

HEALTH WEALTH CAREER

FINANCIAL SERVICES GUIDE

17 SEPTEMBER 2018



MAKE TOMORROW, TODAY



FINANCIAL SERVICES GUIDE

17 SEPTEMBER 2018

ABOUT THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) is designed to help you understand who Mercer Financial Advice (Australia) Pty Ltd (Mercer Financial Advice) and your adviser (referred to as “we” and “us” in this FSG) are and what we do and to help you decide whether to use the services we provide. It contains information about:

- The services we provide;
- How you can pay for our services and the remuneration that may be paid to us and other relevant persons in relation to the services offered; and
- Information on what to do if you are not satisfied with the services we provide.

We are required to provide you with the information contained in this document if we are likely to deal on your behalf or provide you with financial product advice.

This document is the FSG for Mercer Financial Advice and the FSG for your adviser. This FSG as it relates to your adviser is in two parts. This document is Part 1 and your adviser’s Adviser Profile forms Part 2.

This FSG (as it relates to your adviser) has been authorised for distribution by Mercer Financial Advice (Australia) Pty Ltd ABN 76 153 168 293 AFSL #411766.

Contact details for Mercer Financial Advice:

Street address: 727 Collins Street
Melbourne VIC 3008

All correspondence to: GPO Box 9946
Melbourne VIC 3001

Telephone number: (03) 9623 5555

Fax number: (03) 8640 0806

Website: merceradvice.com

The contact details for your adviser will be set out in their Adviser Profile.

You should retain the FSG for your future reference.

WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED

Mercer Financial Advice is responsible for the provision of services as listed in this FSG.

WHO WILL PROVIDE YOUR ADVICE

Your adviser is an Authorised Representative and/or Representative of Mercer Financial Advice (Australia) Pty Ltd. Please refer to your advisers’ Adviser Profile which forms part of this FSG for specific information about your adviser.

If you are accessing our online advice via the online portal, the advice is provided by Mercer Financial Advice (Australia) Pty Ltd.

In addition to this FSG, when your financial adviser provides you personal financial advice you will also generally receive a Statement of Advice. This document will contain the advice, basis of the advice and information about fees, commissions and any associations that we have that may influence our advice that have not already been disclosed in this FSG.

If you receive further advice from us, and you do not receive another Statement of Advice or keep a record of that advice, you can request a copy of that record of advice by contacting your adviser any time up to seven years from the date the advice was provided.

You may also be provided with a Product Disclosure Statement (PDS) or other product information that are provided by the product issuer for the financial products recommended to you by your adviser. These documents include information about the particular product, the cost of the product, the risks associated with the product and will assist you to make a decision about that product.

WHO MERCER IS

Mercer is a global consulting leader in talent, health, retirement, and investments. Mercer helps clients around the world advance the health, wealth, and performance of their most vital asset – their people.

Mercer's more than 20,000 employees are based in 42 countries, and the firm operates in more than 140 countries. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy, and human capital. Working out your finances, optimising super and choosing the right insurance, investments and loans can be challenging for anyone.

HOW WE WORK TO HELP YOU

With Mercer's global reach and a team of experts, Mercer Financial Advice uses a strategic advisory process that considers your goals, lifestyle and budget. We then recommend practical ways to meet your objectives.

- Experienced in strategies for creating and protecting wealth
- Skilled advisers who can explain things simply and concisely
- Supported by the Mercer group of companies with access to global investment expertise
- Strong advocates of Mercer's local and global professional standards
- Qualified in areas such as accounting, actuarial, economics and financial planning.

We are committed to providing clear fees for service so there are no surprises.

THE PRODUCTS AND SERVICES WE OFFER

Mercer Financial Advice is licensed under it's AFSL to provide financial product advice and deal in products as listed below:

- Basic Deposit products
- Government Debentures, Stocks or Bonds
- Life investment or Life risk products
- Managed Investment Schemes including Investor Directed Portfolio Services ("IDPS")
- Securities
- Retirement Savings Accounts
- Superannuation
- Margin Lending Facilities
- General Insurance Products (General advice only)

Mercer Financial Advice offers both personal and general advice services. The services you receive will depend upon your individual circumstances, needs and objectives. These services may include:

- Member education and advice
- Financial planning
- Investment strategies
- Retirement planning
- Social security advice
- Estate planning services
- Ongoing advice services
- Insurance
- Self managed superannuation fund advice
- Aged care advice

Some of the services provided may be greater than those your financial adviser is authorised to provide. This will be noted in their Adviser Profile. If your financial adviser is unable to advise you in relation to your request they may refer you to someone who is permitted to do so.



YOUR PRIVACY AND INFORMATION

HOW YOU CAN INSTRUCT US

If you want to make changes regarding the advice you have received or provide other instructions, you can contact us by using the details provided in this FSG. Generally, you will need to give us instructions in writing (e.g. fax, email or letter) or any other method as agreed with your adviser.

THE INFORMATION YOU NEED TO PROVIDE TO RECEIVE PERSONALISED ADVICE

In order to receive personalised advice, you will need to undertake a fact finding process. You will need to provide details of your personal objectives, your current financial situation and any other relevant information so that you can be given appropriate advice.

You have the right not to inform your financial adviser of your personal information if you do not wish to. However, if you do not, the advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the benefits and implications contained in the Statement of Advice carefully before making any decision relating to a financial strategy or product being recommended.

INFORMATION WE MAINTAIN ABOUT YOU THAT YOU CAN ACCESS

We maintain a record of your personal file, including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to examine your file, please ask us. We will make arrangements for you to do so.

YOUR PRIVACY

We take your privacy seriously because we know you do. All personal information is dealt with in accordance with the Mercer Privacy Policy. The Mercer Privacy Policy details how we comply with the Privacy Act in the handling of your personal information. You can view the Mercer Privacy Policy via our website at merceradvice.com.

RELATIONSHIPS AND ASSOCIATIONS MERCER HAS WITH FINANCIAL PRODUCT ISSUERS

Mercer Financial Advice is a wholly owned subsidiary of Mercer (Australia) Pty Ltd, ABN 32 005 315 917. Mercer is a member of Marsh & McLennan Companies, a public company listed on the New York Stock Exchange. Marsh Pty Ltd, Guy Carpenter & Company LLC, and Oliver Wyman, Inc are also members of Marsh & McLennan Companies.

Mercer Financial Advice through the above relationship is a related company of each of the following product issuers and service providers:

- Mercer Consulting (Australia) Pty Ltd
- Mercer Investments (Australia) Limited
- Mercer Outsourcing (Australia) Pty Ltd
- Mercer Superannuation (Australia) Limited
- Mercer Administration Services (Australia) Pty Ltd
- Mercer Portfolio Service Superannuation Plan (MPS SP) RSE Registration number R1067101.
- Mercer Portfolio Service Investment Plan (MPSIP)
- Various corporate superannuation funds. Your financial adviser will advise you whether you are a member of one of these funds.

Your adviser may also make recommendations on a wide range of financial products that are issued by product issuers that are not related to Mercer Financial Advice.

WHAT WE ARE PAID

If you are accessing our online advice via the online portal, there is no fee or charge for this advice. The remuneration listed below may be charged when you receive personal advice from your adviser. The actual fees charged will depend on the scope of advice and recommendations made. The fees charged will be disclosed in a Letter of Engagement, a Statement of Advice or other advice document provided at the time the advice was given. Where the exact charge can not be calculated then the manner in which those fees are calculated will be disclosed. All fees are inclusive of GST.

In respect to products recommended via our online portal or by your financial adviser that are issued by a Mercer entity (Mercer Product), Mercer may receive a greater portion of fees compared to non Mercer related products, specific amounts and benefits can only be calculated once the recommendations are made to you and therefore will be disclosed in your Statement of Advice or other advice document provided to you at that time.

HOW WE ARE PAID FOR THE SERVICES PROVIDED

There are various ways that you may pay for the services we provide including:

- Fee for service
- Remuneration paid by product providers in the form of initial (or upfront) and ongoing (or trail) remuneration for personal Insurances only and share brokerage or
- A combination of the above.

HOW OUR FEES ARE CALCULATED AND PAID

Fees may be charged as:

- Dollar amount
- Percentage of the amount invested
- Based on an hourly rate
- Combination of some or all of the above.

FEES FOR SERVICES

INITIAL CONSULTATION

Our initial consultation is complimentary.

ONLINE ADVICE

If you are accessing our online advice via the online portal, there is no fee or charge for this advice.

PHONE AND WORKPLACE ADVISER CONSULTATION

A consultation with a phone or workplace adviser is generally complimentary. Where a recommendation is provided in relation to asset allocation for your superannuation fund and/or types of superannuation contributions for your situation, this will be complimentary for those members where the cost of these services are included as part of the Trustee operating costs. You will be advised of any costs if applicable by your phone or workplace adviser.

PREPARATION AND IMPLEMENTATION OF ADVICE

The amount of the fee charged will depend on a number of factors including complexity of the advice and the areas of advice covered. Generally, the fee will range from a minimum of \$500 to \$9,000 however this range may be exceeded for particularly complex advice that requires additional hours of work. You will be advised of the actual cost of your Statement of Advice when you meet with your financial adviser.

ONGOING REVIEW SERVICES

An additional fee may be charged for the provision of ongoing review services. This fee may be a flat fee or a percentage of the value of the amount invested.

The amount of these fees (and how they are charged) will depend on the level and types of services you require and whether you have invested in any products which pay Mercer Financial Advice an ongoing fee or if you require additional review services.

Your financial adviser can provide you with further details.

REMUNERATION FROM PRODUCT PROVIDERS

ONGOING PRODUCT FEES FOR EXISTING MFA CLIENTS

Mercer Financial Advice may receive ongoing fees from the issuers of some of the products which you invested in before 1 July 2013. These fees are payable to Mercer Financial Advice out of the product issuer's ongoing management fees. The amount of these fees will depend on the value of your investments and the product issuer. These fees will be payable for as long as you hold your investment in the product.

When you invested in a product issued by a Mercer entity (Mercer product) before 1 July 2013, Mercer Financial Advice may receive an ongoing administration fee of up to 1.28% per annum and an expense recovery fee of up to 0.205% (charged on a maximum balance of \$500,000) per annum on the value of your account balance. From these fees Mercer Financial Advice pays service providers, and may retain up to 1.22% per annum. Details of these fees were disclosed in the Product Disclosure Statement of the relevant product.

Where you invested in a non-Mercer product before 1 July 2013, Mercer Financial Advice may receive an ongoing product fee (trail commission) of up to 0.66% per annum on the value of your account balance. Details of these ongoing product fees were disclosed in the Product Disclosure Statement of the relevant product provider

LIFE INSURANCE PRODUCTS

Should you purchase an insurance product that we recommend, Mercer Financial Advice may receive a commission payment from the insurer. The total amount of this commission is included in the premium you pay for the product – it is not an additional cost to you. The level of commission depends upon the product purchased and will generally include:

	Initial Commission (excl. GST)	Ongoing Commission (excl. GST)
Pre 1 January 2018*	0% – 140%	0% – 38%
1 January 2018 – 31 December 2018*	0% – 80%	20%
1 January 2019 – 31 December 2019*	0% – 70%	20%
From 1 January 2020*	0% – 60%	20%

*Mercer may continue to receive commissions from pre 1 January 2018 policies if your policy was issued before 1 January 2018 and there has been an increase in the level of cover under that respective policy.

EXAMPLE

If you purchase a life insurance policy between 1 January 2018 and 31 December 2018 with an annual premium of \$1,500.00, Mercer Financial Advice may receive an initial payment of up to \$1,200.00. Mercer Financial Advice may also receive an ongoing commission of up to \$300.00 per annum.

REFERRAL FEES

Mercer Financial Advice does not pay any referral fees to third parties.

Where potential cash flow management and/or lending requirements are identified for you, and subject to your consent, you may be referred to Crown Lending Pty Ltd (ACN 119 504 862) which provides cash flow management and mortgage lending services to consumers under their Australian Credit License Number 388 279. Mercer Financial Advice may receive a referral fee for the Money Management Program of 0.20% inclusive of GST of the total loan facility from Crown Lending Pty Ltd and a fee of 0.10% inclusive of GST may be paid to Mercer Financial Advice by Crown Lending Pty Ltd on the balance of the loan for the duration it remains with Crown Lending Pty Ltd. Mercer Financial Advice may also receive a commission for brokerage referrals that depends upon the lender that ultimately provides the loan and will be 40% of the upfront and trail commission received by Crown Lending Pty Ltd from the lender. The total amount of the referral fee and commission is included in the fees and interest you pay the lender for the loan – it is not an additional cost to you. The total of all fees and commissions will be disclosed by Crown Lending Pty Ltd as part of arranging the loan.

EXAMPLE

If Crown Lending Pty Ltd arrange a loan for which they receive an upfront commission of \$5,000 and an ongoing commission of \$1,000 per annum, Mercer Financial Advice may receive an initial payment of up to \$2,000 and an ongoing payment of up to \$400 per annum.

If the total value of the loan is \$500,000 Mercer Financial Advice may receive an initial referral fee of \$1,000 and an ongoing fee of \$500 per annum.

MAKING A COMPLAINT

Your satisfaction is very important to us and we have procedures in place to resolve any concerns promptly and fairly. If you are not happy about the service provided to you, you should take the following steps.

1. Contact the person who provided you with the particular service and tell them about your complaint. If you accessed our online advice via the online portal call your Plan's helpline.
2. If your complaint has not been satisfactorily resolved within two working days or you are not satisfied with the way your complaint is dealt with, please contact our Complaints Officer at:

Complaints Officer – Financial Services
Mercer (Australia) Pty Ltd
727 Collins Street
Melbourne VIC 3008

The Complaints Office will properly consider and try to deal with your complaint quickly.

3. If the complaint is not resolved within 45 days or to your satisfaction by the Complaints Officer, you have the right to complain to the Financial Ombudsman Service (FOS). This service is provided to you free of charge.

For further information, contact FOS:

Mail: GPO Box 3
Melbourne
VIC 3001

Telephone: 1800 367 287
(1800 FOS AUS)

Facsimile: (03) 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

4. If the complaint relates to a member of the Financial Planning Association (FPA) you also have access to the FPA's complaints process. To access information about this process contact the FPA on 1300 626 393 or www.fpa.asn.au.

Please note that the complaint procedures set out in this FSG do not apply to complaints you wish to lodge or make against the product issuer of the product in which you invest (such as trustees of superannuation funds or responsible entities of managed investment schemes). For details of how to make such complaints, refer to the PDS of the relevant product.

COMPENSATION ARRANGEMENTS

Mercer Financial Advice has in place Professional Indemnity Insurance which covers the financial services detailed in this FSG and which is in accordance with s912B of the Corporations Act 2001. This insurance also covers existing financial advisers and financial advisers who were authorised by us at the time of your complaint, but are no longer representatives of Mercer Financial Advice.

For further information, please contact your local Mercer office or visit our website at:

merceradvice.com

ADELAIDE

Level 6
70 Franklin Street
Adelaide SA 5000
Tel 08 8110 3458
Fax 08 8127 9581

SYDNEY

Level 19, Tower One
International Towers Sydney
100 Barangaroo Avenue
Sydney NSW 2000
Tel: 02 8864 6800
Fax: 02 8864 8800

WHEELERS HILL

Suite 9, Level 1
2 Brandon Park Drive
Wheelers Hill VIC 3150
Tel 03 8888 4300
Fax 03 9445 9217

PERTH

Level 6
225 St Georges Tce
Perth WA 6000
Tel 08 9289 3700
Fax 08 9289 3701

MELBOURNE

727 Collins St
Melbourne VIC 3008
Tel 03 9623 5555
Fax 03 8640 0800

BRISBANE

Level 13, 111 Eagle Street
Brisbane QLD 4000
Tel: 07 3234 4900
Fax: 07 3503 9259

PARRAMATTA

Level 4, 3 Horwood Place
Parramatta NSW 2150
Tel: 02 8864 6000
Fax: 02 8915 1529

Copyright 2018
Mercer LLC
All rights reserved

This Financial Services Guide
was prepared on 17 September 2018