



# South Yarra Financial Services Pty Ltd

## Financial Services Guide for Corporate Authorised Representatives



**SYFS GROUP Pty Ltd**

Trading as South Yarra Financial Services



**Milburn Financial Services Pty Ltd**

Trading as South Yarra Financial Services

This Financial Services Guide (FSG) contains information that will help you decide whether to use the financial services we offer. It sets out:

- who we are and how we can be contacted.
- the advice and services we provide.
- information about South Yarra Financial Services Pty Ltd.
- our fees and how we are paid in connection with those services.
- how we manage your private information.
- how you can complain about a matter relating to us and South Yarra Financial Services Pty Ltd.

## About our licensee

South Yarra Financial Services Pty Ltd

ABN: 12 639 037 639

Australian Financial Services Licensee No: 521479

Address: Office 2, 2 Claremont Street, South Yarra, Victoria 3141

South Yarra Financial Services Pty Ltd has:

- Approved the distribution of this guide.
- Authorised us to provide advice and other services as described in this guide.

## Documents you may receive

We will provide you with several documents as you progress through our financial planning process to capture each stage of your advice journey. We may provide these documents to you electronically, via a nominated email address, unless otherwise agreed.

When we provide personal advice, it will normally be documented and provided to you in a Statement of Advice (SOA), known as a financial plan. The financial plan contains a summary of your goals and the strategies and financial products we may recommend to achieve your goals. It also provides you with detailed information about product costs, associated fees and other benefits we and others will receive, because of the advice we have provided.

If we provide further personal advice it will be documented in a Record of Advice (RoA). We will keep a record of any further personal advice we provide you for seven years. You may request a copy of such records by contacting our office during that period.

If we recommend or arrange a financial product for you, we will provide a Product Disclosure Statement (PDS) or Investor Directed Portfolio Service (IDPS) guide where relevant. These documents contain the key features of the recommended product, such as its benefits and risks as well as the costs you will pay the product provider to professionally manage that product.

Other Documents you may receive;

A Fee Disclosure Statement (FDS) will be issued to you in instances where you enter into an Annual Advice Agreement with your adviser. The FDS will contain information about the services you were entitled to, the services you received and the fees you paid during the 12 month period.

We will issue an Annual Advice Agreement every 12 months. The Annual Advice Agreement will give you the option of renewing the annual advice arrangement.

You should read any warnings contained in your advice document, the PDS or IDPS guide carefully before making any decision relating to a financial strategy or product.

### Lack of independence

South Yarra Financial Services Pty Ltd receives commissions from mortgage and insurance products and also has its own MDA service. As such we are not able to refer to ourselves as **'independent'**, **'impartial'** or **'unbiased'**

# About our firm

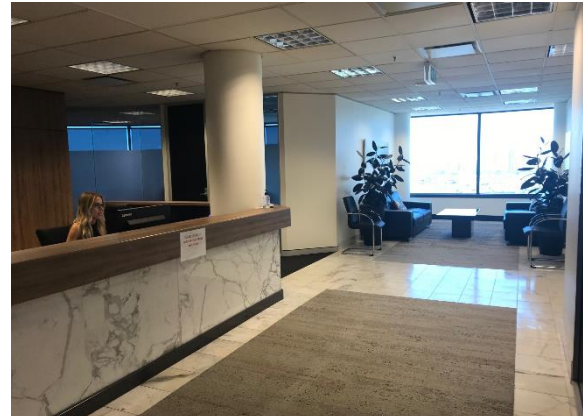
## Summary of the business

<b>Name</b>	SYFS Group Pty Ltd trading as South Yarra Financial Services
<b>Australian Business Number</b>	16 104 648 160
<b>Australian Company Number</b>	104 648 160
<b>Authorised representative number</b>	259521
<b>Name</b>	Milburn Financial Services Pty Ltd trading as South Yarra Financial Services
<b>Australian Business Number</b>	94 630 284 230
<b>Australian Company Number</b>	630 284 230
<b>Authorised representative number</b>	001282032

We act on behalf of South Yarra Financial Services Pty Ltd who is responsible for the services that we provide.

## Our office contact details

<b>Address</b>	Office 2, 2 Claremont Street, South Yarra, VIC, 3141	<b>Address</b>	Level 15/Suite 1, 2 Corporate Court, Bundall, QLD, 4217
<b>Phone</b>	03 9827 8155	<b>Phone</b>	07 5551 0253
<b>Email</b>	<a href="mailto:admin@syfs.com.au">admin@syfs.com.au</a>	<b>Email</b>	<a href="mailto:admin@syfs.com.au">admin@syfs.com.au</a>
<b>Website</b>	<a href="http://www.syfs.com.au">www.syfs.com.au</a>	<b>Website</b>	<a href="http://www.syfs.com.au">www.syfs.com.au</a>



# Our Advice and Services

We can provide you with personal and general advice about specific services and financial products listed below. We can also arrange for financial products to be issued without advice from us.

Individual advisers within our firm may not be qualified to provide advice in all the services and products noted below. Their individual profile guides will note any limitations to the advice they are qualified to provide. At all times we will ensure the appropriate adviser is available to you to provide advice consistent with your goals.

The following table sets out the areas of advice we can help you with as well as the products and services we can arrange.

Any additional advice or services we can offer you, or limitations to the list below, will be outlined in **Our Financial Advisers** on page 13 & 14.

We can provide advice on	We can arrange the following products and services
<ul style="list-style-type: none"> <li>— Investment strategies (strategic asset allocation and goals based investing).</li> <li>— Budget and cash flow management.</li> <li>— Debt management (including borrowing for personal and investment purposes).</li> <li>— Salary packaging.</li> <li>— Superannuation strategies and retirement planning.</li> <li>— Personal insurance.</li> <li>— Estate planning.</li> <li>— Centrelink and other government benefits.</li> <li>— Annual advice and services, including regular portfolio reviews.</li> <li>— Aged care.</li> </ul>	<ul style="list-style-type: none"> <li>— Superannuation, including retirement savings accounts.</li> <li>— Self-managed superannuation funds (SMSF)</li> <li>— Borrowing within your SMSF.</li> <li>— Employer superannuation.</li> <li>— Managed investments.</li> <li>— Investor directed portfolio services (for example, administration platforms).</li> <li>— Deposit and payment products (for example term deposits, cash management accounts and non-cash payment products).</li> <li>— Standard margin loans.</li> <li>— Retirement income streams, including pensions and annuities.</li> <li>— Personal and group Insurance (life cover, disability, income protection and trauma).</li> <li>— Life investment products including whole of life, endowment and bonds.</li> <li>— Securities (including listed securities and debt securities).</li> <li>— Exchange traded funds and Listed investment companies.</li> <li>— Arranging for listed securities, shares and debentures to be bought and sold via a platform and broker.</li> <li>— Various structured products, instalment warrants over managed funds and protected equity loans.</li> <li>— Where an administration platform is recommended, we are also authorised to provide a Limited Managed Discretionary Account service.</li> <li>— Limited selection of investment guarantees.</li> </ul>

South Yarra Financial Services Pty Ltd maintains an approved products and services list from a diversified selection of approved Australian and International providers. These have been researched by external research houses as well as our in-house research team.

South Yarra Financial Services Pty Ltd periodically reviews these products to ensure that they remain competitive with similar products that address similar client needs and objectives. Generally, we recommend products that are on the approved products and services list.

A copy of the approved products and services list can be supplied to you upon request.

If we recommend a new platform or portfolio administration service, we use those approved by South Yarra Financial Services Pty Ltd.

## Tax implications of our advice

Our representatives are authorised to provide tax (financial) advice services on matters that are directly related to the nature of the financial planning advice provided to you. We will not consider any other tax matters in our advice to you. Where tax implications are discussed they are incidental to our recommendations and only included as an illustration to help you decide whether to implement our advice.

## Transaction services

We can arrange to complete transactions for you on limited types of financial products where we can take your instructions and arrange for the transaction to be completed, without providing personal advice. If you wish to proceed without our advice, we will ask you to confirm your instructions, which will be documented in writing. We will keep a record of this documentation for seven years. You may request a copy of such records by contacting our office during that period.

## Your relationship with us and using our services

You can contact us directly with any instructions relating to your financial products. This includes giving us instructions by telephone, mail or email. We can only accept your instructions via email once you have signed an authority form.

We will work with you to agree what advice and services we will provide and when and how often we will provide them.

Where you agree to an annual or fixed-term advice and services, the details will be documented and provided to you in an advice or service agreement. This includes the frequency of contact between us, service standards that may apply, any annual or fixed-term fee arrangements and how the agreement can be terminated.

If at any time you wish to terminate your relationship with us, please contact us using the details shown in this guide.

## Providing information to us

It is important that we understand your circumstances and goals, so that we can provide you with appropriate advice and services. You have the right not to provide us with any personal information. Should you choose to withhold information, or if information you provide is incomplete or inaccurate, the advice or services we provide you may not be appropriate for you.

It is also important that you keep us up to date by informing us of any changes to your circumstances, so we can determine if our advice continues to be appropriate.

## Our fees

The actual fee charged to you will depend on the nature of the advice or service we provide. We will discuss and agree the actual fees with you before we proceed. The following section outlines the types of fees that may apply:

Our agreed advice and service fees may include charges for:

- Initial advice.
- Annual advice agreement and services.
- Ad hoc services (hourly rate)

### **Payment methods**

We offer you the following payment options for payment of our advice fees:

- PayPal (can accept credit card payments & direct debit) or cheque directly; and
- Deduction from your investment.

All fees and commissions received will be paid directly to **South Yarra Financial Services Pty Ltd** as the licensee.

# Schedule of fees

These prices should be used as a guide only. We will discuss your individual needs and agree our fees with you. The actual agreed fees will depend on factors such as the complexity of your circumstances and goals and the scope of the advice.

## Initial Advice Service fees

These are fees paid when you have agreed to receive our advice:

Initial Advice Service Fees	Service Package	Fee Amount
<p>South Yarra Financial Services charges a fee that is based on the amount of work that is undertaken on your behalf. The fee includes all meetings, documentation of the recommended strategies and investments, and implementation of the strategies and investments. Fees are based on the complexity of the advice provided.</p>	<p><b>Starter</b> \$100,000 to \$400,000 (Invested via SYFS)</p>	<p>A minimum fee of \$2,750 (includes GST) to a maximum fee of \$5,500 (includes GST) – based on number of accounts, insurance products and specific requirements.</p>
<p>The amount of the fee will be provided to you before we commence any work on your behalf. (As an estimate our fees are typically \$5,500 (includes GST) for simpler or limited advice, while more complex strategies can be up to \$9,900 (includes GST). We will provide an estimated cost before commencing any work. This fee considers the complexity of your circumstances and time involved to provide and implement advice.</p>	<p><b>Select to Platinum</b> \$400,000 to over \$8,000,000 (Invested via SYFS)</p>	<p>A minimum fee of \$3,300 (includes GST) to a maximum fee of \$9,900 (includes GST) – depending on complexity and specific requirements.</p>

## Annual Advice Agreement fees

We provide annual agreed services to help you stay on track to meet your goals. Our annual service fees vary depending on the scope and complexity of services provided. The cost of these services are as follows – based on package chosen:

Annual Advice Services	Annual Advice Fees
<p><b><u>Starter</u></b> Face to Face with Adviser <b>Annual Frequency.</b> Generally for clients with portfolios of \$100,000 to \$400,000 (Advice offered based on value to client)</p>	<p><b><u>Starter Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$2,000 to \$6,000 per annum (excludes GST) - (Provides an Annual Review) Annual fees are calculated based on number of accounts and insurance products.</p>
<p><b><u>Select</u></b> Face to Face with Adviser <b>Annual Frequency.</b> Generally for clients with portfolios of \$400,000 to \$1 Million (Advice offered based on value to client)</p>	<p><b><u>Select Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$6,000 to \$12,000 per annum (excludes GST) - (Provides an Annual Review) In the case of more complex situations, and by agreement with you, we may charge a higher annual fee. Refer to our Client Service Suites Brochure for details.</p>
<p><b><u>Silver</u></b> Face to Face with Adviser <b>Half Yearly Frequency.</b> Generally for clients with portfolios of \$1 Million to \$2 Million</p>	<p><b><u>Silver Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$12,000 to \$24,000 per annum (excludes GST) - (Provides a Half Yearly Review) In the case of more complex situations, and by agreement with you, we may charge a higher annual fee. Refer to our Client Service Suites Brochure for details.</p>
<p><b><u>Gold</u></b> Face to Face with Adviser <b>Tri-Annual Frequency.</b> Generally for clients with portfolios of \$2 Million to \$4 Million</p>	<p><b><u>Gold Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$24,000 to \$36,000 per annum (excludes GST) - (Provides a Tri-Annual Review) In the case of more complex situations, and by agreement with you, we may charge a higher annual fee. Refer to our Client Service Suites Brochure for details.</p>
<p><b><u>Platinum</u></b> Face to Face with Adviser <b>Quarterly Frequency.</b> Generally for clients with portfolios of \$4 Million to \$8 Million</p>	<p><b><u>Platinum Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$36,000 to \$60,000 per annum (excludes GST) - (Provides a Quarterly Review) In the case of more complex situations, and by agreement with you, we may charge a higher annual fee. Refer to our Client Service Suites Brochure for details.</p>
<p><b><u>Family Office</u></b> Face to Face with Adviser <b>Quarterly Frequency.</b> Generally for clients with portfolios of Over \$8 Million</p>	<p><b><u>Family Office Client Services Suite</u></b> An annual flat fee indexed with CPI ranging from \$60,000 to \$75,000 per annum (excludes GST) - (Provides a Quarterly Review) In the case of more complex situations, and by agreement with you, we may charge a higher annual fee. Refer to our Client Service Suites Brochure for details.</p>

*\*The indexation is based on CPI or 2% (whichever is greater).*

The amount of fees will depend on the service offering and these will be provided in a separate annual advice agreement.



Ad hoc services (invoice as required)	Fee amount	
<p><b>Unserviced</b></p> <p>Generally for clients with portfolios under \$100,000</p>	For Unserved Clients -Fees will be invoiced as services are required. As a guide services are typically charged (excludes GST) as follows:	
	1. Processing of any <b>one-off withdrawals</b>	<b>\$220</b>
	2. Processing of any <b>one-off deposits</b>	<b>\$220</b>
	3. Processing of any <b>rebalance of investments</b> , if requested, to restore cash	<b>\$220</b>
	4. <b>Portfolio review</b> , if requested	<b>\$4,000</b>
	<p><i>Includes:</i></p> <ul style="list-style-type: none"> <li>• Preparation of Statement of Advice and support documentation</li> <li>• 1-hour Face to Face advice meeting with Financial Planner</li> <li>• Implementation of Statement of Advice by Client Services staff/Financial Planner</li> </ul>	
	5. Processing any <b>one-off reports for Centrelink</b> purposes	<b>\$220</b>
	<ul style="list-style-type: none"> <li>• I.e. Centrelink Schedule</li> <li>• I.e. Portfolio Valuation</li> </ul>	
	6. <b>Completion/Check any Centrelink form</b> , if requested, by Financial Planner	<b>\$550</b>
	7. <b>Other services as requested</b> – Quote to be provided before completion of work required.	
Refer to our Client Service Suites Brochure for details.		

## Commissions

South Yarra Financial Services Pty Ltd receives commissions from mortgage and insurance products. As such we are not able to refer to ourselves as 'independent', 'impartial' or 'unbiased'

**Cost of insurance services** – if our \$ Based Fee service is chosen (replacing commission basis), we will rebate commissions back to the policy (i.e. opt out of the above commission arrangement & replace it with fee for services provided)

Product type	Initial Fee	Ongoing Fee	Example
Insurance (including those held within superannuation)	\$550 per insurance product for time to process application. (Note: This fee is payable regardless of the insurance being successfully placed.)	\$275 per insurance product for review of products at each review.	Therefore, if you require: 1 Income Protection Policy, 1 Life and TPD Policy and 1 Trauma/Crisis Policy. The Fee is 3 x \$550 = \$1,650 initially and ongoing 3 x \$275 = \$825 pa.

All fees and charges include GST.

## Other costs

Where other costs are incurred in the process of providing our advice and services to you, you will be liable for these costs. However, we will agree all additional costs with you prior to incurring them.

# Relationships and associations

It is important that you are aware of the relationships that South Yarra Financial Services Pty Ltd has with providers of financial services and products as they could be seen to influence the advice you receive.

## **Associations that may be capable of influencing the advice**

Your adviser is a Director of South Yarra Financial Services Pty Ltd whom have a referral arrangement with NewCo Pty Ltd ('NewCo'). Where you are referred to NewCo by your adviser and take up the services of that business, NewCo may pay a referral fee to South Yarra Financial Services Pty Ltd of up to 0.15% of any commission earned on a loan written and up to 0.36% p.a. of any outstanding loan balance. Your adviser does not receive any direct remuneration or benefit as a result of the referral but is entitled to profits from their shareholding in South Yarra Financial Services Pty Ltd. You are free to engage your own preferred professionals.

## **Other referral arrangements**

You may be referred to an external specialist to receive further advice. We do not receive any referral fees or commission for introducing you to the specialist.

## **Payments to other professionals**

We do not pay any referral fees when clients are referred to us from other professionals.

## **Other Benefits**

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

## Confidence in the quality of our advice

If at any time you feel like you are not satisfied with our services, the following will help you understand your options and find a resolution.

- Contact your adviser and tell them about your complaint.
- If your complaint is not satisfactorily resolved within three business days, please contact our responsible manager - Brendan Milburn:
  - Phone (03) 9827 8155
  - Email [brendan@syfs.com.au](mailto:brendan@syfs.com.au)
  - In Writing:  
**Attention: Managing Director: Brendan Milburn**  
**South Yarra Financial Services Pty Ltd**  
Office 2, 2 Claremont Street  
South Yarra VIC 3141
- He will try to resolve your complaint quickly and fairly.

If your complaint has not been resolved satisfactorily within 30 days, you may escalate your complaint to one of the External Dispute Resolution Scheme for consumers or the privacy regulator listed in the following below.

Any issues relating to financial advice, investments, superannuation, insurance matters, or credit matters	<b>Australian Financial Complaints Authority (AFCA)</b> GPO Box 3 Melbourne VIC 3001  1800 931 678 <a href="http://www.afca.org.au">www.afca.org.au</a> <a href="mailto:info@afca.org.au">info@afca.org.au</a>
Any issue relating to your personal information	<b>The Privacy Commissioner</b> GPO Box 5218 Sydney NSW 2001  1300 363 992 <a href="mailto:privacy@privacy.gov.au">privacy@privacy.gov.au</a>

You may also contact the **Australian Securities & Investments Commission (ASIC)** on 1300 300 630 (free call info line) to make a complaint and obtain information about your rights.

## Professional indemnity insurance

We maintain professional indemnity insurance to cover our advice and the recommendations provided by your adviser. South Yarra Financial Services Pty Ltd is also covered by professional indemnity insurance and this satisfies the requirements imposed by the Corporations Act 2001 and National Consumer Credit Protection Act. The insurance covers claims arising from the actions of former employees or representatives of South Yarra Financial Services Pty Ltd, even where subsequent to these actions they have ceased to be employed by or act for South Yarra Financial Services Pty Ltd.

# Your privacy

We are committed to protecting your privacy. Below we outline how we maintain the privacy of the information we collect about you.

## Privacy Collection Statement

As part of the financial planning process, we need to collect information about you. Where possible we will obtain that information directly from you, but if authorised by you we may also obtain it from other sources such as your employer or accountant. If that information is incomplete or inaccurate, this could affect our ability to fully or properly analyse your needs, objectives and financial situation, so our recommendations may not be completely appropriate or suitable for you.

We are also required under the Anti-Money-Laundering and Counter-Terrorism Financing Act (AML/CTF) 2006 to implement client identification processes. We will need you to present identification documents such as passports and driver's licences in order to meet our obligations.

We keep your personal information confidential, and only use it in accordance with our Privacy Policy. Some of the ways we may use this information are set out below:

- Your adviser and South Yarra Financial Services Pty Ltd may have access to this information when providing financial advice or services to you.
- Your adviser may, in the future, disclose information to other financial advisers, brokers and those who are authorised by South Yarra Financial Services Pty Ltd to review customers' needs and circumstances from time to time.
- Your information may be disclosed to external service suppliers who supply administrative, financial or other services to assist your adviser and South Yarra Financial Services Pty Ltd in providing financial advice and services to you.
- Your information may be used to provide ongoing information about opportunities that may be useful or relevant to your financial needs through direct marketing.
- Your information may be disclosed as required or authorised by law and to anyone authorised by you.

Your adviser and South Yarra Financial Services Pty Ltd will continue to take reasonable steps to protect your information from misuse, loss, unauthorised access, modification or improper disclosure. You can request access to the information your adviser or South Yarra Financial Services Pty Ltd holds about you at any time to correct or update it.

# Our services for Managed Discretionary Accounts

We offer limited types of Managed Discretionary Account services (MDA services) within approved investment platforms. Through these services, you allow us to manage your investments for you, using our discretion and without obtaining your instructions before each transaction we undertake on your behalf. However, we do not (and we are not authorised to) open new accounts, withdraw funds or contribute funds to your investment.

We select the investment platforms based on the ownership and features and benefits of the administrative platform. The investment platform must hold an appropriate Australian regulated Licence and prepare annual audited financial statements.

The functions we outsource to the investment platform are: maintaining 24 hour / 7 day website access to clients' accounts, holding investments beneficially owned by clients, buying and selling managed funds and/or direct shares using cash held in the investment platform cash account, all reporting functions in relation to those holdings including the cash account, transaction reporting, taxation reporting, performance reporting and financial statement reporting. We also outsource to the investment platform service provider, client access to the pre-mentioned reports via the website, by email or by mail either on a quarterly, semi-annual or annual basis.

The entities that we currently consider for selection of Wrap Services include:

- ASGARD
- BT Panorama
- Netwealth Wrap Services

We monitor the performance of the investment platform service provider outsourced functions by accessing their investment platform systems via internet to manage your Managed Discretionary Account and determining it is functioning in line with the Product Disclosure Statement; calling their support services/customer service functions to determine the investment platform service provider can resolve queries and/or provide additional requested information in a professional manner which is complete, concise and accurate to the request made. We also monitor if the investment platform service provider has any changes to its ownership, prepares annual financial statements and produces the client reporting as described in the Product Disclosure Statement.

## 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 an MDA Contract and Investment Program that is not suitable for you or in your best interests

## What are the risks associated with using the MDA service?

By authorising us to make changes to your investments, you cannot claim we were not acting on your behalf if we acted within the authority given. Therefore, our acts bind you. It is important you understand what we are authorised to do and that you carefully read and understand the activities that you are authorising us to do on your behalf.

The following risks are associated with investing through the MDA Service:

- Fair dealing: the risk of the authorised representative providing preferential treatment to some clients at the expense of other clients. For example, an attractive float is promoted to high net worth clients only and therefore other clients fail to receive an offer.
- Reasonable basis: the risk of the MDA operator not exercising diligence and thoroughness when making investment recommendations to the client.

- Failing to act responsibly and with a reasonable standard of care: where an MDA operator acts in his or her own interests before the benefit of their clients.
- An MDA service is not suitable for all clients. If you want to retain control of all investment decisions an MDA service will not be appropriate for you. However, if you are an experienced investor and understand the risks associated with having someone else make investment decisions on your behalf then it may be suitable for you.

### **How can you instruct us to exercise rights relating to the financial products in your portfolio?**

Generally, the financial products that we invest in on your behalf do not have any additional rights or entitlements attached to them. However, if there are, we will let you know within the necessary timeframe. You can then instruct us on corporate actions and communications about financial products in your portfolio by email, telephone or in writing. Under an MDA you may agree for us to respond on your behalf.

### **Non-limited recourse products**

We may recommend you invest your portfolio in a non-limited recourse product, specifically a margin loan. The amount of borrowing we recommend will be based upon your relevant personal circumstances and goals but only to a maximum of 50% of your investment.

The following risks are associated with non-limited recourse products:

- Gearing can magnify your losses as well as your gains.
- Interest cost may outweigh investment returns and this could potentially have an impact on your cash flow.
- A non-limited recourse product or facility imposes a legal obligation on you to pay an amount to another person or financial institution in the event of the occurrence or non-occurrence of something where the rights of the other person or financial institution are not limited to any property or asset that you have paid or set aside as security for the agreement.

A margin call occurs when your portfolio drops below the level of security needed to fund the loan.

As part of our annual agreed service, we will manage any risks of a margin call on your behalf other than receiving notification of margin calls. The margin lender will directly give you notice of any margin calls. We are not authorised to receive those margin call notices on your behalf.

Our Statement of Advice sets out the strategy for a margin call to review the Loan to Value Ratio (LVR) back to acceptable levels. We prefer that this is managed through cash injection or lodgement of additional securities/collateral rather than a sell down of the investments or crystallising losses.

If the value of the investment is less than the value of the loan, it will be inadequate to clear the associated debt, so more assets may need to be sold. Also, you may incur capital gains tax liability on the sale of your other assets. If in the unfortunate event, that neither of these balances is sufficient, you may be left with a remaining debt that will need to be repaid on an ongoing basis via your cash flow.

In the event of you having to sell your principal residence, note that it is not subject to capital gains tax and whilst the sale would incur selling costs, there would be no additional tax liability.

For example, if you use \$50,000 of your own money and borrow \$50,000 (50% LVR) via a margin loan to invest \$100,000 in shares. Assuming the maximum LVR available for the investment chosen is 70% plus a 10% buffer allowed by the Margin Lender before a margin call is due. Therefore, a margin call is payable if your portfolio reduces in value to \$63,000 (i.e. 80% LVR is exceeded). If your shares suffer a significant decrease in value to \$63,000 (i.e. -37%) you are required to meet a margin call from the lender immediately to restore your margin loan to a 70% LVR. Alternatives available before any margin call include: you may be forced to sell \$20,000 of your existing shares to partially repay margin loan (restores LVR to 69.7%), or you may deposit additional cash or security of \$10,000 (LVR to 68.5%) to allow you to reduce your margin lending ratio.

## **Keeping you informed**

You will have access to information regarding the trading on your account. This information will set out the transactions that we have undertaken on your behalf, as well as a detailed valuation of the assets and liabilities in your portfolio.

You can elect to either have continuous online access to your portfolio, together with the receipt of an annual statement, or receive paper statements both quarterly and annually.

## **Do you have to enter into a contract for us to provide MDA services?**

Yes, you must first enter into an MDA contract with us before the MDA can be provided. This MDA contract will set out the terms and conditions of the authority and the investment program, which sets out how your money will be invested. We will agree and prepare the investment program for you based on your relevant personal circumstances, your financial objectives and your needs and review the program at least every 12 months. The Investment Program will be prepared in accordance with the requirements of Division 3 of part 7.7 of the Corporations Act 2001 (the Act) and will comply with the requirement to act in the best interest of the clients as required by Division 2, Part 7.7A of the Act. In addition, the Investment Program will include information about:

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

## **Who is responsible for reviewing the investment program?**

We are responsible for reviewing your investment program. We will review your investment program at least every 12 months.

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

We do not provide custodial or depository services. This means that you will either hold the investments in the portfolio, or the custodian nominated for that financial product will hold them.

## Managed Discretionary Account fees and costs

If we recommend an MDA service and charge you a fee for the service, these fees and costs will be provided to you at the time we provide you with personal advice (or as soon as practicable after that time). Currently we do not charge an additional fee for the MDA service over and above what you are currently paying for our advisory services. This is because our MDA service is only available if your investments are held in an investor directed portfolio services i.e. Wrap Service under our ongoing service arrangements. There are fees associated with the regulated platform (i.e. Wrap service) we recommend and the investments we select to be held within the Wrap service.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from your assets held under our MDA service.

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

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment product</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Management costs</b>		
<b>The fees and costs for managing your investment<sup>1</sup></b> MDA service fee	Nil	Not applicable
<b>Indirect costs</b> External managed funds fees	Varies depending on the Managed Fund. Please refer to the fund manager PDS for fee information.	The fees are deducted from the managed fund unit price by the product issuer. This fee is not directly paid by you, but does impact the portfolio performance.



<b>Service Fees<sup>1</sup></b>		
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> Refer to the Additional Explanation of Fees and Costs section for an explanation of other fees and costs.

## Additional explanation of fees and costs

### Annual service agreed advice fees

We provide an annual service as part of our MDA service. The fees for our annual service are disclosed in the above section of the 'Schedule of fees'.

# Our Financial Advisers

## About Brendan Milburn



Phone	03 9827 8155
Email	brendan@syfs.com.au
Corporate Authorised representative number of SYFS Group Pty Ltd	000259521
Authorised representative number	246070
Financial adviser role	Certified Financial Adviser

### Qualifications (Financial services related)

Graduate Diploma of Financial Planning

Diploma of Financial Planning

Certificate of Financial Planning

### Professional memberships

FAAA - Financial Planning Association of Australia

### Professional designations

CFP - Certified Financial Planner

Qualified Tax Relevant Provider

## The advice and services I can provide

I am authorised to provide all the services listed in the **Our advice and services** section.

## How I am paid

I receive the following from our firm:

- salary
- dividends

100% Share of Revenue and Equity in SYFS Group Pty Ltd and South Yarra Financial Services Pty Ltd.

## About Brendan (BJ) John Lee Milburn Jnr



Phone	03 9827 8155
Email	bj@syfs.com.au
Corporate Authorised representative number of Milburn Financial Services Pty Ltd	001282032
Authorised representative number	001270776
Financial adviser role	Financial Adviser

### Qualifications (Financial services related)

Graduate Diploma of Financial Planning

Diploma of Financial Planning

### Professional memberships

FAAA - Financial Planning Association of Australia

### Professional designations

Associate of FAAA

Qualified Tax Relevant Provider

## The advice and services I can provide

I am authorised to provide all the services listed in the **Our advice and services** section.

## How I am paid

I receive the following from our firm:

- salary
- dividends

100% Share of Revenue and Equity in Milburn Financial Services Pty Ltd.