

**Financial Services Guide (FSG)**  
**Interinvest Securities Pty Ltd (No. 330385)**  
**trading as Interinvest Financial**  
**Corporate Authorised Representative and agent of**  
**Fitzpatricks Dealer Group Pty Ltd (FDG)**  
**ABN 33093 667 595 AFSL 247 429**

**Date: 01/10/2008**

This Financial Services Guide is only complete when accompanied with Part 2 of the Financial Services Guide which provide more information about your adviser.

Fitzpatricks Dealer Group Pty Ltd (FDG) holds an Australian Financial Services Licence No 247429 issued by the Australian Securities and Investments Commission (ASIC). FDG is also a principal member of the Financial Planning Association.

*You must be given this FSG (Part 1 & 2) before you receive a financial service such as investment advice.*

*In time critical cases, the services may be provided immediately and the FSG must then be provided within 5 days with the advice document such as a Statement of Advice. In time critical cases we will disclose to you all costs associated with the service and associated parties and their interest and/or remuneration.*

*This FSG will assist you to determine if you wish to engage any of our services by explaining the nature of financial services being offered, the associated parties of FDG and other relationships, the fees charged, the compensation arrangements that are in place, our privacy policy, how any complaints are managed and details of our professional indemnity insurance.*

When your adviser provides you with a financial service you may also receive a Statement of Advice (SoA) or Record of Advice which details the recommendations and other information and, if applicable, a Product Disclosure Document (PDS) which provides information about the specific product recommended. Any further advice may be recorded in a Record of Further Advice or you may receive a Statement of Additional Advice.

We are licensed to provide financial product advice and deal in the following financial products:

- 1) Deposit and payment products limited to:
  - a Basic deposit products, and
  - b Deposit products other than basic deposit products.
- 2) Derivatives limited to Old law securities options contracts and warrants;
- 3) Debentures, stocks or bonds issued or proposed to be issued by a government;
- 4) Life products including:
  - a 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
  - b 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.
- 5) Interests in managed investment schemes including investor directed portfolio services;
- 6) Interests in managed investment schemes limited to Managed Discretionary Account (MDA) services;
- 7) Retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
- 8) Securities, and
- 9) Superannuation.

FDG is responsible for financial services your adviser provides to you. They are supported by ongoing professional development, technical and strategic training to ensure they deliver a service that is appropriate to your needs.

Generally, you may give your adviser instructions in writing, by post, fax, internet, email, or any other means by pre-arrangement with your adviser.

## **Our Advice Process**

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

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

## **How do we charge for our services?**

Your adviser 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, your adviser may either decide to charge a fee for service or receive commissions, or a combination of both. Depending upon the service you choose, remuneration may be calculated and received in various ways. These are detailed below.

## **Our Services and Charges**

At Intervest Financial we provide a number of services:

1. Strategic Advice – the ‘Strategic Partnership Program’; and
2. Investment Advice – the ‘Enhanced Investment Service’.
3. Financial Planning Strategy Advice.
4. Investment and Insurance Advice – Other Products.

## **Fees for our Strategic Partnership Program Service**

Includes an initial retainer and an annual ongoing fee. Both fees are calculated based on client’s individual needs and agenda as well as the financial services provided. In calculating these fees, we use a notional hourly rate of \$302.50 (incl. GST). The fees are as follows:

- The initial retainer fee is charged in advance for the first year only. The fee is our estimate of the additional planning required in the first year over and above that provided under the annual ongoing fee. The minimum initial retainer fee is \$5,500 (incl. GST).
- The annual ongoing fee may be paid in advance or charged monthly in advance at the discretion of each client and may vary each year on agreement. The minimum monthly fee is \$550 (incl. GST).

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.

## **Fees for our Enhanced Investment Service**

Fees are calculated as a percentage of the value of the individual investment portfolio. They may be in addition to Strategic Advice fees if these are payable. Enhanced Investment Service fees are charged monthly in arrears based on the average value of your investment portfolio during the preceding month.

Our fees are applied on the following portfolio basis:

Portfolio Value	Annual Fee	
Annual Portfolio Account Keeping Fee	\$302.50 p.a plus:	
	\$	\$
Up to \$500,000	2.673%	Maximum \$13,365.00
\$500,001 - \$1,250,000	2.343%	Maximum \$30,938.00
\$1,250,001 - \$2,500,000	2.178%	Maximum \$58,163.00
\$2,500,001 - \$5,000,000	1.353%	Maximum \$91,988.00
\$5,000,001 +	1.045%	Minimum \$91,988.00

\* GST inclusive

If managed funds (including our “in-house” Access SRA Fund) are used within your portfolio we will apply a discount to our annual fee of 0.88% (includes GST) based on the value of those managed funds. This reflects the impact of the fund manager’s “Management Expense Ratio” (MER). A fund manager will charge an MER which impacts the fund’s return to you. These fees will vary depending on the manager and the type of assets invested in, with international equities being at the higher end (e.g. 3%), and cash at the lower end (e.g. 0.3%).

As it is difficult to quote an exact dollar value as your fund balance will constantly change, we have included our calculations, based on an example fund balance, to help you understand the total Enhanced Investment Service fee.

Below is an example of fees applied on a portfolio valued at \$3,200,000 holding both managed funds and direct equities:

Average FUM for month:	
Cash	\$200,000
Managed Funds	\$1,000,000
Direct Equities	\$2,000,000
<b>Total Portfolio Value:</b>	<b>\$3,200,000</b>

Fee Calculation#:	Monthly Fee*
Portfolio Keeping Fee: $(302.50 \times 31 / 365)$	\$ 25.69
Tier 1: $\$500,000 \times 2.673\% \times 31 / 365$	\$ 1,135.11
Tier 2: $\$750,000 \times 2.343\% \times 31 / 365$	\$ 1,492.46
Tier 3: $\$1.25m \times 2.178\% \times 31 / 365$	\$ 2,312.26

Tier 4: $\$700k \times 1.353\% \times 31^{\wedge} / 365$	\$ 804.39
Tier 5: N/A	\$ 0.00
Discount where managed funds included: $\$1,000,000 \times 0.88\% \times 31^{\wedge} / 365$	(\$747.40)
Total fee:	\$5,022.51
<p># Fees are calculated on a daily basis and the daily fees are added to determine the monthly amount. The above will indicate the fee payable where the daily portfolio valuation did not fluctuate and the portfolio was in place for the full month.</p> <p>* GST inclusive</p> <p>^ Days in period e.g. January</p>	

## Fees for our Financial Planning Strategy, Investment and Insurance Advice

All fees and commissions are payable direct to FDG. Where the fees and commissions are not deducted by the product provider and are paid direct to FDG, payment must be made by a cheque or money order payable to Fitzpatrick's Dealer Group Pty Ltd.

There are various modes of payment for the services we provide, which are outlined below. We will discuss these options with you to select the mode(s) of payment that best suits you, prior to providing any financial advice.

A fee for plan preparation, presentation and implementation will be quoted to you at the initial meeting by us.

Likewise, the ongoing adviser service fee will be discussed at the initial meeting and documented in the Disclosure Document (Statement of Advice, Statement of Additional Advice or Record of Advice). In order to proceed with the advice the Authority to Proceed section of the plan must be signed by the client.

The fee will depend on the amount of time involved and complexity of the issues and the strategy.

## How are we paid?

Once Fitzpatrick's Dealer Group receives payment for a service, either by way of fee charged or an initial or ongoing commission for a recommendation we have made to you, they will forward the full amount to Intervest Securities Pty Ltd.

Intervest Securities Pty Ltd pays FDG a fee of up to \$120,000 (GST inclusive) per annum for the services FDG provides. Where external Investment Managers are used, other than those managers accessed via a “managed fund” where we discount our EIS fee, FDG pays their fees. This fee comes out of the EIS fee charged to the client.

## **Fees and commissions received by related entities and our associations with product issuers**

FDG and your adviser have relationships with entities that provide financial services that you may acquire through us and the issuers of products or services your adviser recommends. We may receive commissions, and/or other benefits from these entities.

These payments are received periodically on an ongoing basis for as long as you receive the financial service or hold the financial product and may be retained by FDG or your adviser. The payments vary according to a number of factors including the total funds under administration from you and the aggregate total fund under administration of all our clients, and the type of financial services or financial products acquired by you. Details of any such payments are set out under the heading 'how will we get paid' as well as in other documents you may receive such as the PDS for the product or our SOA if we provide you with personal advice.

FDG 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.

## **Commissions**

Your adviser may also receive upfront commission paid by the product provider. Commission will vary and based on the amount of the funds invested (for investment products) or the annual premium (for risk insurance products purchased).

Some companies 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 product remains in force.

### **Examples:**

Assume you placed \$100,000 in a managed fund and maintained that investment. If we received an upfront commission of 2.75% (GST inclusive) and a trailing commission of 0.44% (GST inclusive), then in the first year we would receive:

Up front commission: \$2,750

Trailing commission: \$440

Total: \$3,190

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

Up front commission: NIL  
Trailing commission: \$462  
Total: \$462

The amount of upfront and ongoing commissions payable will be disclosed in detail when you receive personal advice.

### **Authorised representatives' participation in FDG growth**

FDG receives significant contribution from the advisers as a group in building its advising business. To acknowledge this contribution FDG has allocated 45% of the benefits in both value created and profits to the advising group of which I participate. FDG cannot quantify the value of the profit share as it depends upon the amount of profit and the use of the internal service and product, none of which can be predicted.

However to avoid any doubt where "in-house" products are recommended, the value or profit of FDG by recommending clients invest through these services is potentially higher than if "non-in-house" products had been recommended.

### **Other Benefits**

Some product providers pay a Licensee commission to FDG based on the total funds that are invested in their portfolios (FUM). For example Russell Investments Management Ltd pays a minimum of 0.05% to a maximum of 0.15% of Funds invested in selected portfolios to FDG.

Intervest Securities has an arrangement with Colonial First State. If Colonial funds under advice exceed \$25 million, the following FirstChoice funds will pay a commission 0.20% of total funds under advice:

- Colonial First State FirstChoice Investments;
- Colonial First State FirstChoice Personal Super; and
- Colonial First State FirstChoice Pension

Intervest Securities has an agreement with CBA Group Platforms (CBA Retail Products, CommInsure, Colonial First Choice and Symmetry) to maintain minimum funds under advice until 30<sup>th</sup> June 2011 upon which this agreement ceases. Intervest Securities will continue to recommend these products only on the proviso the product is appropriate for our client,

If you receive personal advice recommending one of these products, the commissions will be detailed in the advice you receive.

## **Access SRA Fund**

FDG has established the Access SRA Fund and uses external parties to operate the fund and perform expert functions. FDG is entitled to retain the remainder of the ongoing fees deducted from the fund after paying all external parties. It is estimated that FDG will retain up to 0.65% per annum for SRA-4 and SRA-9 and up to 1.4% for the SRA-16 fund.

## **Alternative Remuneration**

In addition to the above fees, FDG and/or your adviser may accept alternative forms of remuneration from financial product providers, such as financial, marketing and training assistance. We may also be entitled to allowances and incentives including bonuses, discounted services, conferences, prizes and awards paid for selling certain amounts of financial product(s). FDG's Authorised Representatives do not share directly in the sponsorship payments to FDG however all Authorised Representative's benefit indirectly from lower conference and training costs as a result of these sponsorship payments. We maintain a register detailing any benefit that we receive which is valued at more than \$300. A copy of the register is available on request.

At this stage we are unable to determine if any other benefits referred to in this section are relevant to you. 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 a Statement of Advice or a Record of Advice.

## **Are Fees Paid for Referrals?**

Where you have been referred to us by someone else, if we pay them a fee or commission in relation to that referral, we will tell you in the Statement of Advice (or other eligible Advice Document) who will receive that fee or commission and the amount they will receive.

## **Fitzpatrick's Managed Discretionary Account**

FDG owns and operates the Managed Discretionary Account Service (MDA).

Our MDA is offered to clients via our Enhanced Investment Service (EIS). We will assess the suitability of the EIS before this is offered and the details regarding its suitability will be stated in the SoA provided to you. The MDA allows FDG to manage your portfolio at our discretion, based on your Investment Program. An MDA gives us the ability to act quickly and decisively without the time consuming need to refer to you for instructions each time an investment is made. With this service you essentially choose to outsource all investment decisions to our experienced investment team who then manage your portfolio in accordance with the stipulated mandate contained in your Investment Program.

## **Do you have to enter into a contract to receive MDA services?**

Yes, to provide MDA services, you must first enter into a MDA contract. The MDA contract regulates how FDG will provide you with the MDA services. The contract will set out how FDG exercises its discretion in relation to the management of your portfolio and the limits that apply to the discretion. The contract will also set out the Investment Program for your portfolio referred to above. You may request FDG to administer the portfolio in accordance with specific instructions with respect to the assets of the portfolio.

## **Who prepares the Investment Program?**

FDG, through your adviser who acts as our appointed agent, will prepare the Investment Program for you based on your adviser's assessment of your personal objectives, financial situation and needs.

## **Who is responsible for reviewing the Investment Program?**

FDG, through your adviser who acts as our appointed agent, will be responsible for the regular review of your Investment Program as set out in the MDA contract.

## **What are the significant risks in using a MDA service?**

While you set the investment mandate the MDA contract enables FDG to action changes with regard to the purchase and sale of securities without prior consultation. FDG must act within the level of authorisation pertaining to your MDA contract. You should note that these actions are binding, therefore it is important that you carefully read and understand the activities you are authorising FDG to do on your behalf. Therefore this is a risk of using our MDA services as you are relying on our investment expertise and you do not have the day-to-day control of your investments.

The risk of failure of FDG operating system(s) and that of FDG 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 FDG and that of our service providers to successfully manage your portfolio to achieve capital growth and your investment goals is considered a risk associated with this type of investment.

The loss of key personnel is also considered a risk associated with this type of service.

To mitigate these risks FDG has developed significant strategies, systems and procedures to minimise the likelihood and impact of the above risks eventuating. Risk management strategies are set out in our MDA contract with you.

## **Compliance with the Corporations Law**

In preparing the Investment Program for you under the MDA contract FDG is obliged to ensure that we comply at all times with Division 3 of Part 7.7 of the Corporations Act 2001. Pursuant to an ASIC Class Order [CO 04/194], FDG as a MDA Operator has been granted relief, subject to a number of conditions,

from the Managed Investment Scheme legislation in Chapter 5C and the Product Disclosure provisions in Chapter 6D and in Part 7.9 of the Corporations Act. This FSG complies with the conditions set out in the ASIC Class Order.

## **The MDA Contract**

The MDA contract we enter into with you will contain details about:

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

## **Do we provide custodial or depository services for your portfolio?**

No, FDG does not provide depository or custodial services. They are provided by an external MDA custodian, as detailed in the MDA contract. FDG are responsible for the advisory and dealing activities under the MDA contract, the external MDA custodian holds your assets separate from other assets in order to, for example, minimise the likelihood of conflicts of interest arising. They act on our instructions pursuant to the MDA contract. By entering into the MDA contract with FDG, you also enter into a custodial arrangement with the external MDA custodian for the provision of custodial services in accordance with terms and conditions set out in the MDA contract.

The external MDA custodian is Australian and New Zealand Banking Group Limited (ABN 11005 357 522).

The contact detail for the external MDA custodian is:

ANZ Nominees Limited operating as ANZ Custodian Services  
25<sup>th</sup> Floor, 530 Collins Street, Melbourne VIC 3000

This section of the FSG has been prepared in accordance with ASIC Class Order 04/194.

## **Other Services**

Your adviser may provide other services not provided under the Licence held by FDG. For example they may act as your accountant or legal adviser. You should understand that FDG does not train, support or supervise your adviser in providing these services. Other examples of services FDG is not responsible for include:

- General Insurance
- Real Estate or direct property advice
- Taxation services or auditing services

- Administration and compliance of self-managed superannuation funds

## What should you do if you have a complaint?

Problem resolution is a priority for us. If you have any problems with the financial services that are provided, please contact us and we will endeavour to resolve it for you quickly and fairly. You should take the following steps to enable us to do so:

Contact your adviser and tell your adviser about your complaint.

If your complaint is not satisfactorily resolved within 7 days, please contact FDG Compliance Manager by telephone on (07) 5589 1900, or alternatively, please put your complaint in writing and forward it to:

Compliance Manager  
Fitzpatricks Dealer Group Pty Ltd  
PO Box 356 Coolangatta QLD 4225  
Telephone: (07) 5589 1900  
Facsimile: (07) 5599 1977  
Email: [admin@fitz.com.au](mailto:admin@fitz.com.au)

If you remain dissatisfied (or have not received a written response within 14 days of the date of your written complaint) you can contact the Financial Ombudsman Service (FOS) free of charge with your complaint. You cannot contact FOS until you have attempted to resolve your dispute with us. There are some complaints which FOS are unable to deal with. FOS will inform you if they are not able to deal with your complaint.

## Financial Ombudsman Service (FOS)

Fitzpatricks Dealer Group Pty Ltd is a member of FOS which is an independent private complaints body funded by its corporate members. You can contact FOS at:

Telephone: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Mail: GPO Box 3, Melbourne, Victoria, 300

## Privacy Policy

Our privacy policy explains our commitment to the protection of your personal information. Please note we treat all information you provide us in confidence and will take all reasonable steps to ensure non-disclosure to anyone other than for the purpose of fulfilling your instructions. We treat all client information in accordance with the provisions of the Privacy Amendment Act 2001. To view our Privacy Policy please visit [www.fitz.com.au](http://www.fitz.com.au)

If you wish to complain about any breach or potential breach of this privacy policy or the National Privacy Principles, you should contact us as detailed below and request that your complaint be directed to the Compliance Manager. Your complaint will be considered within 7 days. It is our intention to use our best endeavours to resolve any complaint to your satisfaction, however, if you are unhappy with our response, you are entitled to contact the Office of the Privacy Commissioner who may investigate your complaint further.

## **Professional Indemnity Insurance**

FDG has obtained appropriate Professional Indemnity insurance to comply with the requirements under s912B of the Corporations Act. Our arrangements allow for compensating retail clients for losses they suffer as a result of a breach by FDG or its representatives of their obligations in Chapter 7 of the Corporations Act. This includes claims that may arise after a representative or employee of FDG ceases to be a representative or employee, but relates to work conducted by representatives or employees at time they represented FDG.

This includes liability:

- for fraud or dishonesty by directors, employees and other representatives of the licensee; and
- under External Dispute Resolution scheme awards.

Further information about our PI insurance can be obtained by contacting us.

PO Box 356

Coolangatta QLD 4225; or

Level 2, Suite C, "Showcase"

72-80 Marine Parade, Coolangatta, QLD, 4225.

For more information about FDG please visit our website [www.fitz.com.au](http://www.fitz.com.au)

## Financial Services Guide Part 2

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

### About Your Adviser

**Christopher Cattrall** (Authorised Representative No. 289310) is employed by Intervest Securities Pty Ltd (Corporate Authorised Representative Number 330385)

Christopher Cattrall has gained considerable financial experience over the past 10 years, having commenced employment with Savings & Loans Credit Union as a Paraplanner in 1998. He won the SA Paraplanner of the year in 2000 and was issued a Proper Authority in October 1999. He has since worked as an employee of CCI Financial Services in 2002 and as a Financial Planner at ANZ since 2003. He joined Intervest Securities in June 2005 and is highly skilled in areas of investment advice, retirement planning, superannuation, Centrelink strategies and risk insurance.

He completed the Diploma in Financial Markets and the Graduate Diploma in Financial Planning through the Securities Institute of Australia. He is a Certified Financial Planner and also an Associate of the Securities Institute of Australia.

As an employee of Intervest Securities Pty Ltd I am paid a salary.

Once Intervest Securities Pty Ltd receives payment for a service, either by way of fee charged or an initial or ongoing commission for a recommendation I have made to you, I will be paid commission of 20% of that total income.

### How do you contact us?

You can contact Intervest Securities Pty Ltd by visiting our office, by phone, fax or in writing as per the details below:

Level 1 / 155 Fullarton Road Rose Park SA 5067

T 08 8332 9255

F 08 8332 7104

E [chris@investsecurities.com.au](mailto:chris@investsecurities.com.au)

## Financial Services Guide Part 2

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

### About Your Adviser

**Campbell Hopgood** (Authorised Representative No. 330322) is employed by Intervest Securities Pty Ltd (Authorised Representative 330385) – which is a corporate authorised representative of FDG. FDG holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission (ASIC) from which they then authorise Intervest Securities Pty Ltd and its advisers to offer certain financial services and products.

As an employee of Intervest Securities Pty Ltd I am paid a salary.

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Level 1 / 155 Fullarton Road Rose Park SA 5067

T 08 8332 9255

F 08 8332 7104

E [Campbell.hopgood@intevest.net.au](mailto:Campbell.hopgood@intevest.net.au)