

## *Financial Services Guide*

Price Financial Intelligence Pty Ltd  
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### **About this guide**

This guide is intended to provide you with sufficient information to enable you to decide whether you want to use our products and services. It includes details about:

- Who we are and the financial products/services we are able to provide to you;
- How we/our staff are paid in relation to the financial services being offered;
- How we collect and use your personal information,
- How we respect your privacy and your rights when you get advice from us;
- What to do if you have a complaint about our services; and
- How to contact us

Price Financial Intelligence Pty Ltd has authorised your adviser to distribute this Financial Services Guide (FSG).

Details of your adviser are available in the attached *Adviser Profile*. The *Adviser Profile* forms part of this FSG and they should be read together.

### **About us**

Price Financial Intelligence Pty Ltd holds Australian Financial Services Licence (AFSL) 402367. Our office is in Thornleigh, Sydney. We offer financial services to investment and superannuation clients. We also offer personal life and risk insurance.

We have been servicing our clients' needs since 1982 and we pride ourselves on building a strong long-term relationship. We work closely with our affiliated companies in the same premises offering accounting and taxation services. Our Principal and Director is also a registered Tax Agent.

We offer unique investment strategies and actively trade Australian shares. During negative markets we move to cash very quickly to minimize losses and use cash reserves to re-enter the market at or near the bottom. Our first priority is to protect your capital and our second priority is to grow your portfolio by a reasonable market- related return each year.

### **Our contact details**

Price Financial Intelligence Pty Ltd (PFI)  
ABN 28 127 858 477 AFSL 402367  
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## Our services

Price Financial Intelligence Pty Ltd and its representatives provide financial product advice and services relating to the following:

|   |  |  |
|---|--|--|
| <ul style="list-style-type: none"><li>• Deposit products, Fixed interest deposits, Government debentures, stocks or bonds</li><li>• Life risk products</li><li>• Retirement Savings Account Securities (eg: shares)</li><li>• <u>Managed Investment Schemes</u></li></ul> | <ul style="list-style-type: none"><li>• Investor Directed Portfolio Services (IDPS)</li><li>• Life investment planning</li><li>• Retirement planning</li><li>• Lifestyle financial planning</li><li>• Gearing strategies</li><li>• Redundancy benefits</li></ul> | <ul style="list-style-type: none"><li>• Superannuation</li><li>• Self-Managed superannuation</li><li>• Centrelink support</li><li>• Managed Discretionary Account (MDA)</li><li>• Margin Loans</li></ul> |
|---|--|--|

### ***Managed Discretionary Account***

When we give you advice, we may determine that you are suitable for our Managed Discretionary Account (MDA) service. If we give you this advice, it is because it is in your “Best Interests” to do so.

We only use ASX Listed Shares, Listed Securities such as Exchange Traded Funds or Listed Investment Companies or Trusts as determined by our investment committee based both internal and external research. These listed securities provide a wide diversification of assets both within Australia and in selected overseas markets.

Before we can provide you with MDA services, we must enter into an MDA Contract with you. This contract will set out the terms on which we provide you with MDA services, and the risks associated with doing so.

The MDA service will be provided to you by Price Financial Intelligence Pty Ltd. In providing this service, we will invest your products through a platform provider, which will manage the funds on your behalf.

### **Our MDA service - your portfolio - offers you the following benefits:**

- A share portfolio proactively monitored and professionally managed
- Your existing portfolio, investment objectives, risk and other factors are all taken into account when developing a personalised investment strategy
- Direct share ownership and associated tax advantages
- All share trading is actively traded from our Wrap platform using individual Investor Holder Identification Numbers (HIN)
- Impartial approach to investment management

### **Our portfolio administration management includes:**

- Direct client access to comprehensive reporting from our Wrap platform
- Your written authority for implementation of your investment strategy
- Provision of *Buy and Sell* Contracts for each trade that occurs
- Provision of at least annual statements for regular and accurate disclosure
- Direct access to other reports within our Wrap platform (i.e. portfolio valuation, performance and transaction report)
- Secure Client Portal to clients with email addresses

## **How we provide MDA services**

- All advice relating to MDA services is provided by Price Financial Intelligence Pty Ltd as your MDA Provider. The advice will be provided through your Nominated Adviser;
- All transactions effected under the MDA services we provide are provided by us giving instructions to our selected platform, which is the operator of a regulated platform.
- Price Financial Intelligence Pty Ltd provides all relevant services to you. Price Financial Intelligence Pty Ltd has quality controls in place to ensure the veracity of the advice that is provided to you, and the advice is regularly reviewed by Price Financial Intelligence Pty Ltd's Responsible Manager;
- You retain custody of any assets held pursuant to the MDA contract except where the selected platform only offers custodial services;
- Even though we retain discretion over the operation of your portfolio, you can instruct us in writing to cease taking certain action, or to commence taking other action, in relation to your portfolio.

When you choose to enter into an MDA Contract with us, you will be provided with an Investment Program which complies with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the Corporations Act.

## **The MDA Contract and Investment Program will contain:**

- Details of the discretions we will be authorized to exercise in connection with your contract;
- The risks associated with you entering into the MDA contract;
- Warnings regarding the potential negative implications of you entering into an MDA contract.

## **Risks Associated with Managed Discretionary Accounts**

It is important that you are aware of the risks associated with Managed Discretionary Accounts. Some of these risks are:

- Investing through an MDA service means that we have discretion to make decisions about your portfolio in accordance with your Investment Program without obtaining your instructions before each transaction we undertake. Therefore, our acts bind you. It is important you understand what we are authorised to do and that you carefully read and understand the activities that you are authorising us to do on your behalf. By authorising us to make changes to your investments, you cannot claim we were not acting on your behalf if we acted within the authority.
- An MDA service is not suitable for all clients. If you want to retain control of all investment decisions an MDA service will not be appropriate for you. However, if you are an experienced investor and understand the risks associated with having someone else make all of the investment decisions on your behalf then it may be suitable for you.
- There is a risk that using our MDA service and by implementing our Investment Strategy that we will exercise on your behalf may not achieve your investment goals.
- We will actively buy and sell financial products on your behalf and there is a risk that you may incur capital gains tax liabilities. You should seek advice from your tax adviser about this risk.
- There is a risk of suffering financial loss on your portfolio balance if there is an adverse market movement.
- There is human error risk in the trading process.

If you require any further information about the operation of Managed Discretionary Accounts, or the services we provide, please contact your Nominated Adviser at any time.

### ***Other documents you may receive from us***

Whenever you receive financial products and services from us, we may also give you:

- Your Adviser Profile (Information about your Adviser)
- Statement of Advice (The basis of the advice, remuneration and explanation of the advice)
- Product Disclosure Statement (Information about the recommended financial product)
- Terms and Conditions (Descriptions regarding the terms and conditions of the advice)
- Privacy Statement (Statement regarding your personal information collected and our commitment to you)
- Record of Advice (Additional written record of our recommendations to you)

These documents will help you make an informed decision about the specific financial product and service you are considering.

### ***Information we need from you***

We maintain a secure record of our clients' personal and sensitive information collected either directly or indirectly from third parties. We are subject to the Financial Services legislative and regulatory requirements to obtain, hold and forward to relevant parties detailed personal and sensitive information about you.

During the data collection process, you will be required to provide both quantitative (i.e. data or amount) and qualitative (i.e. descriptive) information. If we have insufficient detail about your financial circumstances, there will be no *Reasonable Basis* for Personal Advice and we may only be able to provide you with "General Advice".

We are a paperless organisation. Our main method of sending and receiving documents is through our Secure Client Portal (SCP) to clients with internet access. (Mailing can be arranged for clients with no computer or internet access). All of our data is stored electronically and supported by daily backup and security procedures. We have strict guidelines to protect the personal information we hold against loss, unauthorised access, use, modification or disclosure and against other misuse.

### ***Your privacy and information***

We do not use or disclose personal information collected by us except with your consent or compelled by law. We only disclose personal information for purpose that is related to our services. A copy of our *Privacy Statement* will be given to you by your Adviser. You will also be asked to sign a *Privacy Consent* form prior to receiving financial advice from us.

### ***Investment risk***

Investing involves risk. Risk is the chance that an investment will not give you the returns you planned for or that you may lose money. All investments have risk, but some have more risk than others. At our initial meeting, you will be asked to complete multiple choice questions to determine your investment risk profile. The result will be included in your Statement of Advice and we will discuss any significant risks in our strategies during our meeting. If you are unsure of the potential effects of these risks, you should contact us for clarification.

### **Remuneration and other benefits for our services**

We do not charge clients for the initial meeting as we believe this is the opportunity for the prospective client/adviser to get to know each other before potentially forming a long-term client/adviser relationship.

Price Financial Intelligence Pty Ltd employs financial advisers directly. These advisers are paid under a salary arrangement.

Price Financial Intelligence Pty Ltd also authorises financial advisers as an Authorised Representative of Price Financial Intelligence Pty Ltd. These financial advisers receive a share of fees it earns to the entity, which employs the financial adviser after paying administration expenses.

Those financial advisers are paid remuneration by their employer which may include salary, superannuation, dividends and other amounts. The remuneration paid by each entity will be determined by that entity and is based on the share of fees it receives.

### **Fees and commissions (including 10% GST)**

|                             |  |
|-----------------------------|--|
| Investment & Superannuation | Fee based: <ul style="list-style-type: none"><li>• Initial fee: Between \$2,500 and \$15,000 based on the complexity of the advice being sought. Most initial fees will be \$2,500.</li><li>• Ongoing adviser fee: up to 1.5% pa of the balance in the account eg: \$400,000 x 1.5% = \$6,000.</li></ul> |
| Insurance Bonds & Annuities | Fee based: <ul style="list-style-type: none"><li>• Initial fee: Between \$2,500 and \$15,000 based on the complexity of the advice being sought. Most initial fees will be \$2,500.</li><li>• Ongoing adviser fee: up to 1.5% pa of the balance in the account eg: \$400,000 x 1.5% = \$6,000.</li></ul> |
| Life Insurance              | <ul style="list-style-type: none"><li>• Initial fee: 33% of premium eg: \$500 x 33% = \$165.00. Level Commission</li><li>• Ongoing adviser fee: 33% of premium in subsequent years eg: \$500 x 33% = \$165.00</li></ul>  |

When applicable, the fee can be an agreed amount for a particular service or a time-based fee of up to \$450 per hour. When you receive Personal Advice from us, a Statement of Advice (SOA) will be provided to you with transparent disclosure of the specific fees and charges for our service. Further fees and commissions are disclosed in the Annexure to this Financial Services Guide.

### **Referrals**

We may pay a fee or commissions to persons who may introduce or refer you to us. This will be borne by Price Financial Intelligence Pty Ltd and will not affect your fee.

### **Our benefits**

We have an association with Lonsdale and IOOF for continuous training and professional development.

### **Professional Indemnity insurance**

Price Financial Intelligence Pty Ltd has Professional Indemnity Insurance in place to cover us and our representatives for liability arising from the financial services we provide. Our compensation arrangements comply with Corporations Acts 2001-S912B.

### **Dispute Resolution**

As your financial planner you will find that we will be seeking a strong relationship with you. You will never be a number to us. If you have any issues, questions or concerns we strongly encourage you to keep us informed of them. We cannot correct issues we do not know about.

We are aware that circumstances may arise where you may wish to express an opinion, seek clarification of an issue or simply inform us of expectations which were not met. We firmly believe that managing the customer experience is paramount to our success.

Should you have a specific complaint, it can be lodged by contacting Price Financial Intelligence Pty Ltd via one of the methods listed below:

|   |  |
|---|--|
| Telephoning   | (02) 9875 2444   |
| Emailing  | <a href="mailto:info@pricefinancial.com.au">info@pricefinancial.com.au</a>   |
| Faxing a letter to  | (02) 9481 0594   |
| In writing  | Price Financial Intelligence Pty Ltd<br>Unit 11,1 Central Avenue, Thornleigh, NSW 2120<br>P O Box 750, Pennant Hills, NSW 1715 |
| Contacting your Financial Adviser & Authorised Representative | Your adviser can be contacted via above email or contact number  |
| Contacting the Principal & Director                           | The Principal & Director can be contacted via above email or contact number  |

Please explain the details of your complaint as clearly as you can. We will endeavour to resolve it promptly and keep you informed of our progress. We will reply as soon as possible and within 45 days in compliance with our obligations under law.

We are members of the Australian Financial Complaints Authority (AFCA). If you are not satisfied with our response to your complaint, you can refer your complaint to them at: GPO Box 3, Melbourne, VIC 3001, Phone: 1800 931 678, email: [info@afca.org.au](mailto:info@afca.org.au); website: [www.afca.org.au](http://www.afca.org.au)

The Australian Securities & Investment Commission (ASIC) has an info-line on 1300 300 630, [www.asic.gov.au](http://www.asic.gov.au) which you may contact to make a complaint or obtain information about your rights.

## FEES

### 1. Annexure to Financial Services Guide Dated [1<sup>st</sup> November 2018] – Fees and other costs

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#### 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 the 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.

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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 your assets held under our MDA service.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

| <b><i>PFI Managed Discretionary Account</i></b>                |  |   |                              |
|--|--|---|------------------------------|
| <b>Type of fee or cost</b>                                     | <b>Amount</b>  |   | <b>How and when paid</b>     |
| <b>Fees when your money moves in or out of the MDA account</b> |  |   |                              |
| <i>Advice fee:</i>   | Nil  |   | N/A                          |
| <i>Establishment fee</i><br>The fee to open your investment    | Flat fee for initial advice from \$2,500 to \$15,000 Most clients only pay \$2,500 | Complex advice will incur a higher fee which will be agreed prior to engagement | On initial consultation only |

| <b>PFI Managed Discretionary Account</b>  |  |   |                               |
|---|--|---|-------------------------------|
| <b>Type of fee or cost</b>  | <b>Amount</b>  |   | <b>How and when paid</b>      |
| <b>Fees when your money moves in or out of the MDA account</b>                                |  |   |                               |
| <i>Contribution fee</i> <sup>1</sup><br>The fee on each amount contributed to your investment | Nil  | We do not charge contribution fees at any time.   | N/A                           |
| <i>Withdrawal fee</i> <sup>1</sup><br>The fee on each amount you take out of your investment  | Nil  | Your selected platform may charge a small fee on withdrawal to cover their administration costs. See PDS for details. | N/A                           |
| <i>Exit fee</i> <sup>1</sup><br>The fee to close your investment                              | Nil  | Nil   | N/A                           |
| <b>Management costs</b>   |  |   |                               |
| <i>Management fee</i>   | 1.5% of MDA account balance p.a.   |   | Charged monthly               |
| The other fees and costs for managing your investment <sup>1</sup>                            | Platform Fees, Trustee Fees and Government fees<br>Ranges from zero to 0.77% Average 0.43%<br>Actual rates available on application – See PDS for details. |   | Charged monthly & or annually |
| <b>Service fees</b> <sup>2</sup>  |  |   |                               |
| <i>Switching fee</i><br>The fee for changing investment options                               | Nil  | Nil   | N/A                           |
| <b>Additional Fees and Costs</b>  |  |   |                               |
| Performance Fee   | Nil  |   |                               |
| Brokerage/Commission  | Nil  | PFI does not charge any fees in relation to trades as it is a conflict of interest.                                   | N/A                           |
| Standard commission rates   | (See below)  |   |                               |
| Other Costs charged by executing brokers  | Minimum brokerage of \$19.90 per trade or 0.01% of the value of the trade, whichever is the higher.  |   |                               |



### Example of MDA fees

This table gives an example of how the fees for the MDA service can affect your investment over a 1 year period. You should use this table to compare this product with other MDA services.

| EXAMPLE             |      | BALANCE OF \$50 000 WITH A CONTRIBUTION OF \$5 000 DURING YEAR |
|---------------------|------|--|
| Contribution Fees   | Nil  |  |
| PLUS Management Fee | 1.5% | \$55,000 x 1.5% = \$825.00 (Averaged by the days invested)     |

\* Additional fees may apply:

Performance fees and standard commission – see below.

Brokerage for transactions made at HLK's discretion as part of the MDA service will affect your returns.

### Additional Explanations of Fees and Costs

**Performance fees:** PFI does not charge performance fees.

**How are fees recovered?** Monthly (1/12 of the Annual Fee)

### Standard commission rates

The following table provides an indication of our standard commission rates per transaction (all quoted exclusive of any Goods and Services Tax plus transaction and exchange fees). These rates are subject to change from time to time. **Please note that rates are subject to negotiation by you with PFI prior to transacting any business. These are separate from and in addition to any other fees in relation to the MDA service.**

| FINANCIAL PRODUCTS ISSUED BY NON-RELATED PROVIDERS | MINIMUM DUE TO PFI                      | MAXIMUM DUE TO PFI                        |
|--|---|---|
| MDAs   | 0% management fee<br>0% performance fee | 1.0% management fee<br>0% performance fee |

### Fee changes

Under the MDA Contract, we will give you at least 30 days' prior notice in writing of increases to the fees. In relation to a change that is not an increase in fees or charges, we will give you prior notice in writing of a material change.

### Withdrawals of Funds / Closing Account

We strongly believe that your investment/super account is your property and that you should have the right to withdraw/rollover any or all of your funds at any time that you wish. With this being one of our core beliefs, and unlike many other managed investment funds, we don't place restrictions on your right to withdraw or rollover your funds at any time (subject to you maintaining sufficient funds to satisfy your margin obligations). We do not charge any exit penalties or fees. Your selected platform may charge a small fee to cover their administration costs.