

# Financial Services Guide



### About this Guide

We encourage you to read this Financial Services Guide (“FSG”) carefully before deciding to use our services. This guide is designed to answer key questions that you may have regarding Crystal Wealth Partners Ltd, including: who we are, what we do, how we do it and how much it costs.

This guide should assist you in deciding whether or not to use our services by providing you with important information on:

- Who we are and how we can be contacted
- What types of financial services, including financial advice, that we are authorised to provide to you
- How we (and any other relevant parties) are paid for our services
- Details of any potential conflicts of interest you should know about
- Details of our internal and external dispute resolution procedures and how you can access them to resolve any complaints.

This FSG also provides information about the capacity in which we act when providing financial services to you and details on how you can provide instructions to us with respect to these services.

This FSG is dated 8 November 2018 and is issued by Crystal Wealth Partners Ltd (ABN 78 151 929 823).

### About Crystal Wealth Partners Ltd

Crystal Wealth Partners Ltd (“Crystal Wealth”) is a boutique, Australian owned company that provides a range of authorised financial services under the Corporations Act (Australian Financial Services Licence No. 412 226). Crystal Wealth is also a registered tax (financial) adviser with the Tax Practitioners Board (Registration No. 25294407).

Crystal Wealth is privately owned and proudly so. It is not influenced through any institutional ownership arrangements to recommend or direct you towards any particular financial products. Only financial products that are determined by us to be appropriate for your needs will be recommended, regardless of the issuer.

#### 1. What financial services can we provide?

Crystal Wealth’s primary business activity is the provision of Financial Advice, Investment Management and Private Client Services to a select range of Australian and International households (including both retail and wholesale clients). As part of these services, financial product advice (general or personal) may also be provided to you.

Under our licence, Crystal Wealth is authorised to offer you the following types of financial services:

- Provide financial product advice,
- Deal in a financial product by arranging and administering the application, acquisition, amendment and, if required, cancellation of a financial product; and
- Operate a custodial or depository service other than an investor directed portfolio service.

These services can be provided across the following classes of financial products:

- Deposit and payment products – Basic Deposits,
- Deposit and payment products – Non-basic Deposits,
- Deposit and payment products – Non-cash Payment,
- Government Debentures, Stocks or Bonds,
- Investment Life Insurance Products,
- Life (Risk) Insurance Products,
- Managed Investment Schemes (including Investor Directed Portfolio Services),
- Managed Investment Schemes (limited to MDA Services),
- Retirement Savings Accounts,
- Standard Margin Lending facilities,
- Securities; and
- Superannuation products (including Self Managed Superannuation Funds).

Our Managed Account services include Managed Discretionary Account (MDA) services, incorporating individually tailored and model portfolio options, as well as Non-Discretionary Managed Account (NDA) services. We also offer custody services for our MDA services in the capacity of incidental custodian only. Under our Managed Account services you will also generally be provided with personal advice about the service (as outlined later in this FSG). Crystal Wealth does not issue financial products in its own right under any service option.

## **2. What else can we do for you?**

We can be authorised to act as an agent on your behalf from an administrative perspective in certain cases, subject to the terms of a written agreement with you. Depending upon your needs, we can also provide you with:

- Asset allocation, investment strategy and ongoing management advice,
- Comprehensive financial advice, limited or transactional advice services,
- Specialist superannuation advice services; including Self Managed Superannuation Fund (SMSF) establishment, management and compliance, administration and accounting via outsourced arrangement with Multiport (AFSL 291195),
- Strategic goal orientated advice (such as 'transition to retirement', 'target funding needs'),
- Retirement planning advice (including account based and guaranteed pensions or annuities), termination payments, retirement benefits and superannuation contributions strategy planning,
- Services to open cash management and other trust accounts,
- Intergenerational wealth planning (including age pension and aged care planning),
- Life insurance risk analysis and strategy planning, and
- Comprehensive detailed ongoing co-ordinated investment portfolio and tax reporting services across multiple tax entities.

## **3. Who is responsible for the financial services?**

The financial services are provided to individuals, companies and trusts by Crystal Wealth directly or by an Authorised Representative, director or employee of Crystal Wealth ("Representative"). At all times any Representative of Crystal Wealth is providing the financial services on our behalf and we are responsible to you for them.

## **4. Personal Advice**

The advice we provide to you will be personal financial product advice where our Representative considers one or more of your objectives, financial situation and needs in recommending one or more financial products to you.

Before we provide personal advice to you, we will ask you to provide us with certain detailed personal information. This includes information about your individual investment objectives and preferences, financial situation and needs. The information will be kept strictly confidential. If you choose to provide us with this information, you should ensure that our Representative is made aware also of any relevant changes that occur to this information over time for the purposes of providing any further or subsequent advice.

You can decline to provide some or all of the requested personal information. If you do so, our Representative will not be able to undertake a full needs analysis and will only be able to provide recommendations to you on the basis of the limited information provided. This means that any recommendation may not be appropriate for your needs and you should carefully assess how appropriate these recommendations are in light of your own particular circumstances.

If you choose not to provide us with all of the information we request or the information you provide is inaccurate or incorrect, this will affect the type of advice that we can provide. You should read any warnings contained in any advice document carefully before making any decision relating to the acquisition or disposal of a financial product.

## **5. General Advice**

We may also provide you with general financial product advice from time to time, such as investment or product research reports, economic or market updates, marketing material or product specific information. This information is not personal advice as it does not consider your personal circumstances, needs or objectives. You should evaluate your own situation first when considering this type of advice before making any decisions relating to a particular financial product. This includes obtaining and reading a copy of any relevant product disclosure documents.

## **6. Product Disclosure Statement**

If we make a recommendation to acquire a particular financial product (other than securities listed on a licensed market) or arrange for you to be issued with a financial product, we will also provide you with a Product Disclosure Statement ("PDS") or Short-Form PDS (an allowable summary version of a full PDS that outlines prescribed key product details) where required. This is an important document containing information about the particular financial product; including any significant risks associated with holding the product, amounts that you must pay, and information about any brokerage, fees, commission or other such payments that could impact on the amount of any investment returns payable to you over time.

There are a number of exceptions to when you will receive a PDS or Short-Form PDS. This includes where you already have a current disclosure document for the relevant product, where you hold a financial product of the same kind and you have access to current information (e.g. via a website), or where the offer is made under a distribution reinvestment plan or switching facility.

## **7. Statement of Advice**

If we provide you with personal financial product advice, generally we will provide you with a Statement of Advice ("SOA").

In some cases, we may provide you with a Record of Advice ("ROA") where we provide you with further or subsequent advice and your personal circumstances, needs and objectives are not materially different from those related to the previous personal advice (SOA).

These are important documents and you should read them carefully before making any decision to act on the recommendations they contain relating to financial products. A SOA or ROA will include a statement of the personal advice provided to you, the basis for that advice, as well as information about any remuneration and fees that we may receive in connection with the advice.

It will also include information about any interests, relationships or associations that may influence (or potentially influence) us in providing you with the advice. A SOA or ROA is not provided when we provide you with any general financial product advice.

## **8. Tailored Investment Solutions**

Crystal Wealth is authorised under its Licence to provide both discretionary and non-discretionary investment management services (also often known as Managed Account Services). In each case, we will individually manage your portfolio account according to a stated and agreed investment strategy, model or goal as part of our personal approach to tailored investment solutions. Importantly, all investments within a portfolio account are owned directly by, or beneficially for, you at all times and you can view full details of your account(s) over our secure website on a daily basis.

Our bespoke managed account solutions have been designed to allow us to tailor different active investment management styles to your needs. The available options include full discretionary investment management (Crystal Optimum or Crystal Tailored) as well as active non-discretionary management (Crystal Choice). We are also able to administer, transact and report on any 'non-advised' assets for a portfolio using the same comprehensive portfolio management systems (Crystal Prime).

### **Managed Discretionary Account (MDA) Services**

Crystal Wealth is authorised under its Licence to provide MDA services as an MDA Operator. An MDA service is essentially an arrangement whereby we manage a portfolio of assets for you on an individual discretionary basis (including domestic and international securities, cash, fixed interest and property securities). This can include the option of tailoring a specific portfolio to your needs (Crystal Tailored) or utilising one or more carefully researched and monitored active model portfolios (Crystal Optimum). Under either option, an integral part of our MDA service is that you provide authority to Crystal Wealth to invest in and dispose of financial products on your behalf without prior reference to you for each transaction.

Where we consider that an MDA service is appropriate for you, having first considered and assessed your personal circumstances, needs and objectives, we will provide you with personal advice in the form of a SOA that sets out the reasons why, and basis on which, we believe the service is appropriate for you. Prior to providing an MDA service to you, we are required to provide you first with an MDA contract that includes an investment program. The investment program will contain a detailed range of parameters which have been designed to suit your particular circumstances and needs. It is the basis on which we will provide the ongoing investment management services to you and exercise our discretion under the service contract.

Under our MDA service we review the investment program annually to determine whether or not it is still appropriate for you and any adjustment it requires. You may, however, direct us at any time to undertake certain transactions or exercise certain rights on your behalf (e.g. corporate actions) with respect to Crystal Tailored accounts. You can give us these instructions at any time by telephone, fax or email (see "Contacting Us" for details).

Generally, an MDA service can derive benefits for you by accessing ongoing professional investment management services, achieving potential cost reductions for various service elements and delivering efficient day-to-day administration and consolidated portfolio reporting.

However, there are risks associated with an MDA service that include the following significant items to be aware of:

- the authority that you provide to us under the service may be used to invest in assets which may not suit your objectives, needs and risk level at all times,
- the authority that you provide to us under the service may be used to invest in assets that may be unsuitable to you from a social or ethical perspective,
- you may be subject to financial losses for investment decisions made on your behalf under the authority provided to us, and
- we may exercise discretion in relation to corporate actions on your behalf under the authority provided to us, particularly with respect to Crystal Optimum portfolios that may not be suited to your requirements.

We have implemented various internal control mechanisms to manage these types of risks with the operation of the service, ensuring appropriate communication mechanisms are in place with you in respect of each portfolio. We will set out specific details on how these risks will be managed as part of the investment program within the MDA contract provided to you prior to providing any such services.

**Note:** This FSG complies with the conditions applicable to the provision of MDA services as determined by ASIC, and in particular Division 2 of Part 7.7 of the Corporations Act 2001 and ASIC Class Order CO 04/194.

### **Non-Discretionary Managed Account (NDA) Services**

We can also provide active investment management services to you on a non-discretionary basis either in combination with the above MDA service, or as a stand-alone arrangement, if appropriate. The key difference with this type of service (Crystal Choice) is that following receipt of any personal advice from us, you must authorise all transactions in relation to your investments in writing to us or by other secure means (including electronic authorisations).

This means that we will not act on any recommendation regarding the purchase or sale of any investment on your behalf that you do not authorise first under this service option. This can result in delays arising between the receipt of a recommendation from us and the confirmation back from you to proceed which may impact on the recommendation and performance of the underlying portfolio.

### **9. How does Crystal Wealth work in practice?**

We work in close cooperation and consultation with you and other professional advisers such as Accountants, Lawyers and Brokers (“Advisers”) to provide the financial services that are most appropriate to your needs. Typically, following an initial interview, you would provide instructions to us to prepare a Statement of Advice based on your personal circumstances.

This document would examine your identified needs as well as the scope of potential advice services required. Then upon acceptance of the specific advice recommendations, we would enter into an ongoing client service agreement with you to establish, administer and report on your financial arrangements as appropriate (including investment and superannuation portfolios across any type of tax entity or structure).

Our investment management services have been designed from a structured and disciplined approach to investment, utilising well established and tested operating guidelines for ongoing portfolio management. Our investment philosophy is built on a global perspective across all asset classes that aim where possible to utilise directly invested solutions rather than pooled investment structures to minimise ‘middle management’ charges. Pooled structures would be utilised typically to access investment opportunities and/or diversify risks that cannot be accessed or managed cost effectively through other means. Actively managed, each client portfolio is overseen by an overlay manager with a core focus on maximising after-tax returns for each client portfolio.

We provide these services to you, including regular financial transaction information and consolidated portfolio reports, only as agreed and specified in our documented client service agreement. This includes managing one or more investment portfolios under any of our Managed Account options: Crystal Optimum, Crystal Tailored or Crystal Choice.

For other types of financial products or investment services, we will recommend those we consider most appropriate to your needs from our research and as advised to you in a SOA or ROA. We will also provide you with the PDS or Short-Form PDS at that time that provides the relevant detailed product or service information for your review.

### **10. How do you pay for our services?**

Crystal Wealth operates on a ‘fee for service’ basis. All of our fees are tailored for each client situation and are fully disclosed to you before we provide any services to you. The following fee information may not apply to your specific situation.

There are various methods and types of payments for our services and these are detailed below. Irrespective of the method selected, all of the fees charged to you by us (or a nominated Representative) are payable directly to Crystal Wealth Partners. The level of ongoing fees and payment method to apply will be agreed and documented in our client service agreement prior to providing you with the relevant service(s). If we provide personal advice to you, we will also detail in the relevant SOA or ROA (as appropriate) all of the remuneration, including any fees or commissions or other benefits that we will receive with respect to that advice or product recommendation. Any financial product fees to apply in addition to our fees will also be outlined in the relevant financial product PDS or Short-Form PDS, as applicable.

With your prior authorisation, we are able to collect fees payable to us directly from you or from underlying investment portfolios, managed accounts or other financial products. The different types of fees that may apply to our various services include the following general categories with fees quoted inclusive of GST where applicable.

#### **Initial Consultation Fees**

After conducting an initial complimentary review meeting with you to assess your needs and objectives, we can prepare an initial strategy discussion report to scope out your needs and the type of advice and strategy options that can be considered. Typically this work is done prior to commencing any formal detailed advice recommendations (including SOA preparation). The fixed fee varies between \$495 and \$990 depending on the amount of work involved.

#### **Statement of Advice (SOA) Fees**

Generally, the fee required to prepare a personal SOA for you will be based on the expected amount of time it will take us to analyse your personal information, research appropriate strategy and product solutions where appropriate and document the recommendations associated with your individual needs and circumstances. It will also consider the value of the advice being provided to you. Typical fees for preparation of comprehensive advice can range from \$1,500 to \$5,500 depending on the degree of complexity. Fees for limited advice can range from \$275 to \$1,500.

#### **Ongoing Advice (ROA) & Portfolio Service Fees**

These are the agreed annual fees to be charged to you for providing ongoing portfolio administration and investment management services (including Managed Accounts), as well as fees for regular monitoring and investment advice services (including any ROA and client meetings). Typically, this can include a mixture of dollar based fees (from \$140 per month) as well as investment fees based on a percentage of assets under active management (up to 2.2% p.a.). These fees can also incorporate a 'household retainer' to accommodate ad hoc queries, strategy discussions and advice for other family members payable on a monthly or quarterly basis. The fee basis can also provide for set 'project' fees for various services, based on agreed estimates of work to be undertaken on your behalf.

The total level of ongoing fees to apply will depend on the particular services chosen, investment style and number of portfolios to be monitored, assets under advice or administration, transaction costs and overall service and advice complexity. A detailed fee statement is prepared for your consideration and approval prior to agreeing any of these ongoing services. In all cases, the calculated fees are shown as a dollar amount that will be payable and collected each month.

#### **Commissions**

If we provide you with personal advice, Crystal Wealth may receive ongoing commissions from a product issuer. We do not charge commissions for investment product advice, however for life insurance products, commissions are still included in the premium cost for many products. Any ongoing insurance commission arrangements would be disclosed and first agreed with you as part of the total fee to be paid for our services. These amounts are not additional charges to you and are paid by the insurer to us. This typically includes an amount ranging between 0% and 40% of the annual premium payable (i.e. \$0 to \$400 p.a. for a \$1,000 annual premium).

#### **Other Fees**

Other types of fees that we may charge include hourly based fees for the preparation of ad hoc advice (up to \$350 per hour) or other client services (up to \$250 per hour) in addition to any set fees payable for our portfolio administration and investment management services. This can include fees collected on behalf of third party service suppliers (such as accountants, actuaries and lawyers) for work undertaken on your behalf (such as trust deeds, actuarial certificates, audit and company compliance management).

Separate transaction fees are also payable to us to cover the cost of buying or selling listed securities on your behalf. Typically, the transaction fee applicable for individual transactions under any service option is the higher of 0.242% of the value of the transaction or \$27.50, or for international trading 0.35% of the value of the transaction or \$50.

Additional charges for trading listed securities on international exchanges may include separate custody, stamp duty and foreign exchange transaction charges. Any transfer of an asset 'in specie' into or out of one of the Crystal Wealth Managed Account services will incur a separate fixed per asset fee of \$55 (transfers in) or \$99 (transfers out), rather than the standard listed transaction fees.

From time to time, Crystal Wealth may participate in initial public offerings (IPOs) of securities to be listed on the ASX. Where this occurs, a fee of up to 1% of the value of the transaction undertaken may be payable by the issuer to us. This is not an additional fee charged to you.

#### **11. How Are Our Representatives Paid?**

Our Representatives are paid an annual base remuneration for providing any of the services to you on our behalf. In addition, they may receive an annual bonus payment or other non-monetary incentive based on the achievement of personal performance standards, quality advice and compliance assessments, as well as overall business profitability. Any bonus amount or benefit is not fixed nor is it guaranteed and it may vary from year to year as approved by the Crystal Wealth directors.

Our Representatives do not receive any commissions, fees or monetary benefits for the services provided to you. From time to time, financial product issuers may offer our Representatives incidental non-monetary benefits, such as invitations to social and/or sporting events, conferences or gifts. Where such benefits relate to the provision of personal advice, we will provide further details of any associated benefit in the relevant SOA or ROA. It is expected that any typical individual benefit would be no more than \$300.

#### **12. Will anyone be paid for referring you to us?**

Our business involves introductions or referrals from Advisers and other clients. We work actively with appropriately qualified accounting, legal and other professionals to operate effective referrals between practices for the benefit of delivering comprehensive tailored solutions to our clients. Specialists are engaged for the provision of 'non-product' financial advice so that there is an integrated solution delivered to you where required.

Generally, we do not pay a fee or commission in relation to referrals. However, in some cases we may share part of our fees with another Adviser or Australian Financial Services Licensee, up to a maximum of 50% of the fees charged to you.

This is not an additional charge to you and it varies from case to case as well as with the amount of business referred to us and the type of professional relationship in place. If you receive personal advice from us, we will tell you in the SOA or ROA about any person or entity that will receive any payment from us and the amount of that payment where it is able to be determined at that time.

#### **13. Do we have any relationships or associations with financial product providers?**

Crystal Wealth does not have a relationship with, or any financial interest in, related or associated companies that issue financial products. Crystal Wealth has various commercial business relationships with non-related companies that are financial product providers or issuers or Australian Financial Services Licensees.

If we provide you with personal advice, these organisations may pay commissions to or share fees with us as outlined previously. Where practicable and agreed, these fees will be rebated to you and in all cases the fees will be disclosed in the relevant SOA or ROA. Regardless of any payment received, we will research and recommend only those products that we believe are appropriate to your needs and in your best interests at all times.



#### **14. Managing conflicts of interest**

In this context, 'conflicts of interest' describes circumstances where some or all of the interests of clients to whom we provide financial services are inconsistent with, or diverge from, some or all of the interests of Crystal Wealth or its Representatives. This includes actual, apparent and potential conflicts of interest.

Our policy is to first ensure that the conflict should be avoided if possible. If this is not possible or feasible, then any conflict will be disclosed clearly to the person to whom the conflict potentially relates. We will always give priority to your interests when providing financial advice to you.

We use best endeavours to avoid or minimise potential conflicts of interest by deriving most of our revenue directly through fees agreed with and signed off by you in our client service agreements. Crystal Wealth or its Representatives may from time to time have a financial interest in or deal in financial products that are also recommended to you. You should review any disclosures made in particular research, PDS, SOA or ROA documents with respect to interests that Crystal Wealth or its Representatives have in any such financial products.

#### **15. What are your rights as a client?**

When we provide you with financial advice and portfolio management services, the terms of the service arrangement including our responsibilities, reporting and your rights are documented in the written client services agreement with you.

With respect to personal advice, we are obliged to have a reasonable basis for the advice we provide to you. This means that our Representative must give consideration to your investment objectives, financial situation and particular needs and conduct reasonable investigations with respect to the subject matter and scope of the advice requested, including any appropriate financial products.

This will be reflected and documented in any SOA or ROA that we provide to you with the personal advice.

#### **16. What personal information do we maintain on your file?**

We maintain a record of your personal profile that includes any personal details that you, or your representative or Adviser(s), provide to us.

This includes information about your investment objectives, financial situation and needs, income and expenses, assets and liabilities as well as key contact details. We also keep a copy of any FSG, SOA and ROA that we provide to you.

We are committed to protecting your privacy. All personal information (as defined in the Privacy Act 1988 (Cth) and any further amendments) collected from you will be used and stored by us in accordance with our Privacy Policy. A copy of our Privacy Policy can be provided free of charge to you upon request. If you wish to examine your personal file, please contact us directly to make the appropriate arrangements.

#### **17. What other information can you request?**

If you have received personal advice that does not require a SOA (where a ROA has not already been provided) and you want a record of that advice, please contact us and we will provide it to you. We will keep all records of subsequent or further advice for a maximum period of seven years after advice was provided.

#### **18. How can you give us instructions?**

You may provide instructions to us at any time by telephone, facsimile or email. The contact details are provided under the "Contacting Us" section of this guide.

#### **19. What if you have a complaint?**

You are entitled to have any concern about the service you have received from us, or any other aspects of your dealings with us, considered and dealt with as quickly as possible. We will make every effort to comply with your requests and in the event that you have a complaint about any aspect of our services, you should initially contact the relevant Representative and discuss your complaint with him or her directly.

This can be done orally or in writing. If you lodge a complaint with one of our Representatives, he or she is required to notify our Complaints Officer in writing within 24 hours. When raising a complaint with us you need to be clear about the nature of the matter that has led to the complaint, and be able to demonstrate how this has impacted on your circumstances.

Our Representative will consider your complaint and discuss with you ways of dealing with the issues you raised. Our Representative has 5 business days under our internal complaints resolution procedure to deal with your complaint satisfactorily.

Where your complaint has not been satisfactorily resolved, the Representative will notify the Complaints Officer in writing within 48 hours of the determination that it has not been satisfactorily resolved, including details of any remedies offered. Our Complaints Officer will contact you within 7 days of lodging the complaint and will have another 14 days to consider your complaint and provide a written final response. This may be extended to a maximum of 40 days where a delay is caused by obtaining full information.

**Complaints Officer: Mr Timothy Wedd**  
Executive Director  
Crystal Wealth Partners Limited

Phone: (02) 8599 1790  
Facsimile: (02) 8599 1799  
Postal: GPO Box 2621  
SYDNEY NSW 2001

Alternatively, your concerns about any matter with respect to our services can be emailed to: **tim@crystalwealth.com.au** at any time.

If your complaint cannot be resolved through our internal complaints handling procedures, then the Complaints Officer will refer you to our External Dispute Resolution Scheme. This is the Australian Financial Complaints Authority (AFCA). AFCA is an independent body authorised by the responsible Minister.

#### **Australian Financial Complaints Authority**

Postal: GPO Box 3, MELBOURNE VIC 3001  
Phone: 1300 56 55 62  
Email: info@afca.org.au  
Website: www.afca.org.au

The Australian Securities and Investment Commission (ASIC) also has a free call Infoline on **1300 300 630** which you may use to make a complaint and obtain information about your rights (www.asic.gov.au).

#### **20. What Compensation Arrangements do we have?**

Crystal Wealth has in place appropriate Professional Indemnity (PI) Insurance cover as required as part of our licence conditions under the Corporations Act and Regulations 2001. This provides financial resources to compensate you for any losses that you may incur as a result of a breach of our obligations under relevant Corporations Law, including in the event of fraud or dishonest conduct by any agent or Representative of Crystal Wealth.

#### **21. Contacting Us**

If you would like clarification on any of the matters discussed in this FSG, or require further information about any of our services including a copy of our internal complaints policy, please contact one of our Representatives directly or our principle office located at:

**Crystal Wealth Partners**  
Office: Level 7, 6 O'Connell Street  
SYDNEY NSW 2000  
Telephone: +61 2 8599 1790  
Facsimile: +61 2 8599 1799  
Web site: www.crystalwealth.com.au  
Email: help@crystalwealth.com.au