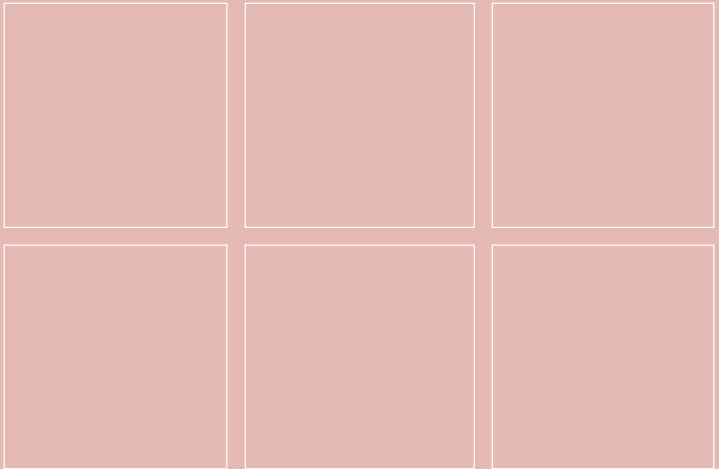




Bendigo Financial Planning Financial Services Guide

05 December 2011



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Throughout this Financial Services Guide, Bendigo Financial Planning Limited is referred to as “Bendigo Financial Planning”, “we”, “us”, “our” or any such variations.

Introduction

This Financial Services Guide (FSG) is designed to provide you with a clear understanding of what you can expect from Bendigo Financial Planning.

The FSG outlines:

- The financial services and products we offer
- The financial benefits that may be received by Bendigo Financial Planning and related persons in connection with the financial services provided
- Any interests, associations or relationships that could influence the advice we give you
- Our internal and external dispute resolution procedures and how you can access them

About Bendigo Financial Planning Limited

Bendigo Financial Planning Limited (ABN 81 087 585 073), is the financial planning arm of the Bendigo and Adelaide Bank Group (the Group). Our Australian Financial Services Licence Number is 237898.

Located nationally across metropolitan and rural Australia, our financial planners provide advice to more than 550 Bendigo Bank and **Community Bank**[®] branches; and with more than \$1 billion of funds under advice, we will continue to work with our business partners to expand our services to reach more customers.



Who is responsible for the advice I receive?

Bendigo Financial Planning, as the holder of an Australian Financial Services Licence, is responsible for the financial advice provided to you. Your financial planner acts on behalf of Bendigo Financial Planning.

Our advisory service

We are committed to providing an expert advice service that is carefully tailored to the diverse needs of our clients, their families and businesses.

Working together with you, our advice recommendations will take into consideration your lifestyle needs, financial situation and investment objectives.

Our network of financial planners is qualified to provide advice on a range of financial matters, including:

- Cash flow and debt management
- Investment management
- Superannuation
- Risk management*
- Retirement planning
- Aged care
- Centrelink advice
- Estate planning

In addition, we also provide a suite of professional services to help structure such matters as Self Managed Super Funds, Trusts and Wills.

We are also authorised to provide advice and transact on the following financial products:

- Deposit and payment products (not including non-cash payment facilities)
- Government debentures, stock or bonds
- Life products including investment life insurance and life risk insurance products
- Interests in managed investment schemes (including investor directed portfolio services)
- Securities
- Superannuation
- General insurance products*
- Standard margin lending facilities

* Your Financial Planner is authorised to provide general insurance advice but this authorisation only extends to CGU's consumer credit insurance product.

Your financial planner is required to recommend products from our approved products list, which you can request to see at any time.



Will the advice be tailored to my personal needs?

Your Financial Planner is obliged by law to have a reasonable basis for personal advice. The advice you receive must take into consideration your individual investment objectives, financial situation and particular needs.

In order for us to offer you the most appropriate advice, you will be required to provide details of your personal objectives, current financial situation and any relevant information.

Other documents you may receive

As part of the financial advice process, you will receive a number of important documents. Please refer to the following definitions for a description of the documents you are likely to receive:

Financial Needs Analysis (FNA)

An FNA is a set of questions to help us determine and understand your financial needs, goals and objectives. The information collected is used to form the basis for our advice and recommendations.

A Letter of Engagement (LOE)

A letter of engagement is issued when you chose to obtain advice from Bendigo Financial Planning. It outlines:

- The scope of our advice and recommendations
- An estimate of our fees and charges
- Your authorisation to proceed

Statement of Advice (SOA)

An SOA is provided when you receive personal advice. The SOA will include the following information:

- The nature of the advice given and the basis of the recommendations
- Information about fees and commissions that may be received for the advice
- Any associations, relationships or interests that may influence the advice we provide

Where the personal financial product advice relates to a basic deposit product, non cash payment facility or travellers cheques, an SOA will not be provided.

Product Disclosure Statement (PDS)

The PDS sets out the key features, significant benefits, risks and fees associated with the financial product.

You will receive a PDS when we make a recommendation on a financial product (other than securities) or arrange the issue of a financial product.

Service Agreement

The Service Agreement is a formal contract that outlines the benefits, services and support provided by Bendigo Financial Planning for on-going service. It is our commitment to provide you with a holistic approach to financial planning.

Full disclosure on fees and services

Bendigo Financial Planners are salaried employees of the bank and are not remunerated on commission. The cost of advice is charged on a fee for service basis which is tailored to address your financial needs and objectives.



How are Bendigo Financial Planners remunerated?

Bendigo Financial Planners are salaried employees of the bank and are not remunerated on commission.

Your financial planner may be eligible for the Group's Performance Bonus Scheme however these bonus payments are not an additional cost to you.

Your financial planner may also receive non-monetary benefits from product providers, such as tickets to events or corporate promotional merchandise.

All fees associated with the advice you receive are clearly disclosed in your Statement of Advice along with any ongoing service costs.

Bendigo Financial Planning also offers the option to charge for our service on an hourly basis.

Initial consultation

There is no charge for the initial consultation.

Initial advice fees and charges

A fee will be charged for the preparation of a SOA. The fee will take into account the complexity of your needs, the amount of research involved and the time taken to complete the plan. The fee for preparing and implementing a financial plan generally ranges from \$500 to \$10,000; although there may be a higher charge for more complex requirements. The fees and charges will be fully disclosed in the SOA.

There are three payment methods available for the plan and implementation fee:

- i. A direct payment in the form of a service fee (i.e. cheque and Bpay)
- ii. Payment via funds received from the product provider/s whose product/s we recommend
- iii. A combination of both i and ii

Upfront commissions

If you choose to pay your fees through upfront commissions, the agreed commissions will be deducted by the product provider at the time the investment or insurance is placed, and forwarded to Bendigo Financial Planning.

The actual rate of commission will depend on the product, the services provided and the amount invested, but will not exceed the following rates:

- Risk Insurance – up to 142.45% of the first year's premium
- Annuities – up to 3.85% of the amount invested
- Direct Shares – the greater of 2.2% or \$60 per share trade

Ongoing fees and charges

We provide an ongoing service to ensure the advice you receive remain relevant to your needs at each stage of your life. By having a Service Agreement in place you will continue to receive ongoing service from your financial planner including the professional services provided by Bendigo Financial Planning's administration, training, research and compliance teams.

Depending on the complexity of the advice and the frequency of reviews, the fee for a Service Agreement generally ranges from \$1,000 to \$5,000. For more complex requirements there may be a higher charge.

Fees for ongoing service will be periodically debited from your nominated bank account on a monthly, quarterly or half yearly basis (as nominated by you). The Service Agreement and ongoing service fee is reviewed annually.

Ongoing commissions

Some product providers may pay ongoing commissions to Bendigo Financial Planning for the duration of your investment. This commission covers the cost of providing support to you.

The rate of commissions will depend on the product, the services provided and the amount invested, but will not exceed the following rates (calculated on a per annum basis):

- Managed Funds – up to 0.88% per annum of the investment balance
- Mortgage Funds – up to 0.38% per annum of the investment balance
- Risk Insurance – up to 33% of the annual premium in the second and subsequent years
- Annuities – up to 0.44% per annum of the investment balance

In determining the ongoing service fee, we will take into account the ongoing commissions received from product providers.

Example: If \$10,000 is invested in a product where the product provider pays 4% initial and 0.4% ongoing commissions, we will receive \$400 at the time the investment is placed and 0.4% of the balance per year there after. These amounts will be taken into account when determining the fee for your Service Agreement.

The ongoing commissions can be deducted by the product provider from your investment and/or annual insurance premium. This commission can be paid to Bendigo Financial Planning weekly, monthly, quarterly or annually depending on the product.

Note: All figures quoted are inclusive of GST.

Volume bonus arrangements

We have an arrangement with IOOF Investment Management Limited (a subsidiary of IOOF Holdings Limited) where we receive 0.275% (incl. GST) in Volume Commission, providing the total amount of funds under administration in certain IOOF investment products is at least \$385 million. These products include:

- Bendigo Financial Solutions
- IOOF Portfolio Service Pursuit and Lifetrack investment platforms

This additional payment is paid by the platform provider at the end of each quarter from its management costs and is not an extra cost to you. Any Volume Commission received will be disclosed in our advice to you.

Bendigo Financial Planning has an arrangement with AMP Limited where it may receive additional commission, “margin share”, where the amount of new life insurance business exceeds certain targets within in a 12 month period. The maximum amount of margin share is 15% of new annual premium. To achieve this margin share certain targets apply.

Bendigo Financial Planning is not eligible until AMP receives annual new life insurance premiums of \$450,000 resulting from AMP life insurance business lodged through Bendigo Financial Planning. At this point Bendigo Financial Planning may be eligible for an additional margin share of between 7% and 15%, depending on the amount of new premiums and the number of lapsed insurance policies.

This additional payment is paid by AMP and is not an extra cost to you. Any margin share received will be disclosed in our advice to you.

Payments to associated companies and product providers

Remuneration received by Bendigo and Adelaide Bank for deposit and payment products

Bendigo and Adelaide Bank is the issuer of deposit and payment products and will receive remuneration in its capacity as the issuer of those products.

Remuneration received for products issued by other companies within the Group

If you acquire a product issued by a company in the Group, the relevant company may receive product fees in relation to that product, including commissions, referral fees, entry fees, management fees, exit fees or any other fees specified in the PDS or the disclosure document for that particular product. These product fees may benefit other Group members or associates.

Referrals to Bendigo Financial Planning

If a **Community Bank**[®] Branch or an Agency of Bendigo Bank refers you to us, the Branch/Agency will receive a referral fee comprising 40% of the initial fee paid to Bendigo Financial Planning and 0.1% per annum of funds under management. Any amounts paid to referrers will

be debited from the amount paid to Bendigo Financial Planning and will not be an extra charge to you.

If you were referred to us by an external party, Bendigo Financial Planning may pay a referral fee to the referrer. If any fee is paid, you will be advised of the specific amount in the Statement of Advice.



Does Bendigo Financial Planning have any associations that may influence the advice I receive?

Bendigo Financial Planning is a subsidiary of Bendigo and Adelaide Bank Group (the Group).

The Group comprises a number of wholly owned subsidiaries including Sandhurst Trustees Limited and Victorian Securities Corporation Limited. These subsidiaries have financial products listed on Bendigo Financial Planning's approved products list.

Bendigo Financial Planning's approved products list also includes financial products issued by other non-related companies.

Rural Bank Limited is a related Body Corporate. Bendigo and Adelaide Bank is also a joint venture partner in Homesafe Solutions Pty Ltd and a substantial shareholder in IOOF Holdings Ltd.

Bendigo Financial Planning occasionally receives financial support from Fund Managers for professional development and training. Any sponsorship received is used to fund the cost of venues and speakers and is not applied to entertainment. Details of any such sponsorship are included in the Public Benefits Register, which can be provided on request.

Contact details

Your financial planner is a representative of Bendigo Financial Planning.

You can contact your financial planner by:

- Visiting your local Bendigo Bank branch
- Contacting **1300 BENDIGO** (1300 236 344)
8am – 8pm Monday to Friday (local hours)
9am – 4pm Saturday (local hours)
9am – 4pm Sunday (local hours)
- Visiting our website at www.bendigobank.com.au
- Writing to us at:
Bendigo Financial Planning Limited
Level 5, 120 Harbour Esplanade
Docklands VIC 3008
Facsimile: (03) 8414 7242

Providing instructions to us

Generally, you need to give us instructions in writing by using the contact details set out above. Some products and services may have their own requirements as to how to provide instructions or execute certain transactions. Please refer to the relevant PDS or other disclosure document for further details of these requirements.

Our complaints resolution process

Our aim is to provide you with an excellent financial planning service. If the quality of our services does not meet your expectations, please contact your financial planner.

If you are not satisfied with how your complaint is handled, please contact our Compliance Manager on (03) 8414 7982 or in writing to:

Compliance Manager
Bendigo Financial Planning Limited
Level 5, 120 Harbour Esplanade
Docklands VIC 3008

We will attempt to resolve your complaint quickly and fairly. If you feel our response is inadequate, or if you have not received a response within 45 days, you can have your complaint reviewed by the Financial Ombudsman Service (FOS):

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 780 808
Facsimile: (03) 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

Your right to privacy

We are committed to ensuring the privacy and security of your personal information. All personal information is handled in accordance with the Privacy Act, as set out in our Privacy Disclosure Statement. Additional information on our information management practices can be obtained at www.bendigobank.com.au or by contacting the Dealerships Compliance Manager on (03) 8414 7982.

We aim to ensure that the personal information we retain about you is accurate, complete and up-to-date. Accordingly, if you have any concerns about the completeness or accuracy of the information we have about you, or would like to access or amend your information, call us on the above number.



What information does Bendigo Financial Planning keep about me?

We maintain a record of your personal profile which includes details of your investment objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to view your file you can ask your Bendigo Financial Planner and we will make arrangements for you to do so.

Our Privacy Disclosure Statement

In order to comply with the requirements of the Privacy Act, we are required to advise that we hold personal information about you that may include sensitive information (such as health information). Your personal information will be used to provide you with financial services including:

- The preparation/review of your Statement of Advice
- The provision of financial planning advice
- Making/reviewing securities and investment recommendations

We may seek verification of your identification and any identification documents from independent sources and/or third party service providers. We will keep copies of all documents provided by you and where required by law will provide copies of your identification documents to third party bodies.

Where necessary, we will request further documentary evidence to confirm your identity. We may also request you produce in person, the original and/or certified true copies of all documentary evidence confirming your identity.

If you do not provide the requested information, we may not be able to provide you with the services you require.

Where required, we may disclose information about you to our financial planners and other professionals within the Group, insurance providers, superannuation trustees and product providers in connection with the purposes detailed above.

We may also share your personal information with related companies in the Group and our joint venture partners so that you can be informed about the services available from us or other companies within the Group. To do this we may provide your personal information to our service providers.

In the event we consider 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 do not want to receive this information, call the Bendigo Bank Customer Help Centre on 1300 361 911. For further details, please refer to our privacy policy at www.bendigobank.com.au



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