

# Financial Services Guide

Part 1

1 October 2018

Magnitude 



This Financial Services Guide has been authorised for distribution by the authorising licensee:

**Magnitude Group Pty Ltd (Magnitude)**

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This Financial Services Guide (FSG or the Guide) provides you with important information about Magnitude Group Pty Ltd (Magnitude or Licensee) and its Authorised Representatives, who will provide you with the financial services described in this Guide. It is designed to help you evaluate and make an informed decision about whether to use the financial services described in this Guide. We suggest you retain this Guide for your future reference. If any part of this Guide is not clear, please speak to your financial adviser.

This Guide consists of two parts. Part 1 of this Guide contains important information about:

- > the financial services we offer as Authorised Representatives of Magnitude
- > Magnitude as the holder of an AFSL
- > the financial services that Magnitude offers
- > the process we follow to provide financial services
- > how we, our associates, and Magnitude are paid
- > any arrangements which may influence our advice to you
- > how we and Magnitude protect your privacy, and
- > who to contact if you have a complaint or if you are not satisfied with the services provided.

Part 2 of this Guide is an Adviser Profile and includes information on the services we are authorised to provide on behalf of Magnitude. References in this Guide to 'me', 'I', 'us', 'we' and/or 'our' should be read as either Magnitude or your Authorised Representatives of Magnitude, as the context requires.

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# Part 1

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Part 1 contains the following sections:

- > Financial Services Guide (Section 1)
- > Privacy Statement (Section 2), and
- > Are you satisfied? (Section 3).

You must read each of these sections in conjunction with Part 2, which provides more detail to allow you to make an informed decision about whether to use the financial services we offer. Together, these documents form the complete FSG which we, as Authorised Representatives, are required to provide.

## About Magnitude

Magnitude is a Professional Partner of the Financial Planning Association of Australia (FPA).

Magnitude is a wholly owned subsidiary of the Westpac Group. The Westpac Group is made up of a number of companies that provide financial services including banking, funds management, insurance, superannuation, credit services, investments and portfolio administration services.

The Westpac Group includes Advance Asset Management Limited, Asgard Capital Management Limited (Asgard), Ascalon Capital Managers Limited, BT Funds Management Limited, BT Portfolio Services Limited, BT Securities Limited, BT (Queensland) Pty Limited, Westpac Banking Corporation (Westpac), Westpac Life Insurance Services Limited, Westpac Securities Administration Limited, Westpac General Insurance Limited, Westpac Securities Limited, Westpac Financial Services Limited, Hastings Funds Management Limited and other entities bearing the Westpac, St.George, Bank of Melbourne, Bank SA, BT and Asgard names (collectively referred to as the Westpac Group).

Westpac is currently a shareholder in Pandal Group Limited, however Pandal Group Limited is not a related body corporate of Westpac.

While we have access to a broad range of products and platforms, we are likely at times to recommend products from members of the Westpac Group. However, we will need to be satisfied that if we make a recommendation involving one of these products, that it is in your best interests for us to do so.

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# Section 1:

# Financial Services Guide

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What other information should you consider before deciding whether to proceed with our recommendations?

If you receive personal financial advice this will be documented in a Statement of Advice (SoA), or in specific circumstances a Record of Advice (RoA), that confirms the discussions you have had with us, the recommendations we are making and the basis for those recommendations. These documents will also explain how those recommendations will work towards achieving your goals, any relevant fees received by us, and any associations with financial product providers.

When a financial product is recommended to you, you will be provided with a product disclosure statement (PDS) or other disclosure document issued by the product provider. Among other things, the PDS contains information about the risks, benefits, features and fees payable in respect of the product. In combination, these documents will help you make an informed decision about whether to proceed with our recommendations.

Who provides the financial services described in this FSG?

The financial services described in this FSG are provided by us as Authorised Representatives of Magnitude. Part 2 of this Guide contains further details about your financial adviser, and our experience, qualifications and professional memberships.

Who is responsible for those financial services?

As the holder of an AFSL, Magnitude is responsible for the financial services we provide to you. Magnitude acts on its own behalf when these financial services are provided to you.

In relation to the financial services offered in this FSG, Magnitude, as the holder of an AFSL, does not act on behalf of any other person or licensee.

The law requires Magnitude to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Magnitude and/or its Authorised Representatives. Magnitude has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

What financial services do we offer?

We are authorised on behalf of Magnitude, to provide financial product advice and to deal in a wide range of products (unless otherwise stated in Part 2 of this Guide) including:

- > deposit products
- > government debentures, stocks or bonds
- > life investment and life risk products
- > managed investment schemes including investor directed portfolio services
- > managed discretionary account (MDA) services
- > standard margin lending facilities
- > derivatives
- > retirement savings account products
- > securities (eg shares), and
- > superannuation products.

Some of the services we can provide you (unless otherwise stated in Part 2 of this Guide) are:

- > financial planning advice
- > wealth accumulation advice
- > superannuation advice, including self managed superannuation funds
- > redundancy advice
- > retirement advice
- > gearing strategies
- > cash flow advice
- > social security benefits advice
- > life and disability insurance advice
- > MDA services, and
- > estate planning services (financial planning).

## What products are available?

A range of financial products offered by many leading financial product providers are available to our advisers when they provide personal advice. Details of the available products our advisers are authorised to provide advice about are contained in the Approved Product List (APL).

Internal and external experts provide financial product research, which is used to carefully select and maintain an extensive list of Approved Products for us to select from.

When providing personal advice to you, our advisers may only recommend a product to you if they consider it is appropriate after considering your objectives, financial situation and needs. Your adviser is not required to tell you about products that are not on the Approved Product List and he or she may benefit from a product recommendation, including where Westpac or another Westpac Group company is the product issuer and earns fees.

## How do we ensure that the personal advice we give you suits your needs and objectives?

To ensure your adviser provides personal advice that is appropriate, we firstly need to understand your objectives, financial situation and needs. Your adviser (referred to as 'we' below) will follow a step-by-step process as outlined below:

1. We will meet with you for an initial consultation. During this meeting we will discuss your expectations and provide you with details of the services we can offer.
2. We will collect all the information we need from you, including your objectives, financial situation and needs. If you do not wish to provide the information

we require, we will advise you of the possible consequences of not disclosing all of this information and the impact on the recommendations given. This may include not being able to provide advice on the subject matter you request.

3. We will help you identify your goals and may discuss your attitude towards investment risk.
4. We may consider strategies and areas such as income, social security, insurance, cash and estate planning requirements. Where we recommend a financial product, we will also conduct a reasonable investigation of the financial products that may be suitable to implement the strategies as part of the recommendations. Based on these and other considerations, we will prepare and present you with a written SoA, or in some cases depending on the circumstances, a RoA. We will explain in the SoA (or RoA) the basis for the advice, and any remuneration, benefits or associations which could have influenced the advice. Where we recommend financial products, we will provide you with a product disclosure statement (PDS) or other disclosure document containing information about each product recommended, to help you make an informed decision about whether to invest in or acquire that product.
5. We will discuss our recommendations with you, make any changes you require and ask you whether you would like us to implement those recommendations on your behalf.
6. If you agree, we will then implement those recommendations.
7. We will meet with you periodically to review your financial circumstances if we agree to an ongoing advice service arrangement which includes a regular review component. If an ongoing advice service arrangement is entered into, this will be documented in your Ongoing Advice Service Arrangement Letter and/or SoA. Where you have entered into an ongoing fee arrangement after 1 July 2013, we will renew your arrangement with you at a minimum of every two years.

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further.

In certain circumstances, we may not provide you with personal advice via a SoA or RoA, as outlined above. These circumstances may include:

1. Where we provide you with only general advice, such as through seminars and newsletters
2. When we are acting under a managed discretionary account (MDA) service which allows us to manage investments on your behalf, once you have accepted this service in a SoA

## Financial Services Guide

3. Further advice or verbal advice – if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a RoA. We will not necessarily provide you with a copy of the RoA unless you request it (see below).

### What documents do you get if we provide further advice?

Where a further review is conducted and personal advice is provided, in some circumstances we are not required to provide you with a SoA for this further advice. Where this is the case, if you have not already been provided with a RoA, you may request a copy of the RoA from us by contacting us (on any of the contact details set out in Part 2 of this Guide) for a period of seven years from when the further advice was first provided to you.

### How can you instruct us?

You may specify how you would like to give us instructions, for example, by phone, fax or email, using any of the contact details set out in Part 2 of this Guide. Alternatively, you may provide instructions to us in person. Where instructions are provided by telephone, these must be confirmed in writing.

### Other services

Related businesses may provide services other than financial planning services. For example, via a related business, we may also act as your accountant or legal adviser, or advise you on real estate investments or your finance needs (performing credit activities for you). While we may provide these other services, you should understand that these other services are not provided on behalf of Magnitude and Magnitude does not train, support or supervise the provision of these other services and has no responsibility in relation to these services.

Examples of the services which Magnitude is not responsible for include:

- > general insurance services (eg car insurance)
- > real estate and direct property advice
- > taxation services, such as completion of tax returns
- > accounting and audit services
- > legal services
- > consulting services, and
- > credit activities.

### How are we paid for our services?

We and Magnitude may receive:

- > fees paid by clients
- > commissions paid by product providers
- > other payments by product providers, and
- > other benefits.

All fees and commissions are payable to Magnitude. Magnitude may pay up to 100% of any fees and commissions to us.

Details of any fees, commissions or other benefits that we, Magnitude or other associated persons are entitled to receive if you implement our recommendations in relation to a specific financial product, will be disclosed to you in your SoA or RoA when personal advice is given. If the fees, commissions or other benefits are not calculable at the time we provide personal advice, we will describe the manner in which they are calculated at the time the advice is given or as soon as practicable after.

If you receive general advice you may request particulars of the fees, commissions and other benefits that we may receive, within a reasonable time after this FSG is given to you.

### What type of fees, commissions, payments and other benefits do we receive for our services?

The types of fees, commissions and other benefits that may be received by us and by Magnitude include the following:

#### Service fees

We will discuss and agree our fee structure with you before we provide you with services. The types of fees you can be charged are listed below. You may be charged a combination, or part of, any of these fees.

#### Fees for advice

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you. We will discuss these fees with you and gain your agreement to the fees before we provide you with advice.

#### Ongoing advice fees

We may charge a fee to provide ongoing portfolio reviews and/or for the provision of ongoing services. This fee will be agreed with you and is either a set amount, or an amount based on the amount of funds under our advice, and/or the time involved in reviewing your portfolio and circumstances.

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## Referral fees

If we refer you to another business to provide you with services, we may receive referral fees. Those fees may vary according to the party to whom we are referring, and the products involved. We will provide written notification to you if we are likely to receive referral fees for referring you to another service provider.

## Payment methods

Our fees are either invoiced to you directly, or deducted from your investments, or a combination of these methods. Where it is debited from your investments, it is normally referred to as the Adviser Service Fee.

In most instances you will be able to select the method of payment that suits you best. We will discuss and agree the method of payment with you before we provide you with services.

## Commissions

If you take out a financial product through us, Magnitude may receive payments in the form of initial commissions and/or ongoing commissions from the financial product providers. These commissions are included in the fees, premiums and interest rate (in the case of margin loans) you pay for the product. They are not an additional cost to you. We may agree to rebate some or all of these.

The commission payable for different classes of financial products include the following:

## Investment products

For investment products, including superannuation and annuities, commissions are generally deducted from the funds you invest. Commissions on investment products may only be payable in certain circumstances where an arrangement exists as at 1 July 2013. Where you have acquired an investment product before 1 July 2014, commissions may be payable where Magnitude had an existing arrangement with the product issuer prior to 1 July 2013.

Magnitude may receive between 0% and 1% of your initial investment as initial commissions from product providers whose products are recommended to you.

Magnitude may also receive ongoing commissions from the management fees of the product providers.

Ongoing commissions range between 0% and 1% pa of your investment balance. Magnitude may pass up to 100% of these commissions to us.

## Example

We recommended you invest \$10,000 in an investment product before 1 July 2014. The applicable initial commission is 1% and ongoing commissions are 1% pa. Magnitude may receive initial commission of \$100 and may pass up to \$100 of that to us. Assuming the investment amount stays the same, each year Magnitude may receive ongoing commission of \$100 and may pass up to \$100 to us.

## Life insurance products

Initial and ongoing commissions from insurance providers may be received by Magnitude. These commissions are paid to Magnitude by the company that issues the product that we recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product.

The initial commission is paid in the first year by the product issuer to Magnitude. Ongoing commissions are payments paid by product issuers to Magnitude in the years after the first year. These commissions may be passed onto us.

If you initiate an increase to your cover, Magnitude may receive initial and ongoing commissions on the annual 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 equal to the ongoing commissions (as a percentage of your policy cost), Magnitude may receive up to 38.5% (excl. GST) of your annual policy cost. If the initial commission is higher than the ongoing commissions, the maximum commission that Magnitude may receive is set out in the table below.

Date a new product is issued	Initial commission (% of annual policy cost or increase excl. GST)	Ongoing commissions pa (% of annual policy cost or increase excl. GST)
Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 – 140%	0 – 38.5%
1 January 2018 – 31 December 2018*	0 – 80%	0 – 20%
1 January 2019 – 31 December 2019*	0 – 70%	0 – 20%
From 1 January 2020*	0 – 60%	0 – 20%

\* Magnitude 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 or apply for additional cover under your policy after 1 January 2018, or
- > your policy was issued before 1 January 2018 and is replaced after 1 January 2018 to correct an administrative error.

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### Example

We recommend an insurance product to you and it is applied for and issued on 2 February 2018. The annual policy cost is \$450. Magnitude may receive up to \$360 (80% excl. GST) as an initial commission and may pass up to \$360 to us. Assuming the policy cost stays the same each year, Magnitude may receive up to \$90 pa (20% excl. GST) as an ongoing commission and may pass up to \$90 pa to us.

From 2 April 2018, you decide to increase your insurance cover. The cost of this increased cover is \$100. The initial commission payable to Magnitude in respect of this increase will be \$80 (80% excl. GST) as the increase has occurred in 2018. The ongoing commission payable to Magnitude in respect of this increased policy cost will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (ie 2 April 2019).

From 2 April 2020, you decide to increase your insurance cover again. The cost of this increased cover is \$100. The initial commission payable to Magnitude in respect of this increase will be \$60 (60% excl. GST). The ongoing commission payable to Magnitude in respect of this increase will be \$20 pa (20% excl. GST), payable in respect of the period starting from the first anniversary of the date on which you increased your insurance cover (ie 2 April 2021). These commissions may be passed onto us.

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide to you. Where personal advice is provided to you, you'll also find details of the commission that Magnitude and we are entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

### Partner Programs

In addition, Westpac Group may receive benefits as part of the Partner Programs in the form of education, training and other support and resources to assist in the delivery of life insurance and investment product advice. Participants in the Partner Programs may pay a fee to Magnitude. Participants may be given the opportunity to provide training about their products. The total amount of fees, or the fees that may be paid by each product provider, will depend upon the commercial arrangements that may be negotiated from time to time between Magnitude and each product provider. These payments will not change the amount of the product cost payable by you.

### Margin lending products

If we organise, or increase a margin loan for you, Magnitude may receive payments in the form of ongoing commissions from the margin loan provider. Commissions on margin lending products may only be

payable in certain circumstances where an arrangement exists as at 1 July 2013. Where you have entered into a margin lending product arrangement prior to 1 July 2014, commissions may be payable where Magnitude has an existing arrangement with the margin loan provider prior to 1 July 2013. These commissions range between 0% and 0.5% pa of your loan balance. Magnitude may pass up to 100% of these commissions to us.

### Example

We recommend you borrow \$10,000 through a margin loan. The applicable ongoing commission is 0.5% pa. Assuming the loan balance stays the same, each year Magnitude will receive ongoing commission of \$50 and may pass up to \$50 to us.

## Other payments from product providers

### Wrap and other portfolio administration services

The commission payments disclosed in this section may only be payable in certain circumstances where an arrangement existed between Magnitude (or a related party of Magnitude) and the relevant product providers prior to 1 July 2013, where you invested through Wrap or another portfolio administration service described below before 1 July 2014.

1. Where we recommend you invest through Select Wrap, Select SuperWrap, Select Wrap Essentials, Select SuperWrap Essentials, Macquarie Private Portfolio Management (Individually Managed Account or the Macquarie Separately Managed Account) and Asgard eWRAP Investment, Asgard eWRAP Super/Pension and Asgard Master Trust (Qualifying Products) or another approved portfolio administration service and you accept that recommendation, Magnitude may receive certain commission payments and may pass on a proportion of these commissions to us. These commissions are included in the fees you pay for the products or service. This is not an additional cost to you. Further detail is provided below:
  - a. When you invest via Select Wrap or Select SuperWrap, BT Portfolio Services Limited (the administrator for Select Wrap and Select SuperWrap) pays a licensee commission to Magnitude of up to 43.875% pa of the account keeping fees you pay to the administrator in relation to your investment. Magnitude may pass on up to 100% of the licensee commission it receives from the administrator to us. This rate will vary depending on the total value of the licensee commissions we generate for Magnitude, and the amount of new business written by us in the Qualifying Products.



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### Example

We recommend you invest \$100,000 in Select Wrap and you accept the advice. This investment will incur an account keeping fee of \$650 pa of which the administrator pays up to \$285 pa to Magnitude. Of this amount, Magnitude may pass up to \$285 to us.

- b. When you invest via Select Wrap Essentials or Select SuperWrap Essentials, BT Portfolio Services Limited (the administrator for Select Wrap Essentials and Select SuperWrap Essentials) pays a licensee commission to Magnitude of 0.1856% pa on the sum invested in Select Wrap Essentials and Select SuperWrap Essentials. Magnitude may pass up to 100% of the licensee commission it receives from the administrator to us. This rate will vary depending on the total value of the licensee commissions we generate for Magnitude, and the amount of new business written by us in the Qualifying Products.

### Example

We recommend you invest \$100,000 in Select Wrap Essentials and you accept the advice. The administrator currently pays \$186 pa to Magnitude and of that Magnitude may pass up to \$186 to us.

- c. When you invest via Macquarie Private Portfolio Management (Individually Managed Account or the Macquarie Separately Managed Account), Macquarie Portfolio Management Ltd pays a dealer margin to Magnitude of up to 0.25% pa on the sum invested. The dealer margin is payable out of the Management Fee that you pay to Macquarie Portfolio Management Ltd in relation to your investment as detailed in the relevant PDS. Magnitude may pass on up to 67.5% of the licensee commission it receives from Macquarie Private Portfolio Management to us. This rate will vary depending on the total value of the licensee commissions we generate for Magnitude and the amount of new business written by us in the Qualifying Products.

### Example

We recommend you invest \$100,000 in a Macquarie Private Portfolio Management (Individually Managed Account) and you accept that advice. You pay a Management Fee of up to \$2,000 pa to Macquarie Portfolio Management Ltd. From the Management Fee, Macquarie Portfolio Management Ltd pays Magnitude an amount of up to \$250 pa in dealer margin. Magnitude may pass up to \$169 to us.

- d. When you invest via Asgard eWRAP Investment, Asgard eWRAP Super/Pension and certain eligible Asgard master trust products, Asgard (the custodian and administrator for these Asgard products) pays a licensee commission to Magnitude of up to 50% pa of the administration fees you pay in relation to your investment. Magnitude may pass on up to 67.5% of the licensee commission it receives from the administrator to us. This rate will vary depending on the total value of the licensee commissions we generate for Magnitude and the amount of new business written by us in the Qualifying Products.

### Example

We recommend you invest \$100,000 in managed investments through Asgard eWRAP Investment and you accept the advice. This investment will incur an administration fee of \$820 pa of which the administrator pays up to \$410 pa to Magnitude. Of this amount, Magnitude may pass up to \$277 to us.

2. When you invest via certain portfolio administration services administered by BT Portfolio Services Limited (Wrap Products) into certain investment funds (known as the Advantage Investment Series), a payment may be paid by the relevant fund manager to BT Portfolio Services Limited on the sum invested (Fund Manager Payment). The Fund Manager Payment only applies where you made an initial investment into the relevant fund through a Wrap Product before 1 July 2014. You will be told which funds qualify for the Fund Manager Payment. The total Fund Manager Payment is up to 41% of the Management Expense Ratio (MER) applicable to the relevant funds, multiplied by the amount you have invested in those funds. The Fund Manager Payment is calculated monthly on the average opening and closing balances of the Advantage Investment Series funds held by you.

Where applicable, a portion of the Fund Manager Payment is rebated to you and a portion is retained as commission by Magnitude and by the platform provider of the Wrap Products.

Where applicable, Magnitude will receive a monthly commission of up to 0.014% of the average balance you have invested in the Advantage Investment Series for the month. BT Portfolio Services Limited will receive a monthly commission of the balance of the total Fund Manager Payment. We do not receive any part of this payment.

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### Example

Where the average balance you have invested in the Advantage Investment Series via a Wrap Product is \$100,000, you will receive a monthly rebate of up to \$8.30 and Magnitude will receive a monthly commission of up to \$14. We are under no obligation to recommend Advantage Investment Series funds through the Wrap Products and neither Magnitude nor we receive any portion of the Fund Manager Payment.

- When you invest via Select Wrap or Select SuperWrap, BT Portfolio Services Limited (the administrator for Select Wrap and Select SuperWrap) pays an additional commission to Magnitude of an amount equal to 0.25% pa of the balance of your wrap platform cash account. This amount is paid by the administrator out of the cash account fee you pay to the platform provider (which is calculated daily and charged before interest is credited to your account quarterly). We do not receive any part of this payment.

### Example

If your wrap platform cash account was \$50,000 for the whole year, the additional commission Magnitude would receive is \$125 pa.

- When you invest via the Magnitude Customised Portfolio Service, Magnitude will receive a Dealer Group Service Fee of 0.30% pa of the balance of your account in the Magnitude Customised Portfolio Service. We do not receive any part of this payment. An Adviser Service Fee of between 0% and 1.50% pa of the balance in your Magnitude Customised Portfolio Service may also be paid to Magnitude. We may receive up to 100% of that amount.

### Example

If your balance was \$50,000 for the whole year, an Adviser Service Fee of between \$0 and \$750 pa would apply (of which we would receive up to \$750 pa) and a Dealer Group Service Fee of \$150 pa would apply and be paid to Magnitude.

- When you invest via BT Wrap or BT SuperWrap, BT Portfolio Services Limited (the administrator for BT Wrap and BT SuperWrap), pays a licensee commission to Magnitude of 44% pa of the account keeping fees you pay to the administrator in relation to your investment. We do not receive any part of this payment.

### Example

We recommend you invest \$100,000 in BT Wrap and you accept the advice. This investment will incur an account keeping fee of \$790 pa of which the administrator pays up to \$348 pa to Magnitude.

## 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 (eg 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 for a small charge.

## Will any other parties benefit from the financial services offered in this FSG?

Westpac may benefit from remuneration paid in respect of the financial services offered in this FSG.

Product providers in the Westpac Group receive product fees and may be entitled to certain expense reimbursements if you invest in their products. Product fees are generally calculated as a percentage of the amount or value of your investment in these products.

Sometimes Westpac Group companies do not charge specific fees for their products or services. This may be the case where, for instance, Westpac buys, sells or issues derivatives, foreign exchange products and certain other financial products from or to a customer. In these circumstances, instead of a fee, Westpac incorporates margins (being the difference between what you pay for a financial product and what it costs Westpac to issue it to you) into the buy, sell or issue price or rate.

Westpac Group companies may also benefit from other roles they perform in a transaction. When these products or services are provided to you, details of these fees or benefits and how they are calculated will be disclosed in the relevant PDS or other disclosure document that will be provided to you by us.

## Preferred partners – Asgard platform

Westpac or a related company (excluding Asgard Capital Management Limited) receives benefits in the form of fees from fund managers that it selected as preferred partners, where those arrangements were put in place prior to 1 July 2013.

To be selected as a preferred partner, these fund managers must have met certain quality hurdles (such as investment fund performance). Preferred partners may be given the opportunity to promote the benefit of their managed funds to Westpac Group representatives and other advisers who use the Asgard platform, including Magnitude advisers.

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Westpac or a related company (excluding Asgard Capital Management Limited) receives up to 100% of the management fee received by preferred partners in respect of funds under administration in their products through the Asgard platform. This fee is negotiated individually with preferred partners and may vary from time to time.

The total amount of fees received will depend on all relevant circumstances, including funds that flow into, and which remain, under administration. We do not receive any part of this payment.

### Example

If you were to invest \$50,000 into a preferred partner's product via the Asgard platform and the management fee charged by the preferred partner is 1% pa, the preferred partner may pay up to \$500 pa to Westpac or a related company (excluding Asgard).

If you choose to receive financial planning services, you acknowledge that we will be able to advise you on preferred partners' products. If you invest in a preferred partner's product as a consequence of such advice, fees, as outlined above, are payable.

We are under no obligation to recommend preferred partners' products. Please note that fund managers in general may pay rebates to Asgard and in such cases 100% is passed on to you directly by Asgard.

## What arrangements may influence our advice to you?

Magnitude's Approved Product List includes some Westpac and BT financial products as well as a range of financial products from product providers not associated with the Westpac Group. Magnitude does not require its Authorised Representatives to recommend only Westpac Group products.

We are generally only permitted to recommend Wrap services provided by platform providers on the Approved Product List, however we can recommend other Wrap services to you where it suits your objectives, financial situation and needs. Any other relationships or associations we have that may influence our advice to you will be disclosed in Part 2 of this FSG.

## What fees do we pay to someone who refers you to us?

If you are referred to us we may pay the referrer a fee. We may also provide the referrer with gifts such as branded promotional items, hampers or gift vouchers. The fee varies according to the referrer and financial products involved.

The fee may be a percentage of our fees, a percentage of the total amount invested paid through the referral, or a flat fee. We may pay these fees upfront when the financial service is provided, or the financial product is provided, or periodically as ongoing fees.

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# Section 2:

# Privacy Statement

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## Why we collect your personal information

We collect personal information, including sensitive information (eg health information), from you to provide you with services including financial advice. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, to prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and to help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

## Collecting and disclosing your personal information

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf such as a service provider, and other organisations that assist us with our business. We may also disclose your personal information to third parties such as a complaints body to whom a complaint relating to a product or service is referred, your past and present employers, any party acquiring an interest in our business and anyone acting on your behalf.

We may also collect from the parties listed above any personal information they may hold about you which relates to our provision of financial advice.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign

government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

Magnitude is also required, pursuant to the *Anti-Money Laundering and Counter-Terrorism Financing Act (2006)* (AML/CTF Act) and its corresponding rules and regulations, to implement certain client identification processes. We may be required to obtain information about you at the time of providing financial services to you, and from time to time in order to meet our legal obligations. We have certain reporting obligations pursuant to the AML/CTF Act and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

## Other important information

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy. Our privacy policy is available at [magnitude.com.au](http://magnitude.com.au) or by calling us. Our contact details are set out in Part 2 of this Guide.

It covers:

- > how you can access the personal information we hold about you and ask for it to be corrected
- > how you may complain about a breach of the *Privacy Act 1988* (Cth), or a registered privacy code and how we will deal with your complaint, and
- > how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time. Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

## Definitions

'We', 'our', 'us' means Magnitude Group Pty Ltd and its Authorised Representatives.

'Westpac Group' means Westpac Banking Corporation and its related bodies corporate.

We will use your personal information to contact you or send you information about other products and services offered by us or our preferred suppliers. If you do not wish to receive marketing communications from us, please contact us.

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# Section 3:

## Are you satisfied?

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### What to do if you have any concerns about our services

Both we and Magnitude endeavour to provide you with quality financial advice. If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

1. Contact us first about your concern.
2. If your concern is not resolved to your satisfaction, you may contact Magnitude by:
  - writing to:  
National Manager  
Advice Complaints  
Magnitude Group Pty Ltd  
GPO Box 5265  
Sydney NSW 2001
  - email [BTAdvicecomplaints@btfinancialgroup.com](mailto:BTAdvicecomplaints@btfinancialgroup.com)
3. If your concern is not resolved, or if you are not satisfied with the decision, you may contact the Financial Ombudsman Service (FOS) until 31 October 2018. FOS independently and impartially resolves disputes between consumers, including some small businesses and participating financial services providers.  
  
FOS provides an independent dispute resolution process covering complaints about financial services including banking, credit, loans, general insurance, life insurance, financial planning, investments, stockbroking, managed funds and pooled superannuation trusts. You may contact FOS by:
  - writing to:  
Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001
  - email [info@fos.org.au](mailto:info@fos.org.au)
  - online [fos.org.au](http://fos.org.au)
  - telephone 1800 367 287

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)
  - online [afca.org.au](http://afca.org.au)
  - telephone 1800 931 678

4. The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring Australia's financial markets are fair and transparent, and is supported by informed investors and consumers alike. ASIC seeks to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services. You may contact ASIC by:

— writing to:

Australian Securities & Investments Commission  
GPO Box 9827  
Your Capital City

Or

PO Box 4000  
Gippsland Mail Centre  
Victoria 3841

— online [asic.gov.au](http://asic.gov.au)

— telephone 1300 300 630

5. The Financial Planning Association of Australia Limited (FPA), is the peak professional body for financial planning in Australia. The FPA provides the leadership and professional framework that enables members to deliver quality financial advice to their clients. All FPA members are bound by professional, technical and ethical standards as provided in the FPA Code of Professional Practice. The FPA has effective and appropriate policies and procedures in place to assist you with your complaint and ultimately help protect consumers and those planners doing the right thing. You may contact the FPA by:

— writing to:

The Investigations Manager  
Financial Planning Association of Australia Ltd  
GPO Box 4285  
Sydney 2001

— online [fpa.asn.au](http://fpa.asn.au)

— telephone 1300 626 393

Before you send your concern to any of these respective bodies, please contact them first to understand the process of lodging your concern with them.

Magnitude Group Pty Ltd ABN 54 086 266 202,  
Australian Financial Services Licence 221557

For more information



[magnitude.com.au](https://magnitude.com.au)



1300 553 687



[contactus@magnitude.com.au](mailto:contactus@magnitude.com.au)



Speak to your financial adviser today



# Financial Services Guide

## Part 2 (Adviser Profile)

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Date updated – 15 / 10 / 2018

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## PART 2 (Adviser Profile)

Part 2 (Adviser Profile) contains the following sections:

- About Your Adviser (Section 1);
- The Services I Provide (Section 2);
- Fees and Charges (Section 3); and
- Contact and Acknowledgment (Section 4).

This document is Part 2 (Adviser Profile) of the Financial Services Guide (FSG) dated 1 October 2018 and should be read together with Part 1. Part 2 sets out specific details about us as Authorised Representatives of Magnitude Group Pty Ltd ('Magnitude').

We are authorised by Magnitude to provide the financial services described in Part 1 and Part 2 (Adviser Profile) of the FSG. We have also been authorised by Magnitude to distribute this FSG.

### **Magnitude Group Pty Ltd.**

ABN 54 086 266 202 holder of  
Australian Financial Services Licence No. 221557

Tower 2, International Towers Sydney,  
200 Barangaroo Avenue, Barangaroo NSW 2000  
GPO Box 3371  
Sydney NSW 2001

Email: [contactus@magnitude.com.au](mailto:contactus@magnitude.com.au)  
Website: [magnitude.com.au](http://magnitude.com.au)

## SECTION 1

### ABOUT YOUR ADVISER

#### **WHO IS YOUR FINANCIAL ADVISER?**

Halpin Financial Services is a Corporate Authorised Representative of Magnitude Group Pty Ltd.

The financial advisers within Halpin Financial Services are Heath Visser, Michael Hart, Brendan Atkins, Craig Hill, Jane Gun, Michael Smith, Darren Bridges and Benjamin Sutherland.

In this document, the terms 'I', 'me', 'us', 'we' and 'our' refer to Heath Visser, Michael Hart, Brendan Atkins, Craig Hill, Jane Gun, Michael Smith, Darren Bridges and Benjamin Sutherland and Halpin Financial Services. The term 'Representatives' refers generally to Magnitude's Authorised Representatives.

Our Authorised Representative numbers are detailed below and the Corporate Authorised Representative number for Halpin Financial Services is 331222.

#### **WHAT EXPERIENCE, QUALIFICATIONS AND PROFESSIONAL MEMBERSHIPS DOES YOUR FINANCIAL ADVISER HAVE?**

##### **Heath Visser**

Heath Visser has been providing financial advice to clients since 1995. Heath's Authorised Representative Number issued by ASIC is 239856. Heath is a Partner of Halpin Financial Services.

Heath has achieved the following financial planning accreditations:

- Diploma of Financial Services (Financial Planning)
- Certified Financial Planner
- Tribeca – Self Managed Superannuation Funds
- ASX Accredited Listed Product Course

Heath is a member of the Financial Planning Association (FPA).

##### **Michael Hart**

Michael Hart has been providing financial advice to clients since 2001. Michael's Authorised Representative Number issued by ASIC is 331250.

Michael is a Partner of Halpin Financial Services.

Michael has achieved the following financial planning accreditations:

- Bachelor of Economics
- Graduate Diploma of Business (Banking)
- Master of Business Administration (MBA)
- Diploma of Financial Planning
- ASX Accredited Listed Product Course

Michael is a member of the Association of Financial Advisers (AFA)

##### **Brendan Atkins**

Brendan Atkins has been providing financial advice to clients since 1987. Brendan's Authorised Representative Number issued by ASIC is 239701.

Brendan is a Partner of Halpin Financial Services.

Brendan has achieved the following financial planning accreditations:

- Diploma of Financial Services (Financial Planning)
- Certified Financial Planner
- Kaplan – Self Managed Superannuation Funds
- ASX Accredited Listed Product Course

Brendan is active within a number of professional associations:

- Financial Planning Association (FPA)
- Member of SMSF Association

### **Jane Gun**

Jane Gun has been providing financial advice to clients since 2005. Jane's Authorised Representative Number issued by ASIC is 295262.

Jane is a Partner of Halpin Financial Services.

Jane has achieved the following financial planning accreditations:

- Bachelor of Business (Business Administration)
- Graduate Diploma in Financial Planning (FINSIA)
- ASX Derivatives level 1
- SMSF Specialist Advisor – SMSF Association
- Fellow of FINSIA
- ASX Accredited Listed Products Course

Jane is active member of the SMSF Association

### **Craig Hill**

Craig Hill has been providing financial advice to clients since 2009. Craig's Authorised Representative Number issued by ASIC is 334815.

Craig is a Partner of Halpin Financial Services.

Craig has achieved the following financial planning accreditations:

- Advanced Diploma of Financial Services (Financial Planning)
- Taxation Planning
- Estate Planning
- Kaplan – Self Managed Superannuation Funds
- ASX Accredited Listed Product Course

Craig is a member of the Association of Financial Advisers (AFA)

### **Michael Smith**

Michael Smith has been advising clients for 15 years, initially for large institutions and in his own business since 2007. Michael's Authorised Representative Number is 295750.

Michael is a Partner of Halpin Financial Services.

Michael has achieved the following financial planning accreditations:

- Advanced Diploma of Financial Services (Financial Planning)
- Stanford University – Strategic Leadership Program
- Licensed Risk Adviser
- Self-Managed Super Funds – Advanced Strategies

Michael is a member of the Financial Planning Association of Australia (FPA) and Association of Financial Advisers (AFA)

### **Darren Bridges**

Darren Bridges has been providing financial advice to clients since 2003. Darren's Authorised Representative Number issued by ASIC is 321120.

Darren has achieved the following financial planning accreditations:

- Master of Business Administration (MBA)
- Advanced Diploma of Financial Services (Financial Planning)
- Self-Managed Superannuation Funds
- Accredited Listed Products Adviser Program (ALPA)

Darren is a member of the Financial Planning Association of Australia (FPA)

### **Benjamin Sutherland**

Benjamin Sutherland has been working in financial services for 8 years and became an Adviser in 2011. Benjamin's Authorised Representative Number is 388182.

Benjamin has achieved the following financial planning accreditations:

- Diploma of Financial Services
- Advanced Diploma of Financial Planning
- Self-Managed Superannuation Funds

Benjamin is a member of the Association of Financial Advisers (AFA)

## **DOES YOUR FINANCIAL ADVISER HAVE ANY ASSOCIATIONS OR RELATIONSHIPS?**

Heath Visser, Michael Hart, Brendan Atkins, Craig Hill, Jane Gun, Michael Smith and Darren Bridges have an association with Halpin Financial Services (ABN 59 709 766 877) as Directors and Partners. Fees and commissions are paid to Halpin Financial Services by Magnitude for distribution to them.

Halpin Financial Services is a Corporate Authorised Representative of Magnitude and is not a related company of Magnitude. The Corporate Authorised Representative number for Halpin Financial Services is 331222.

Halpin Financial Services also has a number of Joint Ventures in place and are listed below:

- MSA Financial Services Pty Ltd.

MSA Financial Services Pty Ltd has been established as a Joint Venture between BSA Flinders Pty Ltd and Halpin Financial Services. The joint venture has been established to provide financial services and advice to clients

of BSA Flinders Pty Ltd. MSA Financial Services Pty Ltd has a service agreement with Halpin Financial Services to provide advice to the clients of this Joint Venture. All advice is provided by Halpin Financial Services and their advice team.

- Gerhardy Whitelum Financial Services Pty Ltd.

Gerhardy Whitelum Financial Services Pty Ltd has been established as a Joint Venture between Gerhardy Whitelum Pty Ltd and Halpin Financial Services. The joint venture has been established to provide financial services and advice to clients of Gerhardy Whitelum Pty Ltd. Gerhardy Whitelum Financial Services Pty Ltd has a service agreement with Halpin Financial Services to provide advice to the clients of this Joint Venture. All advice is provided by Halpin Financial Services and their advice team.

- Hillier Ellis Financial Services Pty Ltd.

Hillier Ellis Financial Services Pty Ltd has been established as a joint venture between Hillier Ellis Pty Ltd and Halpin Financial Services. The joint venture has been established to provide financial services and advice to clients of Hillier Ellis Pty Ltd. Hillier Ellis Financial Services Pty Ltd has a service agreement with Halpin Financial Services to provide advice to the clients of this Joint Venture. All advice is provided by Halpin Financial Services and their advice team.

Heath Visser, Michael Hart, Brendan Atkins and Jane Gun have an association with Implemented Portfolios Pty Ltd ABN 36 141 881 147 as shareholders. Implemented Portfolio provides managed account services. As such, they may receive distributions of profit from Implemented Portfolios. Implemented Portfolio will not pay any fees or commission to Magnitude, Halpin or those listed above in respect of any products or services provided by Implemented Portfolios recommended by them but they will be remunerated in accordance with the Fee Structure set out in this FSG.

## SECTION 2

### THE SERVICES WE PROVIDE

#### **WHAT AREAS IS YOUR FINANCIAL ADVISER AUTHORISED TO PROVIDE ADVICE ON?**

Heath Visser, Michael Hart, Brendan Atkins, Michael Smith, Benjamin Sutherland, Craig Hill, Darren Bridges and Jane Gun are authorised by Magnitude to provide general and personal advice

and deal in financial products and services, including advice or services in the following areas:

- Deposit products
- Government debentures, stocks or bonds
- Managed investments including investor directed portfolio services
- Retirement savings account products
- Superannuation products and Retirement Income streams
- Life investment and life risk insurance products
- Listed Securities including direct equities and listed income securities

Heath Visser, Michael Hart, Brendan Atkins, Michael Smith, Craig Hill, Jane Gun, Darren Bridges and Benjamin Sutherland are also authorised to provide advice on:

- Self-Managed Superannuation Funds

In addition, Brendan Atkins, Michael Smith, Craig Hill and Darren Bridges are authorised to provide the following financial services:

- Margin Lending

#### **ARE THERE ANY SERVICES YOUR FINANCIAL ADVISER IS NOT AUTHORISED TO PROVIDE?**

Heath Visser, Michael Hart, Michael Smith, Benjamin Sutherland, Brendan Atkins, Craig Hill, Jane Gun and Darren Bridges are not authorised to provide advice or services in the following areas:

- Derivatives
- Structured Investments

Heath Visser, Michael Hart, Benjamin Sutherland and Jane Gun are not authorised to provide advice or services in the following areas:

- Margin Lending

#### **HOW CAN YOU PROVIDE YOUR INSTRUCTIONS TO ME?**

You may provide instructions to me by using any of the contact details provided in Section 4 'Contact & Acknowledgment'.

In relation to the Managed Discretionary Account (MDA) service mentioned in the next section, once you take up this service, you may not give instructions on how rights relating to financial products in the portfolio are to be exercised because this service requires you to give discretion to the operator of the Managed Discretionary Account service.

If you would like to terminate the Managed Discretionary Account service at any time after taking up this service, please contact us and we will arrange for the service termination to occur.

## **MANAGED DISCRETIONARY ACCOUNT (MDA) SERVICE**

Halpin Financial Services is authorised to recommend a discretionary portfolio management service. This service is designed to pro-actively manage your portfolio making mandated adjustments within agreed risk parameters as and when markets and investments change.

*Please note: The service is not recommended to all clients of Halpin Financial Services. If this service is suitable for you we will recommend it within your Statement of Advice and outline why this service is appropriate for you.*

To provide this service Halpin Financial Services have partnered with Implemented Portfolios who is the Operator of the Managed Discretionary Account (MDA) service.

Implemented Portfolios Pty Ltd (Implemented Portfolios) holds an Australian Financial Services Licence (AFSL No. 345143) which authorises them to provide Managed Discretionary Account (MDA) services. Should we recommend this service to you, you will be provided detailed information about Implemented Portfolios; this will include a Product Disclosure Statement, Individually Managed Account (IMA) service agreement (MDA Contract) as well as their Financial Services Guide.

### **WHAT SERVICES DO IMPLEMENTED PORTFOLIOS OFFER?**

Implemented Portfolios provides an Individually Managed Account (IMA) service to both wholesale and retail clients, operated on a Managed Discretionary Account (MDA) basis. The service includes the following functions:

- Management of investment portfolios within the parameters of an agreed Investment Program;
- Execution of transactions as part of the portfolio management process; and
- Incidental custody of investments.

The Implemented Portfolios Investment Programs are managed by their Asset Allocation and Investment Committee and are reviewed quarterly.

You must sign an Implemented Portfolios IMA Service Application Form (this application form forms part of the MDA Contract) prior to Implemented Portfolios being able to provide services to you.

Implemented Portfolios' contact details are:

- Address: Level 20, 60 Margaret Street Sydney NSW 2000
- Phone: 02 9241 5955
- Email: info@implementedportfolios.com.au

### **WHO IS MY ADVISER?**

Halpin Financial Services will provide you with personal advice and give to you a Statement of Advice (SoA). To make sure that advice is appropriate to you, Halpin Financial Services must make reasonable enquiries about your current financial situation and future needs. If you do not provide all the requested information or provide information that is inaccurate it could adversely impact the advice Halpin Financial Services gives to you.

Halpin Financial Services will provide details of Implemented Portfolios Investment Program(s) in your Statement of Advice and will tell you about:

- Fees and commissions received for the financial services provided to you;
- Any associations we have with financial product issuers or other parties which may have influenced the advice given to you; and
- Any significant risks associated with their recommended solutions, as well as the risks associated with not acting on the recommended solutions.

If you decide to proceed with the recommendation for an IMA service you will be required to enter into an MDA contract (comes in the form of an IMA service agreement).

### **WHO PROVIDES THE CUSTODY SERVICES?**

Implemented Portfolios, as provider of the IMA Service, provides incidental custodial services to clients. Under a "Sub-custody agreement (Managed Account Service)", RBC Investor Services Trust (ABN 75116809824) custody and depository services are provided to Implemented Portfolios.

### **WHAT DISCRETION DOES IMPLEMENTED PORTFOLIOS HAVE?**

Implemented Portfolios has absolute discretion with respect to the selection and trading of listed or unlisted securities within the parameters set out in the Investment Program(s).

## DOCUMENTS YOU WILL RECEIVE AND WHAT THEY CONTAIN

You will receive multiple Financial Services Guides, one from Halpin Financial Services (this one) and one from Implemented Portfolios.

Halpin Financial Services will provide you with:

- A document which will contain details of the Investment Programs available, the discretions that will be exercised and potential significant risks;
- A Statement of Advice that has been prepared by your Adviser specifically for you that will explain why the IMA service is appropriate, the risks associated with the service as well as the specific Investment Program (portfolio) that is appropriate for you and the risks associated with it;
- An MDA contract that comes in the form of an IMA Services Agreement that will include the conditions under which the service is provided; and
- An application form for the establishment of the IMA.

If you decide to proceed with your financial adviser's recommendations then you will need to complete the last two items listed above.

## INVESTMENT PROGRAM

The Investment Programs will contain the following:

- Statements about the nature and scope of the discretions Implemented Portfolios or Halpin Financial Services will be authorised to, and required, to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- Information about any significant risks associated with the MDA Contract;
- The basis on which Halpin Financial Services considers that MDA Contract to be suitable for you;
- The MDA Contract may not be suitable for you if you have provided Halpin Financial Services limited or inaccurate information relating to your relevant personal circumstances, and may cease to be suitable if your relevant personal circumstances change; and
- Details of when, and by whom, the suitability of the MDA Contract to your relevant personal circumstances will be reviewed as required by law.

## REVIEW PROCESS

The Australian Securities and Investments Commission (ASIC) requires that a review is

conducted at least once every 13 months to determine if the IMA service and Investment Program remains suitable in light of your personal objectives, needs, financial situation and relevant personal circumstances. This review will be completed by Halpin Financial Services.

If your circumstances change during the year you should inform us as the IMA service and Investment Program could cease to be appropriate for you as a result of those changes.

## INVESTMENT RISK

You should be fully aware that within the parameters described in the Investment Programs you will not be consulted about portfolio transactions carried out on your behalf. As with all investing there is a risk that trading decisions made by Implemented Portfolios on your behalf could result in a capital loss.

Your portfolio may also be subject to the following discretionary investment risks:

**Discretion Risk:** as with all managed investment schemes, there is a risk that discretionary trading decisions made by Implemented Portfolios on your behalf, including decisions on corporate actions, may not be in line with your personal view.

**Investment Manager Risk:** Implemented Portfolios may not anticipate market movements or execute the investment strategy effectively, which may mean the investment objective is not achieved.

**Volatility Risk:** The Implemented Portfolios Asset Allocation and Investment Committee takes a long term view of the investment returns that can reasonably be expected from each asset class. During periods of extreme volatility the market returns for an asset class may vary significantly from the returns achieved by the Investment Programs / your IMA (which are typically less volatile).

## RISKS ASSOCIATED WITH INVESTING THROUGH A MANAGED DISCRETIONARY ACCOUNT SERVICE

The following risks are associated with using a Managed Discretionary Account (MDA) service to invest:

- Fair dealing: an MDA operator provides preferential treatment to some clients at the expense of other clients.
- Reasonable basis: the MDA operator does not exercise diligence and thoroughness when making investment recommendations.
- Failed implementation: failing to purchase or sell a share at the recommended share price.

- Failing to act responsibly and with a reasonable standard of care: the MDA operator acts in its own interests before the benefit of clients.

The discretionary nature of the MDA service does not extend to withdrawing or depositing funds in or out of your account. The discretion only relates to buying and selling of investments within the fund. We still require your written approval to deposit or withdraw funds from your account and all withdrawals must go to a linked bank account in your name.

## DISCRETIONARY POWERS

By entering an MDA contract the client authorises Implemented Portfolios to exercise the following discretionary powers (which is in accordance with the Investment Program recommended by Halpin Financial Services):

- To trade listed securities, unlisted corporate bonds, government debentures, stocks or bonds, registered managed investment schemes (listed and unlisted) and such other financial products as agreed with the client from time to time, on behalf of the client within the parameters and guidelines of the Investment Program. Where the foregoing financial products are not available to satisfy an asset allocation requirement then Implemented Portfolios may, after conducting research, trade in other financial products.
- To consider and exercise any rights that relate to the Investments.

Implemented Portfolios will not:

- Invest in any unregistered managed investment schemes.
- Conduct securities lending, therefore there will be no cross-collateralisation of debt.

## PRIVACY STATEMENT

In addition to the information provided in the Magnitude FSG Part 1 on how we collect, hold, use and disclose your personal information, and how we manage this information, further details around privacy are available at [www.halpinfs.com.au](http://www.halpinfs.com.au) and/or by calling us on 08 8236 8801.

## SECTION 3

### FEES AND CHARGES

#### HOW WILL YOUR FINANCIAL ADVISER BE PAID FOR THE SERVICES PROVIDED?

All fees and commissions disclosed in this FSG which are attributed to the services provided to you by Halpin Financial Services are paid to Magnitude.

Magnitude will pay up to 100% of those fees and commissions to Halpin Financial Services for distribution as directed by the partners of Halpin Financial Services.

Where you are referred to us by one of our Joint Venture partners, all fees and commissions received as a result of providing you with advice will be paid to the Joint Venture partner. The Joint Venture partner will then pay a distribution both to Halpin Financial Services and the Joint Venture partner. The distributions are made as follows:

- BSA Flinders Pty Ltd 22.5% / Halpin Financial Services 77.5%
- Gerhardy Whitelum Pty Ltd 20% / Halpin Financial Services 80%
- Hillier Ellis Chartered Accountants 20% / Halpin Financial Services 80%

The actual amount received by each party will be disclosed to you in your advice document.

Some Directors of Halpin Financial Services Pty Ltd are also shareholders of Implemented Portfolios Pty Ltd. As a result, some of the Halpin Financial Services Pty Ltd shareholders will participate in profit shares and distributions made by Implemented Portfolios Pty Ltd.

#### WHAT IS YOUR FINANCIAL ADVISERS FEE STRUCTURE?

As part of detailed financial planning, there are costs to you at various stages of the process. Before making any recommendations, we will discuss and agree the fees with you.

Advice fees are inclusive of GST and payable by you at the following stages:

- 1.) **Recommendation:** For having a personalised financial plan (SoA) prepared, a plan preparation fee (up to \$11,000) is payable. The actual fee will depend on the complexity of your situation and the time it takes to prepare personal financial advice for you.

2.) **Implementation:** We may charge a placement fee and/or implementation fee to implement the recommendations in your financial plan. These are payable when you decide to proceed with the implementation of any one or more recommendations that we provide to you. The actual fee will depend on the complexity of your situation and the amount of funds invested, but will not exceed:

- a. \$5,500; or
- b. The maximum of entry fees or contribution fees specified in the Product Disclosure Statement (PDS) for the recommended product; whichever is the greater.

3.) **Ongoing Advice Service and Reviews:** If you choose to have us conduct a review of your financial plan to ensure that your financial strategies and financial products remain appropriate to you, you may be charged a review fee. If you choose to have us provide an ongoing advice service, you may be charged a fee of up to 1.8% p.a. of total funds under management.

Where a placement fee and / or implementation fee is charged, we may rebate all or part of the initial commissions and / or ongoing commissions received from a product issuer, by way of an increase in your investment amount.

Where we receive an initial commission and / or ongoing commission amount, we may rebate all or part of the implementation and / or placement fee to you.

**Note:** Full details of all fees and commissions for financial services will be provided to you in a Statement of Advice (SoA), or Record of Advice (RoA) and Product Disclosure Statements (PDS) at the time of receiving any recommendation.

#### **WHAT AMOUNTS DO MY EMPLOYER AND OTHER RELATED ENTITIES RECEIVE FOR FINANCIAL SERVICES?**

Halpin Financial Services receives 100% of fees, commissions and incentives. The directors of Halpin Financial Services have a profit share arrangement to distribute profits monthly to partners and shareholders.

#### **WHAT OTHER BENEFITS DOES YOUR FINANCIAL ADVISER RECEIVE?**

In addition to the remuneration detailed above, we are eligible to qualify for other benefits and entitlements as detailed below:

- From time to time, we may accept alternative forms of remuneration from product providers or other parties (up to a value of \$300), 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 that relates to education or professional development. A copy of the register is available on request for a small charge.

#### **WILL YOUR FINANCIAL ADVISER BE PAID WHEN MAKING A REFERRAL?**

If you have been referred to us by an external party and you accept the services we provide, we may make a payment to the external party for that referral. Any amount payable will be disclosed in the SoA provided to you. This will be paid by us to the external party and will be at no additional cost to you.

The partners of Halpin Financial Services have a relationship with Charter Capital Finance which provides mortgage broking and lending services. Magnitude has no involvement in these activities and is not responsible for any services, advice or products provided by this business.



## SECTION 4

### CONTACT & ACKNOWLEDGEMENT

#### HOW YOU CAN CONTACT YOUR FINANCIAL ADVISER

##### Adelaide Office

Phone: 08 8236 8801

Fax: 08 8212 9218

GPO Box 2005, ADELAIDE SA 5001

Your Financial Adviser:

Halpin Financial Services

Email: advice@halpinfs.com.au

Website: www.halpinfs.com.au

##### Darwin Office

Phone: 08 8923 6969

Fax: 08 8212 9218

GPO BOX 4236, DARWIN NT 0801

#### ACKNOWLEDGEMENT – CLIENT COPY

I/We acknowledge that I was/we were provided with the Magnitude Financial Services Guide Part 1 dated 1 October 2018 and Part 2 (Adviser Profile) dated 15 October 2018.

Client name: \_\_\_\_\_

Client signature: \_\_\_\_\_

Date  
received: \_\_\_\_\_

Client name: \_\_\_\_\_

Client signature: \_\_\_\_\_

Date  
received: \_\_\_\_\_

OR complete as follows if Financial Services Guide is mailed to Client(s):

I confirm that I sent a copy of the Magnitude Financial Services Guide Part 1 dated 1 October 2018 and Part 2 (Adviser Profile) dated 15 October 2018 as follows:

Sent to (Client name(s)): \_\_\_\_\_

Sent on (Date): \_\_\_\_\_

Sent by (Name): \_\_\_\_\_

**ACKNOWLEDGEMENT – ADVISER COPY (to be retained on client file)**

I/We acknowledge that I was/we were provided with the Magnitude Financial Services Guide Part 1 dated 1 October 2018 and Part 2 (Adviser Profile) dated 15 October 2018.

Client name: \_\_\_\_\_

Client signature: \_\_\_\_\_ Date received: \_\_\_\_\_

Client name: \_\_\_\_\_

Client signature: \_\_\_\_\_ Date received: \_\_\_\_\_

OR complete as follows if Financial Services Guide is mailed to Client(s):

I confirm that I sent a copy of the Magnitude Financial Services Guide Part 1 dated 1 October 2018 and Part 2 (Adviser Profile) dated 15 October 2018 as follows:

Sent to (Client name(s)): \_\_\_\_\_

Sent on (Date): \_\_\_\_\_

Sent by (Name): \_\_\_\_\_