

Financial Services Guide

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**Commonwealth
Private**

Commonwealth Private Limited
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About this Financial Services Guide

This Financial Services Guide (FSG) is designed to help you understand what you can expect from us, so you can decide if you want to use our financial services. It contains important information including:

- who we are and how you can get in touch with us
- the services and products we can provide
- the fees we charge and how we and your financial adviser are remunerated
- what to do if you have a complaint.

Not Independent

Commonwealth Private is not independent, impartial or unbiased in relation to the provision of personal advice to a retail client, because:

- Commonwealth Private has associations with related entities and other providers, and it is part of a corporate group that includes product providers, as described in section 1 of this FSG; and
- Your adviser is expected to follow an approved product list (APL) and an off-APL approval process, as explained in section 5 of the FSG; and
- Your adviser or Commonwealth Private may receive (as referred to in sections 7 and 8 of this FSG):
 - commissions
 - stamping fees paid to facilitate a capital raising in respect of real estate investment trusts, infrastructure entities, and stapled real estate and infrastructure interests
 - gifts or non-monetary benefits of less than \$300 in value from each product provider, each year

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Important documents you may receive

If you, as a retail client, choose any of our products or services, we may also provide you with these important documents:

Document	Description
<i>Statement of Advice</i>	<p>A Statement of Advice:</p> <ul style="list-style-type: none">• is provided to you when you receive personal advice (advice that takes into account your objectives, financial situations or needs)• sets out your financial situation, needs and objectives, along with our recommendations for the agreed scope of advice• includes:<ul style="list-style-type: none">– details of your objectives and personal circumstances– the strategies, products and services we recommend– an explanation of our recommendations, including the basis on which they are given– information about our fees, and any commissions or other benefits we may receive and our associations with product providers. <p>If we are providing you with further personal advice, we may document this advice in a Record of Advice (ROA). We will provide you with a copy of the ROA and if you have not received this, you can ask your financial adviser to provide you with a copy of this ROA, within 7 years of the provision of the advice.</p>
<i>Product Disclosure Statement</i>	<p>A Product Disclosure Statement:</p> <ul style="list-style-type: none">• is provided to you when we recommend a particular financial product• contains important information about the product including features, benefits, risks, fees and costs• is designed to help you make an informed decision about the product.

Notes:

- You should read each of the documents carefully before choosing a financial product.
- We only provide personal advice to you when you use the services of one of our representatives. Our regular updates, marketing materials and our website do not contain personal advice. Any advice contained in such content is general advice only, or is factual information.

1 Who we are

1.1 About Commonwealth Private

At Commonwealth Private, we offer personalised service and advice to help you achieve your financial goals.

We primarily provide financial advice and services to clients who, typically, have \$2.5 million or more to invest and can be classified as a wholesale client as defined in Corporations Act 2001 (Cth).

If you are not eligible to be classified by us as a wholesale client, and we provide advice and services to you, we will treat you as a retail client, as defined in the Corporations Act 2001 (Cth).

1.2 Our relationship with the Commonwealth Bank Group

Commonwealth Private Limited ('Commonwealth Private', 'we', 'us', or 'our') holds an Australian Financial Services Licence (AFSL 314018) and is responsible for the financial advisory services we provide to you. All references to 'Commonwealth Private' in this Financial Services Guide mean Commonwealth Private Limited. Any financial advisory services offered are provided by representatives of Commonwealth Private.

Commonwealth Private is a wholly-owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ('CBA' or, 'the Group') and is associated with other Commonwealth Bank Group companies.

Commonwealth Private has associations with and may deal or provide advice on products issued by a range of financial product providers, including the following related product providers within the Commonwealth Bank Group:

- Commonwealth Bank of Australia
- Commonwealth Securities Limited (CommSec)

Commonwealth Private is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959. Our obligations don't represent deposits or other liabilities of the Commonwealth Bank.

1.3 Other associations

Commonwealth Private may also provide you with financial services and products from other providers.

The Commonwealth Bank of Australia (CBA) has entered into a 20-year Distribution Agreement (with an option to extend for 5 years) with AIA Australia Limited for the provision of life insurance products to customers in Australia. Under the terms of the Distribution Agreement, CBA will receive a fee for the provision of services by CBA under the agreement including services to raise awareness and understanding of AIA products and services to improve these for customers.

CBA has a relationship with AIA Financial Wellbeing for the provision of financial advice services. Commonwealth Private may refer you to AIA Financial Wellbeing where you have an advice need that we do not provide, including personal insurance advice. Commonwealth Private does not receive any referral fees for referring you to AIA Financial Wellbeing. AIA Financial Wellbeing is operated by AIA Financial Services Pty Limited ABN 68 008 540 252 AFSL 231109 (AIA Financial Services), a subsidiary of AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia).

Commonwealth Private has an association with Macquarie Investment Management Limited (MIML) as the promoter and distributor of the Private Portfolio Solution Accounts, which are operated by MIML.

Commonwealth Private has an association with Colonial First State Investments Limited (CFSIL) and Avanteos Investments Limited (AIL), and distributes the Commonwealth Private Portfolio Service and the Commonwealth Private Portfolio Accounts, which are operated by AIL. Commonwealth Private may recommend products and investments issued by CFSIL. CBA holds an indirect 45% interest in both CFSIL and AIL.

2 What we offer

2.1 Our products and services

Commonwealth Private is authorised to provide both general and personal financial advice.

We advise on and deal in the following products:

Products	Description
Deposit and payment products	<ul style="list-style-type: none">• Basic deposit products• Non-basic deposit products• Non-cash payment products
Investments	<ul style="list-style-type: none">• Government debentures, stocks and bonds• Investor-directed portfolio services• Securities (domestic and international)• Derivatives• Interest in managed investments• Superannuation and retirement savings accounts• Standard margin lending facility• Foreign exchange contracts

Commonwealth Private is also authorised to provide a custodial or depository service in respect of the Commonwealth Private Wealth Service offered to wholesale clients.

3 How we work

3.1 Providing you with end-to-end support

At Commonwealth Private, we believe that financial advice is about more than investments. Instead, it's an end-to-end process that gives you the guidance and expertise you need at every stage of your wealth journey. We take the time to understand your specific needs and goals, so we can create tailored strategies to get you where you want to be.

Your financial adviser will explain each step of our financial advice process in detail, so you know exactly what to expect. Once we understand your individual circumstances and preferences, we can then tailor the process to meet your specific needs.

For retail clients, we also offer the opportunity to receive portfolio management services and support under our Terms of Engagement. The Terms of Engagement provide access to strategic advice services and portfolio management services for the duration of the agreement, and will give you access to your financial adviser, portfolio management and maintenance services suitable to the portfolio you hold, and the alignment of your portfolio to your objectives and personal circumstances. The fees associated with this offer are detailed in Section 6 below.

3.2 Our financial advice process

Step	What happens
1 Initial engagement	We talk through this Financial Services Guide and explain how we can help you.
2 Understanding your goals	We discuss your overall financial situation, as well as your financial and lifestyle goals for the future.
3 Preparing your strategic advice	Our advice team reviews your needs, then determines strategies that will help you achieve your goals. We prepare a tailored financial plan that matches you with the best solutions for your circumstances.
4 Presenting our advice	We present a personalised advice document and clearly explain our recommendations to you. We make sure you understand each recommendation so you can make informed decisions before proceeding.
5 Putting your plan into action	Once you're completely satisfied with your financial plan, we discuss the process for implementing the strategies. We then guide you through the important first steps towards achieving your goals.
6 Review and portfolio management	We will assess the need for portfolio management services to ensure your portfolio continues to appropriately support your needs and objectives and offer you access to this service where suitable. If as a result of changes in your circumstances that you inform us of, we identify a potential new advice need, we will provide an opportunity to undertake a review of your financial plan.

4 How we can help you

At Commonwealth Private, our aim is to build a strong and long-lasting relationship with you. That's why our service model is designed to provide you with strategic advice and financial solutions for every stage of your life and career.

Strategic and investment advice

We provide strategic and investment advice, including advice on securities, derivatives, ASX-listed products, managed funds, superannuation, and deposit products. A full list of the advice and products we offer is listed in section 2.1 of this document.

In addition, we offer a limited transaction without advice service for certain types of transactions and asset types. This is limited to:

- listed equities (fully paid ordinary shares);
- cash transactions in/out of your platform account;
- full disposal of an asset.

Where you authorise us to transact on your investments on your behalf, but without any personal advice or Portfolio Management Services, you won't receive a Statement of Advice – but we'll confirm all fees and charges with you in writing before we take any action.

Based on the information collected from you, your financial adviser will consider the tax consequences that relate directly to the financial advice being provided. However, neither Commonwealth Private nor its financial advisers are Registered Tax Agents, so our financial advice doesn't include an assessment of your overall tax position.

We recommend you review your financial plan when your personal or financial circumstances change. Reviewing your financial plan is an important step in the process to help make sure you are on track to achieving your goals and objectives whilst also ensuring our advice remains appropriate for you.

5 Limits on our advice

In some cases, the advice your financial adviser provides may be limited because:

- you've only given us limited personal information and/or financial information
- you've requested scaled advice that doesn't cover your total financial situation, or
- your financial adviser can only advise you on products permitted under our licence.

The advice services or product recommendations that your financial adviser can provide may be limited, based on their authority or restriction to certain products as a representative of Commonwealth Private. These limitations may include derivatives and foreign exchange. Your financial adviser cannot provide advice on general insurance.

Your financial adviser will recommend products listed on the Commonwealth Private Approved Product List which contains both Commonwealth Bank Group products and financial products issued by non-related providers. A product must meet our selection criteria and approval process to be listed on our Approved Product List. Where your needs and objectives require a product not on the Approved Product List, there is a one-off approval process available to your financial adviser.

Your financial adviser can only provide financial services and/or advice when you are physically located in Australia. Any financial services or advice provided while you are located outside of Australia may be subject to foreign jurisdictions laws and regulations. This applies to both strategic advice delivery and portfolio management services.

When making financial recommendations, your financial adviser will consider any tax, legal and estate planning implications that relate directly to the advice provided. However, we are not specialised in these areas. If you need specialist advice, we can put you in touch with experts in any of those fields.

6 Fees that you may pay

As a Commonwealth Private client, we may charge you a range of fees or other costs for the advice you receive and the financial products acquired.

These fees and other costs are paid to us and not directly to your financial adviser. You'll find details about types of fees, commissions and benefits that we may receive in this section and section 7. All fees and commissions are stated including GST.

Your financial adviser will explain any fees or costs that may apply. You'll be given details of any charges at the time we provide you with a Terms of Engagement, before we provide you with personal financial advice, or before we execute a transaction on your behalf. Detailed information about any fees and other benefits we may receive will be included in your Statement of Advice or Record of Advice.

If we receive remuneration or other benefits, as described in Sections 6 and 7, for providing services to you and it's calculable at the time we provide personal advice, we'll tell you what the amount is at the time we provide the personal advice, or as soon as practicable after that time. If there is any remuneration that isn't calculable at the time we provide you with personal advice, we'll explain how it is to be calculated at the time we provide the personal advice, or as soon as practicable after that time.

Strategic advice fee

The fee for our strategic advice service will be based on the scope and complexity of the advice and services we are going to provide to you, and take into account your particular circumstances and any requests you may have made. The fee for strategic advice includes assessing your personal circumstances, undertaking research to determine what strategy(s) is appropriate, and making recommendations to you in an appropriate advice document. Where you agree to proceed with a recommendation, Commonwealth Private will implement the advice as part of this service and this is included in the fee. The fees for strategic advice services will be specified in your Terms of Engagement, and we will confirm the fee applicable and obtain your consent to proceeding prior to commencing the preparation of an advice document.

We generally charge up to \$5,500 for strategic advice, or where you require advice that is more complex than our standard pricing, we may calculate the fee using an hourly rate.

For example, if the strategic advice fee was based on an hourly rate of \$550 and providing and implementing the advice took us 12 hours, you would be charged \$6,600.

Portfolio management fees

We charge fees when you take up our portfolio management services. Any portfolio management fees that we charge will be specified in the Terms of Engagement we will provide to you and we will obtain your consent to these fees before providing the service.

Fees for this service will be based on the complexity of your portfolio and needs, and how you wish to engage with Commonwealth Private, and will be charged as a fixed dollar amount for the period. A minimum fee of \$9,450 for a 12 month engagement will apply.

For example, if you have a portfolio held in a non-complex structure that includes direct equities requiring maintenance to align with your needs and objectives, your portfolio management fee may be \$29,000 for the 12 month duration of your Terms of Engagement.

Fee for service

We may charge a Fee for our transaction without advice service. These fees will generally be based on an hourly rate, and the fee payable will be specified and agreed with you before we provide the service. Our minimum hourly rate for these services is \$550.

For example, if you request Commonwealth Private to undertake a transaction without advice and it took us three hours, you would be charged \$1,650.

Investment and product related fees

You may be charged a fee by the product provider or investment manager for investing money using any of our services. These fees will apply to your total investment amount, and generally to each additional investment you make to the portfolio. These fees may include, for example, administration fees, management fees, transaction (including buy/sell spreads) and borrowing costs, and separately managed account fees. These fees range from 0–5.5% each year of your total investment amount. Additionally, some product providers or investment managers may charge a performance fee when certain performance measures are met that may be above this stated range of fees.

Please note, the maximum product and investment related fees are subject to change. Please check the Statement of Advice or Record of Advice, and Product Disclosure Statement (PDS) at the time of your advice to confirm the product-related fees payable to the product issuer that apply to the products we have recommended to you.

For example, if you had \$1,000,000 investment balance in a product with a 2.2% annual investment and product-related fee, the product provider would charge you \$22,000 each year.

Brokerage fees

Brokerage fees may apply to transactions on securities, derivatives and listed investments that you carry out with your adviser. Where trades are executed using Commonwealth Private's nominated broker, Australian Investment Exchange Limited (AUSIEX), the brokerage is charged by the broker, who is a service provider to Commonwealth Private, for conducting your transactions. These fees may be up to 0.10% of the value of each trade, with a minimum of \$19.95 per trade applied.

For trades executed using a broker other than Commonwealth Private's nominated broker, for example where you hold your investments through a Separately Managed Account (SMA), the brokerage arrangement will be disclosed in the relevant Product Disclosure Statement or Investor Directed Portfolio Services guide.

Brokerage charges are in addition to the investment and product-related fees, and our advice fees.

For example, if you were selling \$100,000 of a share, you may be charged a brokerage fee of up to \$100.

There may also be other one-off fees charged for administrative services, such as clearing house fees, or failed trade fees, that you are responsible for.

7 Benefits we may receive – commissions and other benefits

7.1 Commissions

We're remunerated directly through the fees we charge you. However, where permitted by law, we may receive initial and/or ongoing commissions from:

- life insurance providers, where we have previously arranged life insurance through them; and
- service providers, relating to margin and protected portfolio loans and to new issues of securities

These providers may be members of the Commonwealth Bank Group.

The following table details the commissions we may receive.

Product	Description	How much	Example
Life Insurance	Initial commission (payable in the year of increase in cover)	For an increase in cover added to an existing policy issued: Before 1 January 2018 – up to 130% of the increase in premium. After 1 January 2018 – up to 66% of the increase in premium. The initial commission will not exceed 33% of the increase in premium for level commission structures.	For a first-year increase in cover resulting in a premium increase of \$1,000 for a policy commenced on 1 February 2020, with an initial commission of 66%, we would receive \$660.
	Ongoing commission (payable each year after the year of increase in cover)	For an increase in cover added to an existing policy issued: Before 1 January 2018 – up to 40% per annum of the premium. After 1 January 2018 – up to 22% per annum of the premium. The ongoing commission will not exceed 33% per annum of the premium for level commission structures.	For a renewal premium of \$500 on an insurance policy with an ongoing commission of 22%, we would receive \$110 annually.
Investments	New issue of securities	We may receive fees from an issuing company when we lodge successful applications for investments in new issues. This may include stamping or sell fees, and arranger fees which are generally calculated as a percentage of the value of the securities issued for successful applications. Check the relevant prospectus or offer document for details	For example, if a stamping fee of 0.75% plus an arranger fee of 0.5% to the value of total successful applications lodged by Commonwealth Private of \$1,000,000, then we would receive \$12,500.

7.2 Payments or commissions on referrals

You may be referred to another Commonwealth Bank Group adviser, an external adviser or other specialist if they can better meet your needs and objectives.

Commonwealth Private does not pay or receive referral fees or commissions on referrals.

8 How your financial adviser is paid

Your financial adviser is paid a salary – they don't directly receive any commissions or fees. However, they may receive an annual bonus payment if they achieve agreed objectives around client advocacy, business outcomes, leadership, strategic execution and risk management.

Our representatives may also be eligible to:

- share in monetary and non-monetary incentives rewarded for outstanding service
- receive a free grant of Commonwealth Bank shares under the Employee Share Acquisition Plan
- participate in our long-term incentive program, based on the representative's contribution to our business over time – which offers Commonwealth Bank shares that only vest at a specified time in the future once CBA achieve a certain share performance
- receive non-monetary benefits – for example, business lunches, tickets to sporting and cultural events, national or international study tours, corporate promotional merchandise and other non-monetary benefits from product providers.

All benefits given or received are subject to CBA's policies and procedures for Gifts & Entertainment.

9 Protecting your privacy

9.1 Our privacy policy

We are committed to ensuring the privacy and security of your personal information. As part of our continuing commitment to client service and maintenance of client confidentiality we have adopted the principles set out in the Privacy Act 1988. The Group's Privacy Policy will assist you in ascertaining how to complain, how your complaint is dealt with and provide further information on our personal information handling practices. Please refer to the Group's Privacy Policy available at <https://www.commbank.com.au/support/privacy/privacy-policy.html> or from your Financial Adviser.

9.2 Collecting your information

We collect personal information about you when you meet with your financial adviser, request or use our products or services, email us, phone us or visit our website. This information may include:

- your personal goals and objectives
- details of your current financial situation and needs
- any other relevant information.

If we need to collect sensitive information, such as health and lifestyle information for example, for insurance purposes, we will ask you for your consent.

We may also collect information about you from others, such as service providers, agents, advisers, brokers, employers or family members.

You can choose not to share this information with us. However, this may mean we can't provide you with advice, or can only provide general advice that isn't tailored to your personal financial situation, needs and goals.

To access your personal information, please contact your adviser. If your personal information is incorrect, we can correct it.

9.3 Using and storing your information

We collect, exchange and use your information so that we can:

- provide advice that is appropriate for your objectives, financial situation and needs
- manage our relationship with you

- price, design and administer our services or inform you about other products and/or services that may be of interest to you
- manage our risks, help identify and investigate illegal activity, comply with our legal obligations, and assist government and law enforcement agencies.

The law requires us to establish your identity and assess applications for products and services by verifying your full name, date of birth and residential address and to do so, we need to sight and maintain records of various identification documents, such as a drivers licence or passport.

Your Adviser may sometimes use programs, calculators, or worksheets as illustrative tools when you meet with them. Your Adviser uses these tools to find out about your relevant objectives, financial situation or needs. You should not rely or act on any representations made in these meetings as any personal advice that you receive will be set out in your advice document.

9.4 Exchanging your information

We may exchange your personal information with other members of the Commonwealth Bank Group who can use this information in the same way we can. We disclose information to third parties as permitted by law or for the uses listed above in section 9.3. Third parties include service providers where we outsource activities, persons acting on your behalf, other entities of the CBA Group, product providers, other financial institutions, auditors, insurers, employers and government agencies or their appointed representatives. We may disclose your information overseas to overseas Group members, service providers or other third parties who operate or hold data outside Australia, or when required for a particular transaction or by overseas law. Australian law may not apply to some of these overseas parties.

Commonwealth Private has an arrangement in place with a service provider located in Canada and the United States. Please see the CBA Privacy Policy for more information on the circumstances in which your information may be sent overseas and which countries your information may be sent to.

10 What if there's a problem?

10.1 Making a complaint

We try to get things right the first time – but if we don't, we'll do what we can to fix it. You can resolve most issues simply by calling your financial adviser and explaining the problem. It can also make things easier if you gather all the relevant facts and documents together, and let your financial adviser know exactly what you want them to do.

If you are not satisfied with this option or wish to proceed further, you can contact the Commonwealth Bank's Group Customer Relations for a review of your complaint. Group Customer Relations can be contacted via:

CBA Group Customer Relations

Reply Paid 41

Sydney NSW 2001

Free call: **1800 805 605**

commbank.com.au/feedback

If you're still not satisfied and wish to take the complaint further, there are different options available. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA offers a free independent dispute resolution service for consumer and small business complaints.

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Free call: **1800 931 678** Online: **www.afca.org.au** Email: **info@afca.org.au**

10.2 Compensation arrangements

Our professional indemnity insurance satisfies the compensation arrangements required under Australian law, section 912B of the Corporations Act. We are also covered for claims against former representatives while they acted on our behalf.

11 How to contact us

If you need to give instructions to your financial adviser, you must do so in person or by calling, mailing or emailing them directly. Generally, you will need to give us signed instructions to give us authority to proceed with implementing your instructions. However, for some services, special arrangements can be put in place to instruct your financial adviser by telephone or email.

For other general enquiries, please use the contact details below.

Toll free call: **1300 362 081**

commbank.com.au/commonwealthprivate

Commonwealth Private

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