



# Fourth Line Reports - Feedback

*InterPrac Financial Planning*

# Updated SoA Template



## Adviser Resource Centre

Documents

Demonstrating Best Interest In The SoA \_ Guidelines – 2nd April 2020

InterPrac Statement of Advice (SoA) – 20th October 2020 (word)

Cleaner 'Look & Feel' – better shows the 'risk management' structure

Harmonises with the *Guidelines*

More 'prompts' : eg. 'alternative product' disclosures; 'investment strategy (SMSF only)'

Improved COI disclosures

### Scope of Advice

At our meeting on [insert date] you sought my advice in regard to:  
[ ]

You have received a copy of my current Financial Services Guide (FSG), including an Adviser Profile, which identifies the areas I can provide advice on. In examining your current financial position, goals and objectives, I have identified the following areas in which I believe you require advice:  
[ ]

You have agreed that my advice to you will only extend to the following:  
[ ]

Regarding other potential areas of advice identified:  
[ ]

Please be aware that by not receiving advice on these matters, you may not have appropriate strategies in place to assist you in achieving your financial goals.  
[ ]

*It is important that before proceeding any further you agree that this is an accurate description of your requirements. If this is not the case, you must contact me before we proceed with the implementation of this advice.*

**Shane Miller**  
Refer "Demonstrating best interest in the SoA – Scope"

**Shane Miller**  
Insert reasons for meeting

**Shane Miller**  
Insert hi-level matters requiring advice

**Shane Miller**  
Subject matter of this SoA

**Shane Miller**  
Advice matters rejected by the client

**Shane Miller**  
Advice matters deferred or referred

# Data Gathering \_ Know Your Client / Safe Harbour Step 1/ FASEA Code Std 6)



## What are the Key methods

- **Fact Find & Risk Profiling** – the formal part; Libertas has numerous tools you can use as required.

### FACT FINDERS

Date	Document
2019-04-04	<a href="#">Asset Allocations</a>
2019-03-14	<a href="#">Fact Find</a>
2019-03-07	<a href="#">Fact Find - SMSF Supplement</a>
2019-03-18	<a href="#">Risk Profile</a>

- **File Notes** – capturing important information and understandings throughout the advice process; should be comprehensive. <see next slide>  
Time stamped emails can act as file notes.
- **Authority to Enquire** \_ Taking the extra care to check the information provided for accuracy and currency
- **Documents** \_ evidencing products, legal relationships, entities, identification

# Comprehensive File Note

## File Note for <Client>

Details of file note	
Associated client	<Client>
Current Adviser	Austin, Dean
Date created	29 November 2019
Date	29 November 2019
Created by	Austin, Dean
Type	Meeting
Subtype	Office
Subject	Initial Meeting

### Content (body text)

#### Attendees:

<Client>  
D Austin (BWWM)

Met with <name>. Purpose of meeting was client has finalised separation from husband and had mortgage of home transferred across to her and wished to get income protection cover. Latest FSG provided. <name> had not engaged a planner before and so took her through the FSG and what the advice process involved. Explained that in providing personal protection advice that we would suggest broadening any protection needs to includes all levels of cover.

At this stage <name> wanted to limited the scope of any advice to just IP as she had a budget of \$30-\$45 per week. <name> advised no other cover personally held in her ~~Hostplus~~ Super but wanted to get her life in order first before looking at other advice areas such as super. She advised had only a small balance and only making after tax contribution to receive the government co-contribution. She said she had read the Barefoot investor book but had found it hard to follow as she was unfamiliar with the financial and super environment.

Discussed that may be prudent to consider receiving advice on a regular savings in line with Min SGC to put away for retirement like most employed Australians using available contribution caps. Discussed downside of access and locking away funds until retirement. In addition extra income going to mortgage offset a/c. Has \$18k-\$19k in offset set aside for emergencies and per Barefoot investor suggestion. Discussed alternative strategy of directing surplus income to super to build wealth tax effectively, given low interest rate environment, fund insurance and getting advice on both strategies.

Discussed factors that could affect could affect decision and difference between funding

through super, group term life and possibly a wholecare super funds pre-assessment

undertaken. No health issues identified. Due to uncertainty of income and dual roles suggested we obtained a pre-assessment first before signing any terms of ~~engagement~~ ~~6006050~~. Adviser to speak to underwriters to establish if IP cover could be obtained. Client agreed to proceed on this basis. Discussed fee of \$330 provisionally for insurance only, increasing should she wish to increase the advice content for alternative or additional strategies.

Lastly, touched on updating Will and establishing ~~POA~~ and ACD. She wanted someone local so suggested three firms but she had dealt with <another name> and said she would go back to her to get done. Suggested that Super Death Benefit nomination be reviewed too at same time. Meeting concluded.

#### Action Points

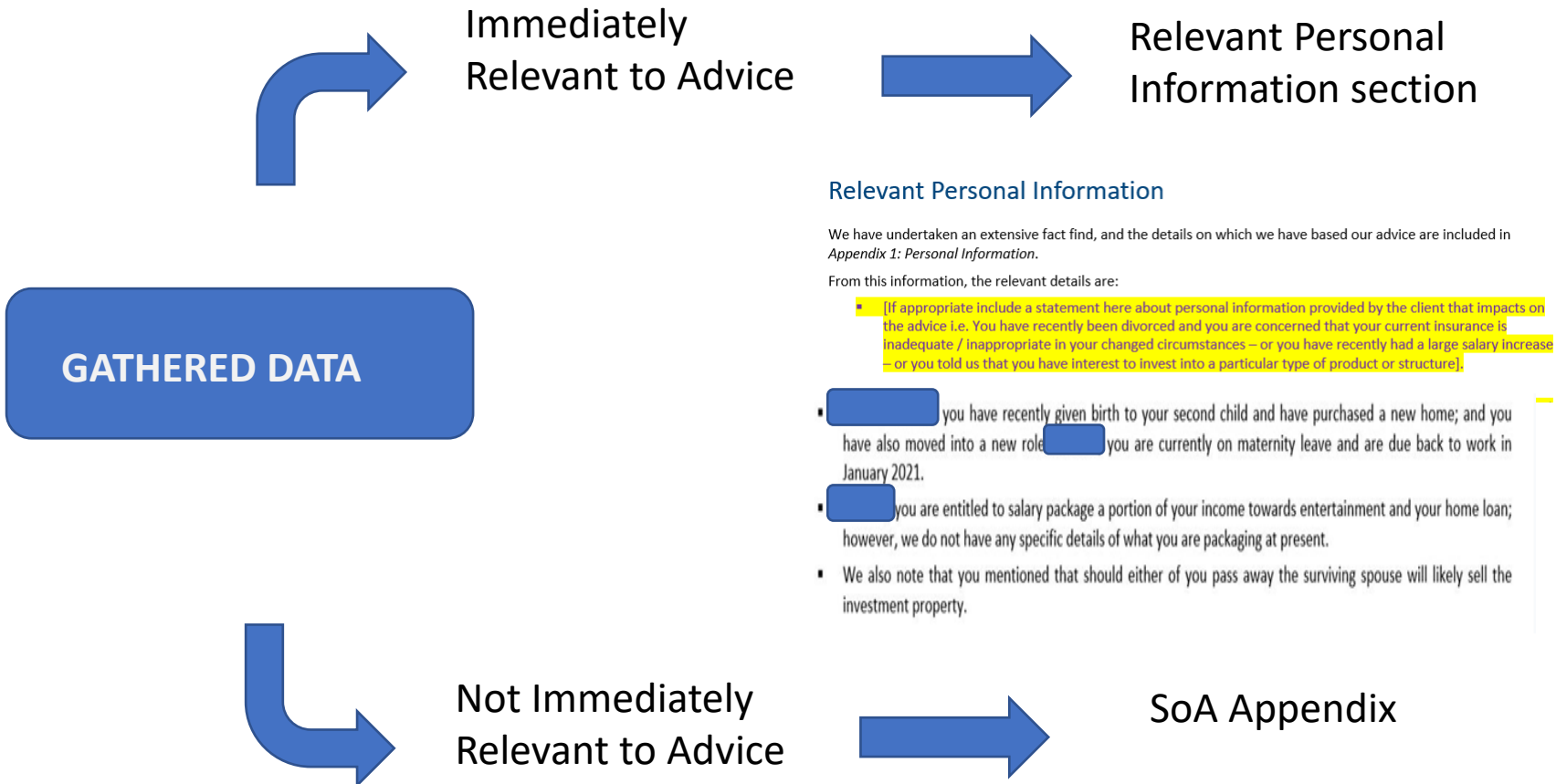
Adviser to request pre-assessment from u/w's

Upon outcome adviser to discuss with client and complete Terms of Service if applicable

#### Attachments for this file note

• None

# Inclusions in the SoA shell



## Relevant Personal Information

We have undertaken an extensive fact find, and the details on which we have based our advice are included in *Appendix 1: Personal Information*.

From this information, the relevant details are:

- [If appropriate include a statement here about personal information provided by the client that impacts on the advice i.e. You have recently been divorced and you are concerned that your current insurance is inadequate / inappropriate in your changed circumstances – or you have recently had a large salary increase – or you told us that you have interest to invest into a particular type of product or structure].
- [REDACTED] you have recently given birth to your second child and have purchased a new home; and you have also moved into a new role [REDACTED] you are currently on maternity leave and are due back to work in January 2021.
- [REDACTED] you are entitled to salary package a portion of your income towards entertainment and your home loan; however, we do not have any specific details of what you are packaging at present.
- We also note that you mentioned that should either of you pass away the surviving spouse will likely sell the investment property.

## Some Tips for Data Gathering

- **Investing** (super, non-super)
  - Evidence current information; comprehensive existing portfolio information
  - Don't give advice for 'secondary' clients (eg. spouse) you've never met, spoken to, or engaged in any way; exception \_ power of attorney.
- **Insurance**
  - Ensure all existing policies are thoroughly researched; inclusive exclusions / loadings / policy terms
- **SMSF**
  - Actively check that gathered data reflects the interests of all Trustees
  - Trust Deed is less useable for advice than any pre-existing Investment Strategy

# Some Tips After Data Gathering

## Researched Data (products)

**The SoA also discloses relevant research in Alternative Strategies/Products Considered)**

Generically .... I did not recommend <product> as **it would not have met your Financial Objective** of ....

eg. I considered retaining your existing superannuation platform given the large number of available investment alternatives but I could not appropriately restructure your portfolio to achieve your Objective of a 5% reduction in existing platform fees.

Other Strategies Considered

Other Products Considered



**Shane Miller**  
 'Strategies' are defined as per Industry usage (ABP vs Annuity, say) but also include:  
 1. Why did existing financial circumstances require change? <default, mandatory>  
 2. Retail Super vs SMSF  
 3. Insurance: directly held vs premiums paid from superannuation  
 4. Alternative tax treatments not recommended

**Shane Miller**  
 Regarding Insurances, as per the "Business Principles \_Approved Product List", 3 products are to be researched: Existing/Recommended/Other".

Regarding Investments,  
 1. Why did an existing financial product require change? <default, mandatory>  
 2. A. If the existing product is unlike the recommended product **eg.** cash to an investment platform (or) industry fund to a retail platform, then compare the recommended product with one other like-for-like alternative.  
 B. If existing product is like the recommended product **eg.** shares vs other shares; one retail platform vs another, then no other product comparison is required.  
 3. If few clearly comparable non-Insurance products exist, they should be compared. **eg.** one sharia compliant fund vs another sharia compliant fund.

## Some Tips After Data Gathering

### Researched Data (products)

**The SoA must comprehensively disclose comparative product 'costs / fees' researched as part of the data gathering**



# Developing the Scope: Four sections

## What areas are in (or should be in) and out – and why?

### Client Voice (Section 1)

*At our meeting on [insert date] you sought my advice in regard to:*

This is your opportunity to provide context; what did your client say was important to them in the advice process. This should be a plausible voice of a clients concerns or their “underlying” reasons for seeking advice or what was discussed in your meetings with them.

**What a client might say:** I want to retire in 4 years; all my friends have their super / money invested in shares and cash. Given the COVID but I am worried my money wont last me and I wont be able to live on the Centrelink Aged Pension plus with the term deposit rates being so low. I need around \$45,000 p.a. so I can travel and live. I think my money will be safer in the bank though, what should I do?

**In this part of the SOA, this may appear as:**

- You are worried you wont have enough money in retirement – you need around \$45,000p.a. ongoing
- You want to travel and enjoy your retirement but are worried about the impact of COVID on this
- You want to ensure your money is invested in a stable environment but worry interest rates in term deposits are low and share funds are volatile
- You want to be sure you can supplement the aged pension to support your lifestyle costs ongoing

**It should not appear as:** You want to review your superannuation and investments  
You want to maximise your aged pension from Centrelink

## Adviser Voice (Section 2)

*In examining your current financial position, goals and objectives, I have identified the following areas in which I believe you require advice:*

This is drawn from Client Voice, your Fact Find and discussions with the client – then outlined in the SOA

Agreed Scope of this advice	
<b>Superannuation</b>	<input checked="" type="checkbox"/>
▪ Full review (Products, investments, contributions)	<input checked="" type="checkbox"/>
▪ Product and investment review	<input checked="" type="checkbox"/>
▪ Portfolio review (only)	<input type="checkbox"/>
▪ Contributions	<input type="checkbox"/>
▪ Binding Death Nominations (BDN's)	<input checked="" type="checkbox"/>
▪ Other (please specify)	<input type="checkbox"/>

**List all areas + sub-topics relevant to the subject matter being sought;**

**This includes all those areas discussed and the areas that “should” or “could” be relevant to the client**

Not just the areas / topics agreed upon by you and the client.

**Self-learning point:** Via further discussions with your client (from previous slide), she tells you:

I want to cancel my insurances because they’re really expensive, I'm nearly retired and have no kids at home. However, you identify she still has a \$200,000 mortgage; \$1,000 per month surplus income; earns \$75,000 + SGC \$7,125 p.a; her insurance costs \$4,500 p.a. and her super balance is \$356,000 and she has \$50,000 in offset.

**What areas of advice have been discussed here? How would this be reflected in Section 2?**

## Are there any other incidental areas you “should” discuss or scope into “Adviser Voice”?

*< Hint: Standard 6 – FASEA code of ethics may apply here >*

What if your client says she doesn’t really want to pay money to super she would rather pay off her mortgage and build up her cash savings for a rainy day. However, you feel contributions may be important to her in the future; do you scope this in or out?

**Remember only a client can SCOPE OUT advice areas;** but you should still consider the broader circumstances of doing so. Especially if you feel it is within the clients best interest **NOT** to do so. E.g.

- Insurance premiums funded via cash requires assessment of clients surplus before and after advice
- Contributions to super (salary sacrifice) if the premiums are likely to deplete the balance – there can always be a fine line here as some clients may not be aware of its impact of this until its too late.

### **The Adviser Voice (Section 2) and Included Scope (Section 3) can start to look like this:**

- Retirement Planning (future cashflow requirements, Centrelink, Transition to Retirement accounts)
- Cashflow & Debt Management (debt reduction; home loan repayments; cashflow surplus)
- Superannuation (Product review; Asset Allocation review, personal contributions)
- Non-Super Investments (Cash at bank; term deposits)
- Insurance (Client directed cancellation, Needs analysis, Life, TPD, Income Protection and Trauma policies)

**The Included Scope (Section 3) will be agreed in consultation with your client from those areas identified in Section 2 – those left over will appear in Section 4.**

## Excluded Scope (Section 4)

*Regarding other potential areas of advice identified:*

**Here you identify those identified that are now “out of scope” with clear reasoning for this;**

1. Advice excluded by the client – why did they decide to exclude this.
2. Advice referred to a third party – e.g. Estate Planning, Tax, 3p adviser (area of expertise).
3. Advice deferred to a later time and when is the “appropriate time”.

**In this part of the SOA, an excluded scope may appear as;**

Regarding other potential areas of advice identified:

- **Superannuation (Contributions)** – You would prefer to pay off your mortgage rather than contribute to super. You are aware that this may reduce the balance available to you at retirement.

**Please be aware that by not receiving advice on these matters, you may not have appropriate strategies in place to assist you in achieving your financial goals.**

- **Cashflow Surplus / Budgeting** – You’d prefer to hold your surplus in your bank account ongoing as you get a bonus interest rate and want to be to access this for emergencies. We can review this in 12 months
- **Estate Planning (Wills, POAs)** – You have stated you have your own solicitor and you will seek advice from them regarding this. If you require assistance or a referral to an alternative professional, you said you will let me know.

***It is important that before proceeding any further you agree that this is an accurate description of your requirements. If this is not the case, you must contact me before we proceed with the implementation of this advice.***

## Handy Tips to Effective Scoping



- Use the resources available to you: File Notes; SOA Template; Business Principles; Demonstrating BID Guide, Fact Find, Checklists etc.
- Use open ended questions when talking to client – remember to drill down and look / ask for more detail– always seek out the reasons WHY ?
- Good file notes, open-ended discovery questions and solid resource usage can lead to effective scoping and robust client outcomes. This can result in more compliant SOAs and files.
- A well constructed scope and identifying incidental areas of advice can help establish a reasonable basis to the advice and allow and an easier progression through the safe harbour steps.
- A client who gains real value and “feels heard” tends to refer more business. This can result in a more profitable advice business, increased skills + expertise and a stronger advice proposition for future clients.

# Linkage between Scope and SMART objectives



## Client Voice (examples):

- I am worried about the low interest rates and my money won't last me if I keep it in the bank. But I don't want to put it all at risk in the stock market either – what do I do?
- I can't live off the Aged pension in retirement. I need around \$45,000 p.a. to live comfortably but I also want to leave some money to the kids if I can.
- I am worried my money isn't working hard enough for me – my friend invests in shares and he said I should too but I don't know. I don't know a lot about investing, that's why I'm here – to pay for good advice.

## Formulating the Client Objective

### Technical Structuring:

- I want to ensure my investments are diversified and can outpace the current cash rate / cash rate + CPI / return of x% as this may ensure capital preservation and minimise downward risk over long term

### In the clients / advisers words:

- I want to invest my superannuation in both growth and income assets so I can minimise downward risk. I would prefer someone else to help me manage this and I am willing to pay for this expertise.
- I want to generate an ongoing income of \$50,000 p.a. to fund my lifestyle expenses but would prefer to preserve my pension account as long as possible and maximise the Centrelink Aged pension. My aim is to leave around \$100,000 to each of my children when I pass away.

# Developing SMART Objectives



**Be Specific:** Avoid using descriptive words like “quality” “sensible” “sophisticated” “better return” “more transparent” in your goal wordings. This is hard to quantify given it is subjective in nature. Clearly define the problem the client is looking to solve without providing a recommendation.

**Ensure they’re Measurable:** Define the parameters of success - if they are seeking cost savings use a \$ savings amount; a % based return or a retirement income of \$y per annum. Otherwise, how can you substantiate you can achieve what they need and its in their best interests?

**Are they Attainable and Realistic:** Ensure you and the client prioritise the goals and help them manage their expectations. Not all goals can be met; not all conflicts can be managed; there may be a “trade-off” required – if so, ensure the client has the information to make an informed choice. Basic economic theory: In order to achieve something we want, we must give something else up.

## Can it be achieved in a Timely manner?

Your objectives should set a clear timeframe for the immediate and medium term goals. You may not be able to give an “accurate” picture of all they seek now - no matter how good your modelling is. Their circumstances will likely change over time, but what can they concentrate on NOW to make their TOMORROW look better.

# Example SMART Objectives – Pension & Income focus

## Financial Objectives

To ensure my advice to you is in your best interest, it is important that my understanding of your needs and objectives is accurate, as any objectives that are not addressed may result in your financial goals not being achieved. Together we identified the following objectives that we will address in this advice:

### Scope of Objectives & Description

You would like to reduce the account based pension drawdowns on [REDACTED] Super Account Based Pension balance of \$139,509 to \$380 pf to increase the longevity achieved from these funds.

You would like to undertake cashflow and asset illustrations to provide an estimate of your ability to achieve an ongoing income of \$50,000 pa throughout retirement from your Age Pension entitlements, account based pension drawdowns and investment portfolio drawdowns.

Invest \$350,000 (currently in term deposit) in line with a Moderate Conservative Risk Profile to provide greater returns than you are currently receiving (<0.9% p.a.) to help provide funds for retirement living costs and for the benefit of your future in estate along with having some liquidity case a lump sum is required.

Look to maximise Centrelink benefits by reviewing current information provided to Centrelink, provide regular update to Centrelink as information changes, and consider any available strategies to boost the payment.

I want to invest \$300,000 cash into a combination of growth and income assets to preserve my capital long term; provide diversification and align to my balanced risk profile. I would like to get a higher return than the current cash rates (+ CPI or x%) because it is important I can continue my lifestyle and leave some money behind for my children.



# Example SMART objectives – Super & Insurance focus



## Scope of Objectives & Description

Client A, you would like to review your existing super account with a balance of approximately \$x to ensure that it provides you with cost effective fees compared to other suitable available options and ensure that you are invested in line with your Growth risk profile with a blend of active and indexed managed funds.

Client B, you would like to consolidate your 3 supers with an approx. balance of \$x and reduce your fees by at least \$500 per year. You want to ensure you are aligned to your Growth profile and would prefer to access low cost investments such as <insert appropriate option> due to your low balance. However, you would prefer to have access to a platform which has <e.g. only: online access, access to direct shares, ETFS, SMAS, allow binding nominations>.

Based on our conversations, **in the event of death**, you would both like to have funds available to pay out all your debt of \$x. You want to reduce the impact any premiums have on your personal cashflow.

Based on our conversations, **in the event of permanent disability**, you would both like to have funds available to pay out all your debt of \$x. You would like Own Occupation TPD definition to increase the likelihood of receiving a benefit should you become disabled and unable to work your own position. You want to reduce the impact any premiums have on your personal cashflow.

In the event of being **unable to work due to illness or injury**, you would both like to have cover in place that will provide a replacement income of \$x per month (Client A) and \$x per month (Client B) per month. You want to ensure this protects you up until the time you would retire and is funded in the most tax effective way.

Ensure that your superannuation benefits are paid to your children in the event of death.

# Example SMART Objectives – SMSF Focus



## Financial Objectives

To ensure my advice to you is in your best interest, it is important that my understanding of your needs and objectives is accurate, as any objectives that are not addressed may result in your financial goals not being achieved.

Together we identified the following objectives that we will address in this advice:

- Provide detailed information of the legal responsibilities of trustees
- Recommend the most suitable trustee structuring
- Recommend a suitable Investment strategy for the anticipated transfer of retail superannuation balances <\$X, name>; <\$Y, name> and anticipated ongoing contributions of \$Z pa. for the next 10 years
- Estimate expected net SMSF member account balances in 10 years.
- Provide information about the risks, and legal requirements, for trustees if borrowing (expected \$) to acquire direct property investment in superannuation.
- Calculate your Life, TPD insurance requirements and suggest suitable policies and providers. You want to:
  - Upon <Name>'s death or long-term inability to work .... eliminate all debt (\$A), provide 2ndry education funds for two children (estimated \$B after tax) and provide \$C (indexed) per annum for <surviving spouse>'s life expectancy; allow up \$D for any modifications to the home in the event of long-term physical impairment
  - You would ideally wish to reduce existing premium costs, per \$100,000 of cover, by up to 5% or more.
- Recommend a mechanism whereby, in the event of a challenge to your deceased Estate, your superannuation benefits are paid to <current spouse>.

# Recommendations & Best Interest

<b>(i) Title</b>	Brief overview of what the recommendation is/will do. Should not be a substitute for 'ii' or 'iii'. To be done at a high level overview.
<b>(ii) Explanation</b>	DO THIS! Should include Action/Product/Amounts involved. You must also capture the terms/definitions of the policy for insurance and investment options for super/pension/investment.
<b>(iii) In Your Best Interest</b>	<p><b>The rationale for 'ii'. Should be individually tailored for each SOA. 'If you do this it will meet your objective of ...' This should link back/address and provide an echo to a financial objective.</b></p> <ul style="list-style-type: none"> <li><b>• How will the advice leave them in a better position?</b></li> </ul>
<b>(iiii) Further Detail</b>	(iiii) Further Detail – Any further text related to the recommendation or topic of advice that you feel is appropriate and worthwhile. Further text can be found on the Libertas portal.
<p><u>Best Interest Duty principles</u> and the <u>Libertas Demonstrating Best Interest in the SOA Guidelines</u> can be found on the Libertas portal.</p>	

# Best Interest



<p><b>In your Best Interest</b></p>	<p>As we identified together, the recommendation to take out Life cover of \$1,250,000 will provide \$700,000 to discharge the mortgage and allow your family to be debt free, \$300,000 needed for the secondary education of your two children and \$250,000 for future income replacement for 5 years which would provide your spouse replacement income until the children finish secondary school.</p> <p>An Income Protection benefit of \$8,500 per month with a waiting period of 30 days and benefit period until age 65 will ensure you have income to maintain your financial commitments and lifestyle in the event that you were unable to work. You told me this was very important to you.</p> <p>Life cover will be held inside super so that premiums do not impact your cash flow as per your objective.</p> <p>Income Protection will be held personally so that you are able to claim a tax deduction on premiums paid.</p> <p>As per your objective, the premiums will be of a 'stepped' nature as you you will not hold life cover long term and believe you will begin to reduce levels in the medium term.</p>
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# Best Interest

<p><b>In your Best Interest</b></p>	<ul style="list-style-type: none"><li>- Your funds will be consolidated into one which will allow a reduction in fees from \$3,500 pa. to \$1,900 pa. in the first year. This will meet your objective of reducing your costs to under 1% pa.</li><li>- You will be invested in Index funds which is in line with your objective of keeping costs down. The Index funds will also allow for passive management which you confirmed was appropriate for your situation.</li><li>- You will be invested inline with your Growth risk profile with a higher weighting to Aust Eq and Intl Eq as per our discussions. There will be no funds allocated to Property as you told me you felt with your personal investment property holding you didn't want to allocate anymore to this asset class. This structure will still allow you to be inline with your allocated Defensive/Growth profile.</li><li>- Having your spouse as a binding non-lapsing beneficiary will allow funds to be distributed as per your wishes without having to worry about filling in forms every few years as per your objective.</li></ul>
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## Other Strategies – Alternative Strategies

- No change (Mandatory) – This has to be considered as an alternative.
- Other strategies considered and why they were discounted.

## Other Strategies – Alternative Products

- No change (Mandatory) – The existing fund/policy must be considered as an alternative on a ‘like for like’ level.
- Compare recommended product with at least 1 ‘like for like’ product.
- If there is no existing product to compare, then a comparison with a ‘like for like’ is still required.
- If replacing investment options within an existing platform, there is no need to offer further alternative products as a consideration, however you must explain why the existing is no longer suitable.

## Other Strategies – Alternative Strategies

**Alternative Strategies – You are required to document an alternative strategy for every recommendation made and the reason why it was discounted as an option. Examples:**

We considered doing nothing and leaving your money within the current superannuation funds. This would allow you to make lump sum withdrawals to fund your ongoing income requirements. This was dismissed as having two active super accounts would keep your fees high and would continue to make it harder for you to track your overall balance. It also goes against your goal/objective of having all funds consolidated into one for ease of management.

**It has been recommended to retain your existing at HESTA rather than rollover this into your self-managed superfund. The main reason for this recommendation is that currently you have income protection of \$4,500 (per month) and TPD of \$250,000. There is a risk that if you roll over that you may not have adequate income protection and TPD cover in place through your self-managed superfund given that you are in casual employment and over the period of March-April you were unable to earn an income due to restrictions that have been in place with COVID 19 so it unlikely you will qualify for income protection cover or TPD cover within a retail insurance arrangement.**

We considered retaining your saving and future surplus cashflow in cash, however, this would not achieve your goal of investing your available funds in line with your risk profile to achieve greater long term wealth creation.

**We considered increasing your level of Life/TPD cover within XXXX to meet your total needs, however, this was discounted as the cover provided within the fund is very basic 'group' cover, with very limited features and benefits that would not meet your objectives of comprehensive cover.**

We considered holding your Life/TPD outside of super, however, this was discounted as it would not meet your objective of limiting the impact to your cash flow where possible.

**We considered holding your Income Protection inside of super, however, this would not meet your objective of claiming the premiums as a tax deduction.**

We also considered a longer waiting period to reduce premiums, however, this was discounted as you did not have sufficient savings/sick leave/annual leave to make up the difference in waiting periods.

# Other Strategies – Alternative Products

**Alternative Products – You are required to compare alternative products to the existing and recommended and then document why these were discounted. Comparisons need to be done on a ‘like for like’ basis. A couple of likely scenarios are:**

CBUS (Existing) > Recommended (MLC MasterKey) > Alternative ( BT Panorama)

No existing > Recommended (AIA Vitality) > Alternative (One Path – One Care)

We also considered moving you into <Product B, D or E>, whilst these were compared on a like for like basis (i.e. all were Wrap platforms; allowed access to specialist fund managers with proven long investment records and used similar or same underlying investments for comparison purposes). However, Product B was \$866 more p.a., Product D was \$668 more p.a. and Product E was \$1,472 more p.a. Based on this, these products were dismissed due to cost as we feel the recommended product will meet your goals in the most cost effective way.

	Product A - Current	Product B – Current (like for like)	Product C - Recommended	Product D – Alternative (like for like)	Product E – Alternative (like for like)
Administration Fee	\$657.55	\$998.27	\$597.81	\$701.02	\$1,201.96
Expense Recovery Fee	\$0.00	\$0.00	\$0	\$0	\$0
Investment Costs (MER)	\$1,904.60	\$2,071.01	\$2,138.85	\$2,458.98	\$2,501.74
Membership Fee	\$0.00	\$528.00	\$0	\$0	\$0
Operational Risk Reserve Levy	\$35.75	\$0.00	\$40.00	\$0	\$35.00
Performance Fee	\$347.10	\$239.66	\$239.66	\$512.00	\$839.66
Super Admin Fee	\$0.00	\$135.68	\$89.55	\$102.55	\$0
Investment Rebate	\$0.00	\$0	\$0	\$0	\$0
<b>Total Fees</b>	<b>\$2,945.00</b>	<b>\$3,972.62</b>	<b>\$3,105.87</b>	<b>\$3,774.55</b>	<b>\$4,578.36</b>