

Private Capital Advisers

Financial Services Guide

February 2023



PRIVATE
CAPITAL
ADVISERS



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Financial Services Guide

Private Capital Advisers Pty Ltd (Private Capital Advisers, we, us and our) is an Australian Financial Services Licensee (AFS Licence No. 422 593).

This Financial Services Guide (FSG) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. It contains important information about:

- The services we offer you;
- How we and our associates are paid;
- Any potential conflict of interest we may have; and
- Our internal and external dispute resolution procedures and how you can access them.

It is intended that this FSG should assist you in determining whether to use any of the services we offer you.

Not Independent

While we will always seek to meet our legal obligations to act in our clients' best interests within the meaning of section 961B of the Corporations Act 2001, we do not fall within the strict definitions of "independent", "unbiased" or "impartial" under section 923A. The reason we do not fall within these definitions is because we give our clients the option to allow life insurance companies to pay us commissions for the services that we provide to our clients rather than for us to be required to directly invoice our clients and for our clients to be required to pay us directly. We remain committed to continue to give our clients this important choice.

We may give you other documents when providing our services to you. These documents may include:

Statements of Advice

Where we provide financial product advice to you for the first time, or where the advice we provide to you is in the context of your circumstances, objectives or needs being significantly different to the previous advice we provided you, or where the basis of the advice we provide is significantly different to the advice we previously provided to you, we will give you a Statement of Advice (SOA). In this SOA we will tell you about:

- Our advice and basis of advice;
- Our fees and commissions; and
- Any associations we have with financial product issuers or other parties which may have influenced the advice we give you.

Record of Advice

On an ongoing basis, a Record of Advice (ROA) will be used instead of an SOA, if there have been no significant changes in your personal circumstances or the basis of the advice has not significantly changed since the last SOA was provided to you. You have the right to request a copy of your ROA up to 7 years from the day on which the advice was provided to you by us.

Product Disclosure Statements

If we make a recommendation to acquire a financial product, we will provide you with a Product Disclosure Statement (PDS), if the financial product issuer produces a PDS, containing information about the particular financial product to help you make an informed decision about the acquisition of that financial product.

Our Services

Our Financial Planning and Advisory Services Can Assist You To:

- Identify your financial and investment objectives, taking into account your current financial position and personal circumstances;
- Help you to develop financial goals and investment strategies;
- Advise you how to implement your investment strategies; and
- Recommend and arrange financial products that are suitable for your needs.

We Can Provide Advice in The Following Areas:

- Strategies to enhance your wealth including strategies to achieve asset accumulation, tax minimisation and liability management.
- Cash flow management and budgeting advice.
- Advice on life insurance in order to protect you and your family against the financial impact experienced as a result of accident, illness or death.
- Advice on structuring your investments and superannuation benefits for maximum effectiveness and flexibility.
- Investment consulting advice focused on ensuring that you hold appropriate investments* in order to achieve your financial goals.
- Administration and reporting on investment portfolios and self-managed superannuation funds.
- Advice on the preparation or review of investment programs in Managed Discretionary Account (MDA) services.

* Private Capital Advisers and its advisers will not provide you with any advice on crypto-assets and direct real property.

Private Capital Advisers is authorised to provide financial services which includes providing advice and dealing in the following financial products by applying for, acquiring, varying, or disposing of on behalf of another person:

- Deposit and Payment Products – Basic and non-basic deposit products;
- Government debentures, stocks and bonds;
- Life products – Investment life insurance products and life risk insurance products;
- Interests in managed investment schemes including investor directed portfolio services;
- Retirement savings accounts;
- Securities;
- Superannuation - including Self-Managed Superannuation Funds;
- Managed discretionary account services; and
- Margin lending.

We act for you when providing financial services to you.

Managed Discretionary Account Service

We may provide you with managed discretionary account (MDA) service. The MDA service allows your adviser to acquire, vary, realise, sell, subscribe, purchase, withdraw or otherwise dispose of and deal in assets and financial products in your account, including any corporate actions (such as decisions regarding voting rights and reinvestment of distributions or dividends) in respect of the investments in your MDA without seeking your prior approval or consent. Accordingly, you will not receive SOAs or ROAs in relation to ongoing financial transactions, unless we have determined that your circumstances, needs or objectives have significantly changed or we are producing the SOA or ROA as part of an annual review. We will not be required to seek your instructions regarding corporate actions or other matters in relation to your investments. If you wish to provide instructions regarding corporate actions or change the MDA arrangements, you can only do so by contacting your adviser in writing.

Before we can provide you with an MDA service, you must first enter into an MDA contract with Private Capital Advisers. The MDA contract will include an investment program that is prepared in accordance with the requirements in Division 3 of Part 7.7 and Part 7.7A of the Corporations Act 2001. The investment program will contain the following information:

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

Under the MDA contract, you are delegating the decision-making powers (the discretion) relating to the financial products held in your MDA service to Private Capital Advisers. The decision making can include rights relating to the financial products, such as corporate actions, decisions regarding voting rights and reinvestment of distributions or dividends. Therefore, Private Capital Advisers will not be required to communicate with you to seek your instructions before any decision making under the MDA contract in respect of your MDA investment portfolio.

Private Capital Advisers does not provide custodial, depository or investment administration services relating to the MDA services. Rather, your assets will be held for you through your account in the recommended investment and/or superannuation regulated platform. We typically use BT Panorama as our regulated platform. We may also use HUB24, Netwealth and Macquarie WRAP where appropriate.

Risks

You should be aware of the significant risks associated with investing through the MDA service listed below.

The MDA service provides Private Capital Advisers with the discretion to invest your money in assets that are exposed to capital risk such as the share market. There is a risk that you may suffer a financial loss, including the loss of your capital. It is possible that we may make investment decisions that you may not agree with, even though our actions are within the law and the scope of the authority you have granted us.

The investment program and appropriateness of the MDA service is based on our understanding of your financial situation, needs and objectives. If you provide us with limited information about your financial situation, needs and objectives, you risk Private Capital Advisers making transactions under the MDA service which may not be appropriate for you.

If there are any changes to your financial situation, needs and objectives and you do not tell us in a timely manner, Private Capital Advisers may make transactions under the MDA service which may not be appropriate for you.

This FSG and the MDA service comply with the ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968.

Outsourcing

We may use any agent, other AFS licensees, broker or custodian who we think is necessary or convenient to discharge our responsibilities under the MDA service, including our related entities.

Outsourcing only occurs after we have conducted practical due diligence in respect of the outsourced provider and have conducted reference checks. We will then conduct regular monitoring of those providers. In applying these rigorous standards, the outsourced providers may change from time to time.

The typical services that may be outsourced include training, compliance, accounting, legal, account administration and research.

Non-Limited Recourse Products and Facilities

Before entering into an MDA service with us, and at the time of each annual review by us, you will be required to acknowledge in the MDA contract that we have provided you with a warning regarding non-limited recourse products and facilities and that you have consented to us acquiring, holding or disposing of those products or facilities on your behalf.

The non-limited recourse products or facilities can include loans used to acquire financial products (including margin loans), certain types of derivatives and certain types of capital-protected products that require the payment of ongoing fees to retain the capital protection feature.

Investing in non-limited recourse products or facilities can significantly increase your investment risk. Specifically, 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.

How Can You Deal With Us?

- You can provide us with instructions in person, by phone, or email.
- It is important that you provide us with complete and accurate information about your personal objectives, details of your current financial situation and any other relevant information, so that we can offer you the most appropriate advice possible.
- You have the right not to tell us information 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. If you choose not to provide complete and accurate information about your circumstances, need or objectives, the onus passes to you to consider the appropriateness of the advice having regard to your circumstances, needs and objectives.
- You should seriously consider any warning that we provide in relation to this matter before making a decision relating to financial products.
- We recommend that you review your financial products and insurance policies at least annually.
- Furthermore, if there are any significant changes to your personal circumstances, we recommend you contact us as alterations to your financial strategies and investment and risk insurance portfolios may be required.

Fees and Other Costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets you hold.

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

Customer Advisory Warning

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 the features of the MDA service justify the 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) has a managed funds fee calculator to help you check out different fee options.

Private Capital Adviser Fees

Type of Fees and Costs	Amount (includes GST)	How and When Paid	Description
Initial advice fee	Range from \$3,300 - \$7,700	Can charged to your portfolio or paid directly by you when invoice is provided. This fee will be agreed.	We charge for our financial planning and investment services on the basis of the time that we spend looking after your needs. The rate will depend on the nature of the services you ask us to provide, for example: Initial advice fee - For our initial consultation and preparation of a written SOA we charge a fee. That fee will depend on the complexity of the advice provided to you.
Financial Planning and Investment Services – Implementation fee	0.25% - 1.10% of amounts invested	Charged to your external bank account or your portfolio. This fee will be agreed where appropriate.	Implementation fees may be payable if you elect to proceed with the recommendations contained within your SOA. For example, if you invest \$1,000 through our firm, the maximum implementation fee would be \$11. Full details of applicable fees will be set out in your SOA.
Ongoing Advice fee	Range from \$2,000 - \$60,000	Can charged monthly to your portfolio or paid by direct debit when an invoice is provided. This fee will be agreed.	Ongoing advice fee - Our ongoing advice fee is based on an agreed fixed annual fee. The fixed annual fee is based on our estimate of the time needed to look after your needs and the complexity of your circumstances. If applicable, full details will be set out in your SOA.
Share Transactions	Up to 1.10% of the share transaction executed on your behalf, subject to a minimum fee of \$88		A share transaction fee will be charged for executing the share transactions on your behalf. For example, if you trade \$10,000 of shares then your fee will be \$110. If applicable, full details will be set out in your written SOA.

Life Insurance Services	Upfront commission of up to 66% of the first year's annual premium and up to 22% per annum of the annual premium thereafter	Paid to us by the insurer annually or monthly	<p>We may receive upfront and ongoing commission payments for insurance products implemented on your behalf. The ongoing commissions will continue to be received by us whilst Private Capital Advisers is listed as the servicing adviser.</p> <p>In most cases, yearly premiums will increase on the anniversary of the policy, which means Private Capital Advisers' annual ongoing commission will increase also, in line with the premium increase.</p> <p>For example: If the initial and annual income protection insurance premium was \$1,500 per annum, Private Capital Advisers would receive an upfront commission of \$990 in that year and an ongoing commission of approximately \$330 per annum each year the policy is in force. If applicable, full details will be set out in your written SOA.</p>
Capital Raising	Up to 2.20% of funds raised	Paid to us by the company raising funds	<p>We may receive an upfront capital raising placement fee if we assist you with investing into a capital raising.</p> <p>For example, a placement fee of up to \$2,200 may be payable for each \$100,000 of capital raised. If applicable, full details will be disclosed to you.</p>

All amounts noted above are inclusive of GST.

Product Fees

Type of Fees and Costs	Amount (includes GST)	How and When Paid	Description
Platform fees	<p>Fixed Account Keeping Fees \$180 - \$528 Account keeping fee per annum</p> <p>Tiered Fee (% Based) 0.15% - 0.56% of Account Balance</p>	Charged to your portfolio	<p>Platform fees are paid to the regulated platform (e.g. BT Panorama, HUB24, Netwealth or Macquarie WRAP) for safekeeping of assets, settlement on investment transactions, collection and collation of income, processing of corporate activities, online reporting, banking services, fee collection and tax reporting. The regulated platforms do make investment decisions on your investments, but acts only on our proper instructions in relation to managing your investment portfolio.</p> <p>Please refer to the relevant product disclosure document (regulated platform's Investor Directed Portfolio Service or PDS) where specific fees and word examples are provided. Please ask us if you need clarification about the Platform Fees.</p>
Investment product fees	Fees vary between 0.2% - 2.0% of your Portfolio Value	Charged to your portfolio	<p>Separate from and in addition to all the fees disclosed above, you may incur other fees and costs relating to the investment products. Please refer to the relevant product disclosure document (regulated platform's Investor Directed Portfolio Service or PDS) where specific fees and worked examples are provided.</p>

Who We Pay?

Advisers	<p>Our Advisers are employees they are paid a salary and may be eligible to receive a performance bonus if they meet pre-set agreed key performance indicators or dividends if they are a shareholder in the business.</p> <p>Peter Wright is the director of Private Capital Advisers. Peter is also a shareholder of Private Capital Advisers and maybe entitled to dividends.</p>
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Further Details on Remuneration and Benefits Relating to Financial Services

If remuneration is not ascertainable at the time this FSG is given and personal advice is given, then either of the following will occur:

- If the remuneration or other benefits are calculable at the time the personal advice is given, the remuneration or other benefits that we pay to another will be disclosed at the time the personal advice is given or as soon as practicable after that time; or
- If the remuneration or other benefits that we pay to another are not calculable at the time the personal advice is given, the manner in which the remuneration or other benefits that we pay to another are to be calculated will be disclosed at the time the personal advice is given or as soon as practicable after that time.

Important Associations

Private Capital Advisers may from time to time receive a benefit from preferred product providers by way of sponsorship of educational seminars, conferences, or training days. Details of benefits above \$100 will be maintained on a register.

Private Capital Advisers is also related to Private Capital Superannuation Pty Ltd, Private Capital Accountants Pty Ltd, and Launchpad Financial Services Pty Ltd. Private Capital Advisers may refer you to these companies for accounting or SMSF administration services. Private Capital Advisers is not paid a referral fee. However, Peter Wright is a director and shareholder of these companies and may be entitled to dividends.

Our Professional Indemnity Insurance

We hold Professional Indemnity (PI) insurance in place in accordance with section 912B of the Corporations Act 2001. Our PI insurance covers us for claims made against us by clients as a result of our conduct in the provision of financial services.

Our PI insurance cover will cover us for claims relating to the conduct of representatives who have ceased work with us but who did at the time of the relevant conduct. This is subject to the usual terms of the PI policy in relation to providing indemnity.

What To Do if You Have a Complaint?

If you have a complaint about our services, you can contact our Complaints Officer on 08 9384 6516, who will try to resolve your complaint quickly and fairly.

Private Capital Advisers is a member of the Australian Financial Complaints Authority (AFCA). Should the dispute remain unresolved, or is not resolved within 30 days, or such longer period as permitted by AFCA, you have the right to refer the matter to AFCA.

Contact Details for AFCA are:

Australian Financial Complaints Authority (AFCA)

Postal Address	GPO Box 3, Melbourne VIC 3001
Phone	1800 931 678
Fax	(03) 9613 6399
Email	info@afca.org.au
Web	www.afca.org.au

You may also contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630 to obtain information about your rights.

How We Protect Your Privacy?

We are committed to protecting your privacy. We use information from you to understand your personal situation and provide you with advice that meets your needs and objectives. We will also collect information from you to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act. We will generally collect this information directly from you however in some cases we will seek your authority to collect it from other parties such as your accountant, insurer, or superannuation fund.

We have a privacy policy that encompasses the Australian Privacy Principles and ensures the privacy and security of your personal information. A copy of Private Capital Advisers Privacy Policy is available on request or on our website www.privatecapitaladvisers.com.

How Can You Contact Us?

Private Capital Advisers Pty Ltd can be contacted at:

Street Address	Suite 1, 89 Forrest Street, Cottesloe WA 6011
Postal Address	PO Box 183, Cottesloe WA 6911
Phone	(08) 9384 6516
Email	admin@privateca.com.au
Web	www.privatecapitaladvisers.com.au
ABN	15 123 671 821
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