



WATERSHED

DEALER SERVICES

FINANCIAL SERVICES GUIDE (FSG)

PART ONE

VERSION 1.0 – 10 MAY 2013

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FINANCIAL SERVICES GUIDE (FSG) VERSION 1.0

ISSUE DATE: 10 MAY 2013

IMPORTANT

This Financial Services Guide (FSG) is a document we are legally obliged to provide you. It is intended to inform you about us and our relationship with you before you receive financial advice. It is intended that this FSG should assist you in deciding whether to use any of the services provided by our Corporate Authorised Representatives.

The term Corporate Authorised Representative means a business whom Watershed Dealer Services has authorised to provide financial services (that is, provide advice and/or dealing in financial products) on our behalf under our Australian Financial Services Licence. Throughout this document our Corporate Authorised Representatives are described as “your adviser” or “advisers”.

This FSG consists of two parts – Part One contains information regarding the Australian Financial Services Licensee of your adviser (Watershed Dealer Services), and Part Two contains information specific to your adviser. It also contains information about remuneration that may be paid to advisers, Watershed Dealer Services and other relevant persons in relation to the services offered and contains information on how we handle your personal information and how complaints against advisers are handled.

This is a very important document and we recommend that you read it carefully. If you need further explanation or you are unsure about any part of this document we encourage you to ask us any questions you may have.

ABOUT OUR PRACTICE

Watershed Dealer Services Pty Ltd is a privately owned business and holder of an Australian Financial Services Licence No. 436357 (“AFSL”).

Watershed Dealer Services partners with innovative businesses and professional advisers by providing alternative licensing solutions, outside those offered by the larger, more traditional dealer groups and their suite of mainstream products and services. Watershed’s business partners tend to specialise in niche areas of advice, as opposed to being generalist advisory firms.

Watershed Dealer Services issue Corporate Authorised Representative (CAR) licences to key advisers and accountants who share a vision for success. These practices provide financial services on behalf of Watershed Dealer Services.

Under the Corporations Act our primary responsibility and that of our advisers is to you, our client.

DOCUMENTS YOU MAY RECIEVE

STATEMENT OF ADVICE (SOA)

If you have been provided with personal advice, your adviser will confirm their recommendations in writing so that you can make an informed decision about the suitability of the advice to you. Their recommendations are contained in a Statement of Advice (SOA) a copy of which will be provided to you.

RECORD OF ADVICE (ROA)

A Record of Advice (ROA) will be used to record any personal advice where your adviser is providing you with ongoing or subsequent advice and your personal circumstances have not changed. Your adviser will keep a record of any further advice for seven years. You may request a copy by contacting your adviser or us.

PRODUCT DISCLOSURE STATEMENT (PDS)

You will also receive a Product Disclosure Statement (PDS) if your adviser has recommended you invest in or purchase a financial product. The PDS contains key features of the recommended product, significant benefits, risks and the fees you pay the product provider to professionally manage your investment or insurance.

You should read any warnings contained in your SOA or the PDS carefully before making any decision relating to a financial strategy or product.

APPROVED PRODUCT LIST

Watershed Dealer Services maintains a comprehensive Approved Product List (APL), containing financial products that have been researched by a number of research houses.

The recommended investment products that your adviser selects from our approved products are subject to an approval process that includes external research and analysis. An important benefit to our business is our advisers are not restricted to products or administration platforms associated with any particular institution and the selection of an appropriate product is made on a “client first” principle.

Insurance products are sourced from all the major insurers and are examined not only for their policy wording, product benefits and competitive cost structures but for their long term market presence.

Watershed Dealer Services is only responsible (together with your adviser) for services offered by your adviser as a Corporate Authorised Representative and not in any other capacity.

A copy of the APL can be given to you if requested.



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ADVICE YOUR ADVISER CAN PROVIDE

The kinds of financial products that your adviser may advise on or deal in on your behalf include:

- Deposits and payment products
- Cash management trusts and direct fixed interest
- Debentures, stocks or bonds issued by a government
- Retail and wholesale managed investment schemes
- Securities
- Socially responsible investments and hedge funds
- Retirement savings accounts
- Superannuation and income stream products
- Self managed superannuation funds
- Standard margin lending facilities and geared investments
- Tax effective investments;
- Master trust products
- Life insurance investment products; and
- Life insurance risk products

Your adviser can provide a wide range of services from comprehensive financial planning to tailored advice on selected products. The financial product advice and services fall into three broad categories.

STRATEGIC ADVICE

One of the most important things your adviser will do is to match any recommended strategies with your goals and objectives. Whether you require a strategy to protect your family, or save for a specific goal such as children's education, or early retirement your adviser will tailor a strategy to your needs.

INVESTMENT ADVICE

Where authorised by us, your adviser is able to provide advice on managed funds, shares and debentures as well as superannuation.

Some advisers may also be authorised to operate Managed Discretionary Accounts. If so, further information will be contained in Part Two of this FSG.

INSURANCE

Your adviser is authorised to advise on a wide range of insurance products such as Life, Trauma, Income Protection and Disability insurance.

GENERAL OR PERSONAL ADVICE

Our advisers may provide general advice or personal advice. Before providing personal advice, your adviser will want to ensure that the advice is appropriate and suitable for your needs. To do so, he/she will need to find out about your current financial position and your financial goals and objectives.



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You have the right not to disclose this information should you not wish to. If you do not disclose this information, the advice may be based on incomplete or inaccurate information relating to your personal circumstances and you should, before acting on the advice, consider the appropriateness of the advice, having regard to your relevant personal circumstances.

In providing personal advice, your adviser will explain any significant risks relating to any recommended financial products or strategies. If you do not understand these risks you should ask your adviser to explain them to you.

Specific information about your adviser, their experience and specialisation is provided in their adviser profile which is attached to Part Two of this FSG.

ADVISER REMUNERATION

Advisers may be remunerated in various ways. Advisers who are shareholders of Watershed Dealer Services may receive dividends in their capacity as shareholders. Advisers who are employees of Watershed Dealer Services or its Corporate Authorised Representatives may receive salary only, or a combination of salary and bonus, dependent upon the amount of client income generated for their employer. Further information regarding remuneration is disclosed in Part Two of this FSG.

ADVICE FEES AND CHARGES

Advisers may receive payment for their services in a number of ways. Watershed Dealer Services prefers that clients be asked to pay a fee for service, or pay a charge for the amount of funds that the advice covers. Where appropriate, Watershed Dealer Services may receive brokerage or commission which is paid by a financial product issuer. Advisers may also choose to offer a mix of both methods to suit their needs. (See Part Two of this FSG for further details).

In addition to the above, advisers may receive additional benefits either of hospitality or training and support. Any benefit either monetary or goods valued at greater than \$100 will be recorded in a public register and maintained by Watershed Dealer Services and any benefits that may be reasonably considered to have an influence on the advice or services provided to you will be disclosed to you.

Watershed Dealer Services may receive volume bonuses from mastertrust and wrap platform suppliers if the total of all Watershed Dealer Services client funds invested reach a pre-determined dollar amount.



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RELATIONSHIPS & ASSOCIATES

Any recommendations you receive will be based on your adviser's assessment of your personal circumstances, needs and objectives. These factors underpin the advice you receive but it is important for you to appreciate that from time to time our interests, associations, relationships and the benefits we receive may give rise to an actual or potential conflict of interest. We manage, and will clearly disclose any conflicts that we believe may influence our advice.

PRIVACY

We maintain a record of your personal information. This includes information about your financial objectives and also contains the recommendations made to you. You have the right to withhold personal information, but this may compromise the effectiveness of the advice you receive.

If you wish to examine your file you should ask your adviser, who will make arrangements for you to do so. We are committed to ensuring the privacy and security of the information provided. Information on this is included in our privacy policy.

In order to comply with the requirements of the Privacy Act, we are required to advise you that Watershed Dealer Services holds personal information about you. The information has been and will continue to be collected by us for the purpose of providing you with financial services including:

- A) the preparation of your financial plan;
- B) the provision of financial planning advice to you;
- C) making securities and investment recommendations;
- D) reviewing your financial plan;
- E) reviewing securities and investment recommendations; and
- F) for other related matters.

We are required, pursuant to the Corporations Act, certain regulations issued by the Australian Securities and Investment Commission (ASIC) and the Rules of Professional Conduct of the Financial Planning Association, to collect information about you for the purpose of providing you with the services referred to above. We will from time to time disclose information about you to advisers of Watershed Dealer Services and to other professionals, insurance providers, superannuation trustees and product issuers in connection with the purposes detailed above. We may also be required by law to disclose your personal information to government agencies, including the Australian Taxation Office, the Australian Transaction Reports and Analysis Centre (Austrac) or a court of law. In the event we consider



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it necessary to use or disclose information about you for purposes other than those detailed above, or related purposes, we will seek your consent.

If you choose not to provide your personal information to your adviser, your adviser may decline to provide personal advice to you, or the advice you receive may not be appropriate to your circumstances, needs and objectives.

If your adviser leaves Watershed Dealer Services, we will continue to hold your personal information in accordance with our Privacy Policy.

In addition the Anti-Money Laundering and Counter Terrorism Financing Act 2006 requires that you are 'identified' before investing in a financial product. What this means is that you may be required to produce documentary evidence to confirm your identity. Your adviser will explain these requirements to you if and when appropriate.

WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT

Watershed Dealer Services is serious about providing a quality service and resolving any complaints in regard to that service internally however in the event that complaint needs to be referred to an External Dispute Resolution service Watershed Dealer Services is a member of the Credit Ombudsmen Service Limited (COSL). COSL is an independent body which has been approved by the Australian Securities and Investments Commission (ASIC) to deal with complaints against its members.

If you have any complaint you should take the following steps.

- A)** Contact your Adviser and tell them about your complaint.
Your adviser will notify our Compliance department about the details of your complaint. Alternatively, you may contact the Watershed Dealer Services directly.
Watershed Dealer Services will try and resolve your complaint quickly and fairly.
- B)** If we have not resolved your complaint within 45 days of making your complaint, we may ask for an extension of time to resolve your complaint.
If your complaint has not been resolved satisfactorily, you may escalate your complaint with the following External Dispute Resolution Schemes.

Credit Ombudsman Service Limited (COSL)

Address: PO Box A252 Sydney South NSW 1235

Phone: 1800 138 422 (Free call)

Website: www.cosl.com.au

Please note that the complaints service is free of charge to you.



PROFESSIONAL INDEMNITY INSURANCE

In the event it is ever necessary, professional indemnity insurance is maintained by Watershed Dealer Services and your adviser to cover advice, actions and recommendations which have been authorised by and provided by your adviser. The insurance satisfies the requirements imposed by the Corporations Act 2001 and financial services regulations.

INFORMATION ABOUT US

Watershed Dealer Services Pty Ltd ABN 29 162 693 272

Australian Financial Services Licensee 436357

Watershed Dealer Services has approved the distribution of this FSG.

CONTACT US

If you need to contact Watershed Dealer Services our contact details are below:

Watershed Dealer Services Pty Ltd

Telephone: 03 9614 8899

Mail: PO Box 16197 Collins Street West VIC 8007

Email: adviser@watershedds.com.au

Website: www.watersheddealerservices.com.au