

FINANCIAL SERVICES GUIDE



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AFSL License No: 236855

The financial services referred to in this Financial Services Guide are offered by: Peter Rodgers and Ursula Boorman on behalf of Direct Advisers Pty Limited.

The purpose of providing a Financial Services Guide to you is to enable you to compare our services with similar providers and to give you important information about the services we offer, how we charge for those services, how we disclose any potential conflicts of interest and how we manage client complaints.

As part of our ongoing relationship we may provide you with other documents, namely a Statement of Advice as well as Product Disclosure Statements.

In the Statement of Advice we will tell you about:

- Our fees and commissions
- Any associations that we may have with Financial Product Issuers or any other parties, which may influence the advice we give you.

If we recommend a particular Financial Product to you, we will give you information about the particular Financial Product - a Product Disclosure Statement - to help you make an informed decision about the Financial Product.

What kinds of financial services are you authorised to provide me and what kinds of Financial Product/s do those services relate to?

Direct Advisers Pty Limited is the holder of an Australian Financial Services Licence (AFSL) No: 236855, which became effective on January 10, 2004.

Our Australian Financial Services Licence authorises us to carry on a financial services business to retail clients by providing financial product advice and allows us to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:

1. deposit and payment products limited to:
 - (A) basic deposit products;
 - (B) deposit products other than basic deposit products;
2. debentures, stocks or bonds issued or proposed to be issued by a government;
3. life products including:
 - (A) investment life insurance products; and
 - (B) life risk insurance products;
4. interests in managed investment schemes including:
 - (A) investor directed portfolio services;
5. retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
6. securities; and
7. superannuation;

In other words: we are licensed to deal in and to apply for, acquire, vary or dispose of financial products on behalf of another. The relevant products are as follows:

- Unit trusts, both wholesale and retail
- Master funds
- Wrap accounts
- Debentures
- Deposit products
- Securities listed on the Australian Stock Exchange
- Superannuation
- Pensions
- Insurance bonds
- Annuities
- Life insurance – we are life insurance brokers

Please note that whenever these services are provided by us, we will be acting on your behalf and not on behalf of any product issuer.

As we believe that advice on home loans is relevant to some financial planning clients, we also offer mortgage broking services.

Business Overview

Direct Advisers Pty Limited is a boutique financial planning practice providing advice and products to retail clients. Direct Advisers Pty Limited is independently owned by the principals, Peter Rodgers and Ursula Boorman and is not aligned to any financial institution.

All our advice is prepared by the principals who are supported by our highly trained administrative staff. Founded in 1986 Direct Advisers Pty Limited services clients throughout Australia from its office in Port Macquarie.

Our typical client is either retired or close to retirement with an average investment portfolio value of \$500,000. These clients use our Active Investment Management Service (AIMS), which charges a mixture of flat dollar and asset based fees and **rebates all investment commissions**. AIMS clients receive a minimum of two formal financial planning reviews each year, plus unlimited adviser access as determined by the client. These client relationships are typically very long term and many of our clients have relationships with us that extend well beyond a decade.

Portfolio construction is based upon the allocation of investments across the asset classes of cash, fixed interest, shares and property according to the client's risk tolerance and investment time frame and is relatively conservative, with a typical balanced portfolio being approximately 50% invested in cash and interest producing investments. Active Investment Management and Online Investment Account clients incur no additional fees when changes are made to their investments.

No monies are held by us on your behalf and we do not seek discretion to operate your accounts, implement new investments, nor make changes to existing investments, without your written authority. In practice this means that all investment recommendations will be given to you in writing and we will require your written authority prior to any implementation or change to your investments. We will not seek, nor hold powers of attorney for you, nor ask you to sign blank documents.

We will only recommend an investment to you after considering its suitability for your individual investment objectives, financial situation and needs.

As we only research investments that are on our approved list of recommended investments, **we do not provide advice or recommendations regarding investments not on our approved list.**

This means that we will only include investments currently on our approved list in portfolios that we manage, this may mean the redemption of your existing investments if they are not on our approved list and you wish us to manage a portfolio on your behalf.

You may choose the type of financial service that you wish to obtain from us:

1. **Active Investment Management Service** - a pure fee based service for larger portfolios, under which no investment commissions are accepted by us.
2. **Online Investment Account** – an economical fee based service, under which no commissions are accepted by us, especially suited, but not restricted to smaller portfolios.
3. **Investment Consultancy Service** – all service is provided on a defined fee basis.
4. **Model Share Portfolio Service** – a fee based portfolio approach to direct shares.

We can provide ongoing management of your investments via either our Active Investment Management Service or Online Investment Account

Who are my advisers?

Your advisers will be Peter Rodgers & Ursula Boorman.

Peter Rodgers holds a Bachelor of Arts degree, is a Certified Financial Planner and has in excess of twenty one years experience as a financial planner.

Ursula Boorman holds a Bachelor of Economics degree, a Diploma of Financial Planning, is a Certified Financial Planner and has in excess of eighteen years experience in the financial services industry.

Peter Rodgers and Ursula Boorman are principals and directors of Direct Advisers Pty. Limited.

Who will be responsible for the financial services provided?

Direct Advisers Pty Limited is responsible for the financial services provided including the distribution of this Financial Services Guide.

Direct Advisers Pty Limited ABN: 82 056 697 342, Australian Financial Services Licensee, no: 236855 of 106 William Street, Port Macquarie NSW

Direct Advisers Pty. Limited is a Principal Member of the Financial Planning Association of Australia, the Association of Independently Owned Financial Planners and the Boutique Financial Planners Principal's Group.

What information should I provide to receive personalised advice?

You need to provide us with details of your personal objectives, your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

You have the right not to tell us, if you do not wish to. However, if you do not, the advice you receive may not be appropriate to your needs, objectives and financial situation.

You should read the warnings contained in the *Statement of Advice* carefully before making any decision relating to a Financial Product.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information.

If you wish to examine your file please ask us. We will make arrangements for you to do so.

How can I give you instructions about my Financial Product/s?

You may tell us how you would like to give us instructions. For example: in writing, by fax or other means such as e-mail.

How will I pay for the services provided?

You will usually pay us a fee. However in some cases, we may receive commissions or brokerage, which is paid to us by Financial Product issuers.

We will give you a Statement of Advice containing details of our fees and any payments made to us by Financial Product issuers.

Depending upon the services provided to you, we will receive remuneration in one or more of the following ways:

- We make no charge for your initial appointment, however no advice will be given to you at that time.
- We charge hourly fees for the entire financial planning and investment advisory process.
- Under our **Active Investment Management Service** we charge a flat dollar access and administration fee plus an investment management fee, which is a percentage of the value of your investments. As we do

not accept any investment related initial or ongoing (trail) commissions under this service the overall fees you pay to fund managers, etc are significantly reduced. There are **no additional charges** for any ongoing service such as portfolio management, investment reviews, updated financial plans, restructuring portfolios, Centrelink assistance, consultations, etc. As this service uses wholesale investment funds, there are no fund manager entry nor exit fees, nor any switching fees when investments are changed. This service is for portfolios valued at **more than \$250,000**.

- Under our ***Online Investment Account*** we charge a flat dollar access and administration fee plus an investment management fee, which is a percentage of the value of your investments. As we do not accept any investment related initial or ongoing (trail) commissions under this service the overall fees you pay to fund managers, etc are significantly reduced. Once your investments have been placed, portfolio management and a choice of either one investment review plus one Centrelink review per year or two investment reviews will be provided at no extra cost, however **all other services will be on an hourly fee basis**. As this service uses wholesale investment funds, there are no fund manager entry nor exit fees, nor any switching fees when investments are changed. This service is for portfolios valued at **less than \$250,000**.
- Under our ***Investment Consultancy Service*** we will charge you a defined fee and negotiate with you in regards to commissions and other fees. Part of our income may be from ongoing (trail) commissions.
- Our ***Model Share Portfolio Service*** has flat fees and offers you four different direct share portfolios, ranging from income to growth and includes an ethical investment portfolio. Once set up, it provides ongoing recommendations by email when changes are required.
- Our ***Discount Stockbroking Service*** – no advice on market transactions (via Andrew West & Co). Fees including brokerage paid to Andrew West & Co are as follows:

First \$5,500	\$69.95	(\$30 paid to Andrew West balance paid to us)
\$5,501 - \$24,000	1.20%	(\$30 paid to Andrew West balance paid to us)
over \$24,000	0.60%	(\$30 paid to Andrew West balance paid to us)
- Our ***Money for Life Program*** is an intensive fee based financial coaching and mentoring program designed to assist you in identifying personal and financial goals. Once your goals are clear, we then work with you so that they can be achieved as quickly as possible.

Our Current Fee Schedule – Financial Planning

Details of the fees are provided in the fee schedule. The fees are payable at the time that our services are rendered to you.

Initial Consultation	No charge for first hour.				
Comprehensive Financial Planning	Fee for service basis.				
Active Investment Management Service	Fee based. Includes full portfolio management, at least two reviews per year and unlimited additional services .				
Online Investment Account	Fee based. Includes full portfolio management and two reviews each year. All other services - hourly fee basis.				
Investment Consultancy Service	Fee for service basis.				
	ACTIVE INVESTMENT MANAGEMENT SERVICE		ONLINE INVESTMENT ACCOUNT		
	AMOUNT INVESTED	INITIAL FEE (once only)	MANAGEMENT FEE (per month)	INITIAL FEE (once only)	MANAGEMENT FEE (per month)
	Under \$250,000	N/a	N/a	\$1,650+1.21%	\$110+0.11%
	Over \$250,000	\$2,640+0.66%	\$220+0.055%	N/a	N/a

Please note: The fees paid by existing clients may vary from the above.

Notes

1. GST is included in the above fees.
2. We do not accept any commissions under our Active Investment Management and Online Investment Accounts, as they are entirely fee based. Wherever commissions are paid to us in respect of these services, they will be rebated to you.
3. Asset based fees are calculated as a percentage of your investment funds as per the above table.
4. The Initial Fee will be waived upon investment funds coming from any existing investment upon which an entry (or similar) fee of greater than 2% was paid during the past five years.
5. Other fees may apply for providing consultancy or other services (such as financial plans, portfolio reviews, Statements of Advice, second opinions, etc).
6. We may receive benefits in the form of technical assistance, professional development training, access to software or other non-pecuniary support from Financial Product issuers.

Your adviser will tell you in writing in the Statement of Advice what fees we may charge you, when you have to pay, and what payments we may receive from Financial Product issuers

Our Current Fee Schedule – Model Share Portfolios

- Assistance with the initial selection of your Model Share Portfolio - \$506.
- Ongoing recommendations via email for the updating composition of your Model Share Portfolio - \$506 per year, payable annually in advance.
- Optional annual review and report of your Model Share Portfolio - \$253
- Optional additional reviews and reports - \$253.

Will anyone be paid for referring me to you?

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

Conflicts of interest and alternative remuneration

Direct Advisers Pty Limited is a shareholder in Personal Choice Portfolio Services Pty Limited, which receives rebates from the Asgard (eWrap and Elements only) platforms. This means that we are entitled to receive payments, including dividends, when our clients invest in the above platforms.

Worked example:

- \$100,000 account balance
- Estimated rebate approximately = 0.18% per year
- Approximate value of rebate received by us = \$180 per year

Please note that any such payment will not result in you paying additional fees when Asgard is used, and in some cases your Asgard fees will be lower as a result of us being a shareholder in Personal Choice Portfolio Services Pty Limited.

Personal Choice Portfolio Services Pty Limited was established primarily, by the Association of Independently Owned Financial Planners (AIOFP) to focus on providing Australians with innovative investment services. The AIOFP is an Australia-wide network of Licensed Dealers whose membership is drawn from leading independently owned financial planning groups across Australia.

Direct Advisers Pty Limited is a shareholder member of a group of independently owned AFS licences, known as Associated Advisory Practices, which is a service company that provides legal, compliance training and business development support to Direct Advisers Pty Limited. AAP does not hold an AFS licence. AAP is sponsored by Professional Investment Services (PIS), an AFS licensee. There is no relationship with PIS other than PIS is paid to provide licence support services to shareholders within AAP.

Because of the aggregated volume of business written by AAP shareholders, PIS has negotiated additional remuneration from certain investment and life product providers including Asgard, which is used to pay for the AFS licensee support services provided by PIS to AAP shareholders, including Direct Advisers Pty Limited.

Thus Direct Advisers Pty Limited receives alternative remuneration in the form of back office services by the AAP service company, at no additional cost to Direct Advisers Pty Limited. In addition, as a consequence of our association with AAP, Direct Advisers Pty Limited may become eligible for additional shareholdings in AAP through the placement of investment funds and/or insurance funds with various product providers including Asgard.

Statement by Direct Advisers Pty Limited

Direct Advisers Pty Limited states unequivocally that the above arrangements have no influence whatsoever on investment product choices for our client's portfolios. At all times, portfolios are constructed solely according to our professional judgement of what are the best available investments and life products to meet the client's needs and objectives.

Direct Advisers Pty Limited maintains a conflicts of interest and alternative remuneration register, which is available for inspection by clients and prospective clients.

What should I do if I have a complaint?

If you have any complaints about the service provided to you, you should take the following steps:

1. Contact us and tell us about your complaint.
2. If your complaint is not satisfactorily resolved within 45 days, please contact Peter Rodgers on 02 6583 7588 or put your complaint in writing and send it to us at Direct Advisers Pty Limited's address, noted at the beginning of this Financial Services Guide. We will try and resolve your complaint quickly and fairly.
3. If the complaint can't be resolved to your satisfaction you have the right to refer the matter to the Financial Industry Complaints Service Limited They can be contacted on 1800 335 405 or you can write to them at PO Box 579, Collins Street West, Melbourne 8007.

Instructions from you

We will always seek to act on your specific instructions in a timely and efficient way, however you must provide your instructions to us in writing (mail, fax or email).

Privacy of your information

In providing our services to clients we collect personal information about them, including sensitive information (e.g. about a client's state of health for insurance purposes). Please note we treat all information you provide to us in confidence and will take all reasonable steps to ensure non-disclosure to anyone other than for the purpose of fulfilling your instructions. We treat all client information in accordance with the provisions of the Privacy Act 1988.

Professional Indemnity Insurance

We hold Professional Indemnity Insurance cover with Dexta Corporation for the activities conducted under our AFS licence. The limit of the indemnity is \$2,000,000 for any one claim and \$4,000,000 in the aggregate for all claims arising out of our AFS licence activities. We believe that our Professional Indemnity Insurance cover satisfies the requirements for compensation arrangements under s. 912B of the Corporations Act.

If you have any further questions about the financial services Direct Advisers Pty Limited provides, please contact Peter Rodgers or Ursula Boorman on 02 6583 7588.

Please retain this document for your reference and any future dealings with Direct Advisers Pty Limited

Our contact details:

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