

FINANCIAL SERVICES GUIDE (FSG)



PART 1

7th September 2016

Authorised and distributed by

Fitzpatrick's Private Wealth Pty Ltd

ABN 33 093 667 595

Australian Financial Services Licence No 247429

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INTRODUCTION

ABOUT THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide (**FSG**) is an important document. It is designed to provide you with information about us, and our relationship with you, prior to a financial service being provided, in order to help you decide whether to use our financial services.

What is this document?

This FSG explains our services, including:

- What we do
- How much it costs
- Who else might benefit from our relationship
- The terms of our portfolio administration service
- About our insurance, privacy and how we handle complaints.

A two part document

This is part 1 of 2 parts of our FSG. Parts 1 & 2 forms a complete FSG. Part 2 gives details of your adviser where the adviser is “authorised” by us. Where your adviser is not authorised by us you will be provided with their complete FSG instead of Part 2.

What other documents are there?

When your adviser provides you with personal financial product advice you will receive a **Statement of Advice (SoA)** or in specific circumstances a Record of Advice (advice documents) which confirms the discussions you have had with us, the recommendations we are making and the basis for those recommendations. These advice documents will also detail how those recommendations will work towards achieving your goals, risks associated with the recommendations, any fees received by us, and associations with any product providers.

As needed, your adviser will give to you or make available to you the **Product Disclosure Statement (PDS)** or other disclosure document issued by the product provider which provides information about the specific product recommended. Among other things, the PDS contains information about the risks, benefits, features and fees payable in respect of the product. If you choose to use our portfolio administration service, then this information will be available on request.

In combination, these documents will assist you in making an informed decision about whether to proceed with our recommendations.

From 1 July 2013 all clients in an ongoing fee arrangement with an adviser that lasts longer than 12 months will receive a **Fee Disclosure Statement (FDS)** annually. The purpose of the FDS is to disclose information about the services you were entitled to receive and the services provided, as well as the fees you paid to your adviser for these services. Please refer to your Ongoing Engagement Agreement for details of the ongoing services we agreed to provide to you and the ongoing adviser fees you agreed to pay. From 1 July 2015 your adviser may request you to sign a **Renewal Notice** to continue with the Engagement to provide these services. The Engagement will cease if you do not provide your authorisation for the services to continue.

How do you instruct your adviser?

You may give your adviser instructions in writing, by post, fax or email. Sometimes your adviser will be happy for you to tell them what you want to do over the phone or in person.

WHAT WE ARE LICENSED TO DO

Simply put

At the heart of our business is our passion to provide personalised, successful long term strategic financial planning to our clients.

Your adviser can liaise with your other professional advisers in relation to matters such as tax, insurance, risk management and estate planning. We are not, however, accountants, nor are we registered tax agents or lawyers.

To give you suitable advice, your adviser will work with you to determine your individual investment objectives, financial situation and needs. You are not obligated to tell us these things, but they are required to ensure our advice to you is appropriate.

The detail

Fitzpatrick's Private Wealth has been issued with an Australian Financial Services Licence (**AFSL**) by the Australian Securities and Investments Commission (**ASIC**) that authorises Fitzpatrick's Private Wealth to provide custodial or depository services, and provide financial product advice on and deal in the following kinds of products:

- Deposit and payment products limited to:
 - Basic deposit products, and
 - Deposit products other than basic deposit products.
- Derivatives limited to old law securities, options agreements and warrants;
- Debentures, stocks or bonds issued or proposed to be issued by a government;
- Life products including:
 - Investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds, and
 - Life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds.
- Interests in managed investment schemes including Investor Directed Portfolio Services;
- Interests in managed investment schemes limited to Managed Discretionary Account (portfolio administration service) services;
- Retirement savings accounts products within the meaning of the Retirement Savings Account Act 1997;
- Securities;
- Standard Margin Lending; and
- Superannuation.

FEES AND COSTS

What fees do we charge?

For self-employed advisers authorised by us under our licence, Fitzpatrick's Private Wealth receives fees from your adviser. This is generally up to 12.50% including GST of all financial services fees and commissions received by your adviser, with a minimum of \$22,000 up to a maximum of \$132,000 including GST from each business per annum. The actual amount will depend on the services provided by us to them. This is paid by your adviser and is not an additional charge to you. This is our remuneration for supporting our advisers in their practice.

We also receive remuneration from investments in the portfolio administration service as outlined in Part 1A of this document and from certain managed investments.

What fees does your adviser charge?

Your adviser will discuss and agree with you the amount and method of any fees before they start work. These are explained in Part 2 of the FSG. These will also be set out in your advice document.

What about adviser commissions?

For advice and services provided in relation to personal insurance, and for some investment products under arrangements that began prior to 1 July 2013, commissions may be paid by the product provider.

Your adviser may receive 'up-front' commission and 'on-going' commission calculated as a percentage of the insurance premium or value of the investment.

The percentage of commissions varies with each product provider and these will be disclosed to you in the advice document if applicable. The table below is an example of how commissions are calculated:

EXAMPLES:

Assume you placed \$100,000 in a managed fund and maintained that **investment**, with the value increasing to \$105,000 (say due to investment earnings) in the second year.

If your adviser received an up-front commission of 1% (GST inclusive) and an ongoing commission of 0.25% (GST inclusive), then they would receive:

	Year 1		Year 2	
Investment amount		\$100,000		\$105,000
Upfront Commission	1%	\$1,000	-	-
Ongoing Commission	0.25%	\$250	0.25%	\$262.50
Total Commission each year		\$1,250		\$262.50

Assume you take **insurance** with an annual premium of \$2,000 in the first year, increasing to \$2,200 in the second year.

If your adviser received an up-front commission of 130% and an ongoing commission of 11%, then they would receive:

	Year 1		Year 2	
Premium		\$2,000		\$2,200
Upfront Commission	130%	\$2,600	-	-
Ongoing Commission	-	-	11%	\$242

Where these commissions can be negotiated your adviser will agree with you the amount of up-front and ongoing commissions. These will also be set out in your advice document.

Who else might benefit?

BUSINESS ARRANGEMENTS

Fitzpatrick's Private Wealth and its associates currently have business arrangements in place with:

- Colonial First State Group
- Macquarie Group
- Westpac Group (BT and Asgard)
- IOOF Group

Under the arrangements Fitzpatrick's Private Wealth and its associates may receive commissions and/or other benefits from these entities and we may pay these to others (such as advisers or staff).

Like commissions payable to your adviser, these payments vary in structure. They could be for example a fixed fee for us when a product is recommended by an adviser, a percentage based on the amount invested or the annual premium for a product or based on all of a provider's products across all our clients.

EXAMPLE:

Assume all advisers had placed \$1 million of investments as at the end of the year in the managed funds and insurance policies of XYZ Banking Group, we may then have an agreement with them that we receive 0.5% of this, which is \$5,000.

Where any of these other benefits are relevant to the provision of financial services to you, they will be detailed in the advice document.

Fitzpatrick's Private Wealth and our advisers and/or their respective families, companies and trusts may also have an interest in any of the investments or securities included in your portfolio.

ASSOCIATED PARTIES

FTZ Pty Ltd fully owns Fitzpatrick's Private Wealth Pty Ltd and Atrium Investment Management Pty Ltd (Atrium), collectively referred to as The Fitzpatrick's Group. The Fitzpatrick's Group has established investment opportunities including the Managed Discretionary Account Service, Access SRA Funds, Atrium Products, and selected mandated fund structures within the MDA. External and related parties may be used to operate these funds and perform specialist functions. Should there be profit from these operations after paying specialist service providers and staff, the Fitzpatrick's Group is entitled to retain this.

Your adviser is under no obligation to recommend the Managed Discretionary Account or any particular financial product, whether considered in-house or external. Your adviser is obligated to provide financial product advice that is in your best interests, which may mean, or not mean, recommending certain financial products.

Are fees paid for referrals?

Where you have been referred and we pay a fee or commission in relation to that referral to another party, it will be disclosed to you. This includes any remuneration Fitzpatricks Private Wealth may receive for referring you to another party.

Fees for our portfolio administration services

These are discussed in Part 1A of this FSG, should you wish to use this.

Other benefits

Our officers receive salaries and may receive bonuses based on a range of qualitative and quantitative performance measures, and other benefits from us.

Fitzpatricks Private Wealth and/or your adviser may accept alternative forms of remuneration such as marketing and training assistance or gift vouchers under \$300 of value. These are recorded in a Register which meets the Financial Planning Association Code of Practice on alternative forms of remuneration. This register is publicly available and Fitzpatricks Private Wealth or your adviser can provide you with a copy at your request.

WHAT ELSE SHOULD YOU UNDERSTAND?

Services not provided by Fitzpatricks Private Wealth

Services your adviser is authorised to provide are detailed in Part 2 of the FSG. Your adviser may provide other services not authorised by Fitzpatricks Private Wealth (that is, authorised by someone else). You should understand that Fitzpatricks Private Wealth is not responsible for any of these services nor does Fitzpatricks Private Wealth train, support or supervise your adviser in providing these other services.

Reviews

Your adviser may recommend an ongoing – engagement arrangement with you to review the advice provided and we strongly recommend you do this. Likewise, you should contact your adviser when your circumstances change.

Your adviser cannot promise that the recommended strategy and your investments remain suitable for you over time or that there are not more suitable investments available over time.

Professional Indemnity Insurance

Fitzpatricks Private Wealth holds a professional indemnity insurance policy, which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act. Subject to its terms and conditions, the policy generally provides cover for civil liability resulting from third party claims concerning the professional services provided by Fitzpatricks Private Wealth, its employees and its representatives. This policy covers professional services provided by employees and representatives of Fitzpatricks Private Wealth past and present.

Complaints

Please contact your adviser and tell your adviser about your complaint.

Alternatively you may wish to contact Fitzpatrick's Private Wealth's Compliance Manager. Please put your complaint in writing and forward it to:

Post: Fitzpatrick's Private Wealth Pty Ltd
PO Box 356
Coolangatta QLD 4225

Telephone: (07) 5589 1900

If you are dissatisfied with the response, you may raise the matter directly with the Financial Ombudsman Service (**FOS**). FOS is an independent industry dispute resolution service that may be contacted if you have a complaint that is not satisfied within 45 days of raising it. FOS's contact details are:

Telephone: 1300 78 08 08
Email: info@fos.org.au
Web: fos.org.au
Post: Financial Ombudsman Service
GPO Box 3
Melbourne, VIC 3001

There are some complaints which FOS is unable to deal with and FOS will inform you if they are not able to deal with your complaint.

Privacy

Our privacy policy explains our commitment to the protection of your personal information. We and our advisers treat all personal information which you provide to us in confidence and will not disclose it to anyone other than for the purpose of fulfilling your instructions or as law requires. To view our Privacy Policy please visit www.fitz.com.au.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

Fitzpatrick's as a reportable entity under the AML / CTF Act is committed to ensuring the financial services we provide are not assisting money laundering or terrorism financing practices. Under the Act we are required to implement client identification processes. This means we will ask you to present identification documents (i.e. passport, driver's licence) in order to meet this obligation. We will also retain copies of this information and assure you that this information will be held securely.

Questions?

Speak to your adviser in the first instance. More information about Fitzpatrick's Private Wealth can be found at our website www.fitz.com.au. Our contact details are:

Fitzpatrick's Private Wealth Pty Ltd

ABN 33 093 667 595

Australian Financial Services Licence No 247429

Telephone: 02 9248 8000

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Office: Level 5, Challis House, 4 Martin Place, Sydney NSW 2000

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1A

PORTFOLIO ADMINISTRATION SERVICE

FITZPATRICKS PORTFOLIO ADMINISTRATION SERVICE

Part 1A is only relevant where you choose to invest via our portfolio administration service. Your adviser will determine whether this service is appropriate for you and provide a recommendation to you within a Statement of Advice. For existing clients invested via the Fitzpatricks portfolio administration service, these terms will apply from the date of this FSG.

Saving you time

We understand how valuable your time is.

For many clients, finding the time to deal with a trusted financial adviser on an ongoing basis, even on important matters, is not easy.

Our portfolio administration service allows clients to agree to some rules with their adviser, let their adviser take care of the paperwork, let us take care of the asset management, and be confident that they will receive regular reports on their portfolio.

Fitzpatricks portfolio administration service is designed to take the load off you.

The portfolio administration service allows Fitzpatricks Private Wealth to manage your portfolio at its discretion, based on the agreed Investment Program.

For those clients who choose our portfolio administration service, they provide Fitzpatricks Private Wealth and their adviser with the ability to act quickly and decisively without the time required to refer to the client for instructions each and every time an investment is made or redeemed.

With this service you essentially choose to outsource investment decisions to an experienced investment team who then manages your portfolio in accordance with the stipulated mandate - your Investment Program.

Your adviser will assess the suitability of the portfolio administration service before this is offered and the details regarding its suitability will be stated in the advice document provided to you.

The terms of the portfolio administration service are set out in this document.

It is important to note if your assets are currently held by FirstWrap (formerly known as Avanteos) the contractual terms for this portfolio administration service are contained in a separate contract document and are separate to the terms provided here.

About the Investment Program

Your adviser decides which types of investments are available to form part of your portfolio, and communicates this via the Investment Program. Fitzpatricks Private Wealth manages these securities on your behalf with assistance from members of the Fitzpatricks Group.

The Investment Program is tailored for you by your adviser, based on their assessment of your personal objectives, financial situation and needs.

Your adviser will be responsible for the regular review of your Investment Program as set out in this document. In management of the portfolio we act in accordance with reasonable market practice, applying reasonable market techniques. We have the skill, facilities, capacity and staff necessary to do this. Of course, we keep proper records of all transactions relating to your portfolio. We may use others to assist us provided we use reasonable care in selecting them.

Market movements can cause the Investment Program to be breached and we re-align the portfolio as soon as is practicable taking into consideration the risk and return characteristics of your portfolio.

How do you pay for investments?

Your adviser will discuss this with you and full details will be explained to you in your advice document.

A cash account will be used to collect any income from your investments, as well as the proceeds when we sell investments. We also withdraw money from this account to pay for your investments and also to pay fees and expenses relating to the service.

Reporting

We will provide you with reports on your portfolio, including an annual report, as required under the Corporations Act. If you have chosen to invest through a master trust or wrap account, you will receive reports from them as well.

Reports are generally available on our website and we will provide you with password access for matters relating to you. Visit www.fitz.com.au and follow the link to our secure client login page. Reports will be mailed if you prefer - ask your adviser to arrange this.

We take reasonable steps to ensure that reports are complete and accurate in all material respects.

What about corporate actions?

Communications about particular investments are sent to us. Generally, we would take care of it for you if no new financial decision was needed (for example, to pay a call on an investment already in your portfolio).

We do not generally seek instructions for corporate actions such as voting at annual general meetings. We can act or not act on these as we decide. Corporate actions (such as dividends and rights issues) will be managed by Fitzpatrick's Private Wealth in a manner consistent with the same securities that we manage for other clients.

What are your obligations?

It is important you contact and inform your adviser of any significant changes to your personal circumstances. It is equally important you are available at each scheduled review with your adviser to ensure the MDA service and your Investment Program remain suitable for you. The current legislation requires your adviser to obtain your acceptance, in writing, to continue with the engagement of your adviser to provide financial services such as ongoing advice in relation to the MDA. If you refuse to provide this acceptance when requested we will have the discretion of terminating the MDA service. Please refer to the section titled 'Terminating the service' for further details.

We will generally manage your investments to make sure that there are sufficient funds in your cash account to pay for your investments - including the initial cost of investments we buy and any other moneys which might become payable (e.g. a margin call), as well as to pay any Fitzpatrick's Private Wealth fees. You indemnify us for these things and for any breach of this agreement.

Fees and costs of the Portfolio Administration Service

The fees for the Portfolio Administration Service are split into two components. These are:

- Portfolio Administration Fees, and
- Investment Management Fees.

Please note you may incur other fees relating to your account including brokerage payable to the broker where direct equities are used, and buy/sell spreads applicable to managed funds.

Portfolio Administration Fees

Portfolio Administration fees are paid for the administration of your account. Each account within our service will be charged an annual account keeping fee of \$302.50 per annum including GST, charged in equal monthly instalments.

In addition to this, the sliding fee scale below will apply to the balance in your account and is charged monthly in arrears based on the average value of your investment portfolio during the month:

From	To	Fee including GST
\$ -	\$500,000	0.40% per annum
\$ 500,001	\$1,250,000	0.25% per annum
\$ 1,250,001	\$2,500,000	0.10% per annum
\$ 2,500,001		0.00% per annum

We have the ability to group associated entities and accounts together so that the sliding scale will be levied upon the cumulative balances. Discuss this with your adviser who can explain in further detail.

Investment Management Fees

Investment Management fees are based on your actual portfolio composition and are paid for the selection and management of the investments in your portfolio.

Fee	Rate including GST
Direct Securities Fee	0.88% per annum
Fee on Associated Managed Funds	0.00% per annum
Fee on Unrelated Managed Funds	0.55% per annum
Term Deposits	0.00% per annum
Personal Portfolio Securities and Managed Funds Fee	0.00% per annum
Cash Fee (in discretionary portfolios)	0.33% per annum

Direct Securities are those (generally listed) shares held by you.

Associated managed funds are those in which a member of the Fitzpatricks Group has an interest such as Access SRA funds and Atrium Products (for example, where Atrium is the investment manager). Mandated funds that a member of the Fitzpatricks group (for example, Atrium) has established, and/or where the Fitzpatricks Group is responsible for selecting and monitoring the relevant fund(s) for the portfolio administration service, are treated as Unrelated managed funds. Unrelated managed funds are those which are not included in Associated managed funds and generally, Atrium is not the investment manager for Unrelated managed funds.

EXAMPLE:

Assume your account balance at the end of December is \$1,250,000 and that you joined the service at the beginning of January, with an average monthly balance of \$1,250,000 in your portfolio made up of \$400,000 in Direct Securities, \$400,000 in Associated managed funds, \$300,000 in Unrelated managed funds and \$150,000 in cash, there was no trading during the year and the value was constant, then the cost including GST would be:

Fee Type	Fee	Per annum	Per month (30 days)
Portfolio Administration	Fixed annual account fee	\$302.50	\$25.21
Portfolio Administration	Tiered annual account fee	\$3,875.00	\$318.49
Investment Management	Direct Securities Fee	\$3,520.00	\$289.32
Investment Management	Associated Managed Funds	\$0.00	\$0.00
Investment Management	Unrelated Managed Funds	\$1,650.00	\$135.62
Investment Management	Cash	\$495.00	\$40.68
Total		\$9,842.50	\$809.32

Both the portfolio administration and investment management fees are calculated on a monthly basis on the average daily balance of your account for the month and fees and expenses are debited to your account in the following month.

What else do you need to know?

The portfolio administration service is regulated as a Managed Discretionary Account (**MDA**) under policy and class orders issued by ASIC. We have ensured that this FSG complies with relevant requirements. ASIC does not take responsibility for this agreement, but does require us to comply with certain obligations being to:

- act honestly in providing the service to you under this agreement, and exercise the degree of care and diligence that a reasonable person would exercise if they were in our position in providing the service to you,
- act in your best interests in providing the service to you and, if there is a conflict between our interests and yours, give priority to yours, and not use information which we have through providing the service to you to gain an improper advantage for us or any other person or to cause detriment to you, and
- comply with the conditions of the relevant class order, the Investment Program (unless otherwise agreed in writing by you), and our FSG, and compensate you for any loss you suffer because of any act or omission due to any agent or other person engaged by us in connection with the service as if their acts or omissions were ours.

Your Investment Program is designed to comply with Division 3 of Part 7.7 of the Corporations Act and in your Statement of Advice you will find:

- statements about the nature and scope of the discretions we, as the operator of the service, are authorised and required to exercise under our agreement with you and the Investment Program or strategy that we follow,

- information about risks associated with the service,
- the basis on which your adviser considers this service to be suitable for you,
- warnings that our MDA contract with you may not be suitable for you if you have provided limited or inaccurate information relating to your relevant personal circumstances and may cease to be suitable if your relevant personal circumstances change.

We will review the suitability of the service for you at least each 12 months – generally at your annual review.

Who holds the assets?

To make reporting to you easier, we may hold the assets in our name but we have arranged for a professional custodian to perform this service for us.

Custody terms applicable to your managed discretionary account (MDA)

The following provisions (**Provisions**) apply to your investment with Fitzpatrick's Private Wealth, on and from 1 November 2015. The Provisions relate to Fitzpatrick's Private Wealth's arrangements for holding the assets (**custodial property**) you have invested under the MDA (**MDA agreement**). We confirm as at the date of this document National Australia Bank Limited (ABN 12 004 044 937 of Level 12, 500 Bourke Street, Melbourne, Victoria 3000) is the professional custodian of custodial property (**professional custodian**) appointed by Fitzpatrick's.

PROVISIONS

1. Fitzpatrick's Private Wealth will acknowledge to you, on request, the manner in which it may hold the custodial property and any arrangements for the appointment of another person to hold custodial property (e.g. professional custodian).
2. You may instruct Fitzpatrick's Private Wealth in relation to your MDA as provided for in the MDA agreement.
3. Fitzpatrick's Private Wealth is liable to you if there is a loss to your custodial property due to a failure by us or a person (e.g. professional custodian or sub-custodian). Fitzpatrick's Private Wealth directly or indirectly engages to hold custodial property, in which you have a beneficial interest, to comply with the duties under the custody agreement or other agreement relating to holding the custodial property or to observe reasonable standards generally applied by providers of custodial or depository services for holding the property held. Fitzpatrick's Private Wealth may limit its liability resulting from the failure of a person (e.g. professional custodian or sub-custodian) it has directly or indirectly engaged if that person is insolvent and Fitzpatrick's Private Wealth has not failed to take reasonable care in engaging and monitoring compliance by that person.
4. Fitzpatrick's Private Wealth is prohibited from taking or granting a charge, mortgage, lien or other encumbrance over, or in relation to, the assets held under the arrangement unless it is:
 - a. for expenses and outlays made within the terms of the MDA agreement other than any unpaid fees of Fitzpatrick's; or
 - b. in accordance with your written instructions.
5. Fitzpatrick's Private Wealth arranges for proper records relating to your MDA, including in relation to transactions, custodial property, and relevant authorisations. These records will be made available to you on request. Fitzpatrick's Private Wealth may procure others to assist with records provided reasonable care is used in selecting them.
6. Fitzpatrick's Private Wealth will apply verification procedures for the appropriately frequent reconciliation and checking of your custodial property.
7. Fitzpatrick's Private Wealth will arrange reporting to you in relation to your custodial property.
8. Where practicable before arranging for the custodial property to be held by another person (e.g. professional custodian or sub-custodian) and in any event before the assets are held by the other person, except in exceptional circumstances identified in the agreement, Fitzpatrick's Private Wealth will provide you with written notice of the identity of, and contact details of, the other person.

9. Termination of your MDA is provided for in the MDA agreement and on termination, subject to any lien in accordance with the MDA agreement or your written instructions, the custodial property must be transferred to you or otherwise be transferred as the client lawfully directs within a reasonable time, subject to the circumstances of the custodial property.
10. Fitzpatricks Private Wealth has and must maintain adequate arrangements to enable it to provide the services under the agreement in any contingency for which it should reasonably plan.
11. Fitzpatricks Private Wealth will keep any information of a confidential nature in confidence, apart from any disclosure to the Australian Securities and Investment Commission or as permitted by law or by you.

Terminating the service

Either of us can terminate the MDA agreement at any time by giving the other 5 business days' notice in writing (simply write, fax or email your adviser). After termination, we will keep administering your portfolio for so long as it takes to realise the investments and pay the net proceeds to you. We will realise assets in your portfolio as soon as is practicable. Depending on the types of investment in your portfolio and other factors, this may take up to 3 months or longer. If there are investments which are illiquid, for example real estate or fixed term investments, then it could take a long time to realise them or extra costs may be incurred. We may be able to transfer assets to you or to a new administration platform provider but it may not always be possible or practicable to do so - speak to your adviser about this. There may also be certain assets which are unable to be transferred, in which case we will realise them as soon as is practicable and pay you the proceeds. The usual fees and relevant expenses are payable through this period.

About terms of the service and this FSG

You must first confirm with us that you wish to use the service - your adviser will have a form you can sign.

We can change our agreement with you about the service, by reasonable notice to you – generally at least 14 days. We would normally send you the new terms and give you the opportunity to cease the service if you wish.

This agreement is governed by the laws in force in Queensland from time to time and we both submit to the non-exclusive jurisdiction of the courts there. We can assign our rights under this agreement (on notification to you), but you may not. In these terms, a reference to “you” means each person to whom we provide the service.

What about risks in the Portfolio Administration Service?

All investing involves risk.

It is important that you understand the risks associated with any investment or investment strategy which we recommend. Your adviser will discuss risks with you. If these are still not clear, you should ask for further explanation.

Generally, all investments are subject to varying risks and can fluctuate in value, that is, you can experience investment gains or investment losses.

Changes in value can be significant and can happen quickly. Different types of investments perform differently at different times and have different risk characteristics and volatility. These are some of the reasons why you should consider investing in a diversified portfolio.

Risks which are commonly associated with investments include:

- risk particular to an investment
for example, management changes

- risk in the market generally
for example, there is a war
- interest rate and currency movement risk and
- instrument risk
for example, derivatives risks

There are also risks associated with the operation of the portfolio administration service itself including:

- making changes to your investments without prior consultation,
- not having day-to-day control of your investments.

The risk of failure of Fitzpatricks Private Wealth operating system(s) and that of Fitzpatricks Private Wealth service providers in relation to the appropriate recording of your investments and transactions performed on your behalf may also be possible.

The reliance on the skills, competence and ability of Fitzpatricks Private Wealth and that of our service providers to successfully manage your portfolio to achieve your investment goals is considered a risk. The loss of key personnel is also considered a risk. We have systems designed to be adequate which are directed at risks associated with the operation of the portfolio administration service.

What about tax?

Tax is a fact of life for almost everyone. Buying and selling investments has tax consequences whether you invest yourself or use our portfolio administration service and we recommend you seek professional tax advice.

FINANCIAL SERVICES GUIDE (FSG)



PART 2

1st October 2016

This document is part of a Financial Services Guide and should be read in conjunction with Part 1.

Affinitas Capital Pty Ltd
ABN 37 603 491 247

Corporate Authorised Representative (No. 473022)
of Fitzpatricks Private Wealth Pty Ltd
ABN 33 093 667 595 AFSL 247429.

www.fitz.com.au

ABOUT AFFINITAS CAPITAL PTY LTD

John Purl (Authorised Representative number 473023) is an Authorised Representative of Fitzpatricks Private Wealth Pty Ltd and director of Affinitas Capital Pty Ltd. As a Director, John Purl receives distributions of profit from Affinitas Capital Pty Ltd.

John Purl holds:

- Diploma of Financial Services (Financial Planning)
- Advanced Diploma of Financial Services (Financial Planning)
- ASX Listed Products Accredited (Advanced Equities)
- Bachelor of Commerce
- Self Managed Superannuation Fund Accreditation
- Margin Lending Accreditation
- Advanced Diploma of Accounting

John is a member of the Financial Planning Association of Australia Limited and has extensive experience in the financial planning industry. John has spent over twelve years in the Financial Advisory industry, offering assistance and direct advice to individual clients and families, as well as small and large business clients. Prior to Fitzpatricks Private Wealth, John was a Financial (Wealth) Adviser at Commonwealth Private Bank, offering personalised advice to high net wealth individuals and families.

Our advisers are authorised to provide advice in all areas licensed by Fitzpatricks Private Wealth.

OUR ADVICE PROCESS

This will begin with initial meetings with you. It is important for you to understand that the discussions in our initial meetings are of a general nature only. This means you should not act or make any decisions until you receive personal advice. You will only receive personal advice after a thorough investigation into your personal and financial situation, needs and objectives and viable options have been analysed.

The purpose of the initial meetings is for us to assess if your objectives and needs can be met by our professional services. The discussions will also help you to determine if you wish to engage our services to assist you to achieve your objectives.

OUR FEES AND CHARGES

We will discuss and agree with you the amount and method of payment before our engagement and the supply of any services to you.

As a result of performing services for you, we may either decide to charge a fee for service or receive commissions, or a combination of both.

Fees for our Private Wealth Program

Our Private Wealth Program is a six step process that has your interest, goals and life aspirations at its heart. One of its most valuable outcomes is delivering a comprehensive financial road map, actions plans, and guidance to help you achieve your lifestyle and financial goals.

The fee for our Private Wealth Program is calculated based on your individual needs and agenda as well as the financial services provided. The minimum fee for this service is \$15,000 per annum including GST, this equates to a monthly fee of \$1,250 including GST. Before commencing work for you, we will provide you with an Engagement Agreement which will confirm the fees charged for our services under this program.

Fees for other Services

We also offer a range of other initial and ongoing services outside the Private Wealth Program which would be tailored to your individual needs. The fees for these services will vary depending on your individual needs and requirements. Before commencing work for you, we will provide you with an Engagement Agreement which will confirm the fees charged for our services.

Any advice or work carried out by other professionals, after consultation and agreement with you, will be separately invoiced to you by that other professional.

Advice Fees for our Investment Service

Our Investment Service is the approach we use to manage clients' capital which may encompass the use of a Managed Discretionary Account when investing into the Fitzpatrick's Portfolio Administration Service or other investment service or products. This may include Wrap platforms, online trading accounts, managed funds, direct equities, exchange traded funds (ETF's), cash and fixed interest.

Statement of Advice fee

We may charge a Statement of Advice preparation fee to cover the cost of producing the advice and implementation of this advice. The fees charged will vary depending on the level and complexity of work involved. This fee, if applicable, is a minimum of \$880 including GST.

Ongoing Advice fee

Ongoing Advice fees may be in addition to Private Wealth Program fees (if applicable). When investing in the Fitzpatricks' Portfolio Administration Service (which is outlined in Part 1A of this FSG) these fees are payable for our part in the active management and monitoring of your portfolio's position. This is done on a continual basis rather than a set and review methodology when investing in the Fitzpatricks' Portfolio Administration Service. The fees that Fitzpatricks Private Wealth charge for their role in this service are outlined in Part 1A of this FSG.

For the provision of ongoing advice to clients we charged a fixed fee (excluding any product costs). This fixed fee provides clarity to clients as opposed to an ongoing percentage of funds invested. The minimum fee per annum is \$3,300 including GST.

This fee can be deducted from an investments cash account, typically monthly in arrears, or if the client chooses so, can be paid upfront in full upon agreeing to proceed.

Should there be an investment into direct equities (listed investments) involving the use of a broker, Affinitas Capital Pty Ltd will charge a minimum brokerage fee of \$33 per trade.

The specific fees for the investment product/s recommended will be disclosed in the Statement of Advice provided to you.

Insurance Service

We may receive upfront and trailing commissions from the product provider when we provide you with recommendations in relation to insurance. The way that commissions are calculated varies and is often a percentage of the annual premium. For further information regarding commissions please refer to Part 1 of this FSG. The type and amount of commissions received will be detailed in your Advice document.

FURTHER INFORMATION

To discuss our services or for further information, please contact John Purl/Affinitas Capital Pty Ltd at:

Affinitas Capital Pty Ltd

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