

# HOW DO YOU PAY FOR OUR SERVICES?



the Pentad Group

**The Pentad Group Pty Ltd**

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Australian Financial  
Services Licence No. 247103

Product issuers may provide incentives to us such as increased commissions and volume bonuses, depending on the volume of placements into their products. Asgard pays Pentad a volume bonus depending on our total funds under management in some Asgard master trust products. We currently receive a bonus of 25% of the Asgard administration fee (reduced by standard commission).

Timbercorp may pay Pentad up to an additional 3% of the value of your investment contribution, subject to certain fixed placement volumes being achieved.

We may also receive additional benefits such as assistance with marketing expenses, complimentary attendance at conferences and other rewards such as gifts and entertainment.

Further details of the incentives, commissions and fees for each product will be provided in the SOA that you receive whenever we provide you with a recommendation.

## **Referral Fees**

We do not pay referral fees to any of our established referral sources. Pentad obtains new client referrals from our existing clients and established centres of influence. Therefore, we believe that referrals are made to Pentad based purely on our reputation and personal service to clients.



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Lifestyle through strategic financial management

THE PENTAD GROUP PTY LTD  
ABN 92 081 115 166  
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Victoria 3124 (PO BOX 1134)

PART 4: VERSION 1.0

1ST MARCH 2004

# Financial

## SERVICES GUIDE

PART 4

We offer an initial meeting to discuss your situation and identify your broad planning issues. The meeting will allow an opportunity for you to become familiar with our broad planning approach. This meeting is without charge or obligation. Once you agree for us to prepare a detailed Statement of Advice ("SOA"), our professional fees will commence.

### **How are we remunerated, and do we receive commission, fees or other benefits in relation to providing the financial services?**

#### **Plan Preparation**

- Pentad will charge a minimum fee of \$3,300 for the preparation and presentation of a comprehensive Statement of Advice. Our charge can vary significantly, and will depend on the type and complexity of the advice to be provided.

A quotation will normally be provided to you prior to the commencement of your SOA.

#### **Implementation Fee**

- When you instruct us to implement SOA recommendations on your behalf, Pentad will charge a fee of \$550 plus 0.275% based upon the level of new funds invested. This charge of 0.275% will also apply to all future investment placements relating to the SOA.

#### **Ongoing Service - Client Service Package**

- We offer three distinct Client Service Packages, which are implemented through a signed Client Services Agreement. These packages provide an important element to our financial planning service, as they review the ongoing suitability and past success of your strategies. They also contribute significantly to developing a mutually beneficial long term relationship.

We will provide you with full details of the package contents and objectives, and the annual retainer basis will be agreed with you in advance of commencing the package.

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The annual retainer charged for the three packages is based upon the funds under our advice ("FUA"), and is as follows :

1. Platinum Service Package. Retainer of 0.77%, with a minimum fee of \$7,700 pa.  
This will typically be for FUA in excess of \$1 million.
2. Gold Service Package. Retainer of 0.88% , with a minimum fee of \$4,400 pa.  
This will typically be for FUA in excess of \$500,000 and under \$1 million.
3. Silver Service Package. Retainer of 0.99% , with a minimum fee of \$2,200 pa.  
This will typically be for FUA of less than \$500,000.

*Please note that FUA does not normally cover assets such as personal properties or cash bank accounts.*

Although our service packages have been developed in line with the expected servicing for various levels of funds under advice, you will be provided with an option to select a higher level of service package, in line with your additional needs. We regularly recommend the use of an external administration platform. The platform provides consolidated valuation and taxation reporting for portfolios on an automated basis. This significantly reduces our time involved with file maintenance, product compliance, portfolio reporting and implementation of product changes.

If you decide to invest part of your portfolio outside an administration platform, we will charge an additional administration fee of up to 0.55% of your funds under advice outside the administration platform. This fee is designed to offset our expense incurred in providing this additional administration and reporting to you.

For clients who have a Client Service Package, Pentad does not normally intend to receive ongoing commission payments from product and service providers. When known, this commission will be disclosed to you in advance, and we will endeavour to waive this brokerage where possible.

The Client Service Package covers a wide range of ongoing servicing and review duties, including strategy development, and routine changes with tax scales, superannuation, and Centrelink. It does not however cover the provision of preparing future SOA's for new strategies. As an example, such strategies include retirement, receiving an inheritance, redundancies, and divorce.

As with the initial SOA, a fee may be charged based upon the type and complexity of the advice provided. This will be agreed with you prior to the preparation of a SOA.

Please note that if you do not enter into a Client Services Agreement, we will not offer you a portfolio or planning review service. However, we invite you to contact us if you would like to review your situation.

## Self Managed Superannuation Fund Administration

A self-managed superannuation fund may be appropriate for clients seeking maximum choice and control over their superannuation investments, implementation of estate planning strategies, and potential cost savings. Pentad can assist clients to establish their own self-managed superannuation fund, and can then provide ongoing reporting and administration.

The minimum charge for the establishment of a self-managed superannuation fund is \$550 (plus the external provider's trust deed fee) and the minimum charge for the ongoing service is \$2,750 pa, which means this service is most suitable for clients with more than \$250,000 in superannuation. Prior to the commencement of this service, a formal quote for costs will be given, reflecting the fund's complexity and level of activity.

*Please note that all professional fees, including annual retainers, include the 10% GST payable to the Government.*



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## Commissions from Product Issuers

The service and product providers listed below are not covered in our Client Service Package. Any recommendations, fees and charges will however be disclosed within a SOA.

## Personal and Business Risk Insurance

If you implement risk insurance through Pentad, we will receive upfront commission from insurance providers. This commission is normally 27.5% of the premium amount.

If you implement risk insurance through our preferred broker in CIS Financial Services Pty Ltd, they will pay Pentad an upfront commission of between 30% and 50% of the commission that CIS receive in the first year from the recommended insurance provider(s).

## Finance and Lease Origination Service

If you establish a personal or business loan or lease agreement through our preferred specialist finance broker in Lawfund, they will pay Pentad an upfront commission of up to 1.5% of the initial loan amount. In addition, Lawfund will pay Pentad an ongoing trail brokerage of up to 0.8% per annum, based upon the outstanding loan amount.

## Timbercorp Agribusiness Investments

If you establish an investment through Timbercorp Limited, they will pay Pentad an upfront commission of up to 5% of the initial investment amount.

*Please note that for the above products and services, the commission outlined is not directly invoiced to you as an additional cost.*

Once our plan preparation fee is agreed to, Pentad will normally derive this payment via an invoice. In limited circumstances, it may be more appropriate to change this payment to an entry commission, deducted from investments.

Our implementation fee will normally be derived via entry commission.

For those clients entering into a Client Services Agreement, this service is normally invoiced half

yearly in advance, or commission may be deducted directly from the investments if preferred by you.

If you utilise our Self Managed Superannuation Fund administration service, the fee is normally invoiced half yearly in advance, and is paid directly from the bank account of the superannuation fund.

Any fees paid to us by CIS Financial Services Pty Ltd, Lawfund, and Timbercorp Limited, will be paid directly by them.

## Do any relationships or associations exist which might influence you in providing me with the financial services?

We have entered into a formal agreement with the Securitor Financial Group Ltd to provide us with dealer group support services, such as compliance, professional development training, research, and technical services. This service is paid for by Pentad on behalf of its Authorised Representatives, and the directors of Pentad review its ongoing suitability.

When we recommend the use of some Asgard administration platform products, Securitor provides us with a financial rebate against the costs incurred for using the above services. Our annual fee to Securitor may be partially or fully rebated to us, depending on the volume of placements our clients make through Asgard. This rebate is available where our placements in selected Asgard products exceed \$3 million in any one year.

Asgard Capital Management Ltd and the Securitor Financial Group Ltd are subsidiaries of Sealcorp Holdings Ltd, a fully owned subsidiary of the St George Bank Group Ltd.

