and Financial Wisdom may pass this on to me. Financial Wisdom will only receive initial or ongoing commission payments on margin loans, or additional drawdowns to these products, where they are entitled to receive these payments through existing arrangements with product providers.

### **5. What Financial Wisdom pays me as your Adviser**

#### **Fees and Commissions**

Once Financial Wisdom receives payment for a service, they may pay me up to 100% of the commission, fee and bonus amount they receive. Any remaining amount will be retained by Financial Wisdom.

The amounts payable to me and retained by Financial Wisdom will be disclosed in your SoA. If the amount is not

calculated at the time your SoA is provided, the way the amount is calculated will instead be disclosed.

Revenue sharing arrangements that apply to Commonwealth Bank Group products **I recommend**

I also have an arrangement with Financial Wisdom where I may receive a share of any payments made to them by Colonial First State and CommInsure. These arrangements are described below.

Financial Wisdom and I will continue to receive insurance and superannuation payments where we have an entitlement to do so under an arrangement with a product provider prior to 1 July 2013.

#### For investments

Financial Wisdom receives payments from Colonial First State which are based on the volume of funds invested into the Colonial First State FirstChoice Retail, Colonial First State FirstChoice Wholesale or FirstWrap platforms ('selected Colonial First State platforms') by its Authorised Representatives. These payments can be up to:

- 0.25% pa of the funds invested into the Colonial First State FirstChoice Retail and Colonial First State FirstChoice Wholesale platforms, and
- 25% pa of the FirstWrap administration fees.

If over a three month period, I manage a minimum average of at least \$25,000,000 in selected Colonial First State platforms, I become entitled to a share of the payments that Financial Wisdom receives from Colonial First State

The share I may receive will be a percentage of what Financial Wisdom receives from Colonial First State and based on the volume of funds under management that I manage in selected Colonial First State platforms. The percentage can range from 20% to 100%.

For example, if I manage an average of \$25,000,000 in selected Colonial First State platforms over the three month period, I will be entitled to 20% of the amount that Financial Wisdom receives from Colonial First State attributable to that \$25,000,000.

If Financial Wisdom receives the maximum payment of 0.25% per annum (or equating to 0.0625% for the three month period) from Colonial First State, I will be entitled to a share of \$3,125 (ie \$25,000,000 x 0.0625% x 20%).

#### For insurance

Financial Wisdom receives quarterly payments from Colonial Mutual Life Assurance Society Limited, trading as CommInsure which are based on policies issued on or before 31 December 2017 and Financial Wisdom meeting policy lapse rate targets. The amount paid can vary with the maximum payment being made to the Licensee where the net lapse rate is 9.36% or less and the payment decreasing to nil where the net lapse rate is greater than 13.36%.

If the value of policies I hold with CommInsure at 31 December 2017 is above \$450,000, then provided my policy lapse rate is not greater than 13.36% over the same period, I am entitled to a percentage of these payments on a quarterly basis. There will be a tiered reduction in the percentage if my policy lapse rate exceeds 9.36%.

For example, assume the value of policies held by me with CommInsure is \$500,000 at 31 December 2017 and over a rolling twelve month period my policy lapse rate is less than 9.36%

If Financial Wisdom receives a payment of \$120,000 in the applicable quarter and the value of pre 31 December 2017 policies held by me with CommInsure is 0.50% of the total

premiums in force as at 31 December 2017 that Financial Wisdom holds with CommInsure; the payment I receive for that quarter will be \$600 ie (\$120,000 x 0.50%).

Should the amount of new funds I place into selected Colonial First State platforms and certain CommInsure investment products, bonds and annuities over a 12 month period exceed the amounts withdrawn over the same period, I may be entitled to an additional share of the payment Financial Wisdom receives. However, where the amount withdrawn exceeds the amount of funds placed for the same period, the share of payments I receive may reduce.

Any share of payments I receive from Financial Wisdom with respect to either selected Colonial First State platforms or CommInsure product are not an additional cost to you.

I will manage and will clearly disclose any conflicts in the SoA that I believe may influence my advice to you. In the event a conflict does arise, I will give priority to your interests. The manner in which the revenue sharing arrangements is calculated will also be detailed in the SoA.

In addition, details of any revenue sharing arrangements which may apply to any products recommended to you will be set out in your SoA.

#### **Referral payments**

If you were referred by another party, or if Financial Wisdom or I have referred you to someone else, Financial Wisdom or I may pay that referral party a fee or commission. Financial Wisdom or I may receive a referral fee in the event that we refer you to someone. Your SoA will disclose these referral payments and the amounts paid.

#### **Partners in Education**

Financial Wisdom may receive sponsorship payments from a number of product providers which are in no way linked to volume of sales. Financial Wisdom offers various package arrangements where product providers can partner with Financial Wisdom to provide education and training services for their Advisers. For a full list of all current partners, please visit [www.financialwisdom.com.au](http://www.financialwisdom.com.au)

#### **Other benefits that I may receive**

From time to time, I may be entitled to receive the benefits outlined below. These other benefits are not an additional cost to you:

- Educational conferences and seminars: these are arranged by Financial Wisdom and attendance may be fully or partially subsidised by Financial Wisdom.
- Non-monetary benefits: these may include business lunches, tickets to sporting and cultural events, promotional merchandise or other minor benefits from Financial Wisdom or product providers.
- I may also have access to a Business Valuation Package offered by Financial Wisdom. This is subject to certain conditions and any amount paid by Financial Wisdom depends on factors such as compliance history and financial performance.

These benefits are discretionary in nature and relate to future events. It is therefore not possible to provide an estimated dollar value on these benefits at this point in time.

Any other benefits that Financial Wisdom or I may receive will only be accepted to a value of less than \$300 per provider per year. If other benefits over this limit are received, they will be declined or if delivery has already been made, they will be disposed of. In the instance that a benefit has been received and needs to be disposed of, that benefit will be passed on to charity or disposed of by other means.

Financial Wisdom maintains a public register of all other benefits they receive. Financial Wisdom also maintains a Conflicts of Interest register for circumstances where some or all of your interests may be inconsistent or diverge from some or all of my interests or those of Financial Wisdom. If you would like to see a copy of these registers, you can contact Financial Wisdom.