



FINANCIAL SERVICES GUIDE

KR FINANCIAL GROUP PTY LTD

AFSL number 544855

Version number 1

Date: 5 June 2023

**Understanding the advice process and our relationship
with you**

PURPOSE

This **Financial Services Guide** (FSG) explains the financial services and advice provided by KR Financial Group Pty Ltd (also known as "KR Financial Group" throughout this document) and your Financial Adviser (Adviser), who is an authorised representative of KR Financial Group. The FSG provides information on what to expect during the financial advice process including the types of documents you are likely to receive, how we manage privacy, related parties and potential conflicts of interests, and how we manage complaints.

This FSG should be read in conjunction with the **Adviser Profile**. The Adviser Profile contains important information about your Adviser including relevant authorised representative number, qualifications, experience, areas of authorisation, how they get paid and fees that you may be charged. If you have not received an Adviser Profile, please ask your Adviser for a copy, or contact us directly.

Please take the time to review both the FSG and Adviser Profile before engaging our services.

NOT INDEPENDENT

KR Financial Group and our advisers may receive commissions associated with the issue of life insurance products. We may receive benefits from product issuers.


For these reasons, we do not represent ourselves as independent, impartial or unbiased.

Please refer to the 'How We Are Paid' section for more information.

HOW TO CONTACT US

KR Financial Group Pty Ltd
ABN 62 663 578 498

Office Location:
Suite 3005
619 Doncaster Road
DONCASTER VIC 3108

 03 9848 4557

Mail Address:
PO Box 275
DONCASTER VIC 3108

 office@krfinancialgroup.com.au

FINANCIAL SERVICES AND PRODUCTS WE CAN PROVIDE

KR Financial Group can offer the following services and products. Your Adviser's specific authorisations are included within their personalised Adviser Profile.



Superannuation and Retirement Planning

- Personal Superannuation
- Corporate Superannuation
- Industry and Public Sector Superannuation
- Pensions and Annuities
- Self-Managed Superannuation
- Centrelink / Veterans' Affairs Assistance
- Aged Care



Wealth Creation and Investments

- Cash and Term Deposits
- Investment Bonds
- Managed Investments
- Exchange Traded Products
- Listed Securities (Shares and other products)
- Margin Lending
- Gearing



Wealth Protection

- Term Life Insurance
- Total and Permanent Disability (TPD) Insurance
- Trauma Insurance
- Income Protection Insurance
- Business Insurance
- Insurance Claims Assistance



Other Financial Planning Services

- Budgeting and Cashflow Management
- Debt Management
- Estate Planning Assistance

Tax Implications of our advice

The advisers of KR Financial Group are qualified tax relevant providers and are authorised to provide tax (financial) advice services on matters that are directly related to the nature of the financial planning advice provided to you. We will not consider any other tax matters in our advice to you. Where tax implications are discussed, they are incidental to our recommendations and are only included as an illustration to help you decide whether to implement our advice.

THE ADVICE PROCESS AND DOCUMENTS YOU MAY RECEIVE

Your Adviser will guide you through the advice process. This includes the following steps:



Engagement and Discovery

In the initial stages of the advice process your Adviser will work with you to define your financial goals and objectives, and gather relevant information required to provide you appropriate advice.

Your Adviser will generally collect relevant information within a **Client Data Form** and file notes. You can expect to be asked questions related to your income, expenses, assets, liabilities, insurances and superannuation. It is important that you provide accurate information and keep your Adviser informed of any changes to your relevant circumstances. Your Adviser will ask you to consent to your personal information being collected and stored. Please refer to the 'Privacy' section for more information on how we manage your privacy.

Where your goals relate to investment or superannuation advice your Adviser will also work with you to define your level of risk tolerance. A **Risk Profile Questionnaire** may be used to document and agree upon your level of risk tolerance.

Your Adviser may also use an **engagement document** to define the arrangement with you, and the fees that may apply.

Your Adviser will also need to verify your identity to comply with Anti-Money Laundering and Counter Terrorism Financing laws.



Strategy and Personal Advice

After obtaining relevant information, your Adviser will conduct research and develop a strategy to assist you to meet your goals and objectives. The strategy is typically developed utilising specialised financial planning software.

Where personal financial product advice is being provided, the strategy will be documented in a **Statement of Advice**. The Statement of Advice will include amongst other things, the basis of the advice, explanation of the strategies and products recommended and relevant disclosures including costs of advice and products. The Statement of Advice includes an authority to proceed section where you can consent to proceed with the recommendations.

Where a financial product has been recommended, you will generally be provided with a copy of the relevant **Product Disclosure Statement (PDS)**. The PDS includes detailed information on the financial product including features, benefits, conditions, costs and cooling off rights (if applicable).



Implementation

Where you elect to proceed with the recommendations your Adviser will work with you to implement the strategy. This may include liaising with various insurance, superannuation, or investment product issuers.

Where the recommendations include the purchase of a new financial product, your Adviser will work with you to complete the relevant **Product Application Form**. This may be online, or paper based.

Where the recommendations include the purchase of an insurance policy, you may also need to complete a **Health Questionnaire**. This could be online, paper-based or over the phone. It is important to disclose any health or personal matters truthfully. Failure to disclose certain matters may result in a claim being denied.

GENERAL ADVICE

Your Adviser may provide you with general advice that does not consider your personal circumstances, needs or objectives. Your Adviser will give you a warning when they provide you with general advice. You should consider whether you need personal advice which takes into account your individual situation before you make any decisions.

FURTHER ADVICE

Depending on your relevant circumstances, you may require further advice such as adjustments to superannuation contributions, insurance benefit amounts, or a review of your strategy.

Further advice can generally be documented in a **Record of Advice** and relevant file notes. In some instances, a Statement of Advice may be required. You may request, in writing, a copy of any advice document up to seven (7) years after the advice has been given.

A **Client Review Service Agreement** may be utilised to formalise our advice review services that your Adviser has agreed to provide for a fee.

Where you have entered into a **Client Review Service Arrangement** that is ongoing and/or is for a period of greater than 12 months, you will receive a **Fee Disclosure Statement** (FDS) annually.

The FDS will detail services and fees paid for the previous 12 month period. To ensure the ongoing fee arrangement continues, you will be required to confirm in writing after each two (2) year period. You may be required to sign a Consent Form where the fee is deducted from your investment or superannuation provider.

Alternatively, you may agree to a **Fixed Term Arrangement** with your Adviser. This arrangement will outline the services you will be provided for a fee over a specific term not greater than 12 months. In this case, you will not be provided with an FDS. You may be required to sign a **Consent Form** where the fee is deducted from your investment or superannuation provider.

You may cease any fee arrangements or disengage from your Adviser by providing written notice to your Adviser or product issuer.

HOW TO PROVIDE INSTRUCTIONS

Your Adviser may accept your instructions by phone, letter, or email. In some instances, your Adviser can only accept written instructions from you, and they will let you know when this is required. Your Adviser will also need to verify your identity prior to acting on instructions.

APPROVED PRODUCT LIST

KR Financial Group maintains an approved product and service list (APL). KR Financial Group periodically review these products and services to ensure they remain competitive and appropriate for use by our advisers. These products are researched using external research houses and as well as our own in-house research. Generally, the products we recommend are on the APL. However, if it is appropriate for your needs our advisers may, subject to KR Financial Group approval, recommend other products.

HOW WE ARE PAID

The fee charged to you will depend on the nature of the advice or service we provide. We will discuss and agree on the actual fees with you before we proceed. The following section outlines the types of fees that may apply and are inclusive of GST.

Adviser Service Fees

Your agreed advice and service fees may include charges for:

- Initial advice and implementation
- Advice / Portfolio review services
- Implementation / Administration only services
- Hourly rate/Ad hoc fees

We accept the following payment methods for our fees:

- Direct payment; and/or
- Deduction from your superannuation/ investment account.

Types of Fees for Service

Initial Advice Fee (including Implementation services)

These fees are paid when you first agree to receive our advice. You may be charged a fee that is based on the complexity of the advice and/or the time spent developing the financial plan. The financial plan fees (ie. Statement of Advice) start from \$1,100 for a limited advice plan and vary, depending on the scope and complexity of the advice provided.

During your initial discussion, your financial adviser should be in a position to provide you with a reasonable estimate of this financial planning advice fee and you are encouraged to discuss it with them during the meeting.

Advice/Portfolio Review services

This fee supports our ongoing services to help you stay on track to meet your goals. The fees vary depending on the scope and complexity of services provided.

The fee(s) will be agreed in advance with your financial adviser and may be paid annually, monthly, or as per your agreement.

This fee can be a fixed amount per annum or a percentage based fee (only for non-g geared portfolios) and/or combination of fixed fee and percentage based fee. The fee is based on a combination of factors such as the amount you elect to invest, the complexity of the structure involved, the number and types of investments and the level of service that is required.

The percentage based fee, if applicable, will be in the range of 0.55% to 1.65% per annum. For example, on an investment portfolio of \$250,000 the percentage based fee will be in the range of \$1,375 to \$4,125 per annum.

Please note that the amount charged will be set out clearly in your Statement of Advice and the applicable advice/service agreement.

Implementation / Administration Only Services & Hourly rate/Ad hoc Advice fees

If you are not participating in our review services and you wish us to assist you with implementation and/or administration for ad-hoc matters (for example arranging a share trade and/or filling out Centrelink forms), you may be charged a once-off fee as a fixed amount or as hourly fee of \$250 per hour. This fee will be agreed upon prior to the services being provided.

Commissions

When risk insurance products are recommended, the insurance provider may pay your adviser an initial commission based on the value of the premium, which under a upfront structure is capped at 66% of the premium paid from 1 January 2020. Ongoing commission under an upfront structure is capped at 22% of the annual premium paid. Both initial and ongoing commission under a level structure will continue to be capped at 37%.

On any insurance policies implemented with an upfront structure, if your premium was \$1,000, we would receive an upfront commission of \$660 and ongoing commission of up to \$220 per annum. These commissions may be in addition to other types Fees for Service you may have paid.

Note: We may receive commissions on increases or additions to existing policies put in place before 2018 of up to 130%, and between 88% to 66% for policies written after that time.

The Licensee

All fees and commissions are initially paid to KR Financial Group before being distributed to your Adviser or their financial planning business. KR Financial Group receives a flat fee per Adviser for the provision of services required under its AFSL.

IMPORTANT INFORMATION

Your adviser may also receive non-monetary benefits which include benefits of less than \$300, benefits related to education and training (including attendance at professional development days and conferences), and provision of software related to the financial products being recommended.

Any referral arrangements or related party arrangements that your Adviser has in place will be disclosed in the Adviser Profile and your Statement of Advice.

COMPLAINTS

If you have a complaint about any financial service provided to you by your Adviser, you should take the following steps:

1. Contact the Complaints Manager at KR Financial Group to discuss your complaint.

Phone 03 9848 4557

Email office@krfinancialgroup.com.au

Mail KR FINANCIAL GROUP – URGENT
Complaints Manager
PO Box 275
DONCASTER VIC 3108

2. We will acknowledge receipt of a complaint within 1 business day. Where this is not possible, acknowledgement will be made as soon as practicable.
3. We will then investigate the complaint and respond to you within 30 days. Some complex matters may require an extension to thoroughly investigate the complaint and bring it to resolution. If additional time is required, we will advise you in writing.
4. If you are not fully satisfied with our response, you have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Phone 1800 931 678 (free call)

Online www.afca.org.au

Email info@afca.org.au

Mail GPO Box 3
Melbourne VIC 3001

Compensation Arrangements

We have professional indemnity insurance in place that complies with the Corporations Act 2001.

Our insurance covers claims made against current and former representatives for their conduct while they are authorised by us.

PRIVACY

Your Adviser is required to maintain documentation and records of any financial advice given to you, including information that personally identifies you and/or contains information about you.

These records are required to be retained for at least seven (7) years. If you want to access your personal information at any time, please let us know.

You have the right to not provide personal information to your Adviser. However, in this case, your Adviser will warn you about the possible consequences and how this may impact on the quality of the advice provided. Additionally, your Adviser may not be able to provide you with the advice you require.

Throughout the advice process, your personal information may be disclosed to other services providers. These may include:

- Financial product providers
- Financial planning software providers
- Administration and paraplanning service providers

We may engage third party service providers to assist in the provision of products or services.

No services require disclosure of personal information to service providers outside Australia. We do not outsource outside Australia due to data concerns. The purpose of such disclosure is to facilitate the provision of financial services including the preparation of financial advice documents.

KR Financial Group respects your privacy and is committed to protecting and maintaining the security of the personal and financial information you provide us. For detailed information on how we handle your personal information, please refer to our Privacy Policy. You can request a copy of the Privacy Policy from your Adviser and is available their websites at www.jkkf.com.au and/or www.mcrwealth.com.au.

Adviser Profile

Justin Kerkham

This adviser profile forms an essential part of the Financial Service Guide (FSG). The FSG is not complete without it.

Introducing your financial adviser

Justin Kerkham is an Authorised Representative of KR Financial Group Pty Ltd AFSL 544855. Justin is employed by J. K. Kerkham Financial Pty Ltd which is a Corporate Authorised Representative of KR Financial Group Pty Ltd.

Authorised Representative Number: 348589
Corporate Authorised Representative Number: 466618
Adviser profile issue date: 5 June 2023

About Justin

Justin has more than 20 years' experience in the financial services industry and has successfully passed the FASEA financial adviser exam.

Qualifications and memberships

- Bachelor of Business (Financial Planning)
- Masters of Applied Finance
- CERTIFIED FINANCIAL PLANNER® professional
- Self-Managed Superannuation Fund Accreditation
- Accredited ASX Listed Product Adviser
- Member of the Financial Advice Association Australia (FAAA)

Financial products and services

I am authorised to provide you with general and personal financial advice on the following class and types of products.

Deposit products

Life products, including:

- investment life insurance products
- life risk insurance products

Superannuation products, including:

- public offer superannuation funds
- account-based pensions and complying annuities
- corporate superannuation funds
- self-managed superannuation funds

Retirement savings accounts

Managed investment products, including:

- master trusts, wrap facilities, property funds
- tax-effective investments
- managed trusts
- investor directed portfolio services (IDPS)

Government bonds, stocks or debentures securities:

- ASX listed shares, instalment warrants and fixed interest

Part 2 Adviser Profile continued

How I am paid

As the licensee, KR Financial Group collects all advice fees and commissions. KR Financial Group then pays the fees and commissions to J.K. Kerkham Financial Pty Ltd as detailed in the FSG under the heading 'How we are paid'. Justin Kerkham is an employee and director of J.K. Kerkham Financial Pty Ltd and receives a salary and/or distributions from the business, and also hold equity in the business.

Client fee and payment options

Before providing advice, we will agree the fees and payment options with you. The fee you pay will depend on the complexity of your circumstances and the services you require. Your options on how to pay and the type of fee include fee for service, commission, or a combination of both as detailed in our FSG.

Important relationships

In addition to the arrangements already disclosed in the FSG under 'Important Information', J. K. Kerkham Financial Pty Ltd also has the following arrangements:

Referrals from a third party

At present we do not have any referral arrangement in place to pay a third party referrer a referral fee, commission or other benefit. If this changes, we will make you aware of this prior to providing advice, or further advice, to you.

Referrals to a third party

At present we do not have any referral arrangement in place to provide referrals to third parties in return for payment or other benefit. If this changes, we will make you aware of this prior to providing advice, or further advice, to you.

Referrals to an associated entity or related third party

At present we do not have any referral arrangement in place to provide referrals to associated entities or related third parties. If this changes, we will make you aware of this prior to providing advice, or further advice, to you.

Privacy Notification

Your personal information will be handled in accordance with our privacy policy, which is located on our website. We will generally collect personal information directly from you. We may collect personal information about you from a third party if we believe you have authorised that third party to provide the information to us.

The main reason we collect, use and/or disclose your personal information, is to provide you with the services that you request. In addition, as a financial service provider, we are obligated to verify your identity and the source of any funds.

We provide financial services under the Australian Financial Services Licence of KR Financial Group Pty Ltd. KR Financial Group Pty Ltd monitors our compliance with the law and provides us with a range of support services, including the financial planning software we use. As a consequence KR Financial Group Ltd has access to your personal information and may use that information to facilitate the provision of financial services to you and to ensure we are complying with our obligations.

We may also disclose your information to external parties such as your accountant, banks, insurers, and product providers.

Please refer to our Privacy Policy for more information about how we will handle your personal information, including how to access or correct your personal information and how to make a privacy related complaint.

My contact details

A: Suite 3005, 619 Doncaster Road,
Doncaster VIC 3108
T: 03 9848 4557
E: justin@jkkf.com.au
W: <http://www.jkkf.com.au/>
