



# Carnbrea & Co. Limited

## Financial Services Guide

Australian Financial Services Licence No. 233763

ABN 33 004 739 655

Date of Preparation: 4 April 2023

Supersedes all previous versions

This FSG is intended for 'retail clients' only, meaning that this document is not intended for anyone classified as a 'wholesale client' as defined by the Corporations Act 2001). Potential clients referred to in this document ('you', 'your', 'I') are 'retail clients' only.

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

- **the financial services we offer;**
- **the financial products relating to our services;**
- **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 (and its representatives) to provide advise on and deal (transact) in a range of financial services described in more detail below. 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 service we will give you, and what to do if you have a complaint about our services. Key information is provided in answer to the following questions. If you need clarification, please ask us.

## Carnbrea is Not Independent

Under current legislation (s923A – Corporations Act), Financial Services firm may not use the words 'independent', 'impartial', 'unbiased' or similar when promoting itself or its services should it not meet their definitions. Carnbrea is required to adhere to the above legislation as we receive benefits in the form of life insurance commissions from insurance issuers. This does not impact the advice that we provide to you, as we always act in your best interests.

Contact Email: [info@carnbrea.com.au](mailto:info@carnbrea.com.au)

## Before you receive our advice

### Who is my Adviser?

Carnbrea has a qualified team of advisers, who may be employee representatives or authorised representatives of Carnbrea. Carnbrea also licenses companies as Corporate Authorised Representatives to act under Carnbrea's AFSL. You can contact your adviser or other staff members by telephone or email at any time using the contact details on page 1 of this FSG.

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

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

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.

### What financial services are available to me?

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 (transact) in financial products. The financial services we provide to retail clients relate to the following financial products:

- Deposit Products (Basic and Non-Basic)
- 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

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, from advice on a particular product, to the preparation of a comprehensive financial plan as outlined below. Your adviser will explain the available levels of service in more detail together with the associated risks and fee options to enable you to decide on 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 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.

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

## What levels of service does Carnbrea offer?

### 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). These recommendations will be reviewed and updated periodically 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 investment products, on an advisory or execution-only (no advice) basis.

## What does Carnbrea offer as part of your Ongoing Service?

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 services as part of an Ongoing Service that may include:

- Periodic valuations and reviews of your portfolio
- Market updates on key economic, investment and legislative changes
- Reviewing your progress in achieving your financial goals and revising your strategy as required
- Information on new opportunities relevant to your circumstances

If you choose to register for our ongoing service program, you will be provided with a **Client Service Agreement (CSA)**, 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.

As part of the ongoing service arrangement, you will also be provided with a **Fee Disclosure Statement (FDS)** on an annual basis, which outlines the services you are entitled to, the services you have received and the fees you have paid for the preceding 12 months.

You will also be required to sign and/or acknowledge a **renewal notice ("Opt-In")** every year to continue your ongoing relationship with your adviser.

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.

## When you receive our advice

### What documents can you expect to receive?

#### **Statement of Advice (SOA)**

You are entitled to receive a Statement of Advice 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, achieves your objectives and meets your needs as you have identified them, as well as information about fees & commissions, remuneration, and any relationships that may have influenced the advice.

#### **Record of Advice (ROA)**

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 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.

#### **Product Disclosure Statement (PDS)**

If we recommend that you acquire a particular financial product (other than securities), we will provide you with a PDS containing information about the product and will usually include the fees and charges which may apply, to help you make an informed decision about whether to acquire it.

#### **General Advice**

If our representative provides general advice (advice that is not personal advice) to you, we will provide you with a general advice warning. This warning will be given in the same medium as the advice provided (verbal or written) and stipulates that the advice does not take into account your objectives, financial situation or needs. You must consider the appropriateness of the advice relevant to your circumstances before acting on it.

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

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 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.

### What should I know about any risks associated with the solutions recommended?

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.

Investments can decline in value as well as appreciate. The measure of this relative change in value is often referred to as volatility and some investments are generally more volatile than others. 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 magnified 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.

### What documentation will I need to complete?

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, as well as your tolerance for risk. These facts will generally be confirmed within any advice provided to you.

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

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.

We have developed our Privacy Policy that documents our approach and legal obligations regarding the handling of your personal information. You can obtain our Privacy Policy by contacting your adviser or from our website [www.carnbrea.com.au](http://www.carnbrea.com.au).

### Can I instruct you to buy or sell my investment?

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.

## Conflicts of Interest

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

Carnbrea's Directors are also shareholders of Carnbrea and they, along with the other shareholders of Carnbrea, may receive benefits in the form of profits when the company performs well. The majority shareholder is Carnbrea Securities Pty Ltd as Trustee for the Carnbrea Securities Trust. Carnbrea's Directors are paid a salary for their employment, but do not receive Director's fees from Carnbrea.

Carnbrea's Directors also have additional directorships with various institutions:

Colin Campbell – Shareholder of Bond Adviser, a research house that supplies information to Carnbrea

- Director of institution Eternal Asset Management & Mi Funds Management, fund managers to which Carnbrea provides services to
- Shareholder of investment company iPartners, who provides managed funds Carnbrea recommends occasionally

Ben Meikle – Shareholder and director of institution Eternal Asset Management & Mi Funds Management, fund managers to which Carnbrea provides services to.

Carnbrea also has in place, policies and procedures to manage any conflicts of interest that arise between our clients, Carnbrea and any related parties as is our duty under law. Carnbrea will always prioritise and act in the interests of our clients.

Carnbrea has relationships with market participants and service providers, but is not a direct participant in a licensed market or clearing and settlement facility. We will only enter into an arrangement with these market participants and service providers on a commercial basis.

### Does Carnbrea have any referral relationships?

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

## Fees and Remuneration

### How will I pay for the services? How are Carnbrea paid and how is it calculated?

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 below and 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.

The amount of the fee paid to Carnbrea will be agreed with you and will depend on the complexity of your portfolios, the amount of time spent advising you and administering your portfolio. At the time of providing you with this FSG, the amount of remuneration, fees, commission or other benefits is yet to be known. The method of calculation and amount of the fees you will incur for the services we provide to you will be disclosed to you in your Client Service Agreement and Statement of Advice.

By using our services, you consent, authorise and direct us to receive the agreed 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 Service Agreement and any SOA.

Brokerage fees constitute a fee (flat or percentage, as agreed with your adviser) we charge, in exchange for the dealing services that we provide to you, which you give to the broker that arranges the trade.

We will only vary fees with your prior consent.

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 to or received by the product issuer. The administrative and reporting services are conducted by third-party providers. We will also outline the fees that these third party providers will receive in your Client Service Agreement and SOA.

### How is my adviser paid and what other benefits may he or she receive?

All fees and initial or ongoing commissions as a result of your adviser's recommendations to you are paid to Carnbrea (where permitted by law). In addition to Base Remuneration, Carnbrea advisers may also be entitled to participate in the Company's discretionary performance-based remuneration system. Any payments made to Carnbrea advisers under that system will be paid less applicable tax and expenses applicable to revenue generated.

Any payment that the Company exercises its discretion to pay will be on a split ranging between 40% - 60% of Net Revenue between both parties. In some cases, Carnbrea may also pass on fees & commissions received to advisers in full.

Your adviser may receive other benefits including attendance at professional development programs, conferences and other incentives such as allowances and other related entertainment benefits. Carnbrea maintains a register of these benefits to manage any conflicts of interest.

Not all the remuneration payable to Carnbrea or your adviser can be ascertained at the time you receive this FSG. All of the fees and/or benefits payable in connection with the personal advice you have been provided with will be disclosed when the personal advice is given, or as soon as practicable thereafter, in the SOA.



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.

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, if required, a consultation fee per hour for additional personal financial advice.
	Ongoing personal financial and investment advice	<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 month, per quarter or per year. This can range between 0.1% - 2.5% 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 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>2. Brokerage</b>	Execution and settlement for domestic securities.	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. This can range between 0.1% - 2.5% per year.
	Execution and settlement for international securities.	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.

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.

## Commissions

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 from product issuers and providers other than life insurance relating to retail clients are prohibited by law.

Carnbrea will receive an upfront commission from the product issuer if you decide to buy a life risk insurance product a Carnbrea adviser recommends to you. The levels of commissions received are outlined in the table below. For example, for an insurance product with an annual premium of \$2,000, where the issuer pays Carnbrea an upfront commission of 60%, Carnbrea will receive \$1,200. The issuer will pay us 20% of the annual premium as ongoing commission for as long as you hold the product. Assuming an annual premium of \$2,000, this equates to \$400 per year.

Commission Type	Relevant Products	Amount
<b>Upfront (deducted at time of investment or purchase)</b>	Life Insurance products	0% - 66% of the annual premium (including GST).
<b>Ongoing (deducted annually or as otherwise indicated)</b>	Life Insurance products	Up to 0% - 22% of the premium paid (including GST).

## Carnbrea's Corporate Authorised Representatives

The Corporate entities authorised to provide services under Carnbrea's AFSL pays a service fee to Carnbrea. These entities are remunerated in a number of different ways, including management fees for funds invested. These amounts and methods are disclosed to you in the Product Disclosure Statement.

### Disclaimer:

*The examples contained in this section 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.*

## Dispute Resolution

### Who can I talk to if I have a complaint?

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 five business 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  
Level 16  
379 Collins Street  
Melbourne VIC 3000

We will endeavour to resolve your complaint quickly and fairly.

Carnbrea is a member of the Australian Financial Complaints Authority (AFCA), an independent complaint resolution service funded by its members. If we cannot resolve your concerns to your satisfaction within 30 days (or longer with your permission), you can escalate your complaint to AFCA by contacting them at:

Tel: 1800 931 678  
Fax: (03) 9613 6399  
Web: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

### What are Carnbrea's compensation arrangements?

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.