

Financial Services and Credit Guide Part 1

1 July 2021
Version 20

Paragem

A guide to our relationship with you and others

This Financial Services and Credit Guide (“Guide”) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial or credit service.

This Guide contains important information about:

- who we are;
- how we can be contacted;
- what services we are authorised to provide to you;
- how we (and any other relevant parties) are remunerated;
- details of any potential conflicts of interest; and
- details of our internal and external complaint procedures, along with how you can access them.
- Privacy (i.e. collection and handling of your personal information)

It is designed to assist you in deciding whether or not to use any of the services offered in the Guide and also contains information about remuneration paid in relation to the services offered together with information on what to do if you have a complaint about our services.

Our aim is to make you feel totally at ease with the services we offer. In doing so we are providing you with this easy-to-understand Guide, designed to help you understand the financial and credit services we are able to provide and also to answer frequently asked questions. If you would like more information or clarification, please don't hesitate to contact your adviser.

The financial and credit services that you receive from Paragem are provided by our Authorised Representatives (advisers). Information about your adviser, including the services that can be provided, the costs to you for those services and the representative's remuneration, is included in **Part 2** of the Guide.

This document is Part 1 of our Guide and should be read in conjunction with 'Part 2 – Authorised Representative Profile', which will be given to you with this Guide. The two parts make up the Guide and the distribution of them has been approved by Paragem Pty Ltd

If we give you personal financial advice we will provide you with a Statement of Advice. To make sure that advice is appropriate to you we must make reasonable enquiries about your current financial situation and future needs.

In the Statement of Advice we will tell you about:

- our fees and commissions
- any associations we have with Financial Product Issuers or other parties which may have influenced the advice we give you.

If we provide further personal advice to you after we have issued an initial Statement of Advice and your circumstances have not significantly changed, we may provide the advice to you orally. We will also tell you about any fees or commissions and any associations with Financial Product Issuers or others who may have influenced that advice. We will record these details in a Record of Advice and keep this for seven years after providing the advice to you and you can request a copy of that Record from your adviser.

If we recommend to you a particular Financial Product we will give you information about the particular Financial Product – a Product Disclosure Statement – to help you make an informed decision about the Financial Product.

Why we are not Independent

Paragem is part of Easton Investments Limited (Easton Wealth) group of companies. Due to Paragem's receipt of insurance commissions, where insurance policies are placed with various insurance companies and due to HUB24 Limited (a provider of investment administration platform and technology services) being a material shareholder of Easton Wealth, Paragem Pty Ltd is restricted from referring to ourselves as independent, impartial or unbiased.

If credit services are to be provided, we and our representatives must provide you with credit assistance that is not unsuitable for your financial situations and objectives. To do this a preliminary assessment must be conducted. For our representative to conduct this assessment they must collect information about your financial situation and the objectives you have for seeking credit. If you do not provide the requested information we may not be able to provide any credit assistance to you.

You can request a copy of the preliminary assessment conducted by our representative within 7 years of the date that the written quote was provided to you for credit assistance. If you make the request within 2 years of the written quotation we will provide the copy of the assessment within 7 business days. If the request is made after 2 years but before the end of 7 years we will provide the copy within 21 business days. If you make the request after 7 years have past we are not obligated to retain a copy and may not be able to provide it to you.

Who is Paragem?

Paragem Pty Limited is a financial and credit services business dedicated to providing you with financial consulting services and strategies suited for your personal circumstances and individual needs. We hold an Australian Financial Services Licence (AFSL) that authorises us to operate a financial services business and provide you with financial advice and services. We also hold an Australian Credit Licence (ACL) that authorises us to provide credit assistance. Paragem's AFSL and ACL number with ASIC is 297276.

Paragem is distinguished by our commitment to personal service. Whether you've previously received financial advice or not, we can help you develop solutions tailored to your circumstances.

In today's competitive environment business relationships are founded on professionalism, integrity and exceptional client service. These are also the principles upon which our business is founded. In our dealings with clients, as advisers we aim at all times to be professional, honest and fair, and to provide excellent service.

Who is my adviser?

Information about your adviser is detailed in Part 2 (Authorised Representative Profile) of this Guide.

Who is responsible for the advice I receive?

Paragem is responsible for the advice, financial services and credit services provided to you, including the distribution of this Guide.

What financial services are you authorised to provide me and what Financial Product/s do those services relate to?

Paragem's AFSL authorises it to provide advice and deal in the following products:

- Deposit products (cash and TermDeposits)
- Debentures, stock and bonds issued by a government
- Life Insurance risk and investment products
- Managed Investment Schemes, including IDPS and MDA services
- Retirement Savings Accounts
- Securities (shares)
- Standard Margin Lending Facilities
- Superannuation, including Self Managed Superannuation Funds

We can restrict the services or products that an adviser may provide on our behalf. Part 2 of this Guide will include your adviser's authorisations.

What credit services are you authorised to provide me and what product/s do those services relate to?

Paragem's ACL authorises it to provide credit assistance to clients. This assistance may relate to mortgages, credit cards and personal loans.

Will the advice I receive be appropriate for my personal circumstances?

In order for us to provide personalised advice you need to provide us with a list of your personal objectives, details of your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to tell us, if you do not wish to. However, if you do not, we may not be able to provide you with personal advice or the advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the warnings contained in the Statement of Advice or listen to any oral warnings carefully before making any decision relating to a Financial Product/s.

If you ask us for credit assistance and you do not provide the required financial information we will not be able to conduct a preliminary assessment of the suitability of a credit contract, consequently we will not be able to provide credit assistance.

Do you have any relationships or associations with Financial Product issuers or Credit providers which could influence your advice?

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 and 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 in Part 2 of the Financial Services Guide which outlines the specific information relating to your financial adviser and the Statement of Advice if you wish to receive advice.

Our advisers 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.

What credit providers do we use?

At the time of production of this Guide Paragem advisers have used the Bank of Queensland, Investec, Medfin Australia Pty Ltd, National Australia Bank, St George Bank and Westpac Bank to provide credit assistance. Part 2 of this Guide will list the Credit Providers that are used by your adviser.

What should I know about any risks associated with the solutions recommended?

Your adviser will explain any significant risks associated with recommended solutions, as well as the risks associated with not acting on the recommended solutions. If they do not, you should ask them to explain the risks to you. The Statement of Advice, Record of Advice, Credit Quote, Product Disclosure Statement and/or Credit Proposal Disclosure document will contain important information in this regard.

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

Your adviser will maintain a record of your personal profile including details of your objectives, financial situation and needs. They also maintain records of any recommendations made to you and the preliminary assessment for credit assistance.

Should you wish to examine your file just ask your adviser and they will make all necessary arrangements to provide you with relevant information.

Your privacy

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information.

Your privacy is important to us. In general, we collect and verify information about you (and where applicable, persons acting on your behalf) to manage our relationship with you, to ensure that we provide the products and services most appropriate to your needs, and to make certain that we comply with our legal obligations.

The information required to be collected and verified by us depends on who you are and the nature of the service to be provided by us. If you fail to provide us with the required information, or if you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking within the time periods contemplated.

Information acquired by us in the course of providing our services may be provided to external service providers, product and platform providers, auditors, taxation and legal advisers, and information technology consultants. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction.

If you think any of the details that we hold are incorrect or out of date, please contact us to correct this. You can always access the personal information held about you by contacting us.

Our privacy policy can be reviewed on our website at paragem.com.au

How do I have to give you instructions about my Financial Product/s?

You need to give us instructions in writing (eg. letter or e-mail) or another method as agreed by us.

Do you have compensation arrangements in place?

Paragem holds appropriate compensation arrangements under the Corporations Act and the National Consumer Credit Protection Act in the form of Professional Indemnity Insurance which includes services provided by both current and former Representatives.

How will I pay for the services provided?

Operating a financial services business involves substantial costs and correctly priced fees assist us to afford the appropriate infrastructure, personnel and systems required to provide you with quality advice. We have an open and honest fee structure, which allows you to choose the payment option that suits you.

Paragem and your adviser are remunerated for the services you receive by the following methods:

- fee for service (means any of the following: a fee for providing a Statement of Advice, Credit Proposal, a management fee, an ongoing advice or services fee, or any fee that you will pay for the service);
- receipt of commissions from credit providers;
- receipt of commissions from insurance providers
- a combination of any of the above.

We recommend you pay a 'fee for service' which is based on the breadth and complexity of the advice and ongoing management of your affairs. Your adviser will discuss with you what remuneration structure is appropriate.

Fees are paid by you directly and are based on your adviser's fee scale. However, in the case of investment IDPS platforms or wrap accounts the fee agreed on by your adviser and you may be deducted from your investment account on a monthly basis.

Commissions are paid to us by Insurance or Credit Providers. The commissions may be initial (upfront) and ongoing or ongoing only. Your adviser will tell you what commissions will be received.

We can only continue to receive commissions for insurance and credit products.

In the case of Life Insurance risk products we receive a commission based on the amount of premium you pay each year, which is determined by, among other things, the amount of insurance you take out. We receive both initial and ongoing commissions from life insurance companies.

Any commission in respect of credit assistance is part of the fees or interest the Credit Provider charges.

If you receive personal advice or credit assistance from us, we will tell you about any fees, commissions and any other benefits, where possible in actual dollar amounts, in the Statement of Advice or Credit Proposal Disclosure document or orally when providing further advice to you. Your adviser will give you this Statement of Advice or Record of Advice, before we proceed to act on your instructions.

Where Time Critical Advice is given (where you instruct that the transaction takes place before the Statement of Advice is given to you) we will advise you orally of the fees, commissions and any other benefits applicable and these will be restated in our Statement of Advice to you.

How are any fees, commissions or other benefits calculated for providing the financial and credit services?

Our advisers are permitted to set their own fees. The amount of commission they will receive from Insurance and/or credit providers are determined by those providers.

The fees charged and any commissions received by your adviser are contained in Part 2 of this Guide. Your adviser is also required to provide you with an annual Fee Disclosure Statement which will set out the fees paid, and the services offered and delivered in the previous and future 12 months, if you have elected to receive ongoing services.

All fees and commissions generated by your adviser are paid to Paragem.

Paragem will pass up to 100% of those fees onto your Adviser.

Do you have any special remuneration arrangements or conflicts of interest?

Ownership

Whilst there are no special remuneration arrangements it is important to recognise that Paragem is a wholly owned subsidiary of Easton Investments Limited as mentioned previously in this FSG.

Easton Investments Limited has a material shareholder in Hub24 Ltd. Hub24 Limited, offers a leading investment administration and reporting platform to the Australian marketplace and is one of many platforms on the Approved Product List. By nature of this shareholding there may be appear to be a conflict of interest.

Our advice will always be in your best interest so any advice to utilise the Hub24 platform will meet this standard. However, we also continue to use other platforms to implement our investment advice and you are free to request your adviser use the next best alternative platform if you would prefer.

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.

An outline of any such arrangements will be included in Part 2 of the Guide, with more detailed information provided when you receive the advice.

Will anyone be paid for referring me to you?

Where you are referred to us or our adviser by another person, that person may be paid a fee, commission or benefit in relation to that referral. Under the FASEA Code of Ethics your Adviser is not permitted to directly receive any referral fees for acting on your behalf. Referral fees may, however, be paid to your Adviser's employer, or Paragem. Part 2 of this Guide will disclose if any such payments are made.

What should I do if I have a complaint?

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

1. Contact your adviser and tell them about your complaint.
2. If your adviser has not satisfactorily resolved your complaint within 5 days, please contact the Responsible Manager on (02) 8036 6490 or put your complaint in writing and send it to:

Mail: The Responsible Manager
Paragem Pty Limited
GPO Box 4463
Sydney NSW 2001
info@paragem.com.au

We will acknowledge receipt of a complaint as soon as practicable, we will then investigate the complaint and respond to you within 30 calendar days after this date. We will try and resolve your complaint quickly and fairly.

What if the complaint is not resolved?

If the complaint can't be resolved to your satisfaction within 30 calendar days, you have the right to refer the matter to:

Australian Financial Complaints Authority (AFCA):

Online: afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail: Australian Financial Services Complaints Authority
GPO Box 3
Melbourne VIC 3001

Contact us

If you have any further questions about the financial or credit services Paragem provides, please contact our head office or your adviser. Please retain this document for your reference and any future dealings with Paragem.

Online: paragem.com.au
Email: info@paragem.com.au
Phone: 02 8036 6490
Mail: GPO Box 4463
Sydney NSW 2001

115 Pitt Street
Sydney NSW 2000

Paragem

Headland Wealth Pty Ltd

Financial Services Guide

01 December 2021

Version 1

Part 2

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 20, dated 1 July 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 Paul Barrett 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 Paul Barrett, an Authorised Representative of Paragem

Paul Barrett's ASIC Authorised Representative number is 289362.

- TPB Registration No. 24796854
- Bachelor of Economics
- Diploma in Financial Planning
- Master of Business in Finance

Paul Barrett's employer is Headland Wealth Pty Ltd, which is a Corporate Authorised Representative (CAR no. 001258974) of Paragem Pty Ltd.

Address: Suite 37, Level 26, 44 Market Street Sydney NSW 2000

Phone: 0402 878 810

Email: advice@headlandwealth.com.au

Paul Barrett 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 and Self Managed Superannuation Funds
- Retirement Savings Accounts
- Direct Equities

Paul Barrett 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 Headland Wealth 100% of the fees and/or commissions detailed in this schedule. Paragem will charge Headland Wealth for licensee services and is not linked to client revenue.

Paul Barrett is an employee of Headland Wealth and is remunerated by salary or consulting fees and bonus from Headland Wealth. Entities owned by Paul Barrett own Headland Wealth and may receive dividends.

Employees may receive a performance bonus from Headland Wealth, determined by a balanced scorecard which includes reference to client feedback, effectiveness, their provision of ongoing service and various compliance measures. There is no remuneration, or rewards, for recommending particular products or strategies.

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:

Strategy Specific Advice Fees

Where we provide Strategy Specific advice (for example we only review your super fund or your insurance), we will charge a Strategy Specific Advice Fee which will range from \$1,100 - \$4,400. There may be times where the fees are higher than this due to complexity of the service you need. The actual fees payable by you will be set out in an Engagement Agreement and will be payable in accordance with that agreement once you have agreed to the service and executed the document.

Wealth Mentor Service - Ongoing Strategic Financial Advice

This is our comprehensive advice service, which involves reviewing multiple financial planning strategies. This service fee ranges from \$4,400 - \$24,000 p.a and will depend on the complexity of the service you need. There may be times where the fees are higher than this due to complexity of the services you need. The actual fees payable by you will be set out in

an Engagement Agreement and will be payable in accordance with that agreement once you have agreed to the service and executed the document.

Wealth Manager Service

If we manage investments for you, our Wealth Manager Service Fee ranges from 0.55% - 0.88% of funds under advice. For example, if we manage \$100,000 of investments for you, and our Wealth Manager Fee was 0.88%, then our Wealth Manager Fee would be \$880 p.a. The actual fee payable by you will be set out Statement of Advice and will be payable in accordance with that document once you have agreed to the service and executed the document.

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 we will receive an upfront commission from the product issuer if you decide to buy a life risk insurance product, we 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 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. 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

Headland Wealth Pty Ltd may have referral arrangements with other professional service providers. If we refer a client to another service provider they may pay us a referrer fee. We will record the details of any referral fees in the Statement of Advice we prepare for you. We will only refer you to third party professionals, where we believe it is in your best interest to do so.

All fees and commissions are paid to Headland Wealth Pty Ltd