

# Financial Services Guide

21 April 2017

## Version 6 Part Two

### Authorised Representative Profile

*This document is part of a Financial Services Guide and should be read in conjunction with Part 1 (A Guide to Our Relationship with You and Others) version 14, dated 7 October 2016..*

Your adviser is Richard Macrae Gordon, an Authorised Representative of Paragem Pty Ltd. Richard's ASIC Authorised Representative number is 1009354.

Richard has worked in the field of finance and investment for over 12 years and has advised on major investments in Australia, Central Asia and the United States. Having spent a number of years working internationally, Richard possesses a keen insight into global markets and all types of investment.

He has previously worked for ANZ and BankWest, has held various private sector leadership positions and has spent considerable time as a corporate adviser. He sits on the Board of a number of private companies.

Richard holds a Master of Business from the University of Notre Dame Australia, a Diploma of Financial Planning and is completing a Master of Applied Finance. He is also a member of the Association of Financial Advisers (Australia).

Richard brings a wealth of financial knowledge and experience - and an insightful, technical approach to investment and risk management.

He is an authorised representative of Black Swan Event Financial Planning Pty Ltd (AR no. 241203) which is a Corporate Authorised Representative of Paragem Pty Ltd.

Richard can be contacted at:

Black Swan Event Financial Planning Pty Ltd

Mezzanine Level  
28 The Esplanade  
PERTH WA 6000  
Phone: 08 9322 7818  
Mobile: 0404 730 453  
Email: [richard@blackswanevent.com.au](mailto:richard@blackswanevent.com.au)  
Fax: 08 9481 5570

Richard is authorised by Paragem to advise and deal in the following financial products:

- ✘ Deposit products (Cash and Term Deposits)
- ✘ Debentures, stock and bonds issued by a government
- ✘ Life Insurance risk products
- ✘ Life Insurance investment products
- ✘ Managed Investment Schemes (Unit Trusts)
- ✘ Securities (shares)
- ✘ Superannuation
- ✘ Retirement Savings Accounts
- ✘ Self Managed Superannuation Funds

Richard is not authorised to provide Managed Discretionary Account Services, Margin Lending.

## Remuneration

The following is a schedule of the fees that are payable for our services and/or the commissions we may receive from product issuers. Note that you may pay a fee for a service and we may also receive commissions as a result of you accepting our recommendations. The costs applicable to the services you require will be discussed with you by your adviser.

Paragem will pay Black Swan Event Financial Planning Pty Ltd 90% of the fees, commissions and additional commissions detailed in this schedule and Paragem will retain the balance.

Richard is an Authorised Representative of Black Swan Event Financial Planning Pty Ltd.

## Fees

The level of remuneration will depend on the services provided. The first meeting with a potential client is free of charge and without obligation.

At the first meeting, Richard will want to get a picture of your financial position, goals and objectives and you may ask him any questions about the services he offers. He will receive a share of any fees generated from the advice and services he provides. This will be detailed for you before you make any commitment and in an applicable Statement of Advice.

At the end of the meeting, Richard has an idea of what is needed and the client has an understanding of what will be provided.

The exact packaging of fees may vary from client to client, but some examples are:

### Strategic Advice Only

This provides a client with a strategic plan only but no product advice. The exact fee will depend on that client's requirements and the complexity of the situation.

The range of fees could be from a low of \$550 (for a very simple situation) up to \$7,700 for a very complex plan. Most fall in the range of \$1,000 to \$5,500 (including GST). Clients are directly invoiced.

#### Statement of Advice

Where the client needs a Statement of Advice, which includes specific product recommendations, a fee may or may not be charged for the preparation. The fees may range from \$550 to \$7,700 (for very complex cases). Importantly you will be quoted a figure in advance, well before you have to commit yourselves. The amount may be paid separately or, if applicable, deducted from invested funds (by agreement).

#### Implementation

When investments are made, there may be an implementation fee. Once again, the fee would be quoted up front, before you have to make commitments. The fee may be a dollar amount or a percentage of funds invested. The dollar amount may range from \$500 to \$5,500 or from 1% to 3% of funds invested (including GST). It can be deducted from funds invested or paid separately (by agreement).

#### Ongoing (Review) Fees

Ongoing fees are calculated as a percentage of funds under advice. This aligns the interest of adviser and client. As the value climbs, so does our fee, but if the value falls, our fee also falls. The percentage may vary from 0.75% p.a. to 1.10% p.a. (including GST). It is deducted from invested funds.

The following outlines the scale of fees that may be payable.

For example, if you have \$200,000 invested, for which an ongoing fee of 1.00% is payable, fees will be \$2,000 per annum.

or

Fees can be deducted directly from your investments based on a fixed dollar amount. For example, if your annual and ongoing advice fees are \$1,100 per annum, \$91.67 will be deducted from your investment each month.

The scale is meant to cover all possibilities and not all fees are payable in every case.

At all times, we make our fees reasonable and you will always know what you will be up for before having to commit to anything.

## Securities Dealing

Where we arrange for the securities to be transacted we will charge a dealing fee of between 0% and 2% of the value of the securities. For example if the value of securities to be transacted is \$1000 we may charge \$20.

## Commissions

### Investment products

We can only receive commissions from investment products if we have an existing agreement with the product provider prior to 1st of July 2013.

1. The issuers of the investment products I recommend may pay an initial commission. This commission, which can vary depending on the product and manager, is generally in a range of between 1% and 5% and calculated on your investment amount.

For example, if you invested \$10,000 and we charged you a 1% initial commission we would receive \$100.

### In addition

2. The issuers of the investment products I recommend may pay an ongoing commission. This commission which can vary depending on the product and manager is generally in a range of between 0% and 1% of the balance in your account per annum. This commission is paid each quarter.

For example, if your account balance was \$11,000 and we charged 1% ongoing commission we would receive \$110 per annum.

### Insurance Products

Commissions can be received for life insurance products with the exception of life insurance implemented after 1 July 2014 for a member in a default superannuation or a group life policy in a superannuation fund.

1. The issuers of the insurance products I recommend may pay an initial commission. This commission which can vary depending on the product and insurer. The maximum initial commission that will be accepted is 88% (inclusive of GST) of the initial premium you pay in the first year.

For example if your premium is \$500 and the insurer pays us 50% we will receive \$250.

### In addition

2. The issuers of the insurance products I recommend may pay an ongoing commission when you renew your policy. The maximum renewal commission that will be accepted is 22% (inclusive of GST).

For example if your renewal premium is \$550 and the insurer pays us 10% we will receive \$55.

## Potential Conflicts of Interest

### Ownership

Paragem is a wholly owned subsidiary of HUB24, which provides an administration system for holding and reporting on a client's investments. Black Swan Event Financial Planning Pty Ltd is a member of an Adviser Equity scheme, the value of which is determined by a number of factors that may or may not occur in the future. Both Black Swan Event Financial Planning Pty Ltd and certain employees of Paragem may participate in this future benefit as a result of using HUB24's administration service to manage your investments. We therefore will not make a recommendation on the appropriateness of the HUB24 administration service for you but will just supply you with factual information of the features of the service.

As a result of this potential for conflict and in order to ensure that our advisers always act in the client best interests, we have chosen to take what we believe is a best practice approach by not providing advice on the choice of HUB24 so long as we may be entitled to a potential benefit. Instead when we provide you with advice on financial strategy and particular investments, we will provide factual information about the HUB24 service however you are free to request that we use a different administration service if you would prefer.

### Additional Commissions

Black Swan Event Financial Planning Pty Ltd may also receive additional commissions calculated on the aggregated amount of funds it has placed with the platform provider. The additional commission is calculated as a percentage of the administration fee after the deduction of all costs. Therefore the amount is already included in the fees the product provider deducts from your investment account or insurance premium. The percentage will increase as certain totals are reached. If an additional commission results from advice that Richard provides to you then specific details of that arrangement will be provided with the advice. We are only able to receive these commissions where we had an existing arrangement with the platform provider prior to the 1st of July 2013.

To illustrate this point, as a result of the funds that Black Swan Event Financial Planning Pty Ltd already has under administration with BT, the percentage of additional commission is 30% of the Administration Fee. As the level of funds under administration increases, the percentage of additional commission can also increase. An example of this will be provided in the Statement of Advice, if applicable.

# Privacy Collection Statement

The privacy of your personal information is important to us.

## 1. Your representative will ask you many questions. Why is so much information required?

We collect your personal information to enable us to provide you with the products and services that are appropriate to your needs. Under the following Australian laws we may be authorised or required to collect your personal information:

- Corporations Act 2001,
- Australian Securities and Investment Commissions Act 2001,
- Anti Money Laundering and Counter Terrorism Financing Act,
- Taxation Administration Act 1953,
- Superannuation Guarantee (Administration) Act 1992, and
- Superannuation (Unclaimed Money and lost members) Act 1999,

as those acts are amended and any associated regulations. From time to time other acts may require or authorise us to collect your personal information.

We are required to collect sufficient information to identify a person's needs, objectives and financial circumstances so that we can provide appropriate financial advice.

We will gather the information by asking you numerous questions about you and possibly your family. We will record this information. We endeavour to retain accurate, complete and up to date personal information about you so we will ask you to review the information from time to time.

If the information you provide to us is incomplete or inaccurate this will impact on our analysis of your requirements and may result in advice that is not appropriate to your needs and circumstances. If this does occur you will need to make your own assessment concerning the appropriateness of our advice.

At times, we may collect personal information from someone other than yourself and you may not be aware that we collect or have collected this information.

## 2. Access and correction

You may (subject to permitted exceptions) access and update your information by contacting us. You may access the personal information we retain and request corrections. This right of access is subject to some exceptions allowed by law. We will give you reasons if we deny access though will endeavour to ensure that at all times the personal information about you that we hold is up to date and accurate. The accuracy of the personal information is dependent to a large degree on the information you provide and you should advise us if there are any errors in your personal information.

### **3. Providing personal information**

We may provide personal information to:

- organisations (who are bound by strict confidentiality) to whom we outsource certain functions, such as our auditors (in these circumstances, information will only be used for our purposes);
- other professionals, such as solicitors, accountants and stockbrokers when a referral is required;
- entities based overseas (see below for details);
- third parties when required to do so by law, e.g. legislation or Court Order.

### **4. Overseas disclosure**

Sometimes we need to provide personal information to or get personal information about you from persons located overseas. For example we may outsource a function involved in the financial planning business to someone based overseas. Nevertheless, we will always disclose and collect your personal information in accordance with Privacy Principles.

### **5. Identifiers**

Although in certain circumstances we are required to collect government identifiers such as tax file numbers, Medicare number or pension card number, we do not use or disclose this information other than when required or authorised by law or unless you have voluntarily consented to disclose this information to any third party.

### **6. Dealing with us anonymously or using a pseudonym**

The nature of the provision of financial services does not lend itself to treating customers with anonymity. All transactions require personal information about the individual for whom the transaction is being completed.

In some instances we may be able to provide information or a service anonymously or to you under a pseudonym, for example, enquiries about products from a potential client.

You can deal with us anonymously where it is lawful and practicable to do so.

### **7. Marketing practices**

Every now and then we might let you know about news, products and services that you might be interested in, via mail, email, SMS, telephone or online. We will engage in marketing unless you tell us otherwise. You can contact us at any time to update your marketing preferences.

### **8. Sensitive information**

We will not collect sensitive information about you, for example where information is provided by you for insurance or risk purposes, without your consent. Exceptions to this

include where the information is required by law or for the establishment, exercise or defence of a legal claim.

#### **9. Privacy complaints**

If you believe your privacy has been breached or you have a privacy complaint you should write to the Privacy Officer at Paragem, by email at [info@paragem.com.au](mailto:info@paragem.com.au) or at PO Box R1135, Royal Exchange NSW 1225.

If Paragem does not satisfactorily address your complaint you can escalate it to the Office of the Australian Information Commissioner: [www.oaic.gov.au](http://www.oaic.gov.au).

#### **10. Our Privacy Policy**

If you require more information please ask for a copy of our Privacy Policy or refer to Paragem's website.