



WEALTH MANAGEMENT THAT REVOLVES AROUND YOU

# Financial Services Guide

## WELCOME TO FIRST SAMUEL

Thank you for considering First Samuel as your private wealth manager.

To assist you in making an informed decision about appointing First Samuel as your wealth manager, it is important that you read and understand this Financial Services Guide. It includes information on our services, how we are remunerated, our privacy policy and our complaint handling process.

Where we provide you with personal financial advice, we will do so initially by way of a Statement of Advice (SoA) that incorporates full details of the advice provided, including all relevant fees.

If there is any matter that you feel we have not covered to your satisfaction then please ask us.

### WHO IS FIRST SAMUEL?

First Samuel is a boutique private wealth management business.

First Samuel is authorised by ASIC to:

- provide personal financial advice;
- manage and provide MDA Services; and
- provide custody services.

The combination of these services with our administration and reporting service is our Wealth Management Service.

When our clients appoint First Samuel as their wealth manager, they give us the authority to manage their assets in accordance with the agreed Investment Program, without seeking prior approval for individual transactions.

First Samuel Limited is the 'providing entity' of these MDA Services under Australian Financial Services Licence Number 225405.

#### First Samuel's contact details are:

Level 16, 500 Collins Street  
Melbourne, VIC 3000  
+61 3 8610 9222

[www.firstsamuel.com.au](http://www.firstsamuel.com.au)

### Not Independent

First Samuel provides to its clients both 'financial product advice' and 'Managed Discretionary Account Services'. Therefore, under the Corporations Act, First Samuel is regarded as not being independent, impartial, or unbiased.

First Samuel provides all advice under its Australian Financial Services Licence to the highest of ethical standards, as well as those required under the Corporations Act. First Samuel maintains a rigorous controls framework to enforce adherence to these standards and uphold the requirements of the law.

## PROVIDING CLARITY

### ASIC

The **Australian Securities and Investment Commission**. The government body that regulates our industry.

### IMA

**Individually Managed Account**. An investment portfolio beneficially owned by you and professionally managed based on your personal circumstances and objectives.

### Investment Program

A documented understanding of your investment objectives and how we will manage your portfolio to meet those objectives.

### LoE

**Letter of Engagement**. A letter that sets out the scope of initial Wealth Strategy Advice. It outlines what issues we would address in the Statement of Advice (SoA).

### MDA

**Managed Discretionary Account**. The way we manage investments. You provide us with this 'discretion' to manage your investments.

### MDA Services

The term used by ASIC to describe our MDA offering.

### MDA Contract

The legal agreement between us that documents our obligations to each other in our provision of MDA Services to you.

### SMSF

**Self Managed Superannuation Fund**.

### SoA

**Statement of Advice**. A document that provides strategic and/or investment advice relating to your personal circumstances.

## WHO IS MY PRIVATE CLIENT ADVISER?

Your Private Client Adviser is an employee of First Samuel and is responsible for your relationship with us. First Samuel is responsible to you as the 'providing entity' for any personal financial advice your Private Client Adviser provides.

Information regarding your Wealth Management Team, including your Private Client Adviser, will be contained in your SoA.

## WHAT QUALIFICATIONS DOES MY PRIVATE CLIENT ADVISER HAVE?

Your Private Client Adviser holds the academic and professional qualification required to provide you with personal financial advice. His/her qualifications are set out in your SoA.

## WILL MY PRIVATE CLIENT ADVISER RECEIVE COMMISSIONS?

No. First Samuel does not pay commissions. Your Private Client Adviser is an employee of First Samuel and is remunerated by salary and the possibility of an annual bonus or profit share, depending on the performance of the employee and of First Samuel's business.

## WHEN I RECEIVE PERSONAL FINANCIAL ADVICE, WHAT DO I GET?

You will receive a SoA when we initially provide you with any personal financial advice that takes into account your needs, objectives and financial situation.

The SoA will contain the advice, the basis on which it is given, the risks involved, information about replacement of existing financial products, detailed information about fees and any associations that we have with financial product providers or other parties.

The SOA will set out any significant risks associated with the investments and investment strategy we recommend to you. If you do not understand these, you should ask for further clarification.

After we give you your SoA, First Samuel may provide you with further advice in certain situations without giving you another SoA. In this situation, you may request a record of this further advice from your Private Client Adviser, provided you do so within 7 years of receiving the further advice.

First Samuel cannot be responsible for any advice that is not given or confirmed in writing.

## WILL YOU GIVE ME ADVICE THAT IS SUITABLE TO MY INVESTMENT NEEDS AND CIRCUMSTANCES?

Yes, provided you give us sufficient and appropriate information.

## WHAT INFORMATION DO I NEED TO PROVIDE?

You are not obliged to give comprehensive personal information to us if you do not wish to do so. In these circumstances we are obliged to warn you about the possible consequences, including the following:

- your Private Client Adviser will not be able to undertake a comprehensive analysis
- any recommendations made may not be appropriate.

You will need to consider whether any recommendations made are appropriate in light of your particular investment needs, objectives and circumstances.

## WHAT FINANCIAL PRODUCT ADVICE IS AVAILABLE TO ME?

First Samuel is licensed to provide financial product advice on and to deal in the following classes of financial products:

- MDA Services
- Deposits (e.g. cash or term deposits)
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Managed investment schemes (e.g. managed funds)
- Retirement savings accounts
- Securities (e.g. shares)
- Margin lending facilities
- Superannuation, including SMSFs.

In addition, First Samuel is licensed to provide financial product advice on life insurance and operate custodial and depository services.

Your Private Client Adviser may advise on some or all of the services and products listed above. Typically, we will provide one or more of these financial products as part of our MDA Services. If you have a need for services or products not listed then you will be referred to another qualified provider.

## WHAT INVESTMENT SERVICES ARE AVAILABLE TO ME?

First Samuel offers individual, tailored and direct discretionary portfolio

management. We will advise on an appropriate investment strategy and once agreed upon, a tailored investment portfolio will be established and managed for you.

## HOW DO MDA SERVICES WORK?

The relationship we have with our clients is a discretionary one. As such, we would be responsible for the management of your portfolio in accordance with your agreed Investment Program. We would make investment decisions and would transact without prior contact with you.

The Investment Program, which forms part of the MDA Contract, flows from the SoA prepared for you.

Please note the following important matters that we are required by ASIC to disclose:

- Before we may provide you with MDA Services, you must first enter into our standard MDA Contract.
- Your MDA Contract will clearly specify the manner in which you may give, and we will accept, instructions on how rights relating to your portfolio assets are to be exercised.
- When you invest through the MDA service your assets may be pooled with those of other MDA clients. This provides operational efficiency and allows you to invest in assets that you may otherwise be unable to access.
- Your MDA Contract will include an Investment Program that complies with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the *Corporations Act 2001* and will be reviewed by your Private Client Adviser at least every 13 months.

This Program will contain the following information:

- the nature and scope of the discretions that we will be authorised and required to exercise and the investment strategy that is to be applied in exercising those discretions;
- any significant risks associated with the MDA Contract;
- the basis on which we consider the MDA Contract to be suitable for you; and
- warnings that the MDA Contract:
  - » may not be suitable for you if you have provided us with limited or inaccurate information relating to your relevant personal circumstances; and
  - » may cease to be suitable for you if your relevant personal circumstances change.

## WHAT ARE THE RISKS ASSOCIATED WITH INVESTING THROUGH A MDA SERVICE?

There are a number of risks associated with the provision of the MDA Services. In particular, your portfolio may be subject to investment risks, including risks associated with the economy, markets, foreign exchange, interest rates, liquidity, industry and business. As a result of some of these risks, the prices of securities may fall and you could suffer a negative investment return in any period. In some circumstances you may not be able to meet your investment objective.

Where our service relies on counterparties such as banks or custodians, there is a risk (albeit small) that they fail.

There is a risk that information or data that we receive from third parties and rely on to provide our MDA service or reporting to you is incorrect or incomplete or that the providers fail.

## HOW IS FIRST SAMUEL REMUNERATED?

Fees payable by you and received by us.

We receive fees from you for the following services:

- Wealth Strategy – an initial fee and fixed annual fee for wealth strategy advice that we provide you
- Investment Management – a percentage of the funds we manage for you for individual investment management and tailored administration.

Full details of our fees are set out in our Guide to Fees and will also be clearly explained in your SoA.

## FEES OR BENEFITS RECEIVED BY US FROM OTHERS.

We believe that paying or receiving commissions when parties are in a fiduciary relationship is unethical. We do, however, receive services from third party Investment Research services and other providers under agreements, paid for by our broking service providers – UBS Securities Australia Limited (UBS), Macquarie Securities (Australia) Limited (Macquarie) and Barrenjoey Markets Pty Ltd (Barrenjoey). Payment for these services does not pass to or via First Samuel.

UBS, Macquarie and Barrenjoey use a commission sharing model to determine First Samuel's entitlement to procure such services. These services are wholly used to assist and support our investment research team in managing our clients' portfolios. We do not otherwise receive any form of commission or benefits from others.

We choose our suppliers on their ability to meet your needs, not on their ability to pay us commissions. And so, we will not accept any payment from a third party in respect of the service we provide to you. Nor do we receive any portion of any fees that you may pay to others, e.g. custody fees or brokerage.

## DOES FIRST SAMUEL PAY COMMISSIONS?

In the same way that we choose our suppliers on their merit, we expect to be chosen on our ability to meet your needs, not on our ability to pay commissions. Hence we do not pay commissions to accountants, lawyers or others who may act in a fiduciary or professional capacity for you.

## WHAT OUTSOURCING ARRANGEMENTS ARE IN PLACE?

First Samuel has outsourced some aspects of the administration of our clients' accounts to AreaWealth Administration Services Pty Ltd (ABN 97 635 285 264) (AreaWealth).

AreaWealth is an Australian fintech company that provides a secure technology platform to First Samuel. This allows us to deliver a safekeeping (Custody) service to our clients.

As part of its service AreaWealth engages FinClear Pty Ltd (ABN 63 607 164 714) (FinClear) to provide settlement and clearing services.

FinClear is an Australian fintech company providing trading infrastructure, and services. FinClear is a market participant on each of the Australian Securities Exchange, Chi-X Australia and the National Stock Exchange of Australia.

## HOW DID YOU SELECT AREAWEALTH?

We considered a number of custodian providers, however none offered the ability to deliver a custody service in a manner that brought technological innovation to the traditional service of custody provision. This enhances our ability to provide a wider variety of reporting services.

First Samuel elected to provide custody services to its clients, supported by the technology and administrative services of AreaWealth.

## HOW DO YOU MONITOR AREAWEALTH'S PERFORMANCE?

We monitor AreaWealth's performance continuously against agreed service standards, including for trade settlement and reporting. We meet with their management as required and periodically receive independent audit reports on the suitability and effectiveness of its control environment.

## HOW DO YOU MAKE PAYMENTS TO SETTLE SHARE TRANSACTIONS?

We open a cash account for each of your portfolios in your name or on your behalf. This account is the 'clearing' account for the portfolio.

All purchase and sale transactions related to your portfolio are settled through this account. Any interest or dividends earned are paid into it and fees, expenses and any regular payments (e.g. pensions) are deducted from it.

## HOW WILL I KNOW HOW MY INVESTMENTS ARE PERFORMING?

We will provide you with access to our online Client Portal where you can view information and reports on your investments, including information on performance. We will also provide you with an audited annual Accountant's Pack and annual investment commentary.

## HOW CAN I BE SURE THAT MY PORTFOLIO IS MANAGED APPROPRIATELY?

Your portfolio will be independently audited, as at 30th June each year. We will provide you with the resulting audit certificate. Your own accountant can rely upon this audit certificate. There is no additional charge for this service.

## WHO OWNS FIRST SAMUEL? DO ANY CONFLICTS OF INTEREST ARISE?

First Samuel is majority owned by Shargah Investments Pty Ltd, a company associated with its founder, Mr Anthony Starkins (who is also a Director of First Samuel) and the balance by current and former Directors and Associates (our employees).

Being privately owned means there are far fewer of the potential conflicts of interest that can exist when there is an institutional shareholder.

Additionally, First Samuel has always believed that it has a fiduciary responsibility to its clients which means that it will always put its clients' interests ahead of its own.

## WHAT RELATIONSHIPS OR ASSOCIATIONS DOES FIRST SAMUEL HAVE?

In addition to our relationship with AreaWealth, UBS, Macquarie and Barrenjoey, First Samuel has the following relationships and associations:

Guy Strapp, the Chairman of First Samuel Pty Limited, is also chairman of Platinum Asset Management Limited, which is listed on the ASX and is a product provider of managed investments schemes and exchange traded funds for retail and wholesale clients.

First Samuel may appoint its Directors or Associates to board positions of companies in which its clients have accumulated a sizable interest. Such positions are only held on the basis of representing the interests of First Samuel clients as holders of a significant interest in those entities.

Currently First Samuel has appointed positions to the boards of Innovate Access Pty Limited, Solvd Pty Ltd, Mtower Pty Limited, Liquidise Limited, Harrick Road Properties and Harrick Road Unit Trust.

## WHAT OTHER LICENSING OR REGULATORY REQUIREMENTS DOES FIRST SAMUEL MEET?

In accordance with the terms of our licence First Samuel maintains appropriate surplus liquid funds, holds professional indemnity insurance and is a member of an approved industry complaints resolution scheme.

We are required to collect and verify your identity under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth). In order to meet this obligation, First Samuel will confirm the details of your government issued identification to the original record holder using the federal government's document verification service.

First Samuel fully complies with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles set out in that legislation.

A copy of our Privacy policy can be found on our website:

[www.firstsamuel.com.au](http://www.firstsamuel.com.au).

# COMPLAINTS OR DISPUTES

## WHO DO I CONTACT IF I HAVE A COMPLAINT OR DISPUTE?

You have the right to complain about any aspect of the service First Samuel offers and it is our obligation to deal with that complaint as quickly and fairly as possible.

### Step 1

Should you have a complaint or dispute we ask that you speak with us and put your complaint in writing addressed to the Chief Executive Officer. Please include as much detail as possible. Your complaint or dispute will be formally addressed as soon as possible.

### Step 2

If you are still unhappy with the outcome you should contact:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne, VIC, 3001  
Telephone: 1800 931 678  
[www.afca.org.au](http://www.afca.org.au)



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