

**Carnbrea**

EST. 1968

A Bennelong Wealth Partners business

# Carnbrea & Co. Limited

## Financial Services Guide

Australian Financial Services Licence No. 233763

ABN 33 004 739 655

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wealth partners

**This Financial Services Guide (FSG) is designed to assist you in deciding whether to use our services and contains information about:**

- **the financial services we offer;**
- **the remuneration we and related persons are paid;**
- **any potential conflict of interest we may have; and**
- **What to do if you have a concern or complaint.**

### **Who are we?**

Carnbrea & Co Limited ('Carnbrea') is the holder of Australian Financial Services Licence (AFSL) No 233763. This authorises Carnbrea to provide advice on and deal in a range of financial services described in more detail below. Whether you've previously received financial services or not, Carnbrea can help you to develop solutions tailored to your circumstances.

Carnbrea will provide you with this FSG before providing you with any advice or dealing in any financial products on your behalf. You have the right to ask us about our charges, the type of advice we will give you, and what to do if you have a complaint about our services.

You are entitled to receive a Statement of Advice (SOA) when we provide you with personal advice (that takes in to consideration your personal objectives, financial situation and needs). The SOA will contain the advice, its advantages and disadvantages, why it is in your best interests and/or achieves your objectives and meets your needs as you have identified them, as well as information about fees, commissions, and any relationships that may have influenced the advice.

If our representative provides further advice related to advice in a previous SOA and your personal circumstances have not significantly changed, you may request a record of that further advice at any time up to 7 years from the date our representative gave the further advice to you. You can make this request by contacting us in writing, by telephone or by email.

If we recommend that you acquire a particular financial product (other than securities), we will provide you with a Product Disclosure Statement (PDS) containing information about the product, to help you make an informed decision about whether to acquire it.

Key information is provided in answer to the following questions. If you need clarification, please ask us.

## Before you get our advice

### Q. Who is my Adviser?

A. Carnbrea has a qualified team of advisers, who may be employee representatives or authorised representatives of Carnbrea. You can contact your adviser or other staff members by telephone or email at any time using the contact details below.

To ensure that all of the advisers at Carnbrea are kept up to date with the latest trends and developments in financial services, each adviser attends various training courses held by Carnbrea and external providers.

### Q. Who is responsible for the advice I receive?

A. Your adviser is a representative of Carnbrea. They will act on your behalf and in your best interests when making recommendations. Carnbrea is responsible for the financial services it and its advisers offer and for the distribution of this FSG.

### Q. What financial services are available to me?

A. Carnbrea provides a wide range of services and products and has adopted a 'best of breed' approach to our selection. Our AFSL authorises us to provide financial product advice on and deal in financial products. The financial services we provide relate to the following financial products:

- Deposit Products
- Government Debentures, Stocks and Bonds
- Life Insurance – Investment
- Life Insurance – Risk
- Managed Investment Schemes, including investor directed portfolio services ("Wrap" accounts)
- Retirement Savings Accounts
- Securities
- Derivatives<sup>1</sup>
- Superannuation
- Standard Margin Lending facilities
- Foreign Exchange Contracts

All our representatives are authorised by Carnbrea to provide advice to and deal on behalf of retail clients in relation to one or all of these particular products they are qualified and experienced in.

Depending on your requirements, Carnbrea can provide different levels of service, for example from advice on a particular product to the preparation of a comprehensive financial plan and as outlined below. Your adviser will explain the available levels of service in more detail together with the associated fee options and risks to enable you to decide the type of service you require. Based on your personal circumstances your adviser will recommend an appropriate level of service.

You are able to tell your adviser how often you would like them to undertake a review of your financial situation. Carnbrea recommends that reviews should be undertaken at least half-yearly.

Carnbrea's approved portfolio of products is sourced from a broad spectrum of institutions and is selected according to external research, quality, value for money, and most importantly, our clients' needs.

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<sup>1</sup> Only appropriately accredited advisers can advise you on derivatives. Carnbrea reserves the right to restrict any client from using derivatives.

## Q. What levels of service does Carnbrea offer?

### A. We offer Financial Advice, a Portfolio Administration Service and a Brokerage Service

1. **Financial Advice** - An analysis of your personal objectives, financial situation and needs, and appropriate advice and recommendations for all the kinds of financial products listed above, based on your attitude to risk and personal situation, set out in a statement of advice (SOA) which we review and update from time to time through our on-going Service.
2. **Portfolio Administration Service** - A reporting and administration service for your investment portfolio.
3. **Brokerage Service** – Dealing, execution and settlement of trades in securities, on a full advice or execution-only basis.

## Q. What does Carnbrea offer as part of your On-Going Service?

A. Each Carnbrea adviser services their clients according to the client's individual requirements. Carnbrea advisers also have the facilities to refer any specialist requirements to other advisers or to third party specialists.

Your adviser is able to offer you financial advice and portfolio administration services as part of an Ongoing Service that includes:

- Regular periodic reviews of your Investments
- Market updates on key economic, investment and legislative changes
- Portfolio valuations and reviews
- Monitoring your existing investments
- Reviewing your progress in achieving your financial goals and revising your investment strategies as required
- Information on new investment opportunities

If you choose not to be part of our ongoing service program, we still recommend that an annual review be conducted to ensure that your investments and portfolio reflect your individual requirements. Accordingly we recommend that you contact us at least once a year to arrange a meeting for us to review your financial strategy.

If you choose to register for our ongoing service program, you will be provided with an Ongoing Service Agreement, which contains information on the services we have agreed to provide to you, the fee arrangements that apply, our responsibilities to you, and your responsibilities to us.

## Q. How will I pay for the services? What commission/fee do you get, and how is it calculated?

A. There are various methods of payments for charges you may incur.

Carnbrea is predominately a fee for service business. Fees will be negotiated on an individual basis and is calculated using the method that is shown on the next page. Carnbrea may receive a fee for service and/or an upfront and ongoing commission if you decide to proceed with your adviser's recommendations.

If we recommend a financial product we will provide you with the PDS outlining any premium, entry fee or management fee that may be paid or received by the issuer.

Your adviser will charge a fee for undertaking the review of your investments on an ongoing basis. The amount of the fee will be agreed with you and will depend on the complexity of your investment portfolios and the amount of time spent advising you on your investments and administering your investments.

The following details the fees and charges associated with each level of service Carnbrea offers. All amounts quoted are inclusive of GST, unless otherwise stated.

By using our services, you consent, authorise and direct us to receive percentage based fees, including brokerage fees and to pass on a percentage of those fees to our advisers, as described below and as agreed from time to time between you and us and in your client agreement and any SoA. Brokerage fees constitute a fee we charge, in exchange for the dealing services that we provide to you, which you give to the broker that arranges the trade. Other fees are given by you to us, for investment advisory and portfolio administrative services. We will only vary percentage based fees with your prior consent.

Service Level	Service description	Fees and charges
<b>1. Financial Advice</b>	Initial personal financial advice and financial plan	A fee for the initial SoA and a consultation fee per hour for additional personal financial advice.
<b>2. Portfolio Administration Service</b>	Ongoing personal financial and investment advice and administration service	<p>A fee charged as a percentage of the total portfolio balance calculated daily and charged monthly in arrears.</p> <p>We may agree to a fee as a percentage of your portfolio, or to cap a fee at a dollar amount for a particular period i.e. per quarter, per half-year or per year.</p> <p>The fee rates are subject to agreement with your adviser, depending on the complexity of the advice and level of service required.</p> <p>Where a client elects to receive the personal financial and investment advice service, only the consultation fee can be agreed upon with your financial adviser. The consultation fee depends on the complexity of the advice and the level of service required.</p> <p>Where you are a retail client and use borrowed amounts to fund your portfolio, we will charge you a flat fee on the portion of the portfolio that uses borrowed funds and the above percentage based fee on the remainder. The fee charged is subject to agreement with your financial adviser.</p>
<b>3. Brokerage</b>	<p>Dealing, execution and settlement for domestic securities.</p> <p>Dealing, execution and settlement for international securities.</p>	<p>Brokerage is charged as a percentage of the transaction value (subject to a minimum dollar amount) for each buy and sell transaction. The brokerage rate is subject to an agreement between you and your financial adviser.</p> <p>Brokerage is charged as a percentage of the transaction value (subject to a minimum dollar amount) for each buy and sell transaction. Additional fees for international settlement, clearance, custody, transfer and foreign exchange fees may be payable to external parties who provide these services.</p>

**Disclaimer:**

The examples contained in this page are examples only. Fees and charges may vary according to the levels agreed upon with your financial adviser. The fees you will be charged and how they are calculated will be outlined in your Statement of Advice. If general advice only is given, you may request from us particulars of the amount of fees within a reasonable time after this FSG is provided to you and before any financial services are provided.

*The above fees are cumulative, for example if you choose to receive financial advice, portfolio administration services and broker services, you may be charged an initial advice fee of \$5,000, an ongoing fee (for example) of 0.65% pa of total portfolio calculated daily and charged monthly in arrears which would be \$650 p.a. on an amount of \$100,000 invested. In addition if you instruct us to execute transactions you may also pay brokerage per trade as set out in the table above.*

Carnbrea may also receive ongoing commission, subject to the law, from the product provider (deducted from the amount invested or premium you pay) for as long as the investment or policy remains in force. It does not represent any additional cost to you. Commissions that were payable to us prior to 1<sup>st</sup> July 2013 may continue to be paid to us in the same way as before that date and we may receive commissions in respect of new clients that become payable before 30 June 2014 where we have an existing arrangement with a product issuer. If we establish a new arrangement with a product issuer we cannot receive these commissions without your clear consent, given in your Ongoing Service Agreement and Statement of Advice. In addition we may receive commissions on Life Insurance Products outside superannuation without obtaining your clear consent, given in your Ongoing Service Agreement and Statement of Advice.

Commission Type	Relevant Products	Amount
<b>Upfront (deducted at time of investment or purchase)</b>	Managed Investments, Superannuation, Investment products	Up to 5.5% of the amount invested/premium paid – if invested before 1 July 2013.
	Macquarie Wrap Solutions Service	Up to 0.275% of any investment made – if invested before 1 July 2013.
	Life Insurance products	Up to 80% of the annual premium (excluding GST).
<b>Ongoing (deducted annually or as otherwise indicated)</b>	Managed Investments, Superannuation, Life Insurance Investment products	Up to 1.1% of the amount invested/premium paid – if invested before 1 July 2013.
	Life Insurance products	Up to 20 % of the premium paid (excluding GST).
	Cash Management Accounts (CMA)	Up to 0.275% of any investment made – if invested before 1 July 2013.

*Example:*

*If you take a life insurance product recommended by us and your first year premium is \$3,400 and the upfront commission paid by the life insurance provider is 80% and the ongoing commission is 10% we will receive from the life insurance provider \$2,720 at the commencement of your policy and \$340 per annum for each year the policy remains in place.*

*For every \$10,000 you invest in a Macquarie Wrap Solutions Product, e.g. a Cash Management Account, Carnbrea may be paid up to \$27.50.*

**Q. How is my adviser paid and what other benefits may he or she receive?**

**A.** All fees and initial or ongoing commissions as a result of your adviser’s recommendations to you are paid to Carnbrea. Your adviser may receive remuneration of between 40% and 55% of the net annual income they generate for Carnbrea, in addition to their baseline salary or other contractual entitlements. Your adviser may receive other benefits including attendance at professional development programs, conferences and other incentives such as allowances and other related entertainment benefits.

Not all the remuneration payable to Carnbrea or your adviser can be ascertained at the time you receive this FSG. As noted, your SOA will contain information about all of the fees or benefits payable in connection with the personal advice you have been provided with. To the extent remuneration or other benefits discussed above which Carnbrea or your adviser receives in relation to specific financial products or services is calculable at that time, it will be disclosed when the personal advice is given, or as soon as practicable thereafter, in the SOA.

## When you get our advice

### **Q. Will the advice I receive suit my needs and financial circumstances?**

**A.** Yes. But to do so, your adviser needs to know information that may include your individual investment objectives, risk profile, financial situation and needs, before they recommend any solutions to you. Of course, you have the right not to share this information with your adviser. In this case, they are required to warn you of the possible consequences. You should read the warnings carefully.

You will be provided with a Statement of Advice that details your adviser's recommended solutions, the basis for the recommendations and the methods of adviser remuneration. You may also receive another Statement of Advice if you indicate to your advisor that there has been a material change to your investment objectives or personal circumstances.

### **Q. Does Carnbrea have any referral relationships?**

**A.** From time to time Carnbrea may enter referral relationships with other organisations. We may receive or accept referral fees from organisations we have a formal referral relationship with. We reserve the right to make referral payments to other organisations. You will be informed where we do so.

### **Q. Who are Carnbrea's related parties and are there other relationships I should know about?**

**A.** Carnbrea is controlled by Bennelong Wealth Partners Pty Ltd ABN 44 164 127 833 AFSL 456235 ('Bennelong Wealth'), and is a member of the Bangarra Group of companies. Bennelong Funds Management Ltd ABN 39 111 214 085 ('Bennelong Funds Management') is an issuer of financial products and a related party to Carnbrea, also being a member of the Bangarra Group. Carnbrea do not have any referral arrangements with Bennelong Funds Management or the Bangarra Group. Any financial products issued by any Bangarra Group entity that Carnbrea may recommend are first approved by Carnbrea's investment committee in accordance with the Carnbrea governance framework.

Carnbrea is committed to maintaining a reputation of honesty and integrity amongst their clients, the financial services industry and the public. Carnbrea and Bennelong Funds Management are committed to operating separately with respect to investments offered to clients.

To ensure that Carnbrea and Bennelong Wealth operate separately of Bennelong Funds Management and minimise the possibility of any perception that advisers or Carnbrea are recommending clients invest in products offered by other parts of the Bangarra Group or Bennelong Funds Management, Carnbrea advisors must follow a strict policy to ensure that the client's best interests are served when recommending to clients a product managed or associated with any of the Bangarra Group of companies, namely, Bennelong Funds Management.

Shareholders of Carnbrea & Co. Limited receive benefits in the form of profits when the company performs well. The shareholders are Carnbrea Holdings Limited and Bennelong Wealth Partners Pty Ltd.

Carnbrea has relationships with market participants and service providers.

**Q. What should I know about any risks associated with the solutions recommended?**

**A.** Your adviser will explain any significant risks associated with recommended solutions, as well the risks associated with not acting on the recommended solutions. If you still do not fully understand the risks after reading your Statement of Advice, you should ask your adviser to explain the risks to you.

Securities can decline in value as well as appreciate. The measure of this relative change in value is often referred to as volatility and securities are generally more volatile than other asset classes. The use of gearing or borrowing to invest, such as margin lending, can increase the level of volatility in your portfolio as potential losses or gains are magnified.

If you agree to invest in derivatives, you should have a high risk tolerance. Derivatives provide you with an opportunity to profit from your view of the short-term direction of the market, but your potential losses and gains are multiplied in relation to movements in the price of the underlying assets. You may be required to meet margin calls, which may be large when there are movements in the underlying asset. The value of derivatives may rise or fall dramatically – you should be aware that if you are unable to fund your derivative obligations it may result in the closure of your open positions and the loss of capital. Your financial objectives, risk tolerance and circumstances will be assessed in order to ascertain if derivatives are suitable for you to invest in. You must fully understand the risks of investing in derivatives and you will be given an explanatory trading booklet and an appropriate agreement before being able to trade in derivatives – you must read and understand them before trading in derivatives.

**Q. What documentation will I need to complete?**

**A.** To properly consider your needs and objectives and to deliver recommendations which are designed to satisfy your requirements, your adviser will need to obtain from you or your representative, key facts as to your unique circumstances. These facts will generally be confirmed within any advice provided to you.

**Q. What information is maintained in my file; is it secure, and can I examine it?**

**A.** Carnbrea is committed to ensuring the privacy and security of your personal information in accordance with the principles of the Privacy Act 1998 (Privacy Act).

Your adviser will maintain a record of your personal profile, including details of your investment objectives, financial situation and needs. They will also maintain records of any recommendations they make. You have a general right to access your file, but there may be circumstances under which your access is restricted. Please refer to our Privacy Policy. If you'd like to examine your file, just ask your adviser, and they will make the arrangements for you to do so.

Carnbrea's Privacy Policy addresses the handling of your personal information and is available from our website or on request from your adviser. More details concerning our information management practices can be obtained by contacting our Privacy Officer by calling or writing to us at the contact details below.

**Q. Can I instruct you to buy or sell my investment?**

**A.** Yes. You must specify how you would like to give your adviser instructions. For example you are able to give your adviser instructions by telephone, email, fax or other means.



**Q. Who can I talk to if I have a complaint?**

**A.** If you have a complaint about the financial services provided, please contact your adviser and tell them about your complaint.

If your complaint is not satisfactorily resolved within three days, please call the Complaints Manager, on 03 9111 0888 or put your complaint in writing and send it to us at:

Carnbrea & Co. Limited  
Attention: Complaints Manager  
Ground Floor  
9 Queen Street  
Melbourne  
VIC 3000

We will endeavour to resolve your complaint quickly and fairly.

Carnbrea is a member of the Financial Ombudsman Service (FOS), an independent complaint resolution service funded by its members. If we cannot resolve your concerns to your satisfaction within 45 days, or 90 days with your permission, you can complain to FOS by contacting them at:

Tel 1800 367 287  
Fax: (03) 9613 6399  
Web: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Mail: GPO Box 3,  
Melbourne, VIC 3001

**Q. What are Carnbrea's compensation arrangements?**

**A.** Carnbrea has in place, adequate compensation arrangements to compensate clients that suffer a loss as a result of a breach of our licence conditions. This includes holding a professional indemnity insurance policy that satisfies the regulatory requirements of section 912B of the Corporations Act and covers Carnbrea and its representatives. This insurance also covers representatives who no longer work for Carnbrea (but did at the time of the relevant conduct).

The distribution of this FSG has been authorised by Carnbrea.

**Contact Details**

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