

ADWealth



In association with Principal Partners | AFSL 426722

FINANCIAL SERVICES GUIDE

AD WEALTH PTY LTD

1 JULY 2024 – VERSION 8

AD Wealth Pty Ltd
ABN 43 169 778 054
AFS Licence No. 426722

*AD Wealth is an authorised representative
of Principal Partners (Vic) Pty Ltd

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THE PURPOSE OF THE FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) is intended to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. It contains key information about AD Wealth Pty Ltd, a Corporate Authorised Representative of Principal Partners (VIC) Pty Ltd, and the accompanying Adviser profile provides specific information about your adviser and together forms the complete AD Wealth Pty Ltd FSG.

The matters covered by this FSG include:

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This FSG is issued by Principal Partners (VIC) Pty Ltd AFSL No. 426722



WHO IS AD WEALTH PTY LTD?

AD Wealth Pty Ltd is part owned by Principal Partners (VIC) Pty Ltd that is classified as a financial institution / investment product provider, however importantly Principal Partners (VIC) Pty Ltd is not owned by any financial institutions or investment product providers.

AD Wealth Pty Ltd acts on your behalf and is responsible for the financial services provided to you in this FSG via Principal Partners (Vic) Pty Ltd.

Not Independent – As Defined by the Corporations Act

The Corporations Act states that if a licensee or an Authorised Representative receives commissions from a product issuer it cannot claim to be independent, impartial or unbiased. As Principal Partners (VIC) Pty Ltd and its Corporate Authorised Representative AD Wealth Pty Ltd may receive commissions from life insurance companies, they cannot be deemed independent, impartial or unbiased.

INFORMATION REQUIRED TO PROVIDE YOU WITH ADVICE

You need to provide us with an outline of your personal objectives, details of your current financial situation and any relevant information, so that we can offer you the most appropriate advice possible.

You have the right to not tell us, if you do not wish to. However, please remember that we can only make recommendations based on the information you provide us and therefore the advice we provide may not be appropriate to your needs, objectives and financial situation.

Our initial advice will be provided to you via a Financial Service Offering (FSO) or Statement of Advice presentation. The FSO allows us to go over our proposed recommendations and make adjustments with you where necessary.

The FSO presentation is followed up by a formal Statement of Advice (SOA). The SOA will contain the advice, the basis on which it is given and information about fees and commissions. Should we make a recommendation for you to acquire a financial product we must also provide you with a Product Disclosure Statement (PDS) containing information about the particular product, which will enable you to make an informed decision in relation to the acquisition of that product.

On an ongoing basis, a Record of Advice (ROA) will be prepared if there have been no significant changes in your personal circumstances or the basis of the advice has not significantly changed since your last Statement of Advice. You have the right to request a copy of your ROA from us at any time at no cost to you.¹

A Fee Disclosure Statement (FDS) will be issued to you in instances where you pay an ongoing fee for a period of more than 12 months. The FDS will contain information about the services you were entitled to receive, the services you actually received and the fees you paid during the period.

You may specify how you would like to instruct us to buy, sell or arrange your financial products. These instructions may be independent of any advice we provide and are generally given in writing, however it may also be given either verbally or by fax, email or any other means.

¹ Note: It is important that you keep copies of any of these advice statements for your own records. We must keep our records for at least seven (7) years.



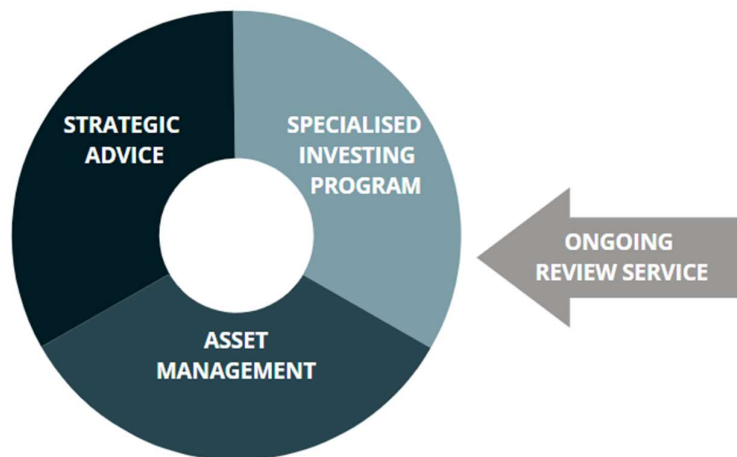
OUR VISION

At AD Wealth Pty Ltd, our objective is to deliver appropriate, high quality wealth creation and financial planning solutions to help our clients meet their financial and lifestyle objectives.

We have the expertise and professional relationships to ensure that we can provide you with an appropriate option for the full spectrum of your financial life.

FINANCIAL SERVICES AND PRODUCTS WE PROVIDE

AD Wealth Pty Ltd firmly believes in the importance of decoupling strategic advice from investment and asset management advice. Accordingly, we have three distinct service offerings:



Whether you take a single offering, or several, each is separately priced and identified. Each service offering is supported by our expert knowledge, which ensures innovative and proven methodologies to guarantee you receive the finest service to meet your needs and objectives.



Strategic Advice

Our strategic advice service focuses on the steps and strategies that we recommend you implement to help you achieve your financial and lifestyle objectives. Importantly, our strategic advice is just that; there are no investment recommendations clouding or driving the strategy. We focus on the following areas:



Asset Management Service

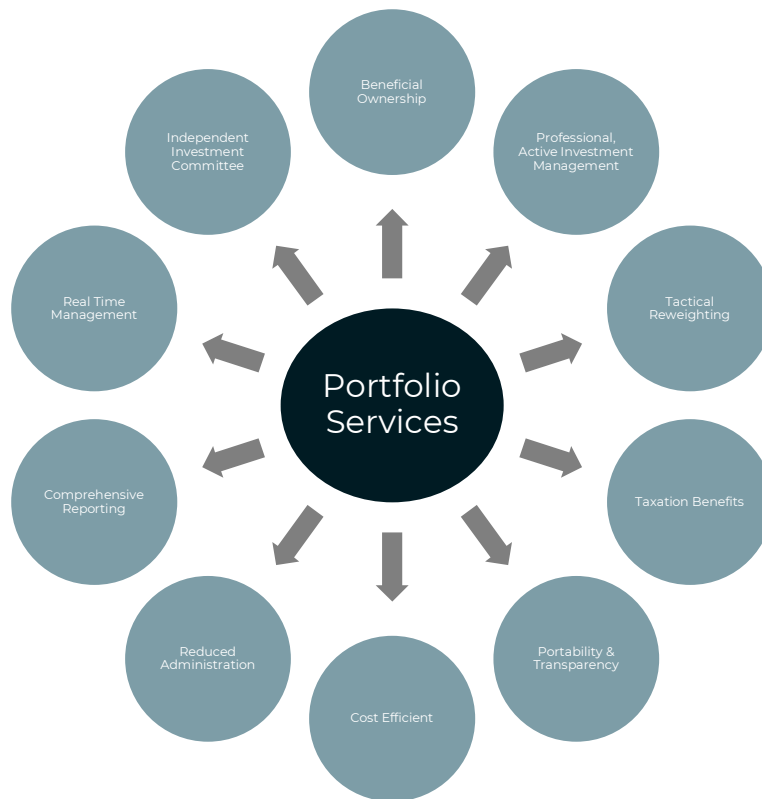
At the centre of our approach to Asset Management is our Managed Account Service that can be described simply as ‘a portfolio of directly held investments that is professionally managed.’

The AD Wealth portfolio service comprises directly held investments with a professionally managed asset allocation. The allocation is based on specific rules of a management charter, which is determined, in part, by an Investment Committee comprising two independent investment consultants who are long-standing members of the finance industry and two Directors of Principal Partners who all meet at least quarterly. Importantly the portfolio service allows AD Wealth to enact and oversee the administration of all portfolios via Managed Accounts, while clients maintain beneficial ownership of their investments. The Managed Accounts ensure timely actions, are and can be, undertaken at any time.

The ability to rebalance portfolios based on predetermined rules in a methodical and timely fashion, helps provide the optimum framework for the management of the underlying assets. Having the right controls and oversights is a fundamental aspect of what AD Wealth provides. Successful investment requires sound research and sensible active management of each asset to ensure portfolios adapt to a fast-paced world we now live in. The information cycle and application of information is a strong anchor in managing assets.

An additional level of protection is provided through the use of a ‘responsible entity’ (outside of Principal Partners) whose charter is to provide further protection to investors by introducing another layer of independence and supervision over the Managed Accounts. The ‘responsible entity’ structure helps to ensure Principal Partners are adhering to the prescribed parameters of the Managed Accounts that are operated on your behalf.

The management and systems of AD Wealth help ensure our investors obtain a genuine advantage.



Our advisers will also direct you through the range of investments on our Approved Product list that sit outside the Managed Accounts.

Enhanced Wealth Management Program

AD Wealth Pty Ltd offers additional specialist services and products should they be necessary to assist your situation. These services and products will be offered to you and it is entirely your choice to accept or decline.

Our Enhanced Wealth Management Program consists of the following products and services:

- Managed Investments
- Bonds and Debentures
- Basic and Non-Basic Deposit Products
- Margin Lending
- Retirement Savings Account
- Insurance Products (Risk & Business Insurance)
- Managed Investment Schemes
- Securities
- Superannuation
- Structured Products
- Estate Planning
- Other Special Projects



Ongoing Review Service & Reporting

AD Wealth Pty Ltd believe it is vital to review strategic plans at least annually to ensure that they remain relevant and on track. Strategic plans may need to be amended in light of:

- Changed personal circumstances; &/or
- Changes in market conditions; &/or
- Changes in legislations and regulations; &/or
- Reappraisal of your risk profile;
- Reassessment of all assumptions detailed in your strategic plan.

AD Wealth Pty Ltd will provide comprehensive administration and reporting over your consolidated portfolio as a whole, including investments held within and outside the Managed Accounts. AD Wealth Pty Ltd will:

- Continue to regularly review all aspects of performance and management capabilities of the management within the portfolio and also your investments outside of the Managed Accounts.
- Report on the performance of the consolidated portfolio and explain all aspects of tactical reweighing.
- Review the portfolio's stated performance objectives against the wider industry.
- Periodically review your risk characteristic and appetite against the portfolio asset composition.
- Provide you with an access code to enable you to view your entire portfolio securely online in one easy to read report;
- Perform all administration duties for you; saving you from receiving direct mail in relation to your investments.
- Provide you with annual tax statements to assist in completing your tax return.

FEES/COMMISSIONS THAT MAY APPLY

Strategic Advice & Ongoing Review Fees

The AD Wealth Pty Ltd strategic advice fee is based on four (4) criteria:

- Complexity of your position and reporting needs
- Specific requirements and range of strategies required to meet outcomes
- Identify value of service provide
- Time

Our fee is clearly stated to you after the above assessment and is reviewed on a yearly basis. In some cases your fee may decrease in the future as the complexity of your situation is resolved and solutions introduced.



Adviser Remuneration

We are paid by fees or commission or a combination of both, depending on the service and product you invest in. If you receive personal advice from us, we will tell you about any fees, commissions and any other benefit, where possible in actual dollar amounts, in the Statement of Advice. Your adviser will provide you this document before we proceed to act on your instructions.

AD Wealth Pty Ltd employee advisers that are authorised representatives of Principal Partners (VIC) Pty Ltd, who receive a salary. They may also be entitled to receive a bonus based on individual performance throughout the year.

In addition, some authorised representatives of Principal Partners (VIC) Pty Ltd may derive their income from a commission or fee base only and are not salaried employees. This will be stated in any Statement of Advice (SOA) provided to you.

Our Range of Fees

Strategic Advice Fees

Our strategic advice fees generally range between \$2,200 and \$15,400 (inc GST) depending on your individual circumstances.

Placement Fees

We may charge a placement fee which can range from 1.1% to 4.4% (inc GST) for the initial amount. For example, based on an initial placement of \$500,000, we would receive between \$5,500 to \$22,000 as a once off fee.

Ongoing Management Fees

The ongoing management fee could be charged as a percentage of funds under management (FUM) or a flat fee.

- Our flat fees start at \$5,500 (inc GST) per annum deducted from your bank account or product.
- If charged as a percentage, if we manage a \$500,000 portfolio for you and charge 1.1% (inc GST) as an ongoing management fee, we will receive \$5,500 per annum.

AD Wealth Pty Ltd will meet the following costs from this service fee including:

- Administration of portfolio assets;
- Software support;
- Investment Review Committee fees;
- Reporting on portfolio related issues;
- Research

Costs not covered by the Asset Management Fee are:

- Third party fees'
- SMSF lodgement fees and accounting costs;
- Performance fees (if applicable);
- Management Expense Ratio (MER) (when noted).



Enhanced Wealth Management Program Fees / Other Fees / Commissions

Every product and service in our Enhanced Wealth Management Program is individually priced. You will incur a cost for a product or service. These include²:

- o Estate Planning involving an external solicitor will incur an hourly cost for the preparation of a Will or other documentation;
- o Implementation of personal insurance could involve a broker and a percentage of commissions are paid on such business back to AD Wealth Pty Ltd;
- o Most other products and investment opportunities AD Wealth Pty Ltd will receive a placement fee which range from 1% to 4% for initial amount.
- o Personal Risk Insurance providers may pay AD Wealth a commission up to a capped 66% of the premium (inclusive of GST) and tailing commission capped at 22% of the premium (inclusive of GST). So from 2020 for example, if your premium is \$1,000 then the upfront commission would be \$660 in the first year and \$220 each year after that for the life of the policy.

Alternative Remuneration

AD Wealth Pty Ltd, its directors and Principal Partners authorised representatives may also receive benefits of a non-monetary nature from financial product providers from time to time. These benefits may take the form of sponsorship of AD Wealth Pty Ltd functions, marketing support, corporate entertainment, field trips and other non-monetary benefits. AD Wealth Pty Ltd, its directors, employees and Principal Partners authorised representatives do not receive any monetary or non-monetary benefits in excess of \$300. Benefits between \$100 and \$300 are recorded in a 'Conflicts of Interest Register' which is available on request.

Where benefits of a non-monetary nature are received, AD Wealth Pty Ltd and its Principal Partners (VIC) Pty Ltd authorised representatives are required to maintain a public register of 'Conflicts of Interest'.

The register outlines all alternative forms of remuneration received and provided by the licensee and its authorised representatives. The register is available for inspection upon request by calling us on (03) 8320 4646.

AD Wealth Pty Ltd may also receive additional commission payments from insurance providers. In some cases your Financial Planner may be entitled to a portion of these payments. More detail will be provided in an SOA if the relevant products are recommended to you.

AD Wealth Pty Ltd as a Corporate Authorised Representative of Principal Partners (VIC) Pty Ltd is one of 18 shareholders and Principal Members of the Alpha Group Pty Ltd (Alpha Group). The Alpha Group receives sponsorship from various product providers and uses this sponsorship to provide Education and Training relevant to the carrying on of a Financial Services business, to Principal Members and their representatives and employees. AD Wealth Pty Ltd discloses sponsors and amounts received from sponsors in a 'Conflicts of Interest Register'.

² Note: Any placement or capital raising fee received by us is disclosed and in most cases is a cost to the client.



Principal Partners (VIC) Pty Ltd authorised representatives also use the 'Conflicts of Interest Register' to record any benefit they or their employees obtain by way of education and training provided by the Alpha Group. You may request a copy of the 'Conflicts of Interest Register' from Principal Partners or your advisers by placing such a request in writing to your adviser.

AD Wealth and /or Principal Partners may, from time to time, have personnel, including advisors, that hold directorships with other organisations, including product issuers.

Where one of our people holds such a role, we will disclose that relationship and the remuneration arrangements for that role, to ensure you are informed of any potential conflict of interest that may arise prior to finalising any advice recommendation made to you.

AD Wealth Pty Ltd Advisory Staff are as follows:

John Brady**	john.brady@ppvic.com.au	PH: 03 8320 4646
Matthew Morley**	matthew.morley@ppvic.com.au	PH: 03 8320 4618
Thomas Smith*	thomass@adwealth.com.au	PH: 03 8320 4609

*Adviser is able to advise retail and wholesale clients and is fully conversant with legislation impacting wealth creation, wealth protection, investment & tax strategies and also retirement planning.

**Advisers are authorised to provide advice to wholesale clients only.

Contact Details AD Wealth

Office Address	538 Swanston Street, Carlton VIC 3053
Postal Address	PO Box 16180, Collins Street West, VIC 8007
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Website	www.adwealth.com.au
ABN	43 169 778 054

Contact Details Principal Partners (Vic) Pty Ltd

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Postal Address	PO Box 16180, Collins Street West, VIC 8007
Office Phone	03 8320 4646
Fax	03 8320 4600
Website	www.principalpartnersvic.com.au
ABN	28 154 767 423
AFS Licence No.	426722



HOW DISPUTES ARE RESOLVED

AD Wealth Pty Ltd as a Corporate Authorised Representative of Principal Partners (VIC) Pty Ltd (the Licensee), is committed to providing quality advice and accurate information. As part of that commitment, we are focused upon improving client satisfaction by providing an efficient and accessible system for complaint resolution.

If you have a complaint you should take the following steps:

1. Please contact your Adviser to discuss your complaint. We strive to always improve our client satisfaction and rely on feedback from you to help us in this regard. We will try to resolve your complaint within five (5) business days.
2. If you are not satisfied with the response you receive from your adviser please put your complaint in writing and address it to:

Compliance Officer
Principal Partners (VIC) Pty Ltd
Level 22, 500 Collins Street
Melbourne Vic 3000
3. We will acknowledge your complaint immediately after receiving it and work towards a speedy resolution. If you remain dissatisfied with the outcome of your complaint or if we have not resolved your complaint within 30 days, contact the Australian Financial Complaints Authority (AFCA) who provide a free complaint resolution service. They can be contacted using the online complaints form, or by mail, email or by phone on 1800 931 678.
4. You can also make a complaint or obtain information about your rights from the Australian Securities and Investments Commission (ASIC) on their free call info line: 1300 300 630.

AD Wealth Pty Ltd maintains professional indemnity insurance via Principal Partners as required under the Corporations Act 2001. This insurance provides indemnity up to the sums insured for AD Wealth Pty Ltd and all of our representatives and employees. This insurance also covers former representatives and employees for work done whilst they were engaged with us.



LOOKING AFTER YOUR PRIVACY

At AD Wealth Pty Ltd we recognise the importance of protecting your privacy. The types of personal information we collect from you depends on how you correspond with us. Any information we receive about you will be treated as strictly confidential.

In accordance with the Corporations Act 2001 and the Rules of Professional Conduct of the Financial Planning Association (FPA), we are required to collect certain information from our clients. The information is necessary to ensure we give you advice that is appropriate to your needs and circumstances. If you fail to provide us with necessary information to ascertain your needs and personal circumstances, it may be appropriate for us to discontinue providing you with financial advice.

We will only collect personal information about you where you have knowingly provided us with the information or you have authorised a third party to provide that information to us.

We may sometimes have to disclose your personal information to other professionals and organisations such as:

- Financial institutions – including fund managers, life companies, superannuation trustees, share brokers; and
- Government departments – such as the Australian Taxation Office and Centrelink

The information may also potentially be used for the purposes of direct marketing where we believe the articles and information may be of interest to you. If you do not wish to receive such information, please inform us and we will amend your details accordingly. Please allow us two (2) weeks for your request to be actioned.

Security of your personal information

In general, your personal information is held in your client file. This could be recorded on paper only or electronically only or a combination of paper records and electronic records.

Regardless of the form of your record, we will at all times seek to ensure that any personal information collected and held by us is protected from misuse, loss, unauthorised access, modification or disclosure. At all times your personal information is treated as confidential and any sensitive information is treated as highly confidential.

In the event that our professional relationship ceases, any personal information we hold about you will be securely maintained for a period of not less than seven (7) years in order to comply with legislative and professional requirements imposed on us. After this time, your records containing your personal information will be destroyed.

Gaining access to our information

We will, on request, provide you with access to any information that we have collected about you. To gain access to this information you should contact us on (03) 8320 4646.



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.

Complaints in relation to Privacy

If you believe your privacy has been compromised, please contact us immediately. We will respond to all complaints within two (2) days and aim to have them resolved within ten (10) days. Where this is not possible, you will be contacted and advised when it is likely your complaint will be resolved.

Additionally, you are entitled to contact the Australian Information Commissioner if you believe there has been an interference with your privacy. The Office of the Australian Information Commissioner can be contacted on 1300 363 992 or enquiries@oaic.gov.au.

How to contact us

If you wish to discuss any aspect of our policy further, or you wish to make a complaint, please contact us on (03) 8320 4646.

OUR ANTI MONEY LAUNDERING REQUIREMENTS

AD Wealth Pty Ltd as a Corporate Authorised Representative of Principal Partners (VIC) Pty Ltd (the Licensee) has an obligation under the Anti-Money Laundering and Counter Terrorism Financial Act 2006 to verify your identity before we can provide you with any financial services. Your Adviser will let you know what documentation you will need to present to satisfy the customer verification requirements.

ANY QUESTIONS?

Please contact your Adviser in the first instance if you have any questions about this FSG or the financial services and products we provide. This FSG should be retained by you in a safe place for future reference.