



# Financial Services Guide (FSG)

Part 1  
20 May 2010

Authorised and distributed by

**Fitzpatrick's Dealer Group Pty Ltd**  
ABN 33 093 667 595  
Australian Financial Services Licence No 247429  
(Fitzpatrick's)

Fitzpatrick's is a principal member of the Financial Planning Association.  
Version 20 May 2010

# 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's 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. Part 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 FSG instead of Part 2.

## What other documents are there?

When your adviser provides you with a financial service you will receive a **Statement of Advice (SoA)** or Record of Advice (advice documents) which details the recommendations and other information. As needed, your adviser will give to you or make available to you the **product disclosure statement** or prospectus which provides information about the specific product recommended. If you choose to use our portfolio administration service then these will always be available on request.

## 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 but would generally confirm instructions in writing - speak to them direct about this.

# 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 tax advisers or lawyers.

We aim to meet with you at least annually, reporting on performance and reviewing your investments and strategies formally with you in light of your individual investment objectives, financial situation and needs.

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

Because the law requires that we tell you what we are technically licensed to do under the Australian Financial Services Licence (**AFSL**) we have been issued by the Australian Securities and Investments Commission (**ASIC**), this is noted as follows:

- 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;
- Superannuation;
- Provide Custodial service; and
- Margin Lending.

# Fees and costs

## What fees do we charge?

Fitzpatrick's receives fees from your adviser. This is generally up to 13.75% 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 reward for supporting our advisers in their practice.

We also receive remuneration from investments in the portfolio administration service as outlined later in this document.

## 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?

Your adviser may also receive an **“up-front” commission** paid by the product provider when the adviser makes an investment for you or where you purchase an insurance product. Some product providers also pay an **ongoing commission** (often called a “trail” commission) which is payable for the length of time you remain invested in the product or the length of time the insurance policy remains in force.

Up-front commissions are often paid from your investment monies and trail is often paid by the product provider.

The way that commission is calculated varies and is often a percentage based on the amount invested (for investment products) or the annual premium (for insurance policies). Typically up to 5% of invested moneys can be paid as up-front commission on investments, and up to 130% on insurance, and up to 2.2% of the investment balance or 30% of the policy premium can be paid as trail.

### Examples:

Assume you placed \$100,000 in a managed fund and maintained that **investment**.

If your adviser received an up-front commission of 1% (GST inclusive) and a trailing commission of 0.25% (GST inclusive), then in the first year they would receive:

Up-front commission:	\$1,000
Trailing commission:	\$250
<b>Total:</b>	<b>\$1,250</b>

In the second year, if your investment has increased to \$105,000 (say due to investment earnings) and you remain in this investment, they would receive:

Up-front commission:	Nil
Trail:	\$262.50
<b>Total:</b>	<b>\$262.50</b>

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

If your adviser received an up-front commission of 130% and a trail commission of 11%, then in the first year they would receive:

Up-front commission:	\$2,600
Trailing commission:	Nil
<b>Total:</b>	<b>\$2,600</b>

In the second year, if your annual premium has increased to \$2,200 and you retain the insurance cover, they would receive:

Up-front commission:	Nil
Trail:	\$242
<b>Total:</b>	<b>\$242</b>

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 relationships**

Fitzpatricks and its associates have relationships with entities that provide financial services that you may acquire through us and with the issuers of products or services which your adviser may recommend. It is connections such as this that help us provide our services to you.

Fitzpatricks 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, that is \$5,000.

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

Fitzpatricks 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**

Fitzpatricks has established the Access SRA® Fund and Atrium Australian Equity Market Neutral Fund (Atrium). External and related parties may be used to operate these funds and perform specialist functions. These are also called "Associated Schemes". If a performance fee is payable to an Associated Scheme, Fitzpatricks are entitled to receive a portion of this amount. Your adviser is under no obligation to recommend the Access SRA® Fund or Atrium, however by doing so may contribute to the profit of Fitzpatricks and so indirectly benefit an adviser participating in our 'profit share' program.

### **DIY Master Plan**

Fitzpatricks is the investment manager of the DIY Master Plan and receives fees for providing this service. The fees are disclosed in the PDS.

Your adviser is under no obligation to recommend the DIY Master Plan, however by doing so may contribute to the profit of Fitzpatricks and so indirectly benefit an adviser participating in our 'profit share' program.

### **The Advisers' Profit Share Program**

Fitzpatricks receives significant contribution from advisers as a group in building its advising business. As a reward, Fitzpatricks allocates 45% of its profit to advisers through a Virtual Equity arrangement.

We cannot quantify the value of the 'profit share' as it depends upon the amount of profit generated which cannot be predicted.

## Fees for our portfolio administration services

These are discussed below should you wish to use this.

### **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 may receive for referring you to another party.

## 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 and/or your adviser may accept alternative forms of remuneration such as marketing and training assistance or gift vouchers. Benefits greater than \$300 in value 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 can provide you with a copy at your request.

## Fitzpatricks' portfolio administration service

Fitzpatricks is currently transitioning its portfolio administrative service from a system where Avanteos (now called FirstWrap) holds the client assets to one where HSBC holds the clients assets. It is important to note that the contractual terms for where Avanteos holds the assets are contained in a separate contract document and are separate to the terms provided here. Those clients to whom this applies need to refer to the terms in those contracts until their transition to HSBC is complete.

The following terms apply to clients of the service from when HSBC holds the client's assets, and will apply to any new client as the Avanteos service is no longer being offered.

### 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 some rules with their adviser, let their adviser take care of the paperwork and 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 to manage your portfolio at its discretion, based on the agreed "Investment Program".

For those clients who choose our portfolio administration service, they arm their adviser with the ability to act quickly and decisively without the time consuming need to refer to the client for instructions each time an investment is made or redeemed.

With this service you essentially choose to outsource all 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.

### About the Investment Program

Your adviser decides which types of investments are available to form part of your portfolio, but only if they fit the Investment Program. Fitzpatricks manages these securities on your behalf.

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 the portfolio administration service Agreement.

In management of the portfolio we act in accordance with reasonable market practice, applying reasonable market techniques. We promise that 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 Mandate 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. If substantial and material re-alignment is needed, but expected to take more than 5 business days, we will tell your adviser.

### 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.

The key to paying for investments and any fees for the service is the **cash account**.

This 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 reports on your portfolio soon after the end of each quarter, as well as an annual report to comply with our obligations under the Corporations Act. If you have chosen to invest through a master trust or wrap account, you will receive these reports as well.

All reports are available on our website and we will provide you with password access for matters relating to you. Visit [www.fitz.com.au](http://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 Fitzpatricks in a manner consistent with the same securities that we manage for other clients.

## What are your obligations?

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 monies which might become payable (e.g. a call or a margin), as well as to pay any Fitzpatricks fees. You indemnify us for these things and for any breach of this agreement.

## Fees and costs

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

- Portfolio Administration Fees and
- Investment Management Fees

### Portfolio Administration Fees

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

### Examples:

Assume your account balance at the end of June is \$1,250,000 and that you joined the service at the beginning of June, then the fee you pay at the end of June for the 30 days of the month is:

#### Annual account fee

1 month of the annual account keeping fee of \$302.50 per annum being **\$25.21** including GST for that month

Plus:

From	To	Fee including GST	Amount Charged	Annual Fee
\$ -	\$500,000	0.40%pa	\$500,000	\$2,000
\$ 500,001	\$1,250,000	0.25%pa	\$750,000	\$1,875
\$ 1,250,001	\$2,500,000	0.10%pa		
\$ 2,500,001		0.00%pa		
			<b>Total</b>	<b>\$3,875</b>

30 days of the administration fee being **\$318.49** inclusive of GST.

**Total Portfolio Administration Fee**

**\$343.70** inclusive of GST payable for that month (based on 30 days)

We have the ability to group associated entities and accounts together so that the sliding scale will be levied upon the cumulative balances. The one exception to this grouping is for non-discretionary accounts as these types of accounts will remain un-grouped. Discuss this with your adviser who can explain in further detail.

**Investment Management Fees**

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
Personal Portfolio Securities Fee	0.00% per annum
Cash Fee	0.33% per annum

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

Associated managed funds means those in which Fitzpatricks has an interest such as Access SRA funds and Atrium funds.

Unrelated managed funds are those which are not included in associated managed funds.

**Example:**

Assume you have 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	Rate including GST	Amount invested	Annual Fee
Direct Securities Fee	0.88% per annum	\$400,000	\$3,520
Fee on Associated managed funds	0.00% per annum	\$400,000	Nil
Fee on unrelated managed funds	0.55% per annum	\$300,000	\$1,650
Personal Portfolio Securities Fee	0.00% per annum		Nil
Cash Fee	0.33% per annum	\$150,000	\$495
<b>Total</b>		<b>\$1,250,000</b>	<b>\$5,665</b>

**Monthly fee charged: \$465.62 (based on 30 day month)**

Both the investment management and the administration fee are calculated on the average monthly balance of your account and fees and expenses are debited to your account in the following month.

## What else do you need to know?

The service is regulated as a Managed Discretionary Account (**MDA**) under policy and a class order issued by ASIC. We have ensured that this FSG complies with requirements of that class order. 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” complies 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 to us 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.

## You used to have a long agreement with Fitzpatrick's about this

That agreement (in the form of an MDA Contract) has been replaced so that all the terms of the service are in this FSG.

## 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. The usual fees and relevant expenses are payable through this period. We may be able to transfer assets to you or a new administration platform provider - speak to your adviser about this.

## 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 Fitzpatrick's operating system(s) and that of Fitzpatrick's 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 Fitzpatrick's 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. We take general tax considerations into consideration when providing advice but as we are not tax advisers, we will work with other advisers in this area when providing advice to you. In any case we recommend you seek professional tax advice. When managing your portfolio Fitzpatrick's will not consider your individual tax position, but will take into account the general tax implications only.

## What else should you understand?

### Services not provided by Fitzpatricks

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 (that is, authorised by someone else). You should understand that Fitzpatricks is not responsible for any of these services nor does Fitzpatricks train, support or supervise your adviser in providing these services.

### Reviews

Your adviser may contact you for a review of 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 your investments remain suitable for you over time or that there are not more suitable investments available over time. The relative attractiveness of investments change as do your circumstances.

### Professional Indemnity Insurance

Fitzpatricks 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, its employee and its representatives. This policy covers professional services provided by employees and representatives of Fitzpatricks past and present.

### Complaints

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

Alternatively you may wish to contact Fitzpatricks Compliance Manager. Please put your complaint in writing and forward it to:

Fitzpatricks Dealer Group 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 Ombudsmen 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. 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 are 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](http://www.fitz.com.au). You agree to give us in a timely way all information under your control which we or your adviser may request to meet our legal obligations.

## Questions?

Speak to your adviser in the first instance.

More information about Fitzpatricks can be found at our website [www.fitz.com.au](http://www.fitz.com.au)

Our contact details are:

**Fitzpatricks Dealer Group Pty Ltd**

ABN 33 093 667 595

Australian Financial Services Licence No 247429

**Ph: 07 5589 1900**

**Fax: 07 5599 1977**

**Email: [admin@ftz.com.au](mailto:admin@ftz.com.au)**

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Postal: PO Box 356 Coolangatta QLD 4225

## Financial Services Guide - Part 2 – 20 May 2010

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

### Fitzpatrick's Sydney Pty Ltd ABN 52 169 115 941

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Corporate Authorised Representative (No. 326565) and agent of Fitzpatrick's Dealer Group Pty Ltd (**Fitzpatrick's**)  
ABN 33 093 595 AFSL: 247429

#### About Fitzpatrick's Sydney Pty Ltd

Fitzpatrick's Sydney Pty Ltd employs the following experienced financial adviser:



**Marcel Parrett** (Authorised Representative number 326564) is an Authorised Representative of Fitzpatrick's Dealer Group Pty Ltd. and the director of Fitzpatrick's Sydney. As a Director, Marcel Parrett receives a salary and a share in the profits of Fitzpatrick's Sydney Pty Ltd.

Marcel Parrett is Certified Financial Planner (CFP) holding Diplomas in Financial Planning and Farm Business Management. He is an affiliate member of the Financial Planning Association (FPA) and upholds their Code of Ethical and Professional standards. Marcel Parrett has over 20 years experience.

Marcel's open and honest communication style has established long term relationships with his clients. He provides holistic strategies and solutions to his clients through his sound understanding of investments, investment markets, legal structures, taxation, superannuation, insurance and estate planning.

Marcel Parrett is authorised to provide advice in the following areas:

- Investments
- Superannuation including:
  - Self Managed Super Funds
  - Public Offer
- Strategic Retirement Planning
- Managed Discretionary Account Services
- Personal & Business Insurance
- Estate Planning

Our advisers are authorised to provide advice in all areas licensed by Fitzpatrick's Dealer Group Pty Ltd.

#### Our advice process

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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

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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 Strategic Partner Program:

Our Strategic Partnership Program is designed to assist our clients to "become financially well organised and make smart decisions with their money".

The fee for our Strategic Partner Program includes an initial retainer and an annual ongoing fee. Both fees are calculated based on your individual needs and agenda as well as the financial services provided. The minimum fees are as follows:

- An initial retainer fee is charged so we are able to spend the time to truly understand and get across your current situation. The minimum initial retainer fee is \$3,300 (GST inclusive).
- There is an ongoing monthly fee of \$990 (GST inclusive) charged for this service to be maintained.

Before commencing work for you, we will send you an Engagement Agreement which will confirm the fees charged for this strategic advice.

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 Enhanced Investment Service:

Our Enhanced Investment Service is the approach we use to manage clients' capital which may encompass the use of a Managed Discretionary Account.

#### Placement fee

We may charge a placement 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 \$1,650 including GST.

#### Ongoing advice fee

The Advice fees are calculated as a percentage of the value of the individual investment portfolio and are in addition to Strategic Advice fees (if applicable). These advice fees are payable for our part in the active management and monitoring of your portfolios. This is done on a continual basis rather than a set and review methodology when investing through the Fitzpatrick's Dealer Group Portfolio Administration Service which is outlined in Part 1 of this FSG. The fees that Fitzpatrick's charges for their role in this service are outlined in Part 1 of this FSG. When using other product providers please refer to the Statement of Advice which outlines how we manage and monitor the portfolios.

Enhanced Investment Service advice fees are charged monthly in arrears based on the average value of your investment portfolio during the preceding month. This fee is tiered based on the value of funds under management. The table below outlines these tiers.

Value of portfolio	Annual fee*#
	%
Up to \$500,000	1.26%
\$500,001 - \$2,500,000	1.10%
\$2,500,001 - \$5,000,000	0.38%
\$5,000,001 +	0.08%

\* GST inclusive

# Please note that a minimum annual fee may be applicable

#### Example:

Assume your account balance was constant through the year at \$1,250,000, then the fee you pay is:

$$1.26\% \text{ per annum} \times \$500,000 = \$6,300 +$$

$$1.10\% \text{ per annum on the next } \$750,000 = \$8,250$$

Total annual fee = \$14,550 including GST

Divided by 12 to give the monthly fee = **\$1,212.50** including GST each month

We may alternatively charge a fixed annual fee which will be paid in equal monthly instalments from your investments. For example, if we agree on a \$22,000 annual fee, \$1,833.33 including GST will be paid to us each month.

## Fees for other investment products

We may recommend investment products other than our Enhanced Investment Service. If we recommend an alternative investment product, you may be charged a fee up to 4.4% of contributions and/or 2.2%pa of assets invested in the product (often called a trail). So for example, if you invest \$10,000, the contribution fee could be up to \$440, and/or a trail of \$220pa.

All fees and costs incurred for the investment product recommended will be disclosed in the Statement of Advice provided to you .

## Are Fees Paid for Referrals?

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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 in an advice document. This includes remuneration we may receive for referring you to another party or if this payment is in assisting another party for advice provided to you.

These arrangements vary but examples include a fixed amount or a percentage of the amount invested. For example, if we refer you to a mortgage broker, they may pay us a fee of \$550 including GST for the referral.

## Further Information

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To discuss our services or for further information, please contact [Marcel Parrett](#) at:

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