

# Financial Services Guide



Pritchard & Partners Pty. Limited ABN 84 073 393 049 Australian Financial Services Licence Number: 246712  
is the provider of the financial services described in this Financial Services Guide  
Registered Office: 10 Murray Street, Hamilton NSW 2303 Issue Date: 10 December 2020

## **About this financial services guide**

This Financial Services Guide (“FSG”) is an important document. It provides you with information about Pritchard & Partners Pty. Limited (“Pritchard & Partners”, “we”, “us” or “our”) to help you to decide whether to use the financial services we offer. This FSG contains information about remuneration that may be paid to us and other relevant persons in relation to the services we offer. It also contains information on how we deal with complaints.

## **Other documents you may receive from us**

If you choose to use our services, you may receive a Statement of Advice, a Product Disclosure Statement or Prospectus.

### ***Statement of Advice***

Whenever we provide you with any personal advice, you are also entitled to receive a Statement of Advice. Personal advice is advice that takes into account one or more of your objectives, financial situation and needs. The Statement of Advice will contain the advice given, the basis on which it is given and information about fees, brokerage and any associations with product issuers or other parties that may influence the advice.

### ***Disclosure Document***

If we make a recommendation to acquire a particular financial product (other than listed financial products) or offer to issue, or arrange the issue of a financial product to you, we will also provide you with a Product Disclosure Statement or Prospectus. These documents are about the financial product and contain information about the particular product including the features, benefits, fees and risks associated with that financial product to assist you in making an informed decision.

**About Pritchard & Partners Pty Limited**

**Who are we?**

Pritchard & Partners Pty. Limited ABN 84 073 393 049 is licensed under the Corporations Act and holds the Australian Financial Services Licence Number 246712. Pritchard & Partners is authorised to provide the financial services outlined in this FSG to you as an Australian Financial Services Licence holder and a participant of the National Stock Exchange of Australia Limited (“NSX”).

Pritchard & Partners is wholly owned by entities associated with the directors of Rees Pritchard Pty. Limited, Certified Practising Accountants which was established in 1951 and became the first corporate participant of the Stock Exchange of Newcastle Limited (now the National Stock Exchange of Australia Limited) on 6 February 1997.

**What financial services and products do we offer?**

Pritchard & Partners holds an Australian Financial Services Licence that authorises it to provide the financial services set out below to retail and wholesale clients.

Pritchard & Partners acts on its own behalf when providing the financial services.

Authorised financial services and financial products to which they relate	
Provide financial product advice and dealing in:	<ul style="list-style-type: none"> <li>▪ deposits</li> <li>▪ derivatives (such as warrants and options)</li> <li>▪ government debentures, stocks or bonds</li> <li>▪ interests in managed investment schemes including investor directed portfolio services</li> <li>▪ life insurance products</li> <li>▪ margin lending</li> <li>▪ retirement products, including superannuation and retirement savings accounts</li> <li>▪ securities</li> <li>▪ superannuation</li> </ul>
Underwrite:	<ul style="list-style-type: none"> <li>▪ interests in managed investment schemes</li> <li>▪ securities</li> </ul>
Provide custodial or depository services:	<ul style="list-style-type: none"> <li>▪ operate custodial or depository services other than investor directed portfolio services</li> </ul>

**How do you obtain our services?**

You may obtain our services by telephoning us on +61 2 4920 2877 or by writing to us at PO Box 413, Hamilton NSW 2303

**How are we remunerated for the services we provide?**

We are remunerated directly through the fees and brokerage you pay. With certain products, where you expressly authorise the payment, we may also be paid by the product provider.

**What do you pay for our services?**

The following pages list the current fees and charges that you will pay for our services.

**Private Wealth Management Advice**

Our Private Wealth Management Advice service considers your individual needs and objectives, your investment timeframe and tolerance for risk.

Your adviser will advise you about the allocation of your portfolio across the major asset classes: cash, fixed interest, equities and property and with regard to specific investments in securities and managed funds within each class.

In formulating recommendations, your adviser will also discuss and consider tax, social security and estate planning. Your adviser will tell you whether they are authorised to give specific advice relating to these issues. If they are not, you should seek advice, as relevant, from an appropriate specialist.

Your adviser will formulate an appropriate investment strategy and then create a personalised Statement of Advice.

Once you have accepted the Statement of Advice, your adviser will then assist you with the implementation of the recommendations.

Our Private Wealth Management Advice service also includes a comprehensive annual review and other ongoing services.

Fees payable for our Private Wealth Management Advice service will be disclosed in your Statement of Advice.

Description of service	Fee	How and when paid
Preparation of Statement of Advice	You will be charged a fee for service calculated upon an hourly rate basis. The hourly rate may vary depending upon the qualifications and experience of the professional advising you. The total fee payable by you will depend on the time and complexity of your situation, and the advice sought. This fee will be agreed with you prior to commencing work on your Statement of Advice. Fees for a Statement of Advice range from \$2,200 to \$11,000.	The fee will be payable on presentation of the Statement of Advice. In addition, if your circumstances change significantly after we have prepared your Statement of Advice for you, and you require further advice taking into account this change, we may charge another fee for the preparation of a new Statement of Advice.
Implementation and establishment	You will be charged a fee as a percentage of the transaction value ranging between 0.275% to 2.75%, subject to a minimum of \$132 per transaction.  For example: for a transaction value of \$10,000, the implementation and establishment fee would be between \$132.00 and \$275.00.	At the time we invest your funds.
Ongoing advice	Where we provide you with ongoing advice at your request, you will be charged an annual fee as set out below. Ongoing advice is charged on a retainer for service basis, unless agreed otherwise in writing. This fee applies to the total value of your portfolio excluding the cash account.	Calculated daily on the closing balance and payable monthly by direct debit from your nominated cash account.
	Advice fee	
	On the first:	
	\$0 to – \$500,000	1.100% pa
	Amounts between:	
	\$500,001 – \$1,000,000	0.825% pa
	The amount above:	
	\$1,000,001	0.550% pa
	A minimum ongoing advice fee of \$110 per month applies.  Additional fees may be charged for complex portfolios.  For example: for a portfolio value of \$100,000, the ongoing advice fee of \$1,320 per annum (the minimum monthly fee would apply).	

## Limited Advice service

The Limited Advice service allows preparation of a Statement of Advice defined in its scope.

With this service, you can choose to receive advice on the defined goals and needs you specify from the following areas:

- Asset allocation
- Gearing strategies
- Insurance
- Redundancy/early retirement
- Retirement planning
- Share portfolio advice
- Specific investments in securities and managed funds
- Superannuation and
- Wealth creation

The Statement of Advice we prepare under this service will address the specific needs and goals you have requested advice on. However, because of this limited nature of this service, it does not cover all the scope of the private wealth advisory service. Specifically, the Limited Advice service does not offer any ongoing services or reviews after implementation. Nor does it offer advice on estate planning or taxation issues.

Fees payable for our Limited Advice service will be disclosed in your Statement of Advice.

Description of service	Fee	How and when paid
Preparation of Statement of Advice	You will be charged a fee for service calculated upon an hourly rate basis. The hourly rate may vary depending upon the qualifications and experience of the professional advising you. The total fee payable by you will depend on the time and complexity of your situation, and the advice sought. This fee will be agreed with you prior to commencing work on your Statement of Advice. Fees for a Statement of Advice range from \$2,200 to \$11,000.	The fee will be payable on presentation of the Statement of Advice. In addition, if your circumstances change significantly after we have prepared your Statement of Advice for you, and you require further advice taking into account this change, we may charge another fee for the preparation of a new Statement of Advice.
Implementation and establishment	You will be charged a fee as a percentage of the transaction value ranging between 0.275% to 2.75%, subject to a minimum of \$132 per transaction.  For example: for a transaction value of \$10,000, the implementation and establishment fee would be between \$132.00 and \$275.00.	At the time we invest your funds.

## General Advice

General advice provides you with financial product advice without taking into account your objectives, financial situation or needs, because of this you will need to consider the appropriateness of the advice having regard to your objectives, financial situation or needs. Before making a decision about whether to acquire or dispose of a financial product that we have advised you on, you should also obtain and consider a product disclosure statement or prospectus (if available for that product).

Description of service	Fee	How and when paid
General advice	You will be charged a fee for service calculated upon an hourly rate basis. The hourly rate may vary depending upon the qualifications and experience of the professional advising you. The minimum fee will be \$275.00.	The fee will be payable at the time of the general advice is provided.

## Stock & share broking services

We can arrange for the purchase or sale of financial products listed on the National Stock Exchange of Australia Limited, Australian Securities Exchange, South Pacific Stock Exchange Limited and other selected overseas stock exchanges.

We provide both a full advisory stockbroking service and an execution only stockbroking service.

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

Yes. You may specify how you would like to give us instructions. For example by telephone, facsimile or other means to which we agree.

### Execution related telephone advice

We can only provide execution related telephone advice in relation to financial products that are traded on a licensed market such as shares and exchange traded options.

You may request a copy of the Record of Advice we keep in respect to Execution Related Telephone Advice. Any request must be made within 90 days of the provision of such advice, and should be directed to your Adviser.

### What are your brokerage charges?

Brokerage is charged as a percentage of the total consideration when buying or selling a listed financial product. The brokerage rates are largely dependent upon the type and level of service required, and the size and frequency of transactions. Your adviser will negotiate your rate with you, taking these into account.

	Minimum brokerage	Maximum brokerage
Australia		
Listed securities	\$132 per trade	2.75% of the transaction value subject to the minimum brokerage charge of \$132
International		
Listed securities <sup>1</sup>	\$275 per trade	2.75% of the transaction value subject to the minimum brokerage charge of \$275
For example: for an Australian listed security transaction of \$10,000, brokerage would be between \$132 and \$275.		

<sup>1</sup>A different fee may be charged for certain overseas markets. In addition you will be required to pay the brokerage and fees charged by our agents, as well as any stamp duty and other fees which may apply in some markets. You will also be charged the costs of posting any relevant certificates overseas. A fee estimate will be provided prior to transacting any order.

### Fixed Term deposits

If we arrange for the investment of a fixed term deposit for you, we will charge you a fee of \$132 for the initial placement of the deposit and on each subsequent renewal.

### Referrals

If you have been referred to Pritchard & Partners by another financial adviser, or dealer group, that is a trading participant on the NSX ("Trading Adviser") and you have agreed that we will receive brokerage on behalf of your Trading Adviser, we will receive that portion of the brokerage payable by you that relates to the services your Trading Adviser provides to you as agreed between you and your Trading Adviser ("Trading Brokerage"), as agent for your Trading Adviser. (Refer to the FSG provided by your Trading Adviser for details of the Trading Brokerage payable.) We will remit the Trading Brokerage to your Trading Adviser. We will retain 0.33% of the value of the consideration subject to a minimum of \$55.00 per contract note per day as our brokerage for clearing trades for you ("Clearing Brokerage").

## Are there any other fees and charges?

Yes, we have set out below some of the other fees and charges that may be applicable in respect to stockbroking services that we may provide to you.

Description of service	Fee
Fail fee	When a stock is not available to meet settlement obligations in relation to a sell transaction, or you do not provide us with sufficient funds in time to settle in relation to a buy transaction you will be charged a fail fee which will be the greater of \$110 or 0.11% of the settlement consideration for each day you fail settlement. Additionally you will be responsible for any stock exchange fees charged as a result of a failed settlement.  For example: for a failed \$1,000 trade, the fail fee would be \$110.
Off market transfer	\$110.00 to be paid prior to transfer
Multiple shareholder reference numbers	For multiple Shareholder Reference Numbers (SRN) per trade \$27.50 per SRN in addition to brokerage, when you wish to sell multiple holdings that have different SRN's.
Shareholder reference number requests	\$55.00 per request
Cheque and direct debit dishonour fee	\$55.00 per cheque or direct debit
Cheque stop payment fee	\$25.00 per cheque
Customer trace fee	\$33.00
Real time gross settlement (RTGS)	\$35.00 per transfer
Overseas postage costs	\$50.00 per certificate.  This includes coverage for the cost of replacing the certificate, in the event that the certificate is lost in transit.  This coverage is limited to one certificate only, and to a maximum share value per certificate of \$100,000.  Should you hold more than one certificate or the share certificate has a share value in excess of \$100,000 we will advise you of the additional costs should you require cover for those as well.
Telegraphic transfers	\$35.00 per transfer

## Stamping fee

We may receive a stamping fee when we process particular corporate actions in relation to any listed financial products owned by you. This stamping fee is determined and paid by the product issuer to us.

## Underwriting

If we underwrite or sub-underwrite an issue of a financial product (such as shares or interests in managed investment schemes), we may receive a fee of up to 7% of the amount underwritten. The product issuer generally pays this fee to us upon the successful allocation of the financial product. The relevant Product Disclosure Statement or Prospectus or other disclosure document will set out the quantum of this fee and when we receive it. We may pass on up to 100% of this fee to other persons for services provided to us.

## Sponsoring broker

If we act as the sponsoring broker or the issuer for an issue of a financial product (such as shares or interests in managed investment schemes) we may receive a service fee. This service fee is either a fixed amount or is a percentage of the value of the financial product issued. The relevant Product Disclosure Statement or Prospectus or other disclosure document will set out the quantum of this fee and when we receive it. We may pass on up to 100% of this fee to other persons for services provided to us.

## Commissions paid under pre-existing arrangements

When you purchase financial products through us, we may receive an initial commission and or an ongoing commission (from fund management groups, margin lenders and product issuers) if, when we place financial products on your behalf, the commissions are paid under an arrangements that was entered into before 1 July 2013 (“pre-existing arrangement”).

The exact amount may vary but usually this initial commission is calculated as follows:

- Investment products — between 0% and 6.5% (GST inclusive) of your investment amount; or
- Insurance products — between 0% to 122.5% (GST inclusive) of the premium that you pay.

For example: If you pay \$1,000 to purchase units in a managed investment scheme, we may receive initial commission between \$0 and \$65.00 under a pre-existing arrangement. If you pay \$1,000 as premium on an insurance product, we may receive initial commission between \$0 and \$1,225 under a pre-existing arrangement.

For pre-existing arrangements, some product issuers also pay us ongoing fees or trailing commissions as long as you hold that product.

The exact amount may vary but usually this ongoing fee or trailing commission is calculated as follows:

- Fixed interest and cash products — up to 0.275% (GST inclusive) per annum of the investment amount (which may reduce the interest received by you);
- Other investment products — between 0% and 1.1% (GST inclusive) of the investment amount; or
- Insurance products — 0% and 35% (GST inclusive) of the renewal premium.

For example: If you invest \$10,000 in a term deposit, we may receive ongoing commission of up \$25 per annum under a pre-existing arrangement. If you have an account balance of \$10,000 in a managed investment scheme, we may receive ongoing commission between \$0 and \$110 per annum under a pre-existing arrangement. If you pay \$1,000 as renewal premium on an insurance product, we may receive ongoing commission between \$0 and \$350 under a pre-existing arrangement.

## Other fees and charges

We reserve the right to pass on any third party charges.

We reserve the right to levy a charge for copies of documents previously provided. Such charge will be agreed with you prior to the documents being provided.

## How your adviser is remunerated

Our advisers are remunerated directly by Pritchard & Partners by a combination of some or all of the following:

- Brokerage sharing in respect of listed financial products ranging from 0 to 50% of the brokerage charged to you
- Profit share and bonus arrangements
- Salary

## Association with related product issuers

### Listed securities

Pritchard & Partners deals in, and advises on the securities of the following companies in which the directors and associates of Pritchard & Partners hold a material financial interest:

- Florin Mining Investment Company Limited <sup>1,2</sup>
- Illuminator Investment Company Limited <sup>1,2</sup>
- Pritchard Equity Limited <sup>1,2</sup>
- Winpar Holdings Limited <sup>1</sup>

1. Steven Pritchard is a director of these companies

2. Enzo Pirillo is a director of these companies

### Managed investment schemes

Brett Hall, Enzo Pirillo, and Steven Pritchard, directors of Pritchard & Partners are also directors and indirect beneficial shareholders of Hamilton Asset Management Limited.

Margaret Glenn is an indirect beneficial shareholder of Hamilton Asset Management Limited.



Pritchard & Partners deals in, and advises upon the following interests in managed investment schemes issued by Hamilton Asset Management Limited:

- Hamilton Investment Fund
- Hamilton Sirius Fund

Pritchard & Partners Pty Limited is the investment manager of the Pritchard Australian Share Portfolio for which it receives an investment management fee of 0.99% per annum.

## Privacy

At Pritchard & Partners, the privacy of your personal information is important to us. We collect your personal information to ensure that we are able to provide you with the products and services most appropriate to your needs. Telephone conversations with Pritchard & Partners may be recorded to ensure our service standards are met or exceeded and to allow records to be kept of the advice given and orders taken.

Pritchard & Partners has adopted the principles set out in the Privacy Act as part of our continuing commitment to client service and maintenance of client confidentiality. For further details, please refer to our Privacy Policy at [www.reespritchard.com.au](http://www.reespritchard.com.au) or ask your representative for a copy.

## Complaints

Pritchard & Partners has in place internal complaints handling procedures consistent with Australian Standards.

If you have any complaint, you should take the following steps.

1. Contact your adviser and tell your adviser about your complaint.
2. If your complaint is not satisfactorily resolved within 3 days, submit your complaint in writing to:

The Compliance Officer  
Pritchard & Partners Pty. Limited  
P.O. Box 413,  
Hamilton NSW 2303

Any complaints received by the Compliance Officer are thoroughly reviewed and investigated by management.

Following our investigation, we will respond to you in writing and also provide a copy of this correspondence to the National Stock Exchange of Australia Limited, if necessary.

3. If you are still not satisfied with the outcome of your complaint, you may complain to the National Stock Exchange of Australia Limited.
4. If the matter is not resolved at this point, you have the right to refer any complaint to the:  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne Victoria 3001  
Telephone +61 3 9613 7366

## Compensation arrangements

We have professional indemnity insurance in place that satisfies the requirements for compensation arrangements under section 912B of the Corporations Act. The insurance cover will cover claims made in relation to the conduct of authorised representatives, representatives and employees of the licensee who no longer work for the licensee (but who did at the time of the relevant conduct).

Contact details	
Registered office:	10 Murray Street, Hamilton. New South Wales. 2303
Postal address:	PO Box 413, Hamilton. New South Wales. 2303
Telephone numbers:	+61 2 4920 2877
	1800 134 234
Facsimile number:	+61 2 4920 2878
Email:	<a href="mailto:broking@reespritchard.com.au">broking@reespritchard.com.au</a>
Website:	<a href="http://www.reespritchard.com.au">www.reespritchard.com.au</a>