

# Grove Securities Pty Ltd

Licensed Financial Services Business  
Licence Number 233713 ABN 82 086 637 372

## Financial Services Guide

### Purpose of this guide

This Financial Services Guide ("FSG") is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. It is also intended that the information contained in this FSG will assist you in determining whether or not to use any of the services that we offer.

This FSG contains important information about our charges, the type of services that we offer, and what you can do if you have a complaint about our services.

If you choose to use our services you may also receive from us a Product Disclosure Statement (PDS) and/or a Statement of Advice (SOA) or a Record of Advice (ROA). To invest in any of our financial products you must complete the application form attached to the relevant PDS. The PDS contains information about the particular product and will assist you in making an informed decision about that product.

We may also provide you with a SOA or ROA whenever we provide you with any advice, which will contain the advice, the basis on which it was given and information about fees and other benefits that may have influenced the provision of the advice.

If you need more information or clarification please ask us.

This document was prepared on 1 May 2008.

### Before you get our advice

#### Who is my adviser?

Your adviser is an employee of Grove Securities Pty Ltd ABN 82 086 637 372 ("Grove") and has met formal knowledge and skill requirements to ensure that they are competent to offer you professional advice.

We would be delighted to provide further detail regarding your adviser's qualifications and experience if this is important to you.

Although your agreed adviser will be your primary contact, various members of our professional team may attend to your needs in various capacities in order to ensure that an effective and efficient level of service is delivered. Again, we would be delighted to introduce you to other members of our team.

If you do not wish to obtain advice from us you may still have us deal on your behalf by carrying out your instructions. If you do not obtain advice, you face the risk that the financial products you select will not fully take into account your objectives, financial situation or needs.

#### Who will be responsible for the financial services provided?

Your adviser will be acting on behalf of Grove. Grove is therefore legally responsible for any financial services provided by your adviser, including the distribution of this FSG.

Grove (Australian Financial Services Licence number 233713) can be contacted at the following addresses. Our principal business address is in Albany.

**Albany**  
49 Serpentine Rd  
Albany  
WA 6330  
Ph: (08) 9842 3677

**Subiaco**  
3/300 Rokeby Rd  
Subiaco  
WA 6008  
Ph: (08) 6380 2566

#### Who is Grove Securities?

Grove holds an Australian Financial Services Licence, and is a Principal Member of the Financial Planning Association of Australia (FPA). As members of the FPA, our advisers are committed to meeting the highest standards of professional conduct (as outlined in the FPA Code of Ethics). Our head office is located in Albany, Western Australia, where the business was first established. It has since grown with representation now in the Perth suburb of Subiaco.

We are a privately owned business and do not have any ownership, soft dollar, or other associations with financial product issuers or institutions.

The business focuses on providing not only fully comprehensive individual advice, but also management, administration and reporting support.

Grove is dedicated to providing you with personal service and a professional relationship. This means that you can rely on us for appropriate advice, and for the long-term management of your individual financial assets and objectives.

Choosing an appropriate financial adviser is an important decision. It is our aim to ensure that you feel completely confident in your choice of financial adviser.

#### What advisory services are available to me?

Grove's financial services licence authorises us to deal and advise in deposit and payment products, derivatives, government debentures, stocks and bonds, life products, managed investment products, retirement savings account products, securities (including shares) and superannuation.

Your adviser may therefore offer a variety of integrated financial planning services including one or more of the following:

- Wealth creation
- Centrelink assessments
- Cash & fixed interest investments
- Property investments
- Salary packaging
- Debentures, stocks, bonds
- Retirement planning
- Superannuation
- Home & business finance
- Self managed funds
- Investment reviews
- Redundancy advice
- Life and income insurances
- Self funded pensions
- Investment portfolio management
- Estate planning

Grove has access to the full range of financial products available in the industry.

Grove has engaged JDV Limited to provide fund management services and share trading execution and settlement facilities in support of the services Grove provides to you. Grove and JDV Limited will provide you with more information if you use these services.

## Who do you act for when you provide financial services to me?

We act for you and your interests in all our dealings with you. We are not owned by, and do not represent, any product issuer. For life and income insurances we act as a broker, again representing you and putting your interest first.

## How will I pay for the service?

We offer a range of payment options, which you can agree on with your adviser. Payment options can be dependent on the type of service that is provided but should include one or more of the following. All quoted fees include GST.

### *Professional fee for service*

You can pay us a fee, based on the time spent developing your advice. We can provide you with a fixed cost quote, based on our estimation of the time involved, or simply invoice you for the actual hours worked at the relevant hourly rate.

This type of fee is generally popular with clients that have not retained us pursuant to a management agreement to comprehensively manage and administer their affairs, for example, where we have been engaged to develop a financial plan only, or to conduct periodic reviews on an ad-hoc basis.

### *Commission or brokerage*

Stockbrokers, fund managers or life companies that you invest in, or contract with, may pay Grove an initial commission and/or an ongoing service fee. Generally any commission will be based on the value of funds involved, and will vary from product to product.

Where an alternative method of payment has been agreed, we would rebate our portion of the commission or fee back to

you, usually in the form of additional units in the relevant fund, or a reduced insurance premium.

For clients with whom we have a management agreement, share brokerage is charged at 0.55%, with a minimum of \$55. In all other cases, share brokerage is charged at 0.55% for no advice trades or 1.10% for trades with advice, both with a minimum of \$55. An account opening fee of \$55 per account will also be charged. On-line brokerage, where you execute the trade without our advice, is charged at the greater of \$29.95 or 0.33%, or as otherwise advertised on our web-site. No rebates apply to share brokerage.

### *Asset based fee*

You can also choose to pay us a fee, structured as a percentage of the funds under management. Our standard fees will vary depending on the value of the portfolio and the type of service. These fees are generally all encompassing and charged on a quarterly basis.

For example in the case of existing Self Managed Superannuation Funds, our administration only service is charged at ( no rebates of brokerage).

*Up to \$800,000 \$550 plus 0.55% per annum of funds under management, plus \$8.25 per member per quarter where there are more than 3 members. A fee of 0.275% plus any Government charges applies where the service is terminated.*

*\$800,000 and above As above plus 0.22% on the balance over \$800,000.*

*For existing Self Managed Superannuation Funds our comprehensive management & financial planning service is charged at:*

*Up to \$50,000 1.65% per annum of funds under management plus 4.40% of new contributions plus \$8.25 \$8.25 per member per quarter where there are more than 3 members.*

*\$50,000 to \$100,000 1.65% per annum of funds under management, plus \$8.25 per member per quarter where there are more than 3 members.*

*\$100,000 to \$250,00 \$550 plus 1.10% per annum of funds under management, plus \$8.25 per member per quarter where there are more than 3 members.*

*\$250,000 to \$500,000 \$1,100 plus 0.88% per annum of funds under management, plus \$8.25 per member per quarter where there are more than 3 members.*

*\$500,000 and above \$2,200 plus 0.66% per annum of funds under management, plus \$8.25 per member per quarter where there are more than 3 members.*

For Self Managed Superannuation Funds that have not been established by us, there may be an additional fee of up to 2.20% of the value of the portfolio. For example, a change may be required where the portfolio does not appear to be in line with your financial needs, or where it is not in line with the governing rules of the fund.

In the case of our comprehensive portfolio management service, excluding Self Managed Superannuation funds, our service charge would depend on the type of portfolio and the extent of the functionality chosen (e.g. online reporting and tax planning options).

Non-Superannuation. Our fees range from \$770 plus 1.1% with a lower level of functionality, to 1.925% (reducing as threshold balances are met) where a high level of functionality is required. Minimum balance requirements may exist for high level functionality.

All fees will be negotiated and agreed to prior to the provision of our services and will be fully disclosed in our SOA or ROA.

## What remuneration or other benefits do you receive?

Grove's total benefits may include fees that we charge you or commissions or brokerages paid by product providers or a combination of these. Commissions may be upfront or ongoing.

The total benefit, including commissions, will be disclosed to you and will be dependent on your preferences and particular circumstances. Grove frequently rebates commissions where a fee for service, asset management, or other fee is agreed.

Your adviser may earn a portion of any commission or fees paid to Grove and may also be a shareholder, entitling him / her to associated benefits such as dividends. As this will vary from adviser to adviser you may wish to ask your adviser for the exact details and they will happily provide them.

All benefits will be disclosed to you with the exact amount and/or method of calculation contained in your SOA or ROA where possible.

If you were referred to us by someone please let us know and we will disclose the benefit that that person or entity will receive, if any.

## Do any relationships or associations exist which might influence you in providing me with the financial services?

No. We are a privately owned company and do not have any relationships or associations that could in any way compromise our ability to deliver the most appropriate advice to you.

## When you get our advice

### Do I get detailed information about actual commissions and other benefits my adviser gets from making the recommendations?

Yes. You have the right to know about details of commissions and other benefits your adviser receives for recommending investments. We will provide this information in a written document when we provide advice.

### Will you give me advice that is suitable to my investment and risk needs and financial circumstances?

Grove specialises in providing personalised financial planning advice. That is, advice personalised to your particular financial circumstances and needs.

To deliver such personalised advice, we need to find out your current financial situation and clarify your future objectives. You have the right to withhold private information from us, but this may compromise the effectiveness and suitability of any advice that we provide. In that case, we are required to warn you about the possible consequences of us not having your full personal information.

You should read any warnings contained in the SOA or ROA carefully before making any decisions relating to financial products.

While general advice can be provided, the best results are achieved when the financial plan is tailored to meet your specific needs and objectives.

## What should I know about any risks of the investments or investment strategies you recommend to me?

We will explain any significant risk involved in investments or strategies that we recommend to you. This explanation may be provided during the course of a meeting with your adviser or in a written SOA or ROA. You should ask us to explain these risks if we do not do so, or explain in more detail if you do not fully understand.

## What information do you maintain in my file, and can I examine my file?

A record of your personal file, which includes details of your investment objectives, financial situation and needs, is kept by your adviser. A record of recommendations made to you is also maintained.

We are committed to implementing and promoting a privacy policy which will ensure the privacy of your personal information. If you wish to examine your file it is available on request.

## Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions. For example, in person, by telephone, fax or other means.

If we provide you with execution related telephone advice you may request a record of the advice within 90 days of that advice being provided. We will then comply with that request as soon as practicable.

## If you have any complaints

Who can I complain to if I have a complaint about the advisory service?

If you have any complaint about the service provided to you, you should take the following steps:

1. Contact your adviser and explain your complaint.
2. If your complaint is not satisfactorily resolved within 3 business days, please contact our Grove head office on (08) 9842 3677 or put your complaint in writing and send it to us. C/- Compliance Officer, Grove Securities Pty Ltd, 49 Serpentine Road, Albany WA 6330. We will try to resolve your complaint quickly and fairly.
3. If you still do not get a satisfactory outcome you can contact the Australian Securities and Investments Commission (ASIC) at their free call info line on 1300 780 885 to find out which industry complaints scheme may be available to assist you in settling your complaint. Grove is a member of the Financial Industry Complaints Service Limited (FICS) which can be contacted toll free on 1300 78 08 08. Alternatively you can write to FICS at PO Box 579, Collins Street West, Melbourne 8007.

On 1 July 2008 FICS will change its name to the Financial Ombudsman Service.

## What compensation arrangements does Grove Securities have in place?

Grove Securities has compensation arrangements in place that comply with s912B of the Corporations Act 2001.

Grove Securities has a Professional Indemnity Insurance Policy with Vero Insurance Limited.

This Professional Indemnity Insurance Policy will cover claims in relation to the conduct of current employees or employees who no longer work for Grove Securities but who did so at the time of the relevant conduct.

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