



Financial Services Guide

1 February 2022

Version 4.0 | Part Two

This document is part of a Financial Services Guide ("Guide") and should be read in conjunction with Part 1 (A Guide to Our Relationship with You and Others) version 21, dated 1 February 2022.

This section is designed to provide you with enough information to decide whether to obtain financial advice (or any other financial service) from us. It's an important document that will introduce your adviser, Matthew Lancashire, and provide you with the information you need to consider before you engage us to provide you with advice or services.

This document complements Part 1 that provided information about our Licensee and the types of documents – Statements of Advice, Records of Advice and Product Disclosure Statements – that you will receive if we provide you with personal advice. Part 1 also explained how you can provide information to us, our compensation arrangements and who to contact if you want to provide feedback or complain about our advice or services.

We've tried to be as clear and direct as possible but if you have any questions, we're happy to answer them.

Authorised Representative Profile – Matthew Lancashire

Your adviser is Matthew Lancashire, an Authorised Representative of Paragem. Matthew's ASIC Authorised Representative number is 316347.

Matthew has been a Financial Adviser since 2007 offering advice to individual clients as well as small and large business clients. Prior to joining Paragem, he was a Financial Adviser with various financial organisations, including Garvan/MLC, Count Financial, and Securitor. Matthew is a CERTIFIED FINANCIAL PLANNER™, holds a Diploma of Financial Services (Financial Planning), Advanced Diploma of Financial Services (Financial Planning), Bachelor of Business, and is a member of the Financial Planning Association of Australia Limited.

Matthew's employer is Cargill Financial Pty Ltd as trustee for the CF Unit Trust, which is a Corporate Authorised Representative (ASIC Authorised Representative number 1275542) of Paragem.

You can contact him on (03) 9132 6304, email matthew@cargillfinancial.net.au or visit our website at www.cargillfinancial.net.au.

Matthew Lancashire is authorised by Paragem to advise and deal in the following financial products:

- Deposit products (cash and Term Deposits)
- Debentures, stock and bonds issued by a government
- Life Insurance risk products
- Life Insurance investment products
- Managed Investment Schemes (Unit Trusts)
- Securities (shares)
- Superannuation including Self-Managed Superannuation Funds
- Retirement Savings Accounts
- Standard Margin Lending Facility

Matthew is not authorised to recommend any strategy that involves an agricultural scheme investment, direct property, derivatives and unregistered managed investment schemes.

Remuneration

Financial advice has value, but it also involves fees and charges. We are committed to transparency because we believe it's important that you're able to make an informed decision about our advice and its benefits. You may pay a fee for a service, and we may also receive commissions from product issuers, if you engage us to provide advice, implement our recommendations or act on your instructions. Rest assured that the relevant costs or fees will be discussed with you by your adviser before any services are provided.

Paragem will pay Cargill Financial Pty Ltd as trustee for the CF Unit Trust 100% of the fees and/or commissions detailed in this schedule. Paragem will charge Cargill Financial Pty Ltd as trustee for the CF Unit Trust for licensee services and is not linked to client revenue.

Matthew is a director of Cargill Financial Pty Ltd and is remunerated by salary and distributions from Cargill Financial Pty Ltd as trustee for the CF Unit Trust. There is no remuneration, or rewards, for recommending particular products or strategies.

Fees

We are predominantly a Fee for Service organisation. There are set fees for each service that I provide to you, and these fees will be agreed upon and confirmed to you prior to any service being provided. Current fees and charges are detailed below and are GST inclusive:

Recommendation & Implementation: For having a personalised financial plan (SoA) prepared, a plan preparation fee is payable and ranges from \$1,800 up to \$11,000. This will be negotiated and agreed upon before we commence the process. An implementation fee may be payable where we do not provide ongoing advice or utilising existing products and can range from \$800 to \$3,300. The actual fees will depend on the complexity of your situation and the time it takes to prepare personal financial advice for you.

Ongoing Advice Service and Reviews: If you choose to take up our Ongoing Advice Service Agreement which includes a review of your financial plan, ongoing reporting and access to an adviser to ensure that your financial strategies and financial products remain appropriate to you, you will be charged an Ongoing Advice Service Fee ranging from \$1,650 to \$15,000 depending on the extent and complexity of advice and ongoing service required. However, we expect the majority of Ongoing Advice Service fees to be in the range of \$2,420 to \$8,800.

Where a placement fee and/or implementation fee is charged, I may rebate all or part of the initial commissions and/or ongoing commissions received from a product issuer, by way of an increase in your investment amount.

Ongoing Investment Management: We may also charge an investment management fee of up to 1.10% funds under advice.

Ad-hoc assistance: Where you require our assistance with specific tasks, such as Centrelink assistance, helping completing paperwork not relevant to your financial plan or other financial planning assistance, a fee may be payable at a rate of \$275 per hour.

Commissions

Insurance Products

Commissions can be received for life insurance products with the exception of life insurance implemented after 1 July 2014 for a member in a default superannuation or a group life policy in a superannuation fund.

There will be a 100% clawback of commission where the life insurance policy is cancelled, not continued or the policy cost is reduced in the first year and 60% clawback of commission in the second year.

If you choose to pay fee for service, we can rebate to you part or all of the commission we would otherwise receive for insurance arrangements.

In the interests of transparency, please understand that I will receive an upfront commission from the product issuer if you decide to buy a life risk insurance product I recommend to you. Commissions, whether up-front or ongoing, are paid to us by the Insurer.

I will receive an upfront commission of between 0% and 66% of the first year's annual premium, and then an annual ongoing commission of between 0% and 22% of the annual premium.

For example, for an insurance product with an annual premium of \$2,000, where the issuer pays me an upfront commission of 66%, I will receive \$1,320. The issuer will pay me 22% of the annual premium as ongoing commission for as long as you hold the product. Assuming an annual premium of \$2,000, this equates to \$440 per year.

Potential Conflicts of Interest

Ownership

Paragem is a wholly owned subsidiary of Diverger Limited, an ASX listed company that provides services to financial advisers and accountants in the areas of licensing, training, education and client engagement. Diverger Limited has a material shareholder, HUB24 Limited, which offers a leading investment administration and reporting platform to the Australian marketplace.

Paragem was previously owned by HUB24 as such if you use the HUB24 platform, some of Paragem's employees and representatives (our advisers) may benefit financially by virtue of being shareholders in the company. This will be disclosed to you below and in the Statement of Advice if you wish to receive advice, where applicable.

We are obliged to always act in a client's best interests and will only recommend the use of the HUB24 platform if it is appropriate to do. We also continue to use other platforms to implement our investment advice and you are free to request your adviser use an alternative platform if you would prefer.

Referral Payments

We do not receive any form of referral payments.