

Provided by Aspiri Financial Services ABN 25 090 764 444 AFSL No. 384486 (**Licensee**); Gavin Kelly - Authorised Representative No. 276225 of the Licensee; Leigh Smith - Authorised Representative No. 470946 of the Licensee (together we, us, our)

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Financial Services Guide

Live the life you Aspire to ...



Providing Smarter Solutions for WEALTH CREATION | INVESTMENTS | INSURANCE | SUPERANNUATION

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Purpose of this document

The purpose of this FSG is to assist you in deciding whether to use our services by giving you information about the type of services we provide, how we are remunerated and your rights when you have a complaint about the services we provide to you.

We recommend that you read and understand this FSG before you engage us to provide you with any financial services. If you have any questions, please get in touch with us.

Not Independent

Because we:

- receive commissions on the sale of life risk insurance products that are not rebated in full to clients;
- recommend our Managed Discretionary Account (MDA) service which is considered to be an “in house” product

we are not able to refer to ourselves or our advice as ‘independent’, ‘impartial’ or ‘unbiased’.

Additional documents you may receive from us

When we provide you with financial planning services you may receive:

- a Statement of Advice (**SoA**) or Record of Advice (**RoA**). These documents set out the advice we provide to you. If you have not retained a copy of the SoA/ROA, you may request a copy of it free of charge at any time within 7 years after the advice was provided to you, by contacting us;
- a Product Disclosure Statement (**PDS**) which provides details about the significant risks and benefits, costs, charges and other significant characteristics or features of the products we have recommended.

If you enter into an ongoing service agreement with us (including a MDA contract), you will receive annual fee disclosure statements and we will ask you to renew the agreement and consent to the deduction of advice fees from your account each year.

The annexure to this FSG titled ‘Our MDA service’ describes the additional documents you will receive if you acquire our MDA service.

Financial services we are authorised to provide

We are authorised to provide personal advice and dealing services to both retail and wholesale clients for the following financial products:

- deposit and payment products (basic and non-basic deposit products);
- debentures, stocks or bonds issued or proposed to be issued by a government;
- life risk and investment life insurance;
- interests in managed investments schemes including investor directed portfolio services and MDA services;
- retirement savings accounts products;
- securities;
- standard margin lending facility; and
- superannuation.

For important information about our MDA service, please see the annexure to this FSG titled ‘Our MDA service’.

Who do we act for?

As authorised representatives, we provide financial services on behalf of the Licensee. In providing those financial services, the Licensee acts on its own behalf. The Licensee is responsible for the financial services provided by its authorised representatives.

How can you provide us with instructions?

You can give us instructions by phone, email or any other means that we agree with you from time to time. Please refer to our engagement letter for more information on this.

Fees

All fees are paid to the Licensee as trustee for the Aspiri Business Trust.

Personal advice

Aspiri will charge you a fee for any personal advice we provide to you. That fee may be either a fixed fee or based on the amount of hours it takes us to prepare and provide you with personal advice. These fees will be agreed with you beforehand and will be disclosed in a SoA or RoA which will be provided to you.

Initial Fees

We may charge you an initial fee depending on the services that we provide to you. Initial fees may be charged as a percentage based on the value of your portfolio and are usually paid at the time of deposit into your portfolio. Alternatively, we may charge a flat fee.

Ongoing fees

Our ongoing advice fees depend on the ongoing service that we provide to you. Our ongoing fees may be charged as a percentage based on the value of your portfolio and are paid monthly. Alternatively, we may charge a flat fee.

Where you utilise our MDA service, the ongoing fees will be described in your MDA Contract.

For non-MDA ongoing advice services, the ongoing advice fee will be agreed with you in our ongoing service agreement.

Insurance commissions

We receive a one-off upfront commission when you take out an insurance policy we recommend. The upfront commission will be up to 66% of the first year's annual premium.

We also receive an ongoing commission payment of up to 30% of the annual premium for as long as you continue to hold the policy.

For example, for an insurance product with an annual premium of \$2,000, where the issuer pays us an upfront commission of 66%, we will receive \$1,320. The issuer will pay us 30% of the annual premium as ongoing commission for as long as you hold the product. Assuming an annual premium of \$2,000, this equates to \$600 per year.

You will be advised of the exact amount of these commissions in the SoA or RoA.

Other Benefits

We may also receive additional benefits by way of sponsorship of education seminars, conferences or training days. Details of any benefits received above \$100 will be maintained on a register which is available to you on request.

Adviser remuneration

Our advisers are paid a base salary and do not receive commissions from product issuers. Advisers may also receive bonuses based on revenue generated or a balanced scorecard approach that does not influence the advice provided to clients.

Associations

We are required to disclose any associations or relationships between us, our related entities and product issuers that could reasonably be capable of influencing the financial services we provide to you. We may recommend the MDA service operated by the Licensee, which is known as an "in house product".

- 1 Aspiri Financial Services Pty Ltd is indirectly owned by Connectus Wealth Pty Ltd. This entity is an indirect subsidiary of Focus Financial Partners LLC, a leading global partnership of wealth management firms incorporated in the USA.
- 2 Connectus Wealth Pty Ltd, through its subsidiary Connectus Services Pty Ltd ("Connectus"), employs financial planners and administration staff to assist in the operation of Aspiri's business.
- 3 Our representatives are authorised representatives of Aspiri Financial Services (AFSL No. 384486), but is an employee of, and remunerated by, Connectus Services Pty Ltd ACN 644 395 808 (**Connectus Services**). Connectus Services is a related body corporate of Aspiri Financial Services. Connectus Services does not hold an Australian Financial Services Licence and is not authorised to provide any financial services.

No associations or relationships exist with product issuers other than the Licensee.

Conflicts of Interest

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

We may also recommend you acquire financial products operated or managed by us or our related entities, known as “in house products”. This includes our MDA service. We will only recommend such products where we consider them to be in your best interests after first reviewing alternative products that may meet your needs and objectives.

Making a Complaint

We endeavour to provide you with the best advice and service at all times.

If you are not satisfied with our services, then we encourage you to contact the Licensee. Please call the Licensee or put your complaint in writing to the Licensee’s office. The Licensee will endeavour to resolve your complaint as quickly as possible.

If you still do not receive a satisfactory outcome or the Licensee does not respond to you within 30 days after you make the initial complaint, you have the right to complain to the Australian Financial Complaints Authority (**AFCA**) at the following address:

GPO Box 3
Melbourne VIC 3001

Ph: 1800 931 678
Fax: 03 9613 6399
Website: www.afca.org.au
Email: info@afca.org.au

You may only contact AFCA once you have followed the above procedure.

Your Privacy

We are committed to protecting your privacy.

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

Our Privacy Policy is available on request and on our website at www.aspiri.com.au

Compensation arrangements

The Licensee holds professional indemnity insurance in respect of the financial services we provide. This professional indemnity insurance complies with the requirements of the Corporations Act. The professional indemnity insurance covers all of the financial services we are authorised to provide to you.

Contact us

If you have any queries about our financial services, please do not hesitate to contact us:

Licensee’s contact details

Aspiri Financial Services Pty Ltd
PO Box 3323, Newstead, QLD, 4006
Email: info@aspiri.com.au

Annexure

Our MDA Service

If you choose to open an MDA with us, the Licensee will be the MDA provider.

Before we can provide you with an MDA service, you must first enter into an MDA Contract with us. The MDA Contract will include an Investment Program prepared in accordance with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the Corporations Act, and will contain:

- information about the nature and scope of the discretions we will be authorised and required to exercise;
- any significant risks associated with the MDA Contract;
- the basis on which the MDA Contract is suitable for you;
- warnings that the MDA Contract may not be suitable if you have provided limited or inaccurate information about your relevant circumstances and may cease to be suitable if your relevant circumstances change.

We will review the MDA service at least every 12 months to consider whether the MDA Contract and Investment Program continue to be suitable for you. We will confirm our advice in a SoA or RoA.

You can cancel the MDA service at any time by notifying us in writing.

How can you provide us with instructions for your MDA portfolio?

As part of the MDA service, you will provide us with discretion to act on your behalf in relation to your portfolio. This means we will not seek your instructions before we make each investment and decide whether to act on corporate actions for your MDA portfolio.

If you wish to provide us with specific instructions on investments or corporate actions, you may give these to us by phone, email, verbally or any other means that we agree with you.

Risks associated with the MDA service

There are certain risks which are associated with investing through our MDA service, in addition to the risks associated with the underlying products or strategies. Investment through an MDA may not be suitable for all clients. The risks include:

- we may change your investments at our discretion (within the scope of the authority you have given us), and you will not receive advance notice of those changes or agree with them;
- your adviser may make investment decisions (within the scope of the authority you have given us) which result in poor outcomes and as long as we are acting within the terms of the MDA Contract, you will be bound by our decisions;
- if there a change to your circumstances and you do not inform us of this, we may make inappropriate investments decisions;
- changes we make to your investments may result in capital gains which increase your taxable income. We consider your tax position when managing your investments;
- you may not be able to exercise voting rights or decide whether to take advantage of corporate actions such as voting, share buybacks and rights issues. We will consider whether to exercise such rights on your behalf and, in doing so, we will have discretion as to whether or not we contact you to seek your instructions;
- you will be reliant on our operational capability and professional integrity to manage your investments.

For further information on the MDA and investment risks, please refer to your MDA Contract and Investment Program.

Warning

You must provide us with full and accurate information about your personal circumstances before the commencement of our MDA service and notify us of any changes. If you do not provide us with this information or notify us of changes, we will not be able to properly advise you which may mean you have a MDA Contract and Investment Program that is not suitable for you or in your best interests.

External MDA custodian/service providers

We do not provide custodial services and will not hold legal title to your investments. We only provide our MDA service where your portfolio is held on a regulated platform. The platform appoints an external custodian who will hold the legal title to your investments. You will however retain beneficial ownership to all of your investments. Details of the custodian will be explained in the platform's Product Disclosure Statement. We will provide instructions to the relevant platform in relation to investment decisions involving your MDA portfolio.

The relevant platform also provides administration and reporting functionality to support our MDA service.

We use a thorough due diligence process in reviewing and selecting the platforms for our MDA service.

Fees and other costs

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 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) has a managed funds fee calculator to help you check out different fee options.

This document shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets in your MDA. You should read all the information about fees and costs because it is important to understand their impact on your investment. All fees in the below tables are inclusive of GST.

Fees and costs summary

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of your MDA portfolio		
<i>Establishment fee</i> The fee to open your MDA portfolio	Nil	N/A
<i>Contribution fee</i> The fee on each amount contributed to your MDA portfolio	Nil	N/A
<i>Withdrawal fee</i> The fee on each amount you take out of your MDA portfolio	Nil	N/A
<i>Exit fee</i> The fee to close your MDA portfolio	Nil	N/A
Management costs*		
The fees and costs we charge for managing your portfolio	Nil. There is no additional advice fee associated with the MDA service. Our only fees are as set out earlier in this FSG.	N/A
Service fees		
<i>Switching fee</i> The fee we charge for changing investments within your MDA portfolio	Nil	N/A
Platform fees and charges (fees charged by the Platform or service providers to the Platform when you have our MDA service)**		
<i>Transaction fees (Platform)</i> Fee charges by the Platform itself when you change or switch an investment	Nil	N/A
<i>Transaction fees (service providers such as fund managers)</i> Fee charged by some fund managers for the sale or purchase of investments	Nil	N/A
<i>Funds management fee paid to fund managers</i> The fee charged by fund managers of products you invest in via your MDA portfolio	This fee differs between fund managers and can range from 0.08% - 2% p.a. depending on the fund. Average fund manager fees across your account typically may be up to 0.8% p.a.	The fee is charged within the respective managed funds on a monthly basis. It is not charged directly against your account.

Type of fee or cost	Amount	How and when paid
Buy-sell spread The difference between the price paid to acquire an investment in a managed fund in your MDA portfolio and the price for which it could be sold at that time	This fee differs between fund managers and is generally, between 0% and 0.5% of the investment however can be as high as 1.20%	The fee is built into the unit price of the investment and is incurred at the time of each trade
Brokerage The fee charged by the platform for the purchase or sale of shares in your MDA portfolio	<u>Australian Shares</u> Up to 0.33% of trade value (subject to a minimum fee of up to \$40). * <u>International Direct Shares</u> Up to 0.33% of trade value (subject to a minimum fee of up to \$65). **	The fee is deducted from your account at the time of each trade
Administration fees The fee charged by the Platform for its administration services	The fee is usually charged on a sliding scale depending the value of your account. Administration fees might start at 0.50% and scale down to as low as 0.05% and may cap out at a certain balance or maximum fee. ** The maximum fee may be aggregated across up to 6 accounts by way of family fee grouping.	The fee is deducted from your account each month
Account keeping fees Some Platforms charge an account keeping fee	Up to \$280 per annum **	The fee is deducted from your account each month
International shares fee Some Platforms charge an international share fee for any direct international shares held in your MDA portfolio	Up to 0.15% of the value of any direct international shares held in your account. **	The fee is deducted from your account each month
Expense recovery fee Some Platforms have the ability to pass on all or a portion of expenses they incur to investors	This fee varies across platforms but could be up to 0.1% per annum. **	The fee is deducted from your account each month
Cash account fee Some Platforms charge a fee for the administration of your cash account	This fee varies across platforms but could be up to 0.40% per annum. **	The cash account fee accrues daily. It is charged before interest is calculated and credited to your Cash Account at the end of each month. The Cash Account fee is not separately deducted from your Cash Account. It is paid as an expense out of the cash deposited in the underlying cash accounts.

* Please see the above section 'Fees and remuneration' for information on how we charge for our services. The actual fees you will pay depend on what platform (if any) your investments are held within.

** Fees vary from one platform to another. The actual fees charged by the Platform will be set out in your SoA and will depend on the Platform that is recommended to you.

Example of annual fees and costs

This table shows an example of how fees and costs in our MDA can affect your investment over a one-year period. You should use this table to compare our product with other MDA services.

This example shows the fees and costs that relate to the MDA service only. It does not include any transaction fees as these are not known in advance and their total value will depend on the number and type of transactions undertaken during the year.

Annual advice and management costs for your MDA		
Type of Fee or Cost	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every \$5,000 you invest you will be charged \$0
PLUS		
Management costs (payable to us)	Nil	
PLUS		
Platform administration fee & Account Keeping fee	\$530	
PLUS		
Fund manager fees	0.8%	And for every \$50,000 you have in the investment option you will be charged \$400 each year
EQUALS Total Cost of MDA	<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: \$930.</p> <p>What it costs will depend on the investment option you choose and the fees you negotiate.</p>	

Please see the above section 'Fees and remuneration' for information on how we charge for our services. As noted in this section, additional fees may be charged by an external service provider (such as a fund manager), and we refer you to your SoA and the platform provider's product disclosure statement for further explanation of these fees.