



# Financial Services Guide

## *April 2023*

For Financial Services provided by:

**Garnaut Private Clients Pty Ltd**

ACN: 627 885 778

Australian Financial Services Licensee AFSL No. 512507

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## **Definitions**

Garnaut Group meaning Garnaut Private Wealth Pty Ltd and Garnaut Private Clients Pty Ltd (*'Garnaut'*)

Garnaut Private Wealth Pty Ltd (*'GPW'*)

Garnaut Private Clients Pty Ltd (*'Garnaut Private Clients'*, *'GPC'*, *'we'*, *'us'*, and *'our'*)

## **Purpose of this Financial Services Guide**

This Financial Services Guide (FSG) has been produced by Garnaut pursuant to Part 7.7 of the *Corporations Act 2001* (Cth) (*'Corporations Act'*).

Garnaut Private Wealth Pty Ltd (GPW) does not provide personal advice to retail clients or deal in financial products on behalf of retail clients. If you are given advice by GPW you will be informed of the basis on which GPW has classified you as a wholesale client.

The purpose of this FSG is to give you an overview of the financial services offered by Garnaut Private Clients Pty Ltd (GPC), our remuneration, how we deal with complaints and other matters, to assist you in making an informed decision as to whether to obtain financial services from us.

This FSG is up to date as at the date on the front cover.

This FSG contains important information about:

- who we are and how we can be contacted
- the advisory services and financial products offered by us
- other disclosure documents you may receive from us
- our fees and how we and our associates are paid
- any interests, associations or relationships that could affect our advice
- our internal and external dispute resolution procedures and how you can access them
- compensation / professional indemnity insurance
- maintenance of, and access to, your records
- our privacy policy

If you have any queries regarding the information contained in this FSG, please contact us. Our contact details are on the front cover.

## **About Garnaut**

Garnaut is a privately-owned full-service financial advisory firm founded in 1986. GPC is part of the Garnaut Group of companies and has provided holistic financial advice to its clients for over 30 years. Garnaut is proud of its position as one of Australia's strongest and longest standing financial advisory firms not owned by a major bank or financial corporation.

Please refer to our website to view our team and access Adviser Profiles.

<https://www.garnaut.com.au/team/>

## **We Act for You**

In providing you with financial services, we will be acting on your behalf, unless otherwise notified to you.

## **GPC is Responsible for the Financial Advice and Services Given to You**

Your adviser is an employee and representative of Garnaut Private Clients. GPC has been granted and holds Australian Financial Services (AFS) licence No. 512507 issued by the Australian Securities and Investments Commission. As the AFS Licensee, GPC is responsible for the financial advice and services provided to you.

## **Giving Instructions to GPC**

You may provide us with instructions in person, by telephone, email, post or by any other means as may be agreed. Our contact details are on the front cover of this FSG.

## **Financial Services Offered by GPC**

### **Our Advisory Services**

Garnaut Private Clients provides financial services in the following areas:

- Investments (including via superannuation)
- Balance sheet analysis
- Asset allocation
- Cash flow management
- Pre and post retirement planning
- Superannuation and pensions
- Taxation planning
- Wealth accumulation

- Wealth preservation strategies
- Business and personal insurance (risk management)
- Home loans, commercial loans and leasing and hire purchase arrangements \*

\*These services are provided by employee representatives of Garnaut Private Clients under its Australian Credit Licence (ACL 512507). We will provide you with detailed information concerning any fees payable and/or commissions receivable in the event you make a finance application.

Garnaut Private Clients is authorised under its AFS licence to provide financial product advice in relation to, and deal in, the following types of financial products:

#### **Deposit and payment products, including:**

- Basic deposit products
- Deposit products other than basic deposit products

#### **Interests in Managed Investment Schemes (Australian and International), including:**

- Hedging strategy trusts
- Fixed interest trusts
- Mortgage trusts
- Unlisted property trusts
- Listed property trusts (known as Real Estate Investment Trusts)
- Property syndicates

#### **Also including:**

- Securities, including listed securities (shares and hybrids)
- Personal Life insurance products
- Retirement Savings Accounts
- Superannuation
- Derivatives limited to – old law securities options contracts and warrants
- Debentures, stocks or bonds issued or proposed to be issued by government

Your adviser will explain the range of products available to you.

### ***Event-Driven Advice***

There are various times during your life that you will be confronted with an event that changes your financial standing, for better or worse. These events include getting married or divorced, starting a family, changing jobs, buying a property, having aging parents, receiving an inheritance and retiring. You may wish to instruct Garnaut Private Clients to provide advice in relation to event-driven specific areas such as:

- Growth investments
- Regular investments
- Income producing investments
- Retirement planning
- Risk management
- Superannuation investment advice
- Transfer of business wealth to personal wealth
- Wealth preservation
- Tax effective income streams
- Specific investment sectors: - Equities, Property, Fixed Interest.

### ***Other Documents You May Receive***

If you wish to obtain personal advice and/or financial services from GPC, your adviser will provide you with one or more of the following documents:

- Statement of Advice
- Statement of Advice (Incorporation by Reference)
- Record of Advice
- Product Disclosure Statement (PDS)
- Prospectus
- Fee Disclosure Statement (FDS)

### **Statement of Advice**

A Statement of Advice must be given when personal advice (see below) is provided to a retail client. The information contained in a Statement of Advice includes (but is not limited to):

- the advice;
- the basis upon which the advice is given;
- why the advice is considered to be in your best interests; and

- any remuneration, commissions, other benefits or conflicts of interest related to the provision of the advice.

### **Statement of Advice (Incorporation by Reference)**

#### **/ Record of Advice**

If ongoing advice is provided after a Statement of Advice has been issued, but there have been no significant changes in your personal or financial circumstances and/or the basis of the advice has not changed significantly since receiving your last Statement of Advice, GPC will provide you with either a Statement of Advice (Incorporation by Reference) or a Record of Advice, to avoid duplication of information already provided to you.

**We recommend you review your financial strategy and investments with us on a regular basis, to ensure they remain appropriate for your circumstances. Clients are encouraged to contact us at any time for an interim review, or to answer any queries they may have.**

### **Product Disclosure Statement**

If Garnaut Private Clients recommends a financial product (other than securities) to a retail client, we are required to provide a Product Disclosure Statement (PDS) for that financial product. The PDS is produced and made available by the issuer of the financial product, who decides the content. A PDS is an important document that sets out the significant features of a financial product, including its risks, benefits and costs (including any applicable fees). A PDS is designed to help you compare and make informed choices about financial products.

### **Prospectus**

A Prospectus may be provided when we recommend the acquisition of securities under a new issue offering or float, prior to quotation of the securities on a prescribed financial market such as the ASX. The Prospectus will contain information about the securities and issuer necessary for you to make an informed decision about whether to acquire the securities.

### **Fee Disclosure Statement**

When you enter into an ongoing fee arrangement with Garnaut Private Clients for a period greater than 12 months, you will be provided with a Fee Disclosure

Statement. A Fee Disclosure Statement sets out the services the client was entitled to receive, the services actually received, and the fees paid during the relevant period.

## ***Categories of Financial Advice Provided by GPC***

### **Financial Product Advice**

Much of the advice provided by Garnaut Private Clients is “financial product advice”. Financial product advice includes a recommendation or statement of opinion intended to influence a person in deciding whether to invest in a financial product or class of financial products.

Under the Corporations Act, all financial product advice is either “personal advice” or “general advice”:

- **Personal advice** is financial product advice given to a person where the provider of the financial advice has considered one or more of the client’s objectives, financial situation and needs, or a reasonable person might expect the person giving the advice to have considered one or more of those matters.
- All other financial product advice is **general advice**.

### **Limited Personal Advice**

GPC may also provide you with limited personal advice; that is, advice that is limited to a particular financial product range or based on limited relevant information. This may mean the advice and resulting investment may not be appropriate to your needs, objectives and circumstances. You should make your own assessment of the appropriateness of any such advice to your needs.

### **General Advice**

General advice does not consider your objectives, financial situation or needs and may not be appropriate for you. Documents containing general advice will be issued with a warning that:

- the advice has been prepared without taking account of your objectives, financial situation or needs;
- before making an investment decision based on general advice, you need to consider whether the advice is appropriate given your personal

investment objectives, current situation and needs; and

- if the advice relates to the acquisition of a financial product, you should obtain the relevant disclosure document from the product issuer (such as a Product Disclosure Statement) and consider that document before making any decision about whether to acquire the product.

### **Nil Advice**

Garnaut Private Clients offers a Nil advice service. Nil advice (sometimes known as “execution only” advice) is where Garnaut Private Clients provides no financial product advice as to a particular investment or strategy. Instead, you instruct us to invest your funds in nominated investments selected by you.

### **Holistic Advice**

When Garnaut Private Clients provides personal advice to you, we consider your financial affairs in a holistic manner. We consider every relevant aspect of your personal and financial situation. We will bring to your attention issues or areas which you may not have previously considered. If there is an area which falls outside our areas of expertise, such as the preparation of a Will, we will refer you to a professional who specialises in the relevant area.

### **Provision of Information**

You will need to provide Garnaut Private Clients with accurate and complete details of your personal investment objectives, financial situation and needs before GPC will provide personal financial advice to you.

**You have the right not to provide us with this information. If you choose not to provide us with your relevant information, or the information you provide is incorrect or becomes incorrect, this may affect the advice provided to you. Alternatively, we may be unable to provide you with the advice you are seeking.**

## ***Is the Advice Given by GPC Restricted in any way?***

### **Self-Managed Superannuation Funds**

Garnaut Private Clients does not provide advice on the role and responsibilities of the Trustees of existing Self-Managed Superannuation Funds (SMSFs).

It is the responsibility of the directors of the Trustee of an SMSF to ensure that the operation of the SMSF and the conduct of the Trustee are always compliant with superannuation and taxation laws and rulings.

### **Approved Products List**

Garnaut Private Clients will only provide advice in respect of the financial products specified on our Approved Products List. The financial products on the Approved Product List are selected from a wide range of financial products issued by leading financial product providers. GPC's Approved Product List is regularly reviewed and updated by our Research Department to ensure that only the most appropriate products and services are offered to our clients.

## Risks

Any investment decision carries with it a certain degree of risk. We will explain the relevant risks of any financial investments, products and strategies we recommend to you. You should observe any warnings and consider any significant risks set out in our advice prior to implementing any of our recommendations. We also recommend that you seek independent legal and tax advice about our recommendations before acting upon our advice.

## Fees, Remuneration, Commission and Other Benefits

### How We Are Paid

Garnaut Private Clients is primarily a fee-for-service business. However, GPC offers a wide range of service levels and fee structures that can be tailored to suit your circumstances, including:

- a fee based on the time we spend developing or implementing your plan;
- an agreed initial fee;
- an agreed ongoing service fee e.g., an Asset Under Management fee;

- if a company related to Garnaut Private Clients holds your money in trust pending purchase of a financial product, the related company will receive the interest earned;
- Garnaut Private Clients may also receive remuneration from fund managers or financial product issuers;
- Garnaut Private Clients may be eligible to participate in incentive programs with non-pecuniary benefits, including tickets to events and marketing and training assistance.

The amount of Garnaut Private Clients' remuneration (including commission and other benefits) for providing financial services to you cannot be ascertained as at the date of this FSG. GPC will provide full details about our fees and any payments made to us by product issuers when we provide our advice to you or as soon as practicable thereafter. We will provide exact dollar amounts and percentages of commissions and other benefits received. This information will be outlined in the Statement of Advice and/or Record of Advice (as applicable).

## Our Fees

Below is a summary of our fees, inclusive of Goods and Services Tax (GST).

Fee for Service (including Plan Fees)	
Managing Partner	\$ 695 per hour
Partner	\$ 495 per hour
Senior Associate	\$ 395 per hour
Research Associate	\$ 250 per hour
Private Wealth Adviser	\$ 230 per hour
Client Service Manager	\$ 120 per hour
Initial (Entry) Fee (Asset based Fee)	Up to 1.10% p.a. of each contribution
Ongoing Adviser Service Fee (Asset based Fee)	Up to 1.10% p.a. of Assets under Management
For Example – Fee Amount	<p>Portfolio value \$200,000 x 1.10% = \$2,200 per annum</p> <p><i>This is a fee estimate only. It is based on your current balance and an agreed percentage fee of 1.10% to be applied at the time the deduction is processed (Frequency - Fees are monthly) . The fees are subject to change based on movements including additions and market movement on your portfolio balance.</i></p> <p><i>All fees are inclusive of Goods and Services Tax (GST).</i></p>

Commissions for Life Risk Insurance Products	
Initial Commission	0 – 66% of the first year’s annual premiums (incl GST)
Ongoing Commission	0 – 22% of the second year and ongoing annual premium paid (incl GST)

### Payment of Our Advisers

Our advisers are paid a salary and may receive bonuses if they meet key performance indicators set by GPC. Advisers do not benefit directly from the receipt of commission. Any form of remuneration other than by salary and bonuses will be declared by the adviser. This information will be contained in the “Disclosure of Remuneration” section of the Statement of Advice or the Record of Advice.

### Referral fees

Should you be referred to Garnaut Private Clients by a third party (e.g., an accountant), the third party will, in some cases, receive a fee for the referral. Information concerning any referral fee or commission will be available from the person who referred you to us.

If you require further information about our fees and other remuneration, please contact your adviser.

### Associations and Relationships

Where Garnaut Private Clients has relationships or arrangements with persons or organisations which may impact on the advice or financial services we give, or they provide a benefit to us, this will be appropriately disclosed in the Statement of Advice or Record of Advice (as appropriate).

Garnaut played a primary role in the establishment of PremiumChoice Portfolio Services Ltd (ABN 16 097 636 023) (as trustee for the PC Trust) (“PremiumChoice”), a portfolio administration service.

The service fees applicable to PremiumChoice are set out in the table below.

#### PremiumChoice Administration Service Fees – Series 2

<b>Administration Fee</b>	The PremiumChoice administration fee is based on your account balance and has two parts; A tiered percentage fee:							
	<table border="1"> <thead> <tr> <th>Account Balance</th> <th>Fee (% pa)</th> </tr> </thead> <tbody> <tr> <td>First \$200,000</td> <td>0.40</td> </tr> <tr> <td>Next \$300,000</td> <td>0.15</td> </tr> <tr> <td>Over \$500,000</td> <td>0.03</td> </tr> </tbody> </table>	Account Balance	Fee (% pa)	First \$200,000	0.40	Next \$300,000	0.15	Over \$500,000
Account Balance	Fee (% pa)							
First \$200,000	0.40							
Next \$300,000	0.15							
Over \$500,000	0.03							
	Plus, a flat percentage fee: <ul style="list-style-type: none"> <li>0.10% pa on the portion of your account balance in managed investments or SMA options or term deposits which are not Featured Investment Options (see the full Investment List), and</li> <li>0.15% pa on the portion of your account balance invested in listed investments.</li> </ul>							
	The minimum Administration fee you may pay is \$375 per annum. The maximum Administration fee you may pay is the lesser of \$2,400 per annum or your share of the linked family group cap of \$3,000 pa (where applicable).							
	Plus, Super administration fee ( <i>PremiumChoice Retirement Service Series 2 accounts only</i> ): <ul style="list-style-type: none"> <li>0.025% pa of your combined super and pension account balances in PremiumChoice Retirement Service Series 2.</li> </ul>							
	The maximum Super administration fee you may pay is \$600 pa. This amount does not count towards the maximum or minimum Administration fee. Where you have Family account linking, the maximum Super administration fee will be the lesser of your individual cap or your share of the family linking cap of \$600 pa.							

A related company of Garnaut Private Clients receives operating cost support payment from the IOOF Service Co Pty Ltd totaling \$35,000 (excl GST). This allowance is provided for training and operational costs.

Fawkner Property Pty Ltd is wholly owned by the owners of Garnaut.

## ***Complaints and Professional Indemnity Insurance***

### **Complaints**

We are committed to customer focused, effective and efficient complaint handling. We strive to address each claim genuinely, promptly, fairly and consistently, ensure each complaint is treated in an un-biased manner, and all allegations are investigated thoroughly.

### **About our Internal Dispute Resolution system**

Please refer to our website for our Public Complaints Policy [www.garnaut.com.au](http://www.garnaut.com.au). We encourage you to check our website from time to time to view our current policy or contact us for a printed copy.

### **Professional Indemnity Insurance and Compensation**

Garnaut Private Clients holds professional indemnity insurance cover for the financial services provided under our AFS Licence and Australian Credit Licence which, in our view, satisfies the requirements of section 912B of the Corporations Act.

In general terms, section 912B requires Garnaut Private Clients to have arrangements for compensating a retail client for loss or damage suffered due to breaches by GPC, our representatives and employees of obligations under Chapter 7 of the Corporations Act.

The insurance will cover claims made in relation to the conduct of authorised representatives, representatives and employees of Garnaut Private Clients, including in respect of advisers who no longer work for Garnaut Private Clients (but who did at the time of the relevant conduct).

## ***Record Keeping and Privacy***

### **Record Keeping**

Under the Corporations Act, Garnaut Private Clients must retain the following documents on your file:

- each Financial Services Guide (including any supplementary FSG) and Statement of Advice given by or on behalf of GPC; and

- records proving that Garnaut Private Clients and its representatives have complied with the “best interests” duty and related obligations when giving personal advice to retail clients (including fact-finding documents used when making inquiries into the client’s relevant circumstances and file notes, including records of conversations and records of research or analysis of financial products

These records must be kept for a period of at least seven years after the day the personal advice is provided to you. Documents are destroyed after expiry of the 7-year period.

If you wish to examine your file, please ask us, and arrangements will be made for you to do so.

### ***Privacy***

At Garnaut we recognise your privacy is important. We are bound by and are committed to supporting our obligations under the Privacy Act 1988 (Cth) and in particular, the requirements of the Australian Privacy Principles.

For detailed information on how we handle your personal information, please see our Privacy Policy. This Policy is located on our website at [www.garnaut.com.au](http://www.garnaut.com.au)