



FORTNUM PRIVATE WEALTH LTD

# FINANCIAL SERVICES GUIDE (FSG)

## Pride Advice Pty Ltd v1.3

Fortnum Private Wealth Ltd (Fortnum)

ABN 54 139 889 535

Australian Financial Services License

(AFSL) 357306

## Effective 1 May 2019

Fortnum Contact Address: Suite 2, Level 6, 111 Pacific Highway North Sydney NSW 2060

Phone (02) 9904 2792

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

### Pride Advice Pty Ltd Contact Details

Phone: (02) 9222 1422

Fax: (02) 9222 1411

Email: [service@prideco.com.au](mailto:service@prideco.com.au)

Address: Level 5, 12 O'Connell Street, Sydney NSW 2000



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## Welcome

This Financial Services Guide has been authorised for release and distribution by Fortnum Private Wealth Ltd ABN 54 139 889 535 Australian Financial Services Licence (AFSL) 357306 (Fortnum).

This Financial Services Guide (FSG) provides you with important information about Fortnum, Pride Advice Pty Ltd, Anthony Beaumont Davison (Adviser) who may provide you with the services described in this FSG.

Pride Advice Pty Ltd (ABN 67 133 557 785) and its Advisers are Authorised Representatives of Fortnum Private Wealth Ltd. Pride Advice Pty Ltd's Corporate Authorised Representative Number is **344283**. This FSG contains important information about:

- Fortnum and Pride Advice Pty Ltd of which your Adviser is a director and/or an employee;
- the areas of advice and services your Adviser is authorised to provide on behalf of Fortnum;
- your Adviser's skills and qualifications;
- Pride Advice Pty Ltd.'s advice process;
- how Fortnum, your Adviser or Pride Advice are paid for the financial advice and services provided to you, including Pride Advice Pty Ltd.'s fees;
- details of any conflicts you should be aware of;
- any arrangements or relationships which may influence advice that is provided to you by us;
- how we protect your privacy; and
- the process available to you if you are unsatisfied with the services or advice provided to you.

In addition, if your Adviser recommends you establish a Managed Discretionary Account (MDA) Service, at the time of the recommendation they will provide you with an Investment Administration Services Pty Limited Managed Discretionary Account Service Financial Services Guide, which, when an MDA Service is recommended, forms part of our FSG and must be read in conjunction with this document. It will provide information about what a MDA Service is, the documentation you should receive, the risks of an MDA Service, the fees and costs associated with the MDA Service and other important information.

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 FSG to:

- "We", "our" and "us" means Fortnum, your Adviser or Pride Advice Pty Ltd.
- "Advice document" means Statement of Advice or Record of Advice.

Pride Advice Pty Ltd, as an Authorised Representative of Fortnum, is authorised by Fortnum to distribute this FSG to you.

You should note that Fortnum 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 Fortnum nor your Adviser acts for the insurer, whether under a binder (i.e. a power to commit the insurer to an insurance policy), or otherwise.

## Other documents you may receive from Pride Advice

When we provide you with personal advice you will receive a Statement of Advice for that initial advice. The Statement of Advice (**SOA**) sets out the scope of the advice, your current personal and financial position, the basis for the advice and how it addresses your needs and objectives. It will also disclose the fees and charges payable by you and the remuneration and other benefits we may receive.

The SoA will also make reference to any potential conflicts of interest that you need to be aware of when deciding whether to rely on the advice. Your Adviser will explain any risks associated with implementing the recommendations. Please ask your Adviser to clarify any risks you do not understand.

If we provide you with further advice and your circumstances or the basis of our advice has not significantly changed, we may provide you with the advice and retain a Record of it in place of a new SOA. If you have not received the Record of the Advice we will retain a copy for 7 years and you may request a copy of the Record during those 7 years. When there has been a significant change we will prepare and provide a SOA to you.

If our advice includes a recommendation to purchase a financial product (other than direct securities) we will provide you with the relevant Product Disclosure Statement (**PDS**). The purpose of a Product Disclosure Statement is to assist you in making a decision about the particular financial product. It contains information about the product's key features, benefits, risks, and fees.

## Fortnum Private Wealth Ltd

Fortnum, as an Australian Financial Services Licensee, brings together many like-minded financial advisers who share a “client-first” approach. 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 is owned by current and former:

- Principal Practices and Advisers (or their related entities);
- Fortnum staff; and
- Fortnum contractors.

## How does Fortnum maintain adviser standards?

Each Fortnum Adviser is required to undertake continuous professional development. Fortnum hosts regular training programs on areas such as legislative changes to the taxation, social security, superannuation and investment environments. Our education and training philosophy is one of continually raising the bar.

Each Fortnum Adviser has direct access to technical, risk and investment research professionals who can provide additional analysis on strategy and products so that we can deliver quality advice to you. Risk management specialists monitor and regularly audit each Fortnum adviser to maintain high-quality advice standards.



## Who is responsible for the advice I'm given?

Fortnum is responsible for any financial advice or services your Adviser provides under our Australian Financial Services Licence.

## Financial services and products Fortnum can provide

Fortnum is licensed to provide financial product advice and deal with the following products:

- Deposit and payment products
- Debentures, stocks or bonds issued or proposed for issue by a government
- Derivatives
- Life investment or life risk products
- Interests in managed investment schemes, including Investor Directed Portfolio Services (IDPS or 'Wrap')
- Managed Discretionary Account (MDA) services
- Retirement savings accounts
- Securities
- Standard margin lending facilities
- Superannuation (including Self-Managed Super Funds)

A wide range of financial products from various product providers are available and are thoroughly researched by qualified research professionals including, but not limited to, Innova Asset Management, Zenith, and Morningstar. Your Adviser is only authorised to advise on products which are approved by Fortnum for use. Your Adviser will only recommend a product to implement your strategy after considering its suitability in relation to your individual objectives, financial situation, and needs.

## Who is Pride Advice Pty Ltd?

Pride Advice Pty Ltd is the Sydney office of Pride Advice, an award-winning Adelaide based Financial Planning firm. The Sydney office was formed in 2018. The Sydney Practice provides a range of wealth advice and expertise to assist clients with every aspect of their financial situation. Our firm has a disciplined approach to helping you build and manage your plan for financial independence.

### Pride Advice Pty Ltd's Advisers Authorisations and Service Offering

The below table summarises the areas in which our Advisers are authorised to provide financial product advice to you.

Authorisation	Anthony Davison
Deposit and payment products	✓
Debentures, stocks or bonds issued or proposed to be issued by a government	✓
Derivatives	✗
Life Investment or life risk products	✓
Interests in managed schemes, including investor directed portfolio services	✓
Managed Discretionary Account (MDA) services	✓
Retirement savings accounts	✓
Securities	✓
Superannuation	✓
Standard Margin Lending facility	✗

Pride Advice Pty Ltd is registered with the Tax Practitioners' Board as a Tax (Financial) Adviser, as is each Adviser. This means that Anthony Davison can provide tax advice in regard to the strategies and financial products that they recommend to you

The table below summarises the services our Advisers can provide to you:

Services Offered	Anthony Davison
Investment Strategies including gearing and savings plans	✓
Budget and cash flow planning	✓
Debt Management	✓
Superannuation advice, including salary sacrifice and consolidation strategies	✓
Self-Managed Super Fund	✓
Personal insurance strategies	✓
Centrelink / DVA advice	✓
Retirement planning advice	✓
Estate planning advice	✓
Advice on ownership and structures eg Discretionary and family trusts	✓
Portfolio Review Services	✓
Ongoing advisory services	✓

Pride Advice Pty Ltd's Advisers may also engage by referral the use of specialists such as accountants and solicitors.

### Pride Advice Pty Ltd's Adviser

<b>Adviser Name</b>	<b>Anthony Davison</b>
<b>Experience</b>	Tony's financial services experience commenced in 2007 with specific financial planning experience commencing in 2013.
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration (Macquarie)</li> <li>• Bachelor of Business</li> <li>• Diploma of Financial Planning</li> <li>• SMSF</li> <li>• Certified Financial Planner</li> </ul>
<b>Authorised Representative Number</b>	439688
<b>Memberships</b>	CFP – Financial Planning Association
<b>Bio</b>	Tony has extensive finance experience variously in institutional equities, research sales, corporate finance and private wealth management where he is presently focused. MBA qualified from MGSM and a certified financial planner (CFP), Tony has worked at a range of global firms including big 4, fortune 500 companies and well known financial services companies. He has worked in both Australia and China. Tony enjoys applying his business and markets experience to client's individual circumstances and asset portfolios.

### Pride Advice Pty Ltd's advice process

Pride Advice Pty Ltd has a comprehensive advice process in place designed to ensure that the advice provided is suited to your needs and financial circumstances.

In summary:

#### 1. Getting to know you

It's all about you. When you meet with your Adviser, they will discuss your expectations, help you to identify your financial goals and provide you with details of the services that they can offer. During this meeting and/or at a follow-up meeting, they may also gather information about your financial situation, needs and objectives and your risk profile and ascertain what the scope of the advice to be provided will be. Your consent and agreement on the scope of the advice will be documented via a Letter of Engagement.

If you do not wish to provide the information they require to formulate their recommendations, your Adviser will advise you about the possible consequences of not having disclosed your full personal information and the impact on the recommendations given. You should consider these implications carefully.

## **2. Developing strategies and providing you with advice documents**

### **Initial advice**

Your Adviser will formulate a strategy to help achieve your needs and objectives and will put together any personal advice in a Statement of Advice (**SoA**). A description of the purpose and content of a SOA is included at the beginning of this FSG.

### **3. Gaining your consent to proceed**

Your Adviser will discuss their recommendations with you, make any changes you require and gain your agreement to implement those recommendations. They will then implement those recommendations.

### **4. Keeping you on track**

To ensure that the advice your Adviser provides you with continues to meet your financial situation, needs, and objectives, we offer an ongoing review service which provides regular reviews and written reports on the valuation and status of your investment portfolio.

If you wish to take up this service, please contact your Adviser so they can provide more information and outline their fees.

If your Adviser recommends, and you enter into, an ongoing review service, for a period of more than 12 months:

- You will receive a Fee Disclosure Statement (FDS) each year. It will outline the fees paid and the services you were entitled to receive as well as those you did receive in the preceding 12 months.
- You may also receive an Opt-in Notice every year, or two years (depending on the investment platform you are recommended to invest in) along with your FDS. This document will ask you to confirm that you would like to continue the ongoing service review with your Adviser.

## **Instructing your Adviser**

At times, you may wish to make changes without receiving advice. In these cases, we can take your instructions by telephone, email or in person at Pride Advice Pty Ltd's office you are dealing with and arrange for the transaction to be completed, without providing personal advice.

If you wish to proceed without advice from us, we will ask you to confirm your instructions in writing. Once implemented, we will provide you with a Statement of Transaction (**SoT**), which confirms your instructions, informs you that no advice has been provided and discloses any fees and charges payable by you, as well as any benefits we may receive.

## **Charging options**

The remuneration and other benefits listed below generally cover what Fortnum, your Adviser, Pride Advice Pty Ltd and any related parties may receive as a result of the services provided to you. Specific amounts and benefits can often only be calculated once the recommendations are made to you.



There are various ways that you may pay Fortnum for the services we provide to you, including:

- Fee for service - where you pay a fee for the services that we provide;
- Commission (paid by product and service providers) in the form of initial (up-front) and/or ongoing (trail) commission; or
- A combination of commission and fee for service.

Each of these is discussed in further detail below.

### **Fee for service**

Fee for service payments may be payable for:

- **Preparation of advice and initial advice:** We may charge fees for the preparation, presentation and/or implementation of our advice to you. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you. We will discuss these fees with you and gain your agreement on the fees, in the form of a Letter of Engagement, before we provide you with advice. The fee will also be disclosed to you in your advice document.
- **Ongoing adviser services:** We may charge a fee for the services provided on an ongoing basis commencing from the implementation of the recommendations contained in the advice document. The amount and the services included will be determined in consultation with your Adviser.
- **Ongoing review and advice services:** We may charge a fee to provide ongoing portfolio reviews, including further advice suitable to your needs. This fee will be determined in consultation with your Adviser and documented in an Ongoing Service Agreement.

In all instances, your Adviser will discuss the calculation of the fees when you meet and agree on the services to be provided. Fees charged are generally payable after the services have been provided, however, ongoing adviser service fees are generally paid in advance. The agreed fees may be documented in a Letter of Engagement, set out in a Statement of Advice, or in a Record of Advice.

### **How are fees for services calculated and paid?**

Fees charged for our services may be:

- a dollar amount;
- a percentage of the amount invested;
- an hourly rate; or
- a combination of some or all of the above, as agreed with you.

### **Payment of fees for services**

We will discuss and agree on the method of payment with you before we provide you with our services. Generally, we will either invoice you directly, or deduct from your investments, or adopt a combination of these methods for the fees payable. Cash transactions will not be accepted.



The fee for service may be determined by any of the following:

### Fees for initial advice

Our initial meeting may cost up to \$330. After the first meeting, your adviser will discuss the fees and charges that are applicable to your individual circumstances. The amount charged will be based on the scope and complexity of advice provided to you and/or the value of the funds you invest.

Fees are charged for our initial advice and the preparation of a Statement of Advice (SoA). Your financial adviser will agree a plan preparation fee with you before starting work on your SoA. We are flexible about the collection of this fee and it can either be paid directly by you or we can agree to deduct it in equal instalments over an agreed period from your investment account.

Initial advice fees are as follows:

Description of Service	Fee (incl. GST)
Standard Statement of Advice Strategy	\$4,950
Complex Statement of Advice Strategy	\$7,700

### Fees for ongoing services

For existing clients of Pride Advice, your financial adviser may provide ongoing investment management and advice services and recommend specific investment and administration products suited to your needs and circumstances. This mix of services and products will directly impact ongoing fees charged to you.

Pride Advice has grouped these charges into a single 'Portfolio Management Fee', which comprises differing components depending on the solution recommended to you.

- The Fee will include Ongoing Financial Advice from Pride Advice.
- The Fee may also include fees paid to Pride Advice for Portfolio Management Services.
- The Fee may also include fees paid to third party service providers such as:
  - Platform Providers,
  - Administration Service Providers,
  - Funds Managers and
  - Other service providers as part of the overall provision of services to you.

The Fee charged will vary depending on the service and product solution. Details of the service and product solution is provided in the Statement of Advice provided to you.

Fees range between 0.3% to 2.1% per annum (including GST and RITC where applicable), and can be levied based on funds under management or on a fixed ongoing amount.

As an example, a client seeking Pride Advice to provide Portfolio Management service and ongoing financial advice fees for a balance of \$1,000,000 through a platform provider may be charged 1.65% (including GST and RITC where applicable).



Description of Service	Charge to client (inc.GST)
Portfolio Management Fee	\$16,500

This fee may be shared by service providers including Pride Advice, Fortnum, a Platform Provider, an Administration Service Provider and Fund Managers.

Fees will be agreed based on your requirements and the complexity of your financial circumstances. All fees charged will be fully detailed in the Letter of Engagement or Statement of Advice you receive and will be agreed with you prior to you becoming liable for them. All fees are inclusive of GST.

For new or re-contracted clients of Pride Advice, the firm charges a single Ongoing Advice Fee which consists of ongoing services provided by your advisor as outlined to you in the Ongoing Service Agreement. This fee and charge is separate from other fees such as product or administration (wrap) fees which will be detailed to you in your Statement of Advice document.

Fees range between 0.5% to 1.5% per annum (including GST and RITC where applicable) based on the complexity of a client's service needs and can be levied based on funds under management or on a fixed ongoing amount.

As an example, a client seeking Pride Advice to provide Ongoing Advice Services for a balance of \$1,000,000 may be charged 1.00% (including GST and RITC where applicable).

Description of Service	Charge to client (inc.GST)
Ongoing Advice Fee	\$10,000

## How are commissions (initial and ongoing) from a life insurance product and service provider calculated and deducted?

*For all insurance policies applied for before 1 January 2018 and in force before 31 March 2018*

If you are an existing client of Pride advice we may be receiving an ongoing commission for life insurance policies, you implemented as a result of our advice. This commission may be split with Fortnum for the support that they provide to us. Ongoing commission can be up to 35% of the premium from year two onwards for the life of the policy.

The actual commission that will be received by Fortnum and Pride Advice Pty Ltd will be disclosed to you in your Statement of Advice, Statement of Transaction or Record of Advice.

### Example

If your premium upon renewal is \$1,000 p.a. the life insurance product recommended to you and the applicable ongoing commission is 35%, then Fortnum will receive initial commission of \$350 (i.e. \$1,000 x 35%). Fortnum may then pass on anywhere up to the full amount, \$350 in this example, to Pride Advice.

If there is a need for an increase in the life insurance, you hold or you have no life



insurance and we recommend that you take out insurance we no longer accept commissions instead prefer to provide you with a discounted premium from the insurer and charge you a fee for our advice. Our fee will be based on our time and expertise required to assist you.

## Commissions on investment products

Generally, Fortnum does not receive initial or ongoing commissions in respect of investment products. However, there are some products which continue to pay commissions where the product was entered into before 1 July 2014. In instances where we advise that you retain such products, we will continue to receive any existing ongoing commission that is payable.

All remuneration percentage rates paid from the product and service provider are dependent upon the specific products you hold and are inclusive of GST where applicable. Specific details of the commission paid from the product and service provider will be fully disclosed in your advice document.

## Remuneration received by Pride Advice Pty Ltd

All fees for services paid by you and/or commission paid by product and service providers are paid to Fortnum. Fortnum pays an amount to Pride Advice, which depends on the gross revenue generated by the Pride Advice over the previous 12 months. Pride Advice Pty Ltd may receive up to 100% of the fees or commissions received.

Your Statement of Advice, Statement of Transaction or Record of Advice will provide further details of amounts paid to Fortnum, Pride Advice Pty Ltd, and your Adviser.

## Adviser Remuneration

Anthony Davison is an employee of Pride Advice Pty Ltd and has been appointed as authorised representatives of Fortnum.

Anthony Davison is remunerated by one or more of the following methods. If any are relevant to the advice provided to you, further details will be set out in your advice document.

- Your Adviser is paid a salary based on experience, capability and responsibilities within Pride Advice Pty Ltd and a bonus based on a number of factors including profitability of the company and compliance with the requirements of Fortnum.

## Making and Receiving Referrals

We may provide you with a referral to other professionals. This may include, but is not limited to, accountants, mortgage brokers and legal practitioners. You may also have been referred to us by another professional.

We have referral agreements in place with the following referral partners:

### **Spectrum Financial Services**

If you have been referred to Pride Advice Pty Ltd by Spectrum and you accept the services provided by Pride Advice, Spectrum may receive a referral fee of 20% of all revenue from Pride Advice. This fee is paid by us and is not an additional fee to you.



### **Pride Advice Pty Ltd – Accounting Services**

We also draw your attention to our firm's accounting services, where we refer all accounting and tax queries to the accounting division of Pride Advice Pty Ltd. This division has the same shareholders (in the same proportion) as Pride Advice Pty Ltd generally. **There is no referral fee paid** but fees received in the accounting division accrue to profits in the entity, and in turn, are received as dividends all shareholding in the entity in proportion with his shareholding in the entity.

### **Other forms of remuneration or benefits**

Fortnum, Pride Advice and/or your Adviser may be entitled to other benefits when providing services to you.

Fortnum, your Pride Advice and Adviser keep registers of small value benefits (i.e. \$100 to \$300 in value) which may be received by them from product and service providers. These benefits are permissible unless they are received frequently or when similar benefits received combine to exceed \$300 per annum. If you would like a copy of the register, please ask your Adviser and it will be made available to you within seven days.

### **Payments from product and service providers**

Fortnum receives payments from a number of product and service providers of up to 0.40% (inclusive of GST) per annum of amounts invested with the relevant providers before 01 July 2014. Of the amount received, Pride Advice Pty Ltd receives 60% and the balance is retained by Fortnum and is used in paying its expenses.

As at the date of this FSG, Fortnum receives payments from the following product and service providers: OnePath, Colonial, Navigator, Man Invest, IOOF and Life Risk Partnership.

#### **Example**

If the total revenue generated under the partnership agreements with a particular provider is \$1000.00, the Pride Advice receives \$600.00 (i.e. \$1000.00 x 60%) and Fortnum retains the balance of \$400.00.

### **Professional Indemnity Insurance**

Fortnum is covered by Professional Indemnity insurance satisfying the requirements under section 912B of the Corporations Act (2001) relating to insurance obligations.

Our insurance arrangements cover claims made against us as the Licensee and for the conduct of any Fortnum adviser (whilst acting as an Authorised Representative of our Australian Financial Services Licence).

### **Your privacy**

We collect and keep a record of your personal information, including sensitive information (e.g. information about your health), in order to provide you services including financial advice.

We may also use the information we have collected in order to comply with any legislative or regulatory obligations we have and to help us run our business.

Fortnum is committed to the confidentiality and security of your personal information.



It will be necessary for us to collect, use and disclose your personal information. If you do not consent to this, or we are unable to collect all the necessary personal information, we will not be able to provide you with the relevant financial planning and advice services.

In most cases, we collect personal information directly from you. In other cases, however, we may collect your personal information from third parties. The third parties we may collect from include, but are not limited to: your accountant, your lawyer or solicitor, other financial services institutions, insurance providers and any other third parties where you have provided consent.

In order to manage and administer our financial planning services, it may be necessary for us to disclose your personal information to third parties. The parties to whom we may disclose your personal information include, but are not limited to: financial institutions for the provision of financial products, such as investments, superannuation, and life insurance; auditors; third parties providing mailing services, administration support, maintenance of our information technology systems, printing of our standard documents and correspondence, research services; any government or regulatory body for whom we have a legal obligation to provide this information to; referral partners.

It is possible that Pride Advice Pty Ltd may disclose your personal information to overseas recipients, but it is not possible for us to provide any further details of that in this document.

We may disclose your personal information to an entity which is located outside of Australia, to enable them to undertake specified services on behalf of Fortnum, your Adviser or Pride Advice Pty Ltd. In addition, Pride Advice Pty Ltd / Anthony Davison may disclose your personal information to overseas recipients in order to access services they provide, such as paraplanning and administration.

Details of this can be found in the Fortnum Privacy Policy, which includes details of how you may access, and seek correction of, your personal information which we hold. It also includes details of how you may complain if you believe that we have breached the Australian Privacy Principles under the Privacy Act and how we deal with such complaints.

You may obtain a copy of the Fortnum Privacy Policy by telephoning us on (02) 9904 2792 or by visiting our website at [www.fortnum.com.au](http://www.fortnum.com.au)

You can authorise another person to act on your behalf, to receive information and/or undertake transactions. Both requesting this to occur, and removing this authorisation, are required to be notified in writing.

Where your Adviser becomes a representative of, or sells their business to, another Australian Financial Services Licensee, Fortnum may also use and disclose the information collected about you to enable your Adviser or the new business owner to continue to provide you with financial products and services.

We collect your personal information as permitted by, and in accordance with, the Privacy Act. Other legislation may also apply, such as the Anti-Money Laundering and Counter-Terrorism Financing Act.

## What to do if you have a complaint

- 1) If you are unhappy with the advice or service provided by your Adviser, Pride Advice Pty Ltd, or Fortnum, you can let us know by putting your concerns in writing and sending them to:

	By emailing us at:	By calling us on:
Complaints Officer Fortnum Private Wealth P.O. Box 1988 North Sydney NSW 2059	<a href="mailto:operations@fortnum.com.au">operations@fortnum.com.au</a>	(02) 9904 2792

We will investigate your complaint and respond to your concerns as quickly as possible and within 45 days.

- 2) If we have not responded to your complaint within 45 days, or if you feel it has not been resolved to your satisfaction, you may refer your concerns to the Australian Financial Complaints Authority (AFCA), which provides an accessible, fair and independent dispute resolution service.

You can contact FOS at:

	Online at:	By emailing at:	By calling on:
Australian Financial Complaints Authority Limited G.P.O Box 3 Melbourne VIC 3001	<a href="http://www.afca.org.au">www.afca.org.au</a>	<a href="mailto:info@afca.org.au">info@afca.org.au</a>	1800 931 678

- 3) You can also contact the Australian Securities and Investments Commission (ASIC). ASIC is Australia's corporate, markets and financial services regulator. ASIC contributes to Australia's economic reputation and wellbeing by ensuring that Australia's financial markets are fair and transparent, supported by confident and informed investors and consumers.

You can contact ASIC at:

	Online at:	By calling on:
Australian Securities and Investments Commission P.O. Box 4000 Gippsland Mail Centre Victoria 3841	<a href="http://www.asic.gov.au">www.asic.gov.au</a>	1300 300 630



## **Conflicts you should be aware of**

### **Relationships and associations**

The extensive list of products and services approved by Fortnum includes products and services provided by entities with whom Fortnum director, employee, Pride Advice Pty Ltd and/or your Adviser have a relationship or association, either directly or via a related entity.

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.

### **Related Party Relationships Specific to Pride Advice**

#### **Azimut Group**

Pride Advice is majority owned by AZ Next Generation Advisory (ACN 167 960 018) (AZ NGA), which is subsequently owned by the Azimut Group of companies (Azimut). Established in 1989, Azimut is Italy's largest independent asset manager and is listed on the Milan Stock Exchange.

From time to time Anthony Davison may recommend you apply for, acquire, vary or dispose of a financial product issued by a person who is also a member of the Azimut Group.

As at the date of this FSG, relevant product issuers and service providers include AZ Sestante Ltd (ABN 94 106 888 662, AFSL 284442) (AZ Sestante) and Sigma Funds Management Pty Ltd (ABN 73 137 097 075, AFSL 339 901) (Sigma Funds Management).

AZ Sestante acts as an Investment Consultant to Pride Advice and Sestante Managed Accounts and formally chairs the Pride Advice investment committee. Representatives of both AZ Sestante and Pride Advice are members of the Pride Advice investment committee.

Where AZ Sestante is entitled to receive a fee for the products and services it provides, this is stipulated in the Fee Disclosure section of the SOA provided to you. AZ Sestante and ultimately our common parent company retains these fees.

#### **Example**

If the total funds under management within a portfolio managed by Sestante is \$1,000,000.00, Sestante may receive \$1,050.00 (i.e. \$1,000,000.00 x 0.105%). Pride Advice and Fortnum receives no benefit from this payment however may re-direct the payment to Sestante after first collecting that payment.

Anthony Davison does not receive any direct remuneration or other benefit as a result of a recommendation to apply for, acquire, vary or dispose of a financial product issued by, or to use other services provided by, Az Sestante and Sigma Funds Management as any remuneration and benefit are received by Az Sestante and Sigma Funds Management and ultimately our common parent company.



### **Pride Advice Pty Ltd – Accounting Services**

We also draw your attention to our firm's accounting services, where we refer all accounting and tax queries to the accounting division of Pride Advice Pty Ltd. This division has the same shareholders (in the same proportion) as Pride Advice Pty Ltd generally. **There is no referral fee paid** but fees received in the accounting division accrue to profits in the entity, and in turn, are received as dividends all shareholding in the entity in proportion with his shareholding in the entity.

### **Shareholdings**

Anthony Davison, through associated entities, is eligible to become a shareholder of Pride Advice and Accounting in the future and may be eligible to receive bonuses paid from profits of the Pride Advice. Anthony Davison and associated entities, not limited to The Davison Family Trust, and Anthony and Lisa Davison Super Fund may be shareholders in shares and other assets that Anthony Davison also recommends to clients of Pride Advice.