

*Adviser Overview 2020/21*





## FYG Planners at a glance as at 30 June 2020

20

YEARS AS AN AUSTRALIAN  
FINANCIAL SERVICES  
LICENSEE

\$3.1B

FUNDS UNDER  
MANAGEMENT

74

AUTHORISED  
REPRESENTATIVES

44

FIRMS



*“The most important thing to me in any partnership is integrity & ethics of the people I’m going to be dealing with & that’s absolutely what I’ve found in all my dealings with FYG.”*

Thabojan Rasiah  
Rasiah Private Wealth

*“Not only am I free from product conflicts, but I also get the advice & support from advisers who have been in the industry for quite a long time. This level of support has really allowed me to avoid some costly mistakes along the way.”*

Matthew Laird  
Jigsaw Financial Planning

*Welcome to FYG Planners.*

*Since 2001, we have delivered adviser support service solutions to client first financial advisory firms. What started as a group of likeminded advisers who forged ties throughout the 1980's & 1990's, has grown into a genuinely important financial services licensee for client first, fiduciary advisers in Australia.*

*We are pleased you are considering joining us.*

<b>MESSAGE FROM DIRECTORS</b>	<b>4</b>	<b>COMPLIANCE</b>	<b>13</b>
<b>VALUE PROPOSITION</b>	<b>6</b>	<b>COSTS</b>	<b>14-15</b>
<b>HERITAGE &amp; VISION</b>	<b>7</b>	<b>TRANSITIONING</b>	<b>16-17</b>
<b>POSITIONING &amp; STRENGTH</b>	<b>8</b>	<b>TECHNOLOGY</b>	<b>18-19</b>
<b>MANAGEMENT</b>	<b>9</b>	<b>PRODUCT AVAILABILITY</b>	<b>20-21</b>
<b>TEAM</b>	<b>10-11</b>	<b>YOUR RIGHTS</b>	<b>22-23</b>
<b>RISK MANAGEMENT</b>	<b>12</b>	<b>FREQUENTLY ASKED</b>	<b>24</b>

## MESSAGE FROM THE DIRECTORS



Australia's financial advice industry has permeated with worry & doubt in recent years. The Hayne Royal Commission has increased public scrutiny while changes to educational standards have sharpened the focus on entry standards to the profession.

In all of this uncertainty, there's one thing that hasn't changed - people still want financial & investment advice, along with a steadying hand to guide them towards their goals. They now better understand who they need that advice from.

We don't expect the complexity & demands of the industry to relent. This leaves advisers torn between their clients & administration. We believe reliable support solutions & a likeminded adviser community go a long way to solving this dilemma.

We always like to say FYG was built 'by advisers, for advisers', but more importantly it was built by client first advisers for client first advisers. We're truly excited about the support FYG can offer to advisers who want to provide genuinely unconflicted financial advice.

There are challenges ahead, but clear opportunities. As community awareness of fiduciary standards increases, it's client first advisers who are best placed as the industry moves forward.

**PETER MANCELL**

*Managing Director*

**JASON FOWLER**

*Executive Director*

**BOB FOWLER**

*Chairman*

**Support solutions for the client first adviser.**



***Our support ensures you can focus on the client relationships that underpin your business.***

The idea behind FYG Planners is quite simple.

Advisers want to focus on what they do best. Do they really want to be managing compliance & IT systems, negotiating platform & indemnity insurance pricing or delving deep into portfolio construction?

If an adviser is pre-occupied with administrative requirements, it leaves less & less time for advice delivery.



***“I’ve found it extremely helpful to have access to the experience & expertise in the FYG group. The mentoring provides wisdom & guidance from people who have run their own businesses & built their own teams & client bases. It’s invaluable to be able to get business advice from people who have ‘been there & done that’.”***

**Dominique Schuh** Schuh Group



## History

FYG Planners was incorporated in November 2000, subsequently gaining Securities Dealing Life Insurance Brokering licenses soon after. FYG Planners issued its first proper authority in February 2001 & was awarded its Australian Financial Services License (AFSL) in February 2003. Whilst the license company is relatively young, FYG Planners advisers have a combined 600 years' industry experience.

## Goals

Our future is one of sustainable growth & profitable operation. This ensures we will maintain our position as a leading service provider to client first financial planning firms who outsource their back office operations.

We will continue to partner with professional advisers capable of running their own business. Their ambition is our ambition. We want each advisory firm to design & grow their business as they see fit. FYG Planners will support each advisory firm within the group ensuring they have the freedom to pursue their own goals.

## Culture

While our support will always be our cornerstone offering, we aim for our culture to always shine. FYG's directors have continuously fostered a collegiate culture of collaboration, where advisers help other advisers. We have passionately promoted an attitude of knowledge sharing for the betterment of all adviser firms in the group.

Knowing there is a multi-discipline advice knowledge base across technical matters has proven a valuable resource beyond measurement.



*“I came from a large institution & at conferences it was impossible not to feel like a number. At my first FYG conference it was a totally different atmosphere. People are genuinely interested & want to make a personal & professional connection.”*

**Brett Jones** Mancell Financial Group



## POSITIONING & STRENGTH

The majority of our management team are experienced financial advisers. All retain their roles as advisers & directors within their own firms. Accordingly, management have ongoing experience in the areas of governance, risk & compliance, financial management, business management, client advice, customer relationship management & practice development.

FYG has no shareholders other than advisers & it has no debt. The senior management team are also the largest stake holders in the company, ensuring FYG Planners remains a genuinely privately owned & operated Australian Financial Services Licensee.



**BOB FOWLER**  
*Chairman & Director*



**PETER MANCELL**  
*Managing Director*



**JASON FOWLER**  
*Executive Director*



**ANDREW WOOTTON**  
*General Manager*

**Bob Fowler** is the Chairman & a Director of FYG Planners. Bob started in the financial services industry in 1972 & has built a highly successful financial planning practice in Cairns & Brisbane Queensland. Bob is a Certified Financial Planner (CFP). Bob is directly responsible for significant strategic decision making of the business.

**Peter Mancell** is a Certified Financial Planner (CFP) who started in the financial services industry in 1980. A specialist in business development, Peter's role primarily focuses on providing strategic planning advice to FYG Planners on its future direction, improving the technical skill base of the group, identifying business growth opportunities & services that can be developed for use by members of FYG Planners.

**Jason Fowler** is a Certified Financial Planner (CFP) who started in the financial services industry in 1995. Jason is heavily involved in the model investment portfolio development for FYG Planners using our Asset Class Investing Philosophy as well as system design & technology implementation within the group

**Andrew Wootton** has over 30 years experience in financial services, with management positions at Macquarie & over a decade with Iress, most recently as General Manager, Xplan Tailored Solutions. With a strong technology background, Andrew is integral in driving FYG's technology, governance & compliance advancements to allow advisers to better focus on their clients.



*We're proud of our people. You'll find an industrious group who are committed to finding the solution you need.*

**Tina Bessell: Compliance & Adviser Services.** Tina's previous experience is in business administration within finance, mining & aged care. Tina is responsible for compliance & adviser support, along with being a liaison with financial institutions.

**Madeline Waugh: Compliance & Adviser Services.** Maddie has a background in Law & Criminology with a degree from UTAS. She works with Tina to support advisers with compliance issues, quality of advice & professional education oversight.

**Georgia Eade: Adviser Services Assistant.** Appointed in 2019, Georgia is currently studying finance at CQU & has previously worked in administration & tax return preparation in the accounting industry. Georgia currently supports the Adviser Services team.

**Karen Gillam: Compliance & Adviser Services Assistant.** Karen has a long background financial administration, including ASIC Company Compliance & 25 years at an Accounting Firm. Karen currently supports the Adviser Services team.

**Melissa Coffey: Information Systems Manager.** Melissa has a degree in Information Systems & acts to continually develop & maintain our customised Xplan system, Melissa also acts as liaison between FYG & Iress.

**Tony McGilvery: IT Support & Compliance.** Tony has a degree in Information Technology & previously worked for Unisys & Boeing, following a career in the Royal Australian Navy. Tony assists Melissa with IT support & development, along with adviser compliance monitoring.

**Linda Williams: IT Support Assistant.** Linda joined FYG in early 2019 & has experience in banking, administration & client services. Linda supports Melissa & Tony in the IT department.

**Narelle McAllister: Finance & Compliance Manager.** Narelle is a CPA with a degree in commerce. Narelle has an extensive background in management accounting & reporting in both the public & private sector. Narelle manages FYG's finances, reporting to the directors. She is also responsible for overseeing compliance and adviser services

**Lisa Guy: Financial Admin Assistant.** Lisa has a background in financial services, customer service, administration & student management. Lisa has been supporting Narelle & Jackie Jones with FYG revenue processing since 2015.

**Jackie Jones: Revenue Processing & Distribution.** Jackie joined FYG Planners in 2016 & has a background in administration & revenue processing. Jackie, along with Narelle & Lisa, manages the collection & distribution of revenues from financial institutions using the CommPay distribution system.

**Virginia Saward: Financial Projects Manager.** Virginia has been working in the financial planning industry since 1998, attaining her accounting qualifications in 2001. In that time she has been financial controller at FYG Planners before more recently taking maternity leave. Upon her return, she resumed as FYG's Financial Project Manager.

**Daniel Crowe: Communications.** Daniel has a degree in communications & works between Mancell Financial Group & FYG Planners assisting with communication, client education, business messaging, IT support & maintaining investment data.

**Adviser Technical Support.** FYG advisers also have access to five experienced Mancell Financial advisers with 90 years of industry experience. This collective knowledge covers almost every conceivable adviser enquiry from technical services, strategy, investing, risk insurance, age care, Centrelink & tax issues.



## Operational

Staff who provide services to FYG advisers are employed by a separate entity, eliminating employment liability risks. FYG has no long-term liabilities, such as property or equipment leases & it does not purchase capital equipment items. Such operational liabilities rest external to FYG, thus eliminating such risks.

The only operational liabilities that exists are advice related liabilities created by advisers in the normal course of their advice practices.

## Professional Indemnity Insurance

FYG Planners currently retains \$15 million of PI cover with Chubb, it has automatic reinstatement providing total cover of \$30m. Our claims excess is \$50,000.

A copy of our policy schedule can be provided upon request.



FYG Planners Conference

### *Doing the right thing...*

We're interested in doing the right thing. Firstly, we comply with the law, but primarily we are considering our clients when it comes to compliance expectations.

With this in mind, the goal of our compliance regime is to reflect community expectations. We believe our compliance procedures should be able to stand the scrutiny of a reasonable member of the general public, while at all times adhering to both the letter & the spirit of the law as regulated by ASIC.

#### **Procedures**

Our compliance procedures are designed to be robust, but user friendly. Importantly, they have been assessed by industry compliance experts & are considered of the highest standard.

Formal compliance audits are undertaken on bi-annual basis, while all advice provided to clients, is reviewed by our compliance staff to ensure it meets FYG compliance standards.

Our Compliance Manager will liaise with any adviser in the event of identifying a compliance error or oversight. This is done in a collaborative & cooperative manner in order to improve adviser understanding.

#### **Daily Support**

Our dedicated compliance services staff are available during business hours to assist with compliance related advice. Our Compliance Manager has unfettered access to management, this ensures compliance support is swift, well researched & practical.



*“Support is fantastic, everyone's very willing to lend a hand & very supportive.”*

Mandy Mellor BDO Private Wealth (Cairns)



## COSTS & REVENUE SHARING

FYG Planners provides adviser support & services at a capped cost. This allows advisers to grow their business on the understanding they have a maximum licensee cost.

The table below shows the current basis for revenue sharing & advice firm fees. All figures are exclusive of GST.

Gross Revenue Thresholds	Fee Paid by Adviser Firm
\$0 to \$58,100	\$16,000
\$58,101 to \$89,000	\$16,000 plus 22.5% for each \$1 over \$58,101
\$89,001 to \$142,000	\$26,552 plus 15% for each \$1 over \$105,000
\$142,000 to \$196,000	\$33,302 plus 10% for each \$1 over \$150,00
\$196,001 to \$512,000	\$38,803 plus 5% for each \$1 over \$205,001
\$512,000 and over	\$55,053

*\*Please note all FYG Planners firms are required to pay a minimum fee of \$16,000 pa to maintain their FYG Planners authority & contribute towards the FYG Planners licensee costs.*

*\*\*The figures in the above table are indexed each year by a maximum of AWOTE.*

In addition to the above splits, a firm with more than one appointed active adviser giving advice pays \$10,500 pa (plus GST) for Active, \$6,300 pa (plus GST) for Semi-Active & \$4,200 pa (plus GST) for Non-Active advisers plus GST for \$4,200 for SMSF Limited Licensing per additional appointed representative within a corporate advisory firm. As from 1 July 2020 thresholds take into account the first Client Focus, Hosting, CommPay & Alerts Manager licenses for each office. Firms can adopt further modules as required.

The FYG adviser fee pricing model has been set to best suit advice firms with revenues above \$300,000. This leans towards more established firms, however, FYG has witnessed a number of great success stories with 'greenfield' advisers building successful practices.

**Adviser revenues are paid on a bi-monthly basis, with each adviser across FYG receiving a revenue statement for each revenue period. All revenue payments are made by electronic transfer to your firm's nominated bank account at a pre-determined date each month. These dates are set annually each July.**



## COSTS & REVENUE SHARING

FYG Planners / Kaplan ongoing professional education program is approximately \$400 per year per Adviser.

PI Insurance - revised yearly, in March. At present PI costs 1.01% (including GST & stamp duty) revenue for the whole group. There are different percentage cost outcomes for different firms.

PI is calculated as follows:

- 50% premium divided by the number of active equivalent Proper Authority Holders = Base Cost.
- The other 50% is divided by the total projected revenue & shared pro-rata according to each firm's percentage of the revenue.
- A new Adviser will pay the base cost only until PI renewal – currently \$3,906.23 pa pro-rata every month.

Conference programs cost \$150 per day per adviser, along with travel & accommodation.

**XPlan license fees: see explanation in Xplan pricing.**



## THE PAPER WORK & REQUIREMENTS

FYG Planners issues individual & company authorities under the terms of our license. Advisers seeking a company authority need to complete an individual & company authority.

In addition to standard applications, potential Advisers must also provide:

- Current Credit Checks (For Individual's & Company's as required);
- Australian Federal Police Check;
- Bankruptcy Check
- AML/CTF Check
- 3 years previous Financial Statements & Tax Returns;
- Demonstrate RG 146 & other Industry Qualifications (an Advanced Diploma or the ability to obtain the equivalent in a specified timeframe) is required; &
- ASIC Reference-Checking documentation

We require all potential Advisers to provide this information as part of due diligence requirements as an AFSL/ACL. We also require specific contact people at your current licensee, who we will liaise with prior to your firm formally joining FYG Planners.

If an applicant is approved & an authority is issued, formalised agreements will be signed to confirm all terms for the Adviser & FYG Planners.

These agreements include:

- FYG Planners Adviser Agreement
- Sub Authorisation Agreement between FYG Planners & the Adviser (Company Authority only)
- Agreement between the Adviser & any Appointed Representatives (Company Authority only)
- FYG Planners Adviser Code of Conduct

Currently, the only mandatory professional membership requirement is for FYG advisers & their company to be registered with the Tax Practitioners Board.



## *A seamless transition...*

### **THE TRANSITION**

Our process has been significantly streamlined in recent years, with the development of an efficient system. It has proven very convenient for new Advisers.

Our Adviser Services team will liaise with the financial institutions your firm has previously conducted business. The team will continuously monitor the transitioning process & report back to you regularly.

We expedite the transition process & minimize surprises, while offering support when you need it the most. Our Compliance & IT teams will map your data feeds to our Xplan platform to ensure you are back to serving your clients as quickly as possible.

### **JOINING COSTS**

There is no upfront payment required, however the onus is on your business to address any stationery, document or branding issues relating to your previous licensee.

Xplan data conversions are available at cost to the incoming firm. Generally, this is around \$2,000 per firm for existing Xplan users, & \$2,500 if converting from third party software.



**Colin Benvenuto & Gavin Chapple**  
Emerge Financial & Ideal Life Advisers

## **XPLAN**

FYG Planners have invested substantial resources into developing a customised version of Xplan. Development has been undertaken in conjunction with advisers & Iress for more than a decade & will continue into the future.

As a result, FYG Planners can offer financial planning software at the forefront the financial planning industry. We believe our version is second to none in client relationship management, financial modelling & investment portfolio monitoring.

## **XPLAN SUPPORT**

In 2005, management enacted a support service for all XPlan users within the group. There are a team of ten contact people available to XPlan users for assistance with relevant modules of XPlan.

## **XPLAN REPORTING**

Substantial resources have been invested in building templates to produce reports for client portfolios. Development remains ongoing, providing for further template improvements & adviser convenience.

Another advantage from this course of action is FYG management & support staff are responsible for the routine updating of those templates.

Almost all of the major investment platforms provide electronic data feeds to Xplan. This ensures the opportunity to produce efficient client reports.

Xplan client portfolio access, along with a dedicated client portal are currently under development.



**XPLAN PRICING**

XPlan pricing has been negotiated favourably for Advisers by FYG management. The pricing model favours larger firms with more XPlan users who contribute most to our economies of scale. As economies of scale deliver further savings, these savings are passed to FYG advice firms.

Mandatory XPlan license costs have been incorporated into Revenue Thresholds. Please refer to Costs & Revenue Sharing on page 14 for further information.

The mandatory single Xplan licenses provided are:

- Client Focus (client relationship management)
- CommPay (revenue collection system)
- Hosting (website access)
- Alert Management
- IPS (Investment Portfolio Service)

Advisers can choose to buy other modules such as:

- Xtools – a suite of individual modelling calculations
- Xtools+ - comprehensive financial modelling
- SuperSolver – superannuation plan comparison tool
- IQM+ - Risk insurance quoting tool & policy comparison tool

Each Xplan module has a separate cost & any FYG office may choose to buy multiple licenses. When we understand your firm's Xplan needs we will provide specific cost analysis for you.



*“FYG advisers are unique, principally because they're very talented people, they're highly credentialled, but most importantly they put clients' interests first. They're also able to operate in an environment where they're completely free of conflict which puts them in a relatively unique position in Australia.”*

**Peter Mancell** FYG Managing Director



## PORTFOLIO CONSTRUCTION

Our preference is for FYG advisers to utilise the 'Asset Class Investing' process which underpins our investment philosophy. Asset Class Investing is an evidence based process designed to reliably deliver market rates of return for clients. We do not believe in adopting unreliable processes involving an excessive amount of human opinion such as stock picking, market timing or forecasting.

Guidance is provided to assist advisers in identifying the best available products to fit the Asset Class Investing model. Our portfolio construction tool caters for clients of all sizes & considers all tax structures. This tool calculates all fees to assist advisers in building the most cost efficient portfolio

Our model portfolios see investment management fees around 40% lower than the average wholesale managed funds in the Australian market place.

Please refer to our Investment Philosophy for a detailed overview.

## PRODUCT SELECTION

We do not have restrictions on managers or insurers, but we provide strong guidance based on our extensive market research. This is particularly relevant when it comes to the strength of insurers or the fund managers utilised in our investment process.

We do not accept or provide incentives for promoting any product. We do not set minimum account sizes.

## PLATFORMS

We continuously pursue the best trading terms with commercial institutions.

Our cost focus & combined buying power has ensured we now enjoy some of the best investment platform pricing in Australia.





*“At FYG, support was from the very first day. In terms of the transitioning process, I just felt supported the whole way through.*

*What really drained me working with a big licensee was compliance. Compliance is no longer an issue, the process FYG go through is very thorough, it’s regular, but it’s also educational and supportive.*

*I’m striving to be the best adviser I can be and I think that has been achieved with the support of FYG.”*

**Gary Spencer** Spencer Private Wealth



**Gary Spencer**  
Spencer Private Wealth

## **Client Ownership**

Advisers always own their client base at FYG, with ownership rights protected in the FYG adviser agreement. This includes selling or transferring clients.

## **Client Privacy**

Advisers have a responsibility to comply with the Privacy Act to protect client information. FYG Planners will support advisers in the event any breach.

## **Client Contact**

FYG will only contact an adviser's clients in the event the adviser's authority is terminated by FYG due to gross misconduct. FYG has a duty to inform the Adviser's clients that they no longer represent FYG, or upon the death or total & permanent disability of an adviser.

## **Complaints**

If the adviser cannot resolve immediately with an aggrieved client, FYG management will take over resolution of all adviser complaints. This support extends to AFCA claims, direct client negotiations, common law claims, etc.

## **Dispute Resolution**

FYG management will make all reasonable efforts to find an acceptable resolution to any dispute with an adviser. If a resolution cannot be found to a dispute, the matter can be referred to an independent dispute resolution committee or board deemed most appropriate by the Principal.

## **Indemnities**

All advisers are required to indemnify FYG Planners against any costs incurred as a result of an Adviser's actions in the following circumstances:

- Where an Adviser's actions are in breach of the FYG Planners Adviser Agreement.
- Where an Adviser's conduct breaches acceptable professional standards.
- For all advice & transactions undertaken for immediate family members.



**What if you want to exit?**

The FYG philosophy is, if the Adviser has a client relationship & the Adviser wants to leave, then they take their clients with them & FYG Planners will do all it practically can to facilitate the transfer to your new licensee.

All standard XPlan data fields will be made available to the departing firms, subject to negotiating their price with XPlan directly.

FYG Planners will pay all revenue streams received on behalf of the departing Adviser for up to 90 days after their departure from the FYG Planners group.

Upon termination from FYG Planners, FYG Planners revenue based fees continue to apply for the 90 days that revenues are forwarded. Our fees charged will not exceed the revenues received & will be based on prior production (hence the lowest amount possible). It is in the Principal’s best interest to urgently arrange fund transfers to avoid the splits.



### **What marketing support does FYG provide?**

Senior management will work with advisers on marketing concepts & proposals.

We do not advertise under the FYG banner. We encourage advisory firms to operate autonomously in their own geographic location, developing their own marketing & branding. Communication/education material is available on a regular basis through work done at Mancell Financial & can be adapted for adviser use as needed.

### **What external product & technical research does FYG offer?**

Lonsec is used to report on fund managers & investment markets. Morningstar research is used to compile our Approved Product List & all advisers have access to CCH technical research.

### **What training does FYG provide?**

New advice firms are required to attend a two day intensive Xplan training program at FYG head office within four weeks of authorisation. This ensures a strong grounding in our Xplan system and FYG procedures.

Day to day operational & technical support is considered within existing fees. This includes screensharing/video conferencing for one-on-one problem solving.

FYG Planners subscribe to Kaplan OnTrack Training Program for training requirements of advisers. All advisers are required to participate in this program to ensure ongoing industry knowledge.

We will also facilitate an introduction to our investment philosophy.

### **How often does FYG hold conferences?**

Conferences run in March & September of each year. We focus on adviser education, practice management improvement, business planning & development concepts.

Annual state/regional, day long adviser workshops have also recently started.

### **How often will FYG visit my business?**

A director will visit most practices annually, with time dedicated to business development. In the past, these development sessions have included working to identify operational & procedural improvements; assisting with planning difficulties, educational presentations to client groups or centres of influence & assisting owners to set or revise operational goals.

### **What is my legal relationship with FYG?**

FYG advisers are considered independent business contractors at law.





[www.fygplanners.com.au](http://www.fygplanners.com.au)

FYG Planners Pty Ltd, Australian Financial Services Licensee /Australian Credit Licensee No. 224543 ABN 55 094 972 540 Contact Information: Address: Level 1, 41 Mount Street, Burnie 7320 - Phone: (03) 6440 3555 This represents general information only. Before making any financial or investment decisions, we recommend you consult a financial planner to take into account your personal investment objectives, financial situation and individual needs.