



## STERLING PRIVATE WEALTH Financial Services Guide

**Version:** 1 October 2018

### **Licensee:**

Sterling Private Pty Ltd (AFSL 490523)

This Financial Services Guide (FSG) is authorised for distribution by Sterling Private Pty Ltd

### **Authorised Representatives:**

- McAllister Private Wealth Pty Ltd ATF the McAllister Family Trust trading as Sterling Private Wealth (CAR 400535)
- Cameron McAllister (AR 400534)
- Procurar Investment Management Pty Ltd (CAR 001258311)

### **Contact Details**

Sterling Private  
Wealth Level 4, 448  
St Kilda Rd  
Melbourne VIC 3004  
Ph 03 9975 7200

## **Why am I receiving this document?**

This Financial Services Guide (FSG) will help you decide whether to use the services that are offered by Sterling Private Wealth and Cameron McAllister.

It contains information about:

- The services we offer and their cost
- Any conflicts of interest which may impact the services
- How we are remunerated

- How we deal with complaints if you are not satisfied with our services.

In this document 'we' or 'us' refers to McAllister Private Wealth Pty Ltd, Procurar Investment Management Pty Ltd and Cameron McAllister.

## **Sterling Private Pty Ltd**

Sterling Private Pty Ltd holds an Australian Financial Services Licence (490523) which has been issued by the Australian Securities and Investments Commission (ASIC).

Sterling Private Pty Ltd is required to comply with the obligations of the Corporations Act and the conditions of its licence. This includes the need to have adequate compensation arrangements in place with a Professional Indemnity insurer for the financial services that we provide.

## **Associated Businesses**

Cameron McAllister is a director of Procurar Investment Management Pty Ltd and a Director of Sterling Private Pty Ltd.

Sterling Private Pty Ltd owns 100% of the shares in Procurar Investment Management Pty Ltd.

McAllister Private Wealth Pty Ltd ATF the McAllister Family Trust holds shares in Sterling Private Wealth.

Cameron McAllister is a beneficiary of The McAllister Family Trust.

## **Sterling Private Wealth and Your Financial Adviser**

McAllister Private Wealth Pty Ltd ATF the McAllister Family Trust and Cameron McAllister have been appointed as Authorised Representatives of Sterling Private Pty Ltd.

When providing services to you we will act on behalf of Sterling Private Pty Ltd who is responsible for the services that we provide.

## What services do we provide?

We are authorised to provide personal advice and dealing services in the following areas:

- Superannuation and SMSF
- Retirement planning
- Portfolio Management
- Personal risk insurance
- Managed investments
- Securities (direct shares)
- Derivatives
- Margin Lending facilities
- Managed Discretionary Accounts

## The financial advice process

We recognise that the objectives and personal circumstances of each client are different.

What is right for one client may not be right for another.

Where we provide personal advice, we will listen to you to understand your objectives and circumstances. We will also ask questions to make sure we address all issues.

When we first provide personal advice to you it will be explained thoroughly and documented in a Statement of Advice (SoA) which you can take away and read.

The SoA will explain the basis for our advice, the main risks associated with the advice, the cost to you of implementing the advice, the benefits we receive and any conflicts of interest which may influence the advice.

For managed funds and personal risk insurance we will provide you with a

Product Disclosure Statement. This contains information to help you understand the product being recommended.

At all times you are able to contact us and ask questions about our advice and the products we have recommended.

You can provide instructions to us in writing, via phone or via email/fax.

We may provide further advice to you to keep your plan up to date for changes in your circumstances, changes in the law and changes in the economy and products.

If we provide further advice it will typically be documented in a Record of Advice which we retain on file. You can request a copy of the RoA document at any time up to 7 years after the advice is provided.

## Fees

All fees are payable to Sterling Private Pty Ltd.

The fees received by Sterling Private Pty Ltd are forwarded through to the McAllister Family Trust. Cameron McAllister is a beneficiary of the McAllister Family Trust.

### Plan Preparation Fee

The Plan Preparation fee includes all meetings with you, the time we take to determine our advice and the production of the SoA.

The Plan Preparation fee is based on the scope and complexity of advice provided to you. We will agree the fee with you at our first meeting.

### Plan Implementation Fee

If you decide to proceed with our advice we may charge a fee for the time we spend assisting you with implementation. We will let you know what the fee will be in the SoA.

### Ongoing Services Fees

Once your investments are established we will typically provide you with ongoing advice services.

Ongoing fees will depend on what ongoing service we provide to you. They are typically a percentage of your portfolio value, an agreed fixed fee which is paid monthly or a percentage of the transaction value.

A separate ongoing advice fee is charged by Procurar Investment Management Pty Ltd if you invest in the Procurar Managed Account. This fee is 0.15% per annum ( exclusive of GST) of your account balance.

For example, if you invest \$100,000 into the Procurar Managed Account, \$150 per annum (exclusive of GST) will be deducted.

The services and fees will be set out in the SoA or RoA that we provide to you.

## Commissions

We receive commissions and other benefits from some product and service providers.

The commission will vary depending on the product or service which is recommended. You will be advised of the exact amount in the SoA or RoA.

### Insurance Commissions

If we recommend that you acquire a personal or business life insurance product, and you acquire that product, we will receive initial and ongoing commissions.

The initial commission is paid in the first year by the product issuer to Sterling Private Pty Ltd.

Ongoing commissions are payments paid by product issuers to Sterling Private Pty Ltd in the years after the first year.

If you initiate an increase to your cover, we may receive initial and ongoing commissions on the increase to your policy cost. The ongoing commission on a client-initiated increase is only paid in respect of the period

that starts from the first anniversary of the increase.

If the initial commission is higher than the ongoing commissions, the maximum commission that we may receive is set out in the table below.

Date a new product is issued	Initial commission (% of annual policy cost or increase incl. GST)	Ongoing commission p.a. (% of annual policy cost or increase incl. GST)
Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 – 121%	0 – 33%
1 January 2018 – 31 December 2018*	0 – 88%	0 – 22%
1 January 2019 – 31 December 2019*	0 – 66%	0 – 22%
From 1 January 2020*	0 – 66%	0 – 22%

\*Sterling Private Wealth may receive the pre 1 January 2018 commission rates above from the product issuer if:

- Your policy was issued before 1 January 2018 and you exercise an option to establish new or additional cover under your policy after 1 January; or
- Your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct and administrative error.

Example :

You have an existing policy with us, issued in 2017, and in 2018 you decide to increase the cover on that policy with a corresponding increase in policy cost of \$100 pa. We may receive up to \$121 (121% incl. GST) as initial commission on that increase and may pass up to \$121 pa to us.

The ongoing commission payable to us in respect of this increased policy cost may be up to \$33 (33% incl. GST).

Or, we recommend an insurance product to you and it is issued on 2 April 2018. The first year's insurance premium is \$10,000, the commission will generally be no more than \$8,800 (88% incl. GST).

In subsequent years with this example the commissions will be between \$0 to \$2,200 (22% incl. GST).

If the initial commission is equal to the ongoing commissions (as a percentage of your policy cost), we may receive up to 35% (incl. GST) of your annual policy cost.

This percentage may differ depending on the product issuer and the individual insurance contract. This will be discussed and disclosed in writing with you before you proceed.

### **Legacy Investment Commissions**

We may receive a commission payment from some investment providers where the product was purchased prior to 1st July 2013.

This will be based on your account balance and will continue to be paid for as long as you hold the investment. This fee will not usually exceed 0.5% of your account per annum. For example, if you have \$10,000 invested, we may receive a commission of up to \$500 per annum.

### **Placement Fees**

We may receive one-off placement fees where you invest in some listed investments (eg bank issued hybrids and IPO's). These will be paid by the issuer of the investment and will typically be a set percentage of the investment amount.

### **Fees we pay referrers**

If you have been referred to us by a person or company outside Sterling Private Pty Ltd, we may pay the referrer a fee. Likewise, if we refer you to a person or company outside Sterling Private Pty Ltd we may receive a referrer fee.

### **Other Benefits**

From time to time we may accept alternative forms of remuneration from product providers or other parties, such as hospitality or support connected with our professional development (e.g. training or sponsorship to attend

conferences). We maintain a register detailing any benefit we receive which is valued at between \$100 and \$300 and other benefits that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes. A copy of the register is available on request.

## **Professional Indemnity Insurance**

Sterling Private Pty Ltd is required to comply with the obligations of the Corporations Act and the conditions of its licence. This includes the need to have adequate compensation arrangements in place with a Professional Indemnity insurer. These arrangements satisfy the requirements of Section 912B of the Corporations Act.

## **Conflicts of Interest**

Sterling Private Wealth has negotiated a fee discount for the BT Panorama and Wrap platforms.

Your financial adviser may recommend investments in shares that they hold or may hold in the future. You will be advised where a conflict of interest may exist and how the conflict will be managed.

Procurar is paid a fee for providing the Managed accounts. This fee is shared between Procurar to cover costs related to the provision of such portfolios and to your advisor in relation to advice provided in respect of that portfolio.

### **Investment Commissions**

We may receive a monthly commission payment from some investment providers.

This will be based on your account balance and will continue to be paid for as long as you hold the investment.

### **Placement Fees**

We may receive one-off placement fees where you invest in some listed investments (eg bank issued hybrids and IPO's). These will be paid by the issuer of the investment and will typically be a set % of the investment amount.

## Licensee Commission

Some product providers may pay Sterling Private Pty Ltd an additional licensee commission. This is based on the total funds invested in their products or the total insurance premiums for their policies across all practices operating under Sterling Private.

## Professional Indemnity Insurance

Sterling Private Pty Ltd is required to comply with the obligations of the Corporations Act and the conditions of its licence. This includes the need to have adequate compensation arrangements in place with a Professional Indemnity insurer. These arrangements satisfy the requirements of Section 912B of the Corporations Act.

## Associated Businesses

Cameron McAllister is a director of Sterling Private Pty Ltd.

McAllister Private Wealth Pty Ltd ATF the McAllister Family Trust holds an equity interest in Sterling Private Pty Ltd. Cameron McAllister is a beneficiary of the McAllister Family Trust.

## Conflicts of Interest

Your financial adviser may recommend investments in shares that they hold or may hold in the future. You will be advised where a conflict of interest may exist and how the conflict will be managed.

## Making a Complaint

We endeavour to provide you with the best advice and service at all times and will seek to resolve your concern within 21 days.

If you are not satisfied with our services then we encourage you to contact us. Please call us or put your complaint in writing to Sterling Private Pty Ltd.

C/O – Mr David Murray  
4/448 St Kilda Rd  
Melbourne VIC 3004  
[Dmurray@sterlingprivate.com.au](mailto:Dmurray@sterlingprivate.com.au)

If you are not satisfied with our response you can refer it to the Financial Ombudsman Service until 31<sup>st</sup> of October 2018 You can contact FOS on 1300 780 808. This service is provided to you free of charge.

You can contact FOS as follows  
GPO Box 3  
Melbourne Victoria 3001  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)  
Phone: 1300 780 808

From 1 November 2018, a new external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA) will replace FOS. For complaints lodged on or after 1 November 2018 please contact AFCA in the following ways:

**Writing to:**  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

**Email:**  
[info@afca.org.au](mailto:info@afca.org.au)

**Website:**  
[www.afca.org.au](http://www.afca.org.au)

**Phone:**  
1800 931 678

## Your Privacy

We are committed to protecting your privacy.

We have a Privacy Policy which sets out how we collect, hold, use and disclose your personal information. It also sets out how you can access the information we hold about you, how to have it corrected and how to complain where you are not satisfied with how we have handled your personal information. Our full Privacy Policy is

available on the Sterling Private Wealth website.

[Sterling Private Wealth - Privacy Policy](#)

**SEE OVER FOR INFORMATION ON OUR  
MANAGED DISCRETIONARY ACCOUNT  
SERVICES**

## Managed Discretionary Account Service

The licensee and representatives described in this FSG are licensed and authorised to provide Managed Discretionary Account ('MDA') services. We provide our MDA services in compliance with ASIC Legislative Instrument 2016/968.

We provide Limited MDAs only. That is, we provide and advise on MDAs that hold assets on Regulated Platforms only (e.g. superannuation platforms and investor-directed portfolio services).

When providing MDA services, we outsource asset holding and ongoing transaction reporting to the Regulated Platform operator. Typically, the Regulated Platform operator will outsource custody of the platform's assets to a third party custodian. We only engage with external providers that we consider provide appropriate levels of service, security, flexibility, choice and efficiency at reasonable, competitive prices. We follow our outsourcing policy when appointing outsourced providers. We also regularly review the performance of these providers through formal reviews and our everyday interactions with them.

### MDA Agreement

To receive MDA services from us, you need to first enter an MDA Agreement with us. The MDA Agreement will include an Investment Program that meets:

- the Statement of Advice ('SOA') requirements in Division 3 of Part 7.7 of the *Corporation Act 2001 (Cth)* ('the Act') (these relate to rules around the provision of SOAs and the disclosure requirements); and
- the best interests requirements that apply to personal advice (i.e. Division 2 of Part 7.7A of the Act).

#### The Investment Program will also contain:

- a statement about the nature and scope of the discretions we will be authorised to, and those that we are required to, exercise under the MDA agreement and the investment strategy that is to be applied in exercising those discretions; and
- information about any significant risks associated with the MDA agreement; and
- the basis on which we consider the MDA agreement to be suitable for you; and
- warnings that the MDA agreement may not be suitable for you if you have provided limited or inaccurate information about your relevant personal circumstances and may cease to be suitable if your relevant circumstances change.

We will review the Investment Program at least annually.

### Risks

Using an MDA involves some risks. Significant risks associated with investing through the MDA service include:

- We will make investment decisions on your behalf and arrange transactions on your Regulated Platform without having to seek your authority before every decision or transaction. You need to be comfortable with this;
- Because the MDA gives us discretion to arrange to buy and sell interests in underlying financial products on your behalf, there is a risk that your circumstances change, and the MDA is no longer suitable to you.
- Because we may actively arrange to buy and sell financial products within your Regulated Platform account on your behalf, there is a risk that you will accrue capital gains tax liabilities.

- Because we may exercise discretions in relation to Corporate Actions (so long as they fit within the investment strategy agreed between us), there is a risk that we may make a decision that is different to one you would have made. Corporate Actions typically relate to share investments and include actions taken by companies affecting their capital structure, including mergers, acquisitions, bonus issues, dividends, interest, and ASX code changes.
- the operator of the Regulated Platform, or a custodian they appoint, will be the legal owner of your investments, not you. Your investments are held on trust for you as beneficial owner (note that We do not hold any legal or beneficial interest in Your investments);
- there can be different tax treatments and consequences when investing into pooled funds via a Regulated Platform. Also, sometimes it is not possible to invest or redeem interests in pooled funds as quickly as you could with direct investments;
- Our acts are binding on you provided we act within the terms of this agreement. You will not be able to claim that we were not acting on your behalf.

You may instruct us in writing (email or letter) on investment changes to your Regulated Platform Account. In these situations, we will be acting on your instructions and the changes will not be covered by the MDA service.

The external custodians that are appointed to hold your assets in the Regulated Platforms are:

#### **BT Wrap, BT Wrap Open and BT Panorama**

- BT Portfolio Services Ltd- C/- Westpac Group Secretariat, Westpac Place, Level 18, 275 Kent St NSW 2000
- The Honk Kong and Shanghai Banking Corporation- Company Secretary, Tower1, International Towers Sydney Level 36, 100 Barangaroo Avenue, Sydney NSW,2000.

#### **HUB24**

- HUB24 Custodial Services Ltd, Level 2, 7 Macquarie Place, Sydney NSW 2000
- BNP Paribas Securities Services) Level 6, 60 Castlereagh Street, Sydney NSW 2000
- Ausmaq Limited ,Level 4, 107 Pitt Street, Sydney NSW 2000
- HSBC Bank Australia Limited (ABN 48 006 434 162, AFSL 232595) (HSBC) Level 32 of 580 George Street, Sydney NSW 2000

## **MANAGED DISCRETIONARY ACCOUNT FEES AND COSTS**

We do not charge additional fees to use our MDA services. That is, if we were to invest your monies directly into the relevant Regulated Platform instead of doing so via our MDA service it would cost you the same. All our services are provided under our usual plan preparation, plan implementation and ongoing service fees as disclosed earlier in this FSG. Also, our fees will be described in detail in our Statement of Advice to you.

But of course, because your MDA portfolio assets are invested via a Regulated Platform, costs associated with that platform (including costs associated with underlying fund managers) apply to your MDA investments. All the fees and costs associated with the Regulated Platform and its underlying investment options are disclosed in the relevant product disclosure statement ('PDS') for those products.

However, ASIC Legislative Instrument 2016/968 requires us to make the following fees and costs disclosures notwithstanding that some of the disclosures are not relevant to our MDA services. Where we disclose fees and costs in the following section, these relate to fees for the relevant Regulated Platform your MDA service invests via. In the balanced portfolio example we estimate the costs for investing in a typical balanced portfolio using your MDA. Your portfolio may be different and have different fees. Sterling Private typically recommends one or more of a range of Regulated Platforms. These include BT Wrap and BT Panorama for both investments and superannuation as well as HUB24 IDPS for investments and HUB24 Superannuation.

To ascertain the full costs of investing using our MDA service, it is necessary to understand our advice fees and the fees associated with investing into underlying investment using the Regulated Platform.

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable\*. Ask the Fund or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

*\*The MDA service does not charge contribution fees or management costs. We describe our advice-related fees under Additional Explanation of Fees and Costs.*

#### Fees and Other Costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the assets of the managed investment scheme as a whole.

Taxation information, including information about Goods and Services Tax ('GST') is set out in the relevant Product Disclosure Statement. Unless otherwise stated, fees and other costs disclosed in this section are inclusive of the net effect of GST, if applicable (that is, including any Reduced Input Tax Credits if applicable).

Fees and costs for particular Investment Options are set out in the relevant Product Disclosure Statement.

***Note: the paragraph above, the tables below and associated descriptions are prescribed disclosures. However, note that the Regulated Platforms we use for your MDA each charge different levels and***

*types of fees and costs. And of course, the fees you pay will depend on the investments that make up your MDA from time to time. To get an accurate view of the full cost of investing in a portfolio via a Regulated Platform using the MDA service you should see our Statement of Advice to you that will include all relevant fees associated with our advice and read the PDSs for all products we recommend as well.*

The Sterling Private MDA		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<i>Establishment fee</i> The fee to open your Investment	Nil	Not Applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not Applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not Applicable
<i>Exit fee</i> The fee to close your Investment	Nil	Not Applicable
<b>Management costs</b>		
<i>The fees and costs for managing your investment</i> The amount you pay for specific investment options is shown in the section of the Regulated Platform PDS that describes the fees and costs for each of the investment options and/or the PDS for the investment option itself.	Management costs can include indirect costs, custody costs and amounts payable for investment in the Regulated Platform/managed product itself. Depending what Regulated Platform we hold your MDA through, management costs may be between \$405 and \$782.75 p.a.	Typically monthly in arrears
<b>Service Fees</b>		
<i>Switching fee</i> The fee for changing investment options	The MDA does not charge a switching fee. The Regulated Platform may. It is necessary to read the PDS.	
<i>Advice fee</i> The fee we charge for providing our advice in relation to your MDA.	<i>See under "Additional Explanation of Fees and Costs"</i>	The amount of this fee can be negotiated with your adviser.

#### **Example of annual fees and costs for a balanced investment option**

This table gives an example of how the fees and costs in a typical balanced investment option for a managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

*The fee example is based on using BT Panorama Investments (Full menu) as the Regulated Platform as this is a typical platform we use for providing MDA services. The fees you pay may vary from this example. Also, costs associated with the underlying investment fund/s are additional to the costs below. See under 'Additional Fees and Costs' below for an example that includes the costs of underlying investments as well.*

EXAMPLE – Balanced Investment Option		BALANCE OF \$50,000 WITH CONTRIBUTION OF \$5,000 DURING YEAR <sup>1</sup>
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	\$540 (Administration fee – account based) + 0.15% (Administration fee – asset based) + \$80 (Expense recovery) <sup>2</sup>	And, you will be charged \$695 each year.
<b>EQUALS</b> Cost of Balanced Investment Option		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of:</p> <p style="text-align: right;"><b>\$695.00<sup>3</sup></b></p> <p><b>What it costs you will depend on the Investment Options you choose.<sup>4</sup></b></p> <p><i>(Using this same cost calculation across the different Regulated Platforms we use, the costs range from \$405 to \$782.75 depending on the platform used. Note that the costs examples for superannuation platforms do not calculate the costs based on investing an extra \$5,000 during the year though)</i></p>

<sup>1</sup> This amount is prescribed by legislation for use in this example. The example above assumes that the \$50,000 is invested for the entire year, the value of the investment is consistent over the year and that the additional \$5,000 is invested at the end of the year. Therefore, management costs are calculated using the \$50,000 only.

<sup>2</sup> The exact amount deducted from your account will be confirmed in your annual statement from the platform. This example includes \$80 for expenses the Platform operator recovers for compliance with legislative requirements and paying compulsory government levies.

<sup>3</sup> Additional fees may apply. Refer to 'Additional explanation of fees and costs' below for more information.

<sup>4</sup> You cannot negotiate the Management Costs with the Fund or your adviser. The amount of fees you pay will be affected by fluctuations in your account balance.

### Example of Total Costs

The table below illustrates the combined costs of using our MDA service to invest in the example BlackRock Global Allocation Fund (Aust) – Class D through BT Panorama Investments (Full menu) over a 1 year period, based on the same assumptions as the ‘Example of annual fees and costs for a balanced investment option or other investment option’ set out in the previous section.

EXAMPLE – BlackRock Global Allocation Fund (Aust) – Class D		BALANCE OF \$50,000 WITH CONTRIBUTION OF \$5,000 DURING YEAR <sup>5</sup>
Cost of investing via BT Panorama Investments		\$695 <sup>6</sup>
<b>PLUS</b> Fees and costs for an investment in the BlackRock Global Allocation Fund (Aust) – Class D through Panorama Investments	1.28% (Management costs)	And, for every \$50,000 you have in the BlackRock Global Allocation Fund (Aust) – Class D you will be charged \$640 each year.
<b>EQUALS</b> Total cost of investing in the BlackRock Global Allocation Fund (Aust) – Class D through Panorama Investments		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of:</p> <p style="text-align: center;"><b>\$1,335<sup>7</sup></b></p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate with your adviser.</p> <p><i>(Using this same cost calculation across different Regulated Platforms we use, the costs range from \$1,052.50 to \$1410.60 depending on the platform used. Note that the costs examples for superannuation platforms do not calculate the costs based on investing an extra \$5,000 during the year though. Also, we are unable to include the HUB24 Platforms we use in this comparison as the PDSs for those platforms do not disclose the same worked example.)</i></p>

<sup>5</sup> The example above assumes that the entire account balance of \$50,000 is invested in the BlackRock Global Allocation Fund (Aust) - Class D through Panorama Investments for the entire year, the value of the investment is constant over the year and that the additional \$5,000 is invested at the end of the year. Accordingly, fees and costs are calculated using the \$50,000 balance only.

<sup>6</sup> Please refer to ‘Example of annual fees and costs for a balanced investment option’ for information regarding this amount and applicable assumptions.

<sup>7</sup> Additional fees may apply. This example does not take into account other fees and costs that may apply to some or all of the available investments, such as Adviser contribution fees, other advice fees, transaction fees or costs or any applicable buy/sell spread charges. The actual fees and costs incurred are dependent on the investments you decide to transact in. Refer to the ‘Additional explanation of fees and costs’ in the Investor Guide and the ‘Additional Explanation of fees and costs’ section for the information about fees and other costs that may apply.

## **Additional Explanation of fees and costs**

### ***Management costs***

Different platforms charge different fees and costs that make up Management Costs. E.g. they may include: account keeping fees, performance fees, indirect costs, expense recoveries, custodial holding option fees, administration fees, trustee fees.

Some of these fees and costs are charged monthly, others quarterly or annually. Some may be flat fees, others may be percentage based. It is imperative to read the relevant PDS.

### ***Transactional and Operational costs***

In addition to management costs, some fees and costs may apply to undertake certain transactional and operational matters. E.g. transaction fees, external broker fees, insurance premiums, reconstruction fees, dishonour fees. It is imperative to read the relevant PDS.

### ***Fees and costs of underlying investments***

As mentioned above, the managers of the underlying financial products you invest into via the Regulated Platform will typically charge some fees with their products on top of the fees that the Regulated Platform charges. These can include fees such as investment management fees, performance fees, transactional and operational costs such as brokerage and buy-sell spreads and indirect costs associated with their financial products. As we operate MDAs via a range of Regulated Platforms we have chosen a typical balanced investment option for the purposes of the example above. But note that the costs you incur may be different to the example above and will depend on the Regulated Platform used and the underlying investments that make up your MDA. You should read the PDSs for these products as they will describe the types of fees and costs and the amounts as well as how and when they are charged.

### ***Advice Fees***

Regarding advice fees, we charge fees in relation to providing our advice services to you. These fees are described earlier in this FSG. They can include a plan preparation fee, a plan implementation fee and/or an ongoing service fee. They are typically a percentage of your portfolio value, an agreed fixed fee which is paid monthly or a percentage of the transaction value. All applicable fees will be set out in the Statement Of Advice we provide you. Our advice fees can be deducted from your MDA or invoiced directly to you. You may be able to negotiate these fees with us.

### ***Changes in Fees and Costs***

The providers of Regulated Platforms and underlying investment products are able to change their fees and costs from time to time. Typically, they give at least 30 days notice before any increase in fees. Similarly, we may change the fees we charge you. We will always give you advance notice if we are to change our fees.

Note that the fee examples given above may change from time to time. Current fees will be provided when we provide a Statement of Advice to you.