

Financial Services Guide

1st February 2022

Version 4
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 ,Heather Jensen, 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

Your adviser is Heather Jensen, an Authorised Representative of Paragem. Heather Jensen’s ASIC Authorised Representative number is 244940.

I have extensive experience in the financial planning industry and I have spent over 20 years as a Financial Adviser offering advice to individual clients as well as small and large business clients.

I am a CA Financial Planning Specialist. I hold an Advanced Diploma of Financial Services, Bachelor of arts in Accountancy and Masters in Business Administration. I am a member of the Association of Financial Advisers and the Institute of Chartered Accountants in Australia and New Zealand.

Heather Jensen’s employer is Cedar Accounting and Financial Solutions Pty Ltd (“Cedar”). My company Cedar has an association with Debbie Hudson Financial Services Pty Ltd T/A Wealth Fusion under a service arrangement. Wealth Fusion is a Corporate Authorised Representative (AR no 423601) of Paragem.

Your Financial Adviser: Phone: (08) 8271 0822
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Heather Jensen 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

Heather Jensen 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 Debbie Hudson Financial Services Pty Ltd 100% of the fees and/or commissions detailed in this schedule. Paragem will charge Debbie Hudson Financial Services Pty Ltd for licensee services and is not linked to client revenue.

Heather Jensen's company Cedar will receive 100% of the fees and/or commissions paid to Debbie Hudson Financial Services Pty Ltd T/A Wealth Fusion. Debbie Hudson Financial Services Pty Ltd will charge Cedar for licensee services and this is not linked to client revenue. Heather Jensen is a director of Cedar and is remunerated by salary and bonus and is entitled to receive dividends from the profits of Cedar.

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:

Advice Preparation/Statement of Advice (SoA) Fees: For having a personalised financial plan (SoA) prepared fees may range from \$3,300 to \$11,000.

The actual fee will depend on the complexity of your situation and the time it takes to prepare personal financial advice for you.

Implementation: I may charge an implementation fee to implement the recommendations in your financial plan. These are payable when you decide to proceed with the implementation of any one or more recommendations that I provide to you. These may be a set fee between \$660 and \$5,500.

Ongoing Advice Fees and Reviews: If you agree to have me conduct a review of your financial plan to ensure that your financial strategies and financial products remain appropriate to you, you will be charged an ongoing service fee between \$2,200 incl. GST to \$11,000 incl GST (increasing by CPI in July annually). Our ongoing services will be agreed with you in an ongoing services agreement.

The fees are payable via instalments either as a direct debit and/or from a financial product and/or if commission via the insurance product provider on a monthly basis.

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 may 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.

I may receive a level commission rate from the insurer instead of the upfront commission. The rate is 30% of the annual premium initially and every year the policy is renewed.

For example, if the annual premium is \$2,000 then the commission will be \$600.

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.

I am not a shareholder of Diverger Limited/HUB24.

Additional Commissions

I do not receive any additional commissions.

Referral Payments

I do not receive any form of referral payments.