

Fortnum Financial Advisers

Supplementary Financial Services Guide (SFSG)

Version 1.0

Issued by:
Fortnum Private Wealth Limited
Trading as Fortnum Financial Advisers
ABN 54 139 889 535
Australian Financial Services Licence and
Australian Credit Licence Number 357306



Effective 1st of July 2017

Contact Address: Unit 3, 36-38 Bydown Street, NEUTRAL BAY NSW 2089

Phone (02) 9904 2792

Registered Office: c/- Peters and Partners, Suite 301, Level 3, 77 King Street Sydney NSW 2000

Contents

Welcome.....	1
Fortnum Financial Advisers (replaces section Fortnum Financial Advisers on page 3 of the FSG).....	1
Remuneration received by Principal Practices (this section replaces Remuneration received by Principal Practices on page 7 of the FSG)	2
Conflicts you should be aware of (replaces the entirety of the section headed Conflicts you should be aware of, on page 10 of the FSG).	3
Relationships and associations.....	3

Welcome

This Supplementary Financial Services Guide (“SFSG”) and the information contained therein is not complete without, and must be read in conjunction with, the Fortnum Financial Advisers Financial Services Guide (FSG) version 9.0 dated 1 December 2015, and the Practice Profile (together called “our Guide”).

This SFSG and the Fortnum Financial Advisers FSG provide you with important information about Fortnum Financial Advisers (“FFA”) and its Authorised Representatives (“advisers” or “Representatives”) who may provide you with the services described in our Guide. The Practice Profile provides information on the Principal Practice of which your adviser is a director or employee, as well as your adviser’s skills and qualifications, their fees, any further details or conflicts you should be aware of and the services they are authorised to provide on behalf of FFA.

It’s important that you take the time to read the information provided so that you can make an informed decision about whether to use the services offered by us. If you need any clarification on what you have read, please don’t hesitate to contact us. We are committed to having open and honest communication with you at all times, as this is the foundation of good advice and a successful ongoing relationship.

References in this guide to:

- “We”, “our” and “us” means FFA or your financial adviser.
- “Advice Document” means Statement of Advice (“SoA”) or Record of Advice (“RoA”).

Your adviser, as a Representative of FFA, is authorised by FFA to distribute our Guide to you.

You should note that FFA acts for you when your adviser provides services to you. Further, if you take out or renew an insurance product as part of the services provided to you, neither FFA nor your adviser acts for the insurer, whether under a binder (i.e. a power to commit the insurer to an insurer policy), or otherwise.

This SFSG has been issued in order to update information provided in the FFA FSG, which you will have either already received, or will receive at the same time as this SFSG. The information from the FSG which has been updated is as follows:

References to Fortnum Private Wealth Pty Ltd throughout the FSG and Practice Profile

All references to Fortnum Private Wealth Pty Ltd throughout the FSG and Practice Profile should be taken to read Fortnum Private Wealth Ltd.

References to Fortnum Group throughout the FSG and Practice Profile

All references to Fortnum Group throughout the FSG and Practice Profile should be taken to read Fortnum Private Wealth Ltd and Fortnum Financial Group Limited.

Fortnum Financial Advisers (replaces section *Fortnum Financial Advisers* on page 3 of the FSG)

FFA brings together a number of like-minded advisers who share a “client-first” approach, and in which most Principal Practices have a financial stake. Our name comes from a combination of two words – fortress and numbers. This represents our duty to you, the client – our dedication to protecting your financial security and our strength in numbers.

Fortnum Private Wealth Ltd ABN 54 139 889 535 AFSL 357306 (FPW) is a company that trades as Fortnum Financial Advisers. FPW is owned by Participating Principal Practices, participating FPW staff and other service providers.

Remuneration received by Principal Practices (this section replaces *Remuneration received by Principal Practices* on page 7 of the FSG)

All fees for services paid by you and/or commission paid by product and service providers are paid to FFA. FFA pays an amount to its Principal Practices which depends on the gross revenue generated by the Principal Practice over the previous 12 months. This amount will be paid in accordance with the table below. The Principal Practice may share part of this amount with its advisers. FFA pays its other expenses from its share of these amounts.

Your Advice Document will provide further details of amounts paid to FFA, the Principal Practice and your adviser.

Gross annual revenue of Principal Practice is between (\$)	Proportion paid from fee-for-service by clients and remuneration paid by product and service providers to the practice (%)
0 – 400,000	85
400,001 – 1,000,000	90
1,000,001 – 2,000,000	95
Over 2,000,000	100

Business Partnership payments (this section replaces the content under the heading *Other forms of remuneration or benefits*, sub-heading 2. *Sponsorship payments*, on page 8 in the FSG)

FFA receives business partnership payments from a number of product and service providers. Neither your adviser, nor their Principal Practice, receives any of these payments. FFA uses these payments to support the cost of the provision of training and professional development for our Representatives.

Licensee Advice Fee (this section replaces the content under the heading *Other forms of remuneration or benefits*, sub-heading 3. *Licensee Advice Fee*, on page 8 in the FSG)

If your Adviser recommends that you utilise the Fortnum Advice Wrap, SuperWrap or SuperWrap Pension Plan (and you implement their recommendation), you will pay a Licensee Advice Fee of up to 0.05% per annum of your account balance up to a maximum of \$500 per annum to FFA.

If your Adviser recommends that you utilise the e-Clipse Invest IDPS, (and you implement their recommendation), you will pay a Licensee Advice Fee of up to 0.08% per annum of your account balance up to a maximum of \$775 per annum to FFA.

If your Adviser recommends that you utilise the e-Clipse Super or Super Pension Plan, (and you implement their recommendation), you will pay a Licensee Advice Fee of up to 0.08% per

annum of your account balance up to a maximum of \$800 per annum to FFA.

Conflicts you should be aware of (replaces the entirety of the section headed *Conflicts you should be aware of*, on page 10 of the FSG).

Relationships and associations

The extensive list of products and services approved by FFA includes products and services provided by entities with whom FFA Principal Practices or their advisers and Directors and employees of FFA may have a relationship or association.

We believe that your interests should be placed first and that products and services should only be recommended if it is in your best interests. However, it is important that you know of, and are comfortable with, those relationships and associations and any benefits that arise.

Shareholding in Fortnum Private Wealth Ltd (FPW)

Your adviser or your adviser's Principal Practice either personally, directly or through an associated entity, may be a shareholder in Fortnum Private Wealth Ltd (FPW), which as stated trades as FFA.

Shareholding in Fortnum Financial Group Limited (FFG)

Your adviser or your adviser's Principal Practice either personally, directly or through an associated entity, may be a shareholder in Fortnum Financial Group Limited.

FFG has a majority shareholding in a number of entities. If your adviser or adviser's Principal Practice either personally, directly or through an associated entity, holds shares in FFG, then they also have an interest in the following entities:

- Fortnum Lending Services Pty Ltd – which provides credit assistance services
- Innova Portfolio Management Ltd) – who is trustee of the Innova Managed funds.
- E-Clipse Protected Solutions Pty Ltd– who is the trustee of the Innova Share Protection Accounts.

FFG Shareholding in Innova Asset Management Pty Ltd

FFG owns 50% of Innova Asset Management Pty Ltd (IAM), the asset manager for many of the investment options available through the e-Clipse Super and Super Pension Plan and the e-Clipse UMA Service.

IAM is also the asset manager for some Model Portfolios available through other administration platforms. If appropriate for your needs, your adviser may recommend products operated by FPW or model portfolios available through an administration platform.

If so, FFA, FFG and consequently your adviser or the Principal Practice (as shareholders in FFA and/or FFG) may benefit from these recommendations.

Shareholdings and other interests

FFA

60% of dividends distributed by FFA are paid to Principal Practice entities in proportion to the number of shares they hold in FFA.

FFG

60% of dividends distributed by FFG are paid to Principal Practice entities in proportion to the number of shares they hold in FFG.

Fortnum Advice Platform Trust (FAP Trust)

Principal Practice entities may hold units in FAP Trust which gives them an interest in benefits distributed by FAP Trust. 60% of distributions by FAP Trust are paid to Principal Practices in proportion to the gross revenue of FAP Trust referable to clients of the Principal Practice entity.

FPW Directors

Some Directors of FFA are Directors/Officers and/or shareholders, either directly or indirectly, in companies that provide financial products or services that your adviser may recommend to you if appropriate.

Accordingly, these Directors may be seen to influence or benefit from any recommendation by an FFA adviser for you to utilise any of these products or services.

These companies are as follows:

- Fortnum Financial Group Limited (FFG)
- Innova Asset Management Pty Ltd (IAM)
- Innova Portfolio Management Ltd
- E-Clipse Protected Solutions Pty Ltd
- Fortnum Lending Services Pty Ltd
- P2 Australia Pty Ltd (P2) the distributor of the P2 portfolio protection product.