

knight

FINANCIAL
ADVISORS

Helping you grow and protect your wealth
so you can focus on enjoying life.

Financial Services Guide

Knight Financial Advisors
Corporate Authorised Representative
(# 285 301) of
NKH Knight Holdings Pty Ltd
AFSL 438 631

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Why am I receiving this document?

This Financial Services Guide (FSG) is an important document, which we are required to provide to you. It is designed to assist you in deciding whether to use our services.

It contains information about:

- NKH Knight Holdings (the Licensee), Knight Financial Advisors and your Financial Adviser (collectively, 'us', 'we' and 'our')
- The services offered, their cost, how we are remunerated and our professional indemnity insurance
- Any conflicts of interest which may impact the services we provide
- How we deal with complaints if you are not satisfied with our services.

When we provide you with financial planning services you may receive:

- A Statement of Advice (SoA) or Record of Advice (RoA) which documents the advice we provide to you
- A Product Disclosure Statement (PDS) which explains the products we have recommended
- An annual Fee Disclosure Statement (FDS) which documents the fees paid and services you have received in the preceding 12 months.

NKH Knight Holdings Pty Ltd

Knight Financial Advisors is different to many financial planning practices as its wholly owned subsidiary, NKH Knight Holdings Pty Ltd, holds its own Australian Financial Services Licence (#438631, the 'Licensee').

Knight Financial Advisors provides high quality strategic financial and investment advice. We work with our related entities and joint venture partners to help our clients develop financial plans that align with their life goals and objectives. We then help our clients to act on this advice.

Our team's expert advice covers the following areas: strategic advice preparation, individually designed investment portfolios, life and income protection insurances, superannuation structuring, retirement planning and estate planning.

We help our clients to create wealth and plan for their financial independence.

As Representatives, along with the Licensee, we are required to comply with the obligations of the Corporations Act and the conditions of our licence. This includes the need to have Professional Indemnity insurance in place, which covers us for any errors or mistakes relating to our financial planning services. This insurance meets the Corporations Act and covers the services provided by us and our advisers after they cease working with us provided we have notified the insurer of the claim when it arises and this is done with the relevant policy period.

What services do we provide?

NKH Knight Holdings holds a licence to provide a comprehensive range of advice and dealing services which include:

- Superannuation and SMSF
- Managed Discretionary Account services
- Securities
- Managed investments
- Personal insurance
- Margin lending
- Retirement planning
- Portfolio reviews

These services are provided to both wholesale and retail clients.

Your Financial Adviser

Knight Financial Advisors is a Corporate Authorised Representative under the licence held by NKH Knight Holdings.

Jason Featherby, Peter Farlie and our authorised representatives ('advisers') will provide financial services to you through Knight Financial Advisors Pty Ltd. Some of our advisers are shareholders in our business.

We act for you when giving advice and arranging financial products.

The financial advice process

We recognise that the objectives and personal circumstances of each client are different.

What is right for one client may not be right for another.

We will listen to you to understand your objectives and circumstances. We will also ask questions to make sure we address all issues.

We will always provide advice which is in your best interests.

When we first provide advice to you it will be explained thoroughly and documented in a SoA which you can take away and read.

The SoA will explain the basis for the advice, the cost to you of implementing the advice and any commissions or associations which could have influenced the advice.

For managed funds and insurance recommendations, we will provide you with a Product Disclosure Statement (PDS). This contains information to help you understand the product being recommended.

At all times you are able to contact us and ask questions about the advice and investments recommended.

You can provide instructions to us in writing, via phone or via email/fax. Please note you are responsible for ensuring your instructions do however reach us.

We may provide further advice to you to keep your plan up to date for changes in your circumstances, as advised by you to us, changes in the law and changes in the economy and financial products.

The further advice we provide will depend on the terms of the Client Services Agreement you sign with us. It will be documented in a SoA or a RoA, as applicable.

Managed Discretionary Account service

We are authorised by ASIC to provide a Managed Discretionary Account (MDA) service.

We do this directly by managing your portfolio. Or, where appropriate, we will recommend the Knight Managed Account Service that is managed by us with Investment Administration Service Pty Limited (IAS), which holds its own Australian Financial Services Licence (#284316). If we recommend you IAS services we will provide you with their Financial Services Guide.

An MDA service means we will manage your investments and undertake transactions without obtaining your approval before each transaction. An MDA service enables quick and efficient changes to your investments.

If we offer you an MDA service it is restricted to investments held, by a licensed Custodian, in your name.

The MDA service only allows us, or the investment manager, to make changes to the investments within your account. Part of the service provides authority to withdraw funds from the account, which is used to settle investments and costs where necessary. No one will have authority to transact on any of your investments held outside the account.

MDA Service Agreement & Investment Program

We will provide you with a SoA where we recommend you enter an MDA service. The SoA will explain why we believe the service is suitable for you. It will also set out the terms and conditions of the MDA service and the Investment Program including:

- The nature and scope of discretion under the service including any discretion that must be exercised
- The investment strategy that is to be applied in exercising the discretion

- An explanation of any significant risks associated with the service
- Warnings in relation to limited or inaccurate information provided by you

You can establish the MDA service by signing the Authority to Proceed at the back of the SoA as well as the portfolio management agreements. You will need to provide a Power of Attorney and enter into a Managed Discretionary Account Contract with us, or IAS as applicable, before we can provide the service to you.

MDA service risk

Subject to the discretion held, changes will be made to the investments in your account without first contacting you or seeking your approval. You will not be able to consider each change before it is made.

How do you know we will manage your investments appropriately?

We will only recommend an MDA service where it is suitable for you. Once in place, changes will only be made to your investments which are consistent with our understanding of your financial needs, objectives and circumstances. We, and or IAS, will also comply at all times with the MDA service agreement and the Investment Program that is agreed upon with you.

It is important that you immediately inform us of any significant changes to your financial needs, objectives or personal circumstances, otherwise the MDA service may not be suitable for you.

We will undertake an annual review to ensure that the MDA Service and the Investment Program remain appropriate for you.

You will have access to on-line reporting for your account. This will allow you to view the transactions undertaken on your behalf and to understand their impact on your account.

Other important information

We will contact you for instructions where action is required on your account, which is outside our authority.

The name and contact details of your administration service provided will be detailed in your MDA contract.

You can cancel the MDA Service or request changes to the Investment Program at any time by notifying us in writing.

Note that we do not offer the MDA service to all clients.

Fees, how we are paid and who we pay

Your first meeting with us is complimentary and obligation free.

Our fees for financial planning and investment services depend on the type of services we provide to you and are payable to Knight Financial Advisors Pty Ltd.

Jason Featherby & Peter Farlie are directors and together, with the other shareholders of Knight Financial Advisors and NKH Knight Holdings, are owners of the business' and entitled to the profits they make.

Our advisers are paid an annual salary.

For clients to whom we provided services before 1 July 2014, we may receive a commission from the product issuer (usually at the end of each month or annually). The amount varies depending upon the product, but is in the range of:

- Investment and superannuation— up to 1.1% Incl. GST of the funds invested.
- Investment and superannuation held through a platform – up to 0.66% Incl. GST of the funds invested.
- Insurance— between 5.5% and 44% Incl. GST of the premium you pay.

We may also receive an ongoing commission for these clients during the life of their financial products, which can range between:

- Investment and superannuation— up to 1.1% Incl. GST per annum of the funds invested.
- Investment and superannuation held through a platform – up to 0.66% Incl. GST of the funds invested.
- Insurance— up to 1.1% Incl. GST per annum of the renewal premium.
- Margin lending— up to 0.55% Incl. GST of the interest payable on your outstanding loan amount.

Plan preparation fee

The Plan Preparation fee includes all initial meetings with you, the time we take to determine our advice and the production of the SOA.

The fee is based on your situation, the scope and complexity of the advice provided to. We charge a fee of between \$550 to \$11,000 Incl. GST. We will agree the fee with you at our first meeting.

Plan implementation fee

If you decide to proceed with our advice we will charge a fee for the time we spend assisting you with implementation. We charge a fee of up to \$2,200 Incl. GST, depending on the extent of the work required and we will let you know what the fee will be in the SoA.

Ongoing services fees

Once your investments are established we may meet with you periodically to provide performance reports and update our advice. The updates will consider the economy and market position, the latest investment research, changes in legislation, new products available in the market and any changes to your personal circumstances.

Fees will depend on what ongoing service we provide to you, the complexity of your situation and your requirements. We will charge between Nil to \$1,100.00 incl. GST per month and or up to 1.65% Incl. GST of your portfolio value.

Portfolio management fees

If we offer you a MDA service, you will be charged a yearly Portfolio Management Fee, which may be up to 2.5% (inc GST) of the total portfolio value. The fee will dependent of the asset mix and the ongoing service levels you require. Full details will be provided in your Statement of Advice.

Insurance Commissions

If we arrange life insurance for you, we will receive a commission from the insurer with whom we place your insurance. The amount is typically a percentage of the premium (excluding taxes and statutory charges) and is included in the premium quoted to you.

We will tell you the amounts that we will receive (or if we do not know, the way our remuneration will be calculated) when we advise you about your insurance requirements. This commission is included in the premium for the policy.

Brokerage

Brokerage, \$88 or 1.1% incl. GST of the total trade value (whichever is the greater) is charged by the broker on each trade we execute on your behalf. We will receive up to 0.735% incl. GST of the value of each trade in brokerage from the broker.

Other Benefits

We may also receive additional benefits from some product issuers by way of sponsorship of educations seminars, conference or training days. These benefits may change from year to year. Details of any benefits received above \$100 will be maintained on a register, which is available to you on request.

Referral fees

In some situations we receive fees or commissions from external parties when we refer you to them. We may receive from them up to 33% incl. GST of their upfront or ongoing remuneration for referring you to them.

We will disclose the referral arrangements to you whenever we refer you to an external party.

In some situations we pay fees or commissions to external parties who have referred you to us. We may pay up to 33% incl. GST of our remuneration to them for referring you to us. We may also pay up to 0.33% Incl. GST, of the initial investment amount from fees we receive, to the referrer. These referral fees do not represent an additional cost to you, nor do they affect the performance of your investment or product, or the premiums you pay.

We will disclose the referral arrangements to you when we provide you with a SoA.

Important Associations

As part of providing our advice, we may refer you to other businesses in the NKH Knight Group (which provide accounting, tax and SMSF services) or any of its subsidiaries.

These businesses have common ownership with NKH Knight Holdings, Simplex Self Managed Superannuation and Knight Financial Advisors and are related bodies corporate within the meaning of the Corporations Act, 2001. We may receive a distribution of profits if you use their services.

Making a complaint

We endeavour to provide you with the best advice and service at all times.

If you are not satisfied with our services then we encourage you to contact us.

Please call us or put your complaint in writing to our office. We will acknowledge receipt of your complaint immediately and attempt to resolve it within 45 days.

If you are not satisfied with our response you can refer it to the Financial Ombudsman Service (FOS). You can contact FOS on 1300 780 808. This service is provided for free and any decision they make is binding on us, but not on you.

Your privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your financial affairs. We provide your information to financial service providers or other companies with whom you choose to deal (and their representatives) and our related entities.

We do not trade, rent or sell your information or disclose it to overseas recipients.

If you don't provide us with full information, we can't properly advise or assist you with your financial affairs. For more information about how to access the information we hold about you, how to have it corrected and how to complain if you think we have breached the privacy law, ask us for a copy of our Privacy Policy by contacting us.

Contact details

Your Adviser

Knight Financial Advisors Pty Ltd

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Our AFS Licensee

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