

Financial Services Guide

6th May 2021

Version 1

Part 2



This document is part of a Financial Services and Credit Guide (“Guide”) and should be read in conjunction with Part 1 (A Guide to Our Relationship with You and Others) version 19, dated 1 February 2021.

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, Cathrine Greven, 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.

Authorised Representative Profile

Your adviser is Cathrine Greven, an Authorised Representative of Paragem
Cathrine Greven's ASIC Authorised Representative number is 223013.



Cathrine has a Graduate Certificate in Professional Accounting and is a member of the Institute of Public Accountants with over 25 years' experience as a Tax Accountant and Business Adviser of which 22 of those in her own practice. Cathrine also has a Diploma in Financial Advising with FINSIA and has offered financial advice within her Accounting Practice since 1996.

The Financial Services we offer are provided by Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust, ABN 28 264 047 833 Corporate Authorised Representative No.1286792.

Cathrine Greven's employer is Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust.

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Cathrine Greven 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
- Retirement Savings Accounts
- Self-managed Superannuation Funds
- Standard Margin Lending Facility

Cathrine Greven 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 is 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 Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust 100% of the fees and/or commissions detailed in this schedule. Paragem will charge Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust for licensee services and is not linked to client revenue.

Cathrine Greven is a director of Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust and is remunerated by salary and bonus/distributions from this Trust, Greven Financial Services Pty Ltd ATF The Greven Financial Planning Trust.

Advice 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:

Fees are calculated based on the level of service needed and the complexity of the advice given, to provide value to you. The fees could be greater than those disclosed below in complex cases. In these instances, we will inform you of the exact fee payable promptly in writing.

Initial consultation	Hourly Rate of \$225 ph. <i>NOTE: 1st hour free, then hourly rate thereafter – see below)</i>
Advice preparation	If you elect to pay us a fee for advice the following fees will apply. The fees will depend on the size of the investment portfolio and the complexity of the advice: The minimum fee charged is \$440 while the maximum fee is \$3,300 per strategy. For example, complex advice that contain multiple goals, strategies and/or tax structures including but not limited to; self-managed superannuation Funds, family trusts and companies, are likely to be charged closer to the maximum. Less complex advice that addresses limited goals, strategies and tax structures are likely to be charged closer to the minimum.

Statement of Advice	We charge up to \$1,650 on the preparation, construction, and delivery of your plan to you in a presentation meeting, where we advise of the strategies, the reasons why, the risks and consequences thereof, and the fees charged. Most importantly, ALL information pertaining to our advice is delivered in a written format for you to keep, review and retain for future referencing.
Implementation	If you elect to proceed, we charge an implementing fee for the advice we deliver. The fees will depend on the complexity of the advice: From \$440 to \$1,650 per piece of advice/strategy given.
Review/Ongoing fee for advice	If you elect to pay a fee for the ongoing review of your financial planning strategy, the review/ongoing fee is based on the complexity of ongoing advice and the services provided. The minimum fee is \$2,200pa while the maximum is \$11,280pa. Borrowed funds – if we recommend you acquire investments using borrowed funds then your review/ongoing fee will be a minimum of \$5,500 pa. The review/ongoing advice fee will be based on the level of service needed and the complexity of the advice. Complex advice requirements include the use of trusts and ownership structures, overseas assets or incomes, executive options, or multiple investment entities. The frequency of the review will also impact on the fee charged.
OR	
Fixed Term Advice and Services Agreements	You can elect to enter into a 12-month Fixed Term Advice and Services Agreement as part of your financial planning strategy so you can receive advice services such as a meeting to review your plan. Details of the services will be set out in your 12-month Fixed Term Advice and Services Agreement. The minimum fee is \$2,200pa while the maximum is \$11,280pa. The fee applied will be commensurate to the level of service needed and the complexity of the advice provided and will be outlined and agreed with you in the Agreement. Borrowed funds – if we recommend you acquire investments using borrowed funds then your ongoing fee will be a minimum of \$5,500 pa.
Ad hoc advice	Where you do not wish to participate in a 12-month Fixed Term Advice and Services Agreement but require ongoing advice on an ad hoc basis, an hourly fee of \$225 per hour may apply.
Execution only service	Where we provide a financial service to facilitate buying or selling of a specific financial product as instructed by you, a one-off minimum of \$440 and a maximum of \$1,650 fee may apply.

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.

Where we arrange a life insurance product for you, the relevant insurer will pay an initial commission to us. The commission is calculated as a percentage of the premium paid (and may include health, occupational, frequency and modal loadings and policy fees, but excludes stamp duty). *The initial commissions can be offset against the "Statement of Advice" and "Implementation" Fees listed above.*

Annual commission will also be paid when you renew your policy each year. This helps with our training and education around the policies updates/upgrades and improvements ALONG with supporting you at claim time (*we offset the ongoing commissions over the period we are the adviser on the policy against our time to support you at claim*).

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.

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.

The rates of initial and ongoing commission will depend on the date the policy is issued and are set out in the table below:

Date policy is issued	Initial Commission (% of annual policy cost including GST)	Ongoing Commission (% of annual policy cost including GST)
Before 1 January 2018 or before 1 April 2018 (where the application was received before 1/1/18)	up to 130%	up to 22%
From 1 January 2018	up to 88%	up to 22%
From 1 January 2019	up to 77%	up to 22%
From 1 January 2020	up to 66%	up to 22%

We may receive commission at pre 1 January 2018 rates if:

- you increase your cover, add new cover or otherwise amend a policy purchased by you before 1 January 2018; and
- that policy amendment results in commission receivable by us, and
- that policy amendment is eligible for pre-1 January 2018 commission rates.

Example (all figures include GST):

You purchase the policy for \$1000 on 1 December 2019. We may receive an initial commission of up to \$770 ($\$1000 \times 77\%$) in the first year and ongoing commissions of \$220 per annum ($\$1000 \times 22\%$) for as long as you continue to hold the policy.

If you increase your cover on 1 July 2020 for a cost of \$500, we may receive an initial commission of up to \$330 ($\$500 \times 66\%$). The ongoing commissions on the additional cover may be up to \$110 ($\$500 \times 22\%$). This is in addition to the ongoing commissions of \$220 per annum when the policy was purchased.

Total ongoing commissions payable to us may be up to \$330 ($\$1500 \times 22\%$).

Please note that the initial and ongoing commissions on life insurance products are paid to us by the product provider and are not an additional cost to you.

Payment of our Fees

You can pay for the services you receive on a fee for advice basis. This allows you to know that you are paying for our advice irrespective of any product you use, clarifies the services you are entitled to, and ensures all recommendations are driven by your needs.

We will agree with you the amount you pay based upon:

- a flat dollar fee;
- an hourly rate;
- the amount you invest; or
- a combination of the above.

You can pay in the following ways:

- by direct invoice from us;
- in some circumstances, where possible, as a fee for advice that will be deducted from your investments as a one-off payment or in instalments.
- where applicable, via commission we may receive from a financial product provider when you commence an investment and ongoing commission during the life of the investment;

- where applicable, via commission we may receive from a financial product provider when you commence an insurance contract and ongoing commission annually during the life of the insurance contract; or
- a combination of the above.

If you are not already on a fee for advice package, you can move to this payment at any time.

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:

Potential Conflicts of Interest

Ownership

Paragem is a wholly owned subsidiary of Easton Investments Limited, an ASX listed company that provides services to financial advisers and accountants in the areas of licensing, training, education and client engagement. Easton Investments 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.

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

Referrals from a third party

At present we do not have any referral arrangement in place to pay a third party referrer a referral fee, commission or other benefit. If this changes, we will make you aware of this prior to providing advice, or further advice, to you.

Referrals to a third party

At present we do not have any referral arrangement in place to provide referrals to third parties in return for payment or other benefit. If this changes, we will make you aware of this prior to providing advice, or further advice, to you.

Referrals to an associated entity or related third party

We may refer you to the following associated entities or related third parties and therefore may receive a direct or indirect benefit from any referral we make to this provider.

Details on our associated entity are set out in the table below and specific details of any benefits we may receive from the referral will be provided in our advice documents to you. Alternatively, you can request further details about our associated entity and related third party arrangements prior to us providing you with financial advice.

We are obligated to act in your best interests when providing you with financial advice, as such we will be transparent and disclose any benefits we may receive via an associated entity or related third party in relation to our recommendations to you.

Table – Other Business Activities, Associated Entities and Related Third Parties: Name of Entity	Nature of association
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Greven & Co, Accounting	Cathrine Greven is the Director of Pecaz Pty Ltd Trading as Greven & Co and has a controlling shareholding in the entity. As a result, Cathrine Greven will receive Salary/Bonuses/dividends/distributions and/or income from Greven & Co.
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Please note that PARAGEM is not responsible for the advice and services provided by these providers.

Privacy Statement

The privacy of your personal information is important to us.

Paragem and we will take reasonable steps to protect the personal information we hold from misuse and loss and from unauthorised access, modification or disclosure. The ways we do this include:

- To protect your interests, we will take reasonable steps to protect the personal information we hold from misuse and loss and from unauthorised access, modification or disclosure. limiting physical access to our premises;
- limiting access to the information we collect about you (for instance, only those of our personnel who need your information to carry out our business activities are allowed access and committee members only have access to the contact details of members of their own committee and not other committees);
- requiring any third party providers to have acceptable security measures to keep personal information secure; and
- putting in place physical, electronic, and procedural safeguards in line with industry standards.

If we no longer require your personal information and are not legally required to retain it, we will take reasonable steps to destroy or permanently de-identify the personal information.

1. **Your representative will ask you many questions. Why is so much information required?**

We collect your personal information to enable us to provide you with the products and services that are appropriate to your needs. We are required by law, including the Corporations Act and Taxation laws to collect personal information before we provide you with advice and services. You are not obliged to provide the information we request but, if you do not, we may not be able to provide you with advice or services.

From time to time other laws, regulations or directions may also require, or authorise, us to collect personal information.

We prefer to obtain information from you directly and will generally gather the information we require by asking you questions about you and possibly your family. We will record this information. We endeavour to retain accurate, complete and up to date personal information about you, so we will ask you to review the information from time to time.

If the information you provide to us is incomplete or inaccurate this will impact on our analysis of your requirements and may result in advice that is not appropriate to your

needs and circumstances. If this does occur, you will need to make your own assessment concerning the appropriateness of our advice.

At times, we may collect personal information from someone other than yourself and you may not be aware that we collect or have collected this information.

2. Access and correction

You may (subject to permitted exceptions) access, update or correct your information by contacting us. If we are unable to provide you with access to your information, we will provide you with the reasons for our position. We will endeavour to ensure that the personal information we retain about you is up to date and accurate. Please appreciate that the accuracy of the information we retain is dependent to a large degree on the information you provide, so please advise us if there are any errors or omissions.

3. Providing personal information

We may provide personal information to:

- organisations (who are bound by strict confidentiality) to whom we outsource certain functions, such as our auditors (in these circumstances, information will only be used for our purposes);
- other professionals, such as solicitors, accountants, stockbrokers and mortgage brokers, as well as other advisers specialising in aged care, Centrelink, insurance or investment when a referral is required;
- entities based overseas (see below for details); or
- third parties when required to do so by law, e.g. legislation or Court Order.

4. Overseas disclosure

Sometimes we need to provide personal information to or get personal information about you from persons located overseas. For example, we may outsource a function involved in the financial planning business to someone based overseas. Nevertheless, we will always disclose and collect your personal information in accordance with Privacy Principles.

5. Identifiers

Although in certain circumstances we are required to collect government identifiers such as tax file numbers, Medicare number or pension card number, we do not use or disclose this information other than when required or authorised by law or unless you have voluntarily consented to disclose this information to any third party.

6. Dealing with us anonymously or using a pseudonym

The nature of the provision of financial services does not lend itself to treating customers with anonymity. All transactions require personal information about the individual for whom the transaction is being completed.

In some instances, we may be able to provide information or a service anonymously or to you under a pseudonym, for example, enquiries about products from a potential client.

You can deal with us anonymously only where it is lawful and practicable to do so.

7. Marketing practices

Every now and then we might let you know about news, products and services that you might be interested in, via mail, email, SMS, telephone or online. We will do so unless you tell us that you are not interested in receiving this information. You can contact us at any time to update your marketing preferences.

8. Sensitive information

We will not collect sensitive information about you, for example where information is provided by you for insurance or risk purposes, without your consent. Exceptions to this include where the information is required by law or for the establishment, exercise or defence of a legal claim.

9. Privacy complaints

If you believe your privacy has been breached or you have a privacy complaint you should write to the Privacy Officer at Paragem, by email at info@paragem.com.au or at GPO Box 4463, Sydney NSW 2001.

If Paragem does not satisfactorily address your complaint you can escalate it to the Office of the Australian Information Commissioner: www.oaic.gov.au.

10. Our Privacy Policy

If you require more information, please ask for a copy of our Privacy Policy or refer to current version of this Privacy Policy on Paragem's website (www.paragem.com.au). This Privacy Policy will be reviewed from time to time to take account of new laws, technology, changes to our operations, practices and the changing business environment.