

## Financial Services Guide

Issuing Licensee

Sage Advisers Pty Ltd

ABN 18 105 504 701

Australian Financial Services Licensee

AFSL No. 238039

Authorised Representative

Mark Gibson

ASIC No. 291756

### **Sage Advisers**

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## What is the purpose of the Financial Services Guide and its relationship to other disclosure documents?

This Financial Services Guide (“FSG”) is a disclosure document required by law that is designed to inform you of certain basic matters relating to our relationship, prior to us providing you with a financial service. It is intended that this FSG should assist you in determining whether to use any of the services described below. The distribution of this FSG has been authorised by Sage Advisers Pty Ltd, the Australian Financial Services Licence holder.

It also provides contact details; details of any remuneration, commission and other benefits that will be received by Sage Advisers Pty Ltd as Licensee, the adviser and any other parties; details of any associations or relationships that might be expected to influence the advice provided; and details of dispute resolution procedures and facilities and how you can access them.

Any financial advice that we provide to you subsequently will be provided to you in a **Statement of Advice** (“SoA”) that also has a range of disclosure requirements mandated under law. Statements of Advice are required to be provided to you when you are provided with advice that has been specifically tailored to your specific situation – it will be based on your personal circumstances, financial objectives, needs and requirements.

The SoA will contain details of the advice being provided, the basis upon which the advice is provided, and detail all fees and commissions associated with that advice.

Where you decide to accept a recommended course of action and move to the next stage which involves your acquisition of investments, if the investments are not listed on a stock exchange, then we must provide you with a **Product Disclosure Statement** (“PDS”). A PDS contains the information about a specific investment that will assist you to make an informed decision as to whether or not you invest in that financial product.

You have a statutory fourteen (14) day cooling off period for the return of certain financial products. You should refer to the PDS for details, if applicable, relating to any cooling off period.

The Australian Securities and Investments Commission (“ASIC”) is the industry regulator, and explains the documentation required as follows:-

Each document has its own purpose and relates to a different stage of the financial advice process, which can be characterized as follows:

- What financial **service** am I being provided – disclosure is provided in a FSG;
- What financial **advice** am I being provided – disclosure is provided in an SoA; and
- What financial **products** am I investing in – disclosure is provided in a PDS (except where the investment product is listed on a stock exchange).

### Not Independent

Sage Advisers Pty Ltd and its Authorised Representatives receives brokerage from share trades made on our clients behalf. As a result, we are neither independent, impartial, or unbiased as defined in Section 923A of the Corporations Act.

Sage Advisers Pty Ltd does not receive commissions on investments or investment products. Sage Advisers Pty Ltd holds an Australian Financial Services Licence (“AFSL”) and is not linked to any outside group from an ownership or licencing perspective.

## **Details of licensing arrangements:**

**Mark Gibson**, ASIC Authorised Representative Number 291756, is a Director and Authorised Representative of Sage Advisers Pty Ltd, ABN 18 105 504 701, the holder of **Australian Financial Services Licence Number 238039** and of the same address shown on the front page of this document.

**Mark Gibson** has been authorised by Sage Advisers Pty Ltd to provide financial services on behalf of the corporate. **Mark Gibson** is the sole Director of **Sage Accountants Pty Ltd** ABN 85 339 690 706 and has been authorised by Sage Advisers Pty Ltd to provide financial services on behalf of the corporate.

## **Who is responsible for the advice that we provide?**

As an Australian Financial Services Licensee, Sage Advisers Pty Ltd is wholly and ultimately responsible for any or all advice or service provided to you on any financial product or service. Sage Advisers Pty Ltd is also responsible for the professional conduct, training and compliance with the relevant financial services laws and regulations of all authorised representatives.

## **What advisory services are we authorised to provide?**

As Authorised Representatives of Sage Advisers Pty Ltd, we are authorised to provide financial product advice and deal on behalf of another person in the following financial services:

- Deposit and payment products
- Basic deposit products
- Non-basic deposit products
- Non-cash payment products
- Retirement savings accounts (“RSA”) products – within the meaning of the Retirement Savings Account Act 1997
- Debentures stocks or bonds issued or proposed to be issued by a government
- Securities – meaning shares and debentures
- Managed Investments
- Superannuation including Self Managed Superannuation Funds (“SMSF”)

We are authorised to provide the above services to both retail and wholesale clients and have been certified by Sage Advisers Pty Ltd as being adequately trained and competent to do so.

## **The service that we provide to our clients:**

Our focus is on the provision of ongoing investment management advice. As Mark Gibson is a CA SMSF Specialist, we also have the necessary skills to advise on the appropriate structures in which to hold an investment portfolio.

Our experience in analysing asset and enterprise risk has given us the skills needed to specialise in investment strategies that meet the specific investment return requirements of investors within their personal “comfort” levels of market risk and volatility.

At the outset we ask you to complete a Risk Tolerance Questionnaire, developed by a company called Finametrica. The questionnaire generates a report which gives a risk profile to frame the decisions which need to be made regarding building your investment portfolio. It is useful to think of this survey as a “blood pressure machine” diagnostic tool.

This makes the decision making processes as “mechanical” as possible. We achieve this by using historical, seasonal and cyclical patterns that have repeatedly occurred over the last century of recorded market history to establish and adjust investment strategies as needed.

We set investment benchmarks against which the investment outcomes of a chosen investment strategy can be and are measured on an on-going basis.

We spend a considerable amount of time researching investment alternatives, analysing the financial markets, and devising alternative investment strategies.

We also attend to client comfort levels with their investment portfolios and in particular address any concerns that clients may have as a result of press and media commentary.

### **Qualifications and experience:**

#### **Mark Gibson, CA**

Mark is a Chartered Accountant who holds a Bachelor of Business (Accountancy) and a Diploma of Financial Services (Financial Planning). He is a CA SMSF Specialist accredited by Chartered Accountants Australia + New Zealand through UNSW Australian Business School.

Mark has 11 years' experience with Ernst & Young in Australia and the United Kingdom, practicing across the areas of business advice, tax, audit and corporate finance. Mark commenced with Ernst & Young in Melbourne in 1986 under the Trainee Scholarship Program, performing accounting & tax work for companies, trusts and partnerships with approximately \$3-20 million turnover. In January 1995 he transferred as a Manager to the London Office dealing primarily with owner managed businesses with approximately £5-50 million turnover. While in London he was seconded to E&Y Corporate Finance to structure and manage corporate finance transactions and perform pre and post-acquisition due diligence reviews.

Mark has 6 years' experience as Director & Public Officer of an international reinsurance company responsible for originating, structuring and negotiating structured finance programs. He established the Australian office of Centre Solutions, a wholly owned subsidiary of Zurich Financial Services Group. Centre operated in 8 countries with approximately 300 employees. It provided innovative capital solutions, underwriting corporation and project enterprise risk in the structured finance and reinsurance markets. With over US\$ 1 billion in capital and \$US 7 billion in assets, risk was held by Centre on both a funded and credit wrap basis. Centre created and acquired, as principal, asset and liability positions not generally available in the insurance or capital markets.

Since 2004, Mark has been Director and Principal of a Chartered Accounting & Financial Advisory practice that provides accounting and tax advice as well as financial and asset management advice to companies, businesses and superannuation funds. He is a registered Tax Agent and ASIC registered SMSF auditor.

### **Are there any relationships which exist that may influence us or our licensee with providing you with financial advice?**

None of Mark Gibson, Sage Accountants Pty Ltd or Sage Advisers Pty Ltd has any ongoing relationships which may influence the provision of advice to you.

### **What you should do if you have a complaint:**

If you have a complaint about any of the services we provide to you or any of the recommendations that we make to you, then you should take the following steps:

1. Contact us and explain your complaint – We will try to resolve it to our mutual satisfaction.
2. If we do not address your complaint to your satisfaction, then you can contact the Compliance Officer of the Licensee Sage Advisers Pty Ltd, to discuss the issue, either by phone or in writing – by letter or email.

The Compliance Officer for Sage Advisers Pty Ltd is:

Ms. Nicole Gibson  
Telephone: 0411 116 310  
Email: [email@sageadvisers.com.au](mailto:email@sageadvisers.com.au)

All efforts will be made to resolve the problem as quickly and fairly as possible and to both parties' satisfaction.

3. If the internal dispute resolution procedures do not resolve your complaints within 45 days to your satisfaction, you have the right to complain to an external disputes resolution body, to which Sage Advisers Pty Ltd is a member.

The Australian Financial Complaints Authority (AFCA) can be contacted on 1800 931 678, or alternatively you may write to them at GPO Box 3, Melbourne VIC 3001. This service is available to you free of charge.

The Australian Securities and Investments Commission (ASIC) also has a freecall information line on 1300 300 360 which you may access to obtain information about your rights.

### **How are we remunerated?**

We charge on the basis of "fee for service" – where we quote you a set fee to prepare, implement and manage on an ongoing basis an investment portfolio that we establish for you.

We devise an investment program including the development of an investment strategy that suits the particular return and risk tolerance of the investor, preparation of an investment plan and then implementation of the proposed investment program.

Where possible we invest client funds through Exchange Traded Funds ("ETFs") and Listed Investment Companies ("LICs") which are listed on the ASX.

The introduction of ASX mFund settlement service allows electronic processing for managed funds and replaces the use of paper forms for managed fund transactions. It uses the same settlement system, known as "CHESS" that the ASX uses for settling share transactions. Clients can use their existing broking account (Desktop Broker) to invest in managed funds without the need for paper forms.

**Our fee schedule is as follows - on the first \$1,000,000 of funds under management, the level of fees is 0.75% with a minimum of \$4,000 per annum; this reduces to 0.5% on the next \$1,000,000; and reduces to 0.33 % on that part in excess of \$2 million.** Fee agreements are set for a two year period with quarterly payments made in February, April, August and November.

The fee is based on this sliding scale because it is our experience that the larger the portfolio the more involved is the investor in the management of those funds. The additional interaction with investors who have larger portfolios has been noticeably greater over the years we have been in business.

Any commissions, when they are paid, are retained by Sage Advisers Pty Ltd to enable the provision of insurance and ongoing research & training.

Under an ongoing management program, there are no additional charges made by us when portfolio changes are made – there may however be some additional transaction costs associated with changing the investments. These are detailed in the Statement of Advice that outlines the recommended course of action.

We keep clients' fee levels down by NOT using platforms – master trusts and wrap account structures that are used to consolidate clients investments and for which additional fees are charged. To date the platforms used by the large Financial Adviser companies have added an additional cost of 0.3 to 0.5 percent per annum on top of the adviser's fees to the cost of investment advice. We do not use a platform.

Instead we use our "Sage Online" system which provides "real-time" access to the following information relating to your super fund anytime from your own computer:

- Fund details – members, bank accounts, contact information
- Pension withdrawal limits and pension payment information
- Contribution caps
- Investment reports – allocations and valuations
- Fund reports

In this way we keep in closer touch with both clients' investment portfolio structure and the individual investments in their portfolio. Sage Online is charged at a flat fee of \$330.00 per annum per super fund.

### **Other costs or charges you will or may incur**

You will pay brokerage fees on share purchases and sales conducted via Desktop Broker. The brokerage rate is \$30 or 0.30% of the value (whichever is the greater) per trade. This is a similar rate to other discount brokers such as CommSec.

ETF Managers receive fees for managing the investment. This is called "Management Expense Ratio" (MER). The anticipated MER for each of your investments will be provided to you in each instance. These fees are significantly lower than managed fund fees.

Fund managers have a buy – sell spread around the unit price they quote for investment in their fund. This charge, which is generally in the order of a one off 0.2% – 0.5% of your investment depending on the manager, covers their costs associated with investing your funds – they pay brokerage, stamp duty and other administrative costs as they invest your funds.

The transaction costs that you pay to each funds management group are listed in the individual PDS documents and fact sheets. Some managers also charge performance fees. Details of the performance fees will be detailed in the PDS documents of the manager.

We will provide you with a firm quote with respect to both the proposed establishment fee and ongoing management fees after you have indicated to us that you wish us to prepare an investment program for you, but before we commence any work on your behalf.

Where ongoing personal advice is to be provided to you and the investment products being recommended pay ongoing trailing commission, the amount and description of those commissions will be detailed in the Statement of Advice, as required by law.

You will pay Sage Advisers Pty Ltd for your investment plan, reviews and ongoing management. You will pay Sage Accountants Pty Ltd for the establishment of any entity to hold your investments and the annual tax and accounting administration. All third party fees payable to us as authorized representatives of Sage Advisers Pty Ltd are payable directly to Sage Advisers Pty Ltd. Mark Gibson may share in the net benefits of all fees and commissions received.

Sage Advisers Pty Ltd has Professional Indemnity Insurance in place to cover us for the financial services that we provide. We understand that it is adequate to meet our requirements as the authorised representative of a financial services licensee.

### **Need to know more?**

If you have any questions about this Financial Services Guide or any of the financial services offered by Sage Advisers please contact us at: [email@sageadvisers.com.au](mailto:email@sageadvisers.com.au) or call us on 03 9818 8810 and we would be happy to speak with you.

We look forward to being of service to you.