**Portfolio Review for**

**David Kendle**

**July 2020**

06 July 2020

David Kendle

Unit 2  
45 TheLad Road

Alphaton NSW 2420

Dear Dave,

**Record of Advice: Portfolio Review**

As part of our commitment to providing you with quality on-going advice we have completed a review of your investment portfolio.

This report is a Record of Advice (RoA). The RoA is your written record of the recommendations we are providing to you as part of our Advisor Review Service.

This Record of Advice includes our recommendations regarding your portfolio needs. It relates only to your particular situation and is based upon our understanding that there have been no material changes in your circumstances, needs, goals or objectives.

Because it builds upon advice that we have provided to you previously, it should be read in conjunction with the Statement of Advice you received from us dated 07/03/2019 and the Fund’s current Investment Strategy dated 05/11/2017.

If you cannot locate this advice, or if you have any questions about it, we would be happy to provide you with a copy free of charge, and to discuss it with you.

Please contact this office if you have any questions in relation to the above recommendations.

Should I be unavailable please contact our central office in Wagga Wagga on (02) 6925 9044.

Yours sincerely

**John Jones**

Boyce Financial Services

44 Fitzmaurice Street, Wagga Wagga NSW 2650

AFS Representative No. 328855

Authorised Representative

Lonsdale Financial Group Limited

Australian Financial Services Licence No 246934

|  |  |  |
| --- | --- | --- |
|  | The Scope of Our Advice |  |

The Scope of Our Advice

This Record of Advice (RoA) has been developed as a result of our recent discussions and as agreed covers the following areas;

Remove rows that do not apply

|  |  |
| --- | --- |
| **Investment** | **Advice limitations** |
| Portfolio Review | Review & Rebalance Managed Funds only |
| Portfolio Review | Review & Rebalance Managed Funds with share recommendations from Ord Minnett |
| Portfolio Review | Review & Rebalance Managed Funds with share recommendations from Bell Potter |
| Portfolio Review | Do not buy xxxx  Do not sell xxx |
| Cash Flow Management | Re-investment & Drawdown settings to utilise cash |

Our advice does not address any other financial planning needs other than those listed above. After you have read our advice, if you feel that you would like advice in any areas not addressed, or if you would like to vary what our advice covers, please contact us.

|  |  |  |
| --- | --- | --- |
|  | Your Investment Objectives |  |

Your Investment Objectives

From the information you have provided in relation to the investment strategy of the fund, we understand the investment objectives of the fund may be summarised as follows;

* To diversify the fund’s portfolio in accordance with a target asset allocation stipulated by member investment preferences and in consideration of any limitations stated in the fund’s investment strategy.
* To further diversify within each market sector to reduce investment risk where possible.
* Achieve investment performance in line with member expectations as determined by investment preferences, investment timeframe and risk tolerance.
* Legitimately minimise taxation within the fund where possible.
* Maintain the real value of the portfolio where possible, offsetting the effect of inflation over time.
* Provide flexibility, ease of access to timely information and the ability to regularly report upon fund holdings and performance.
* To review the Fund’s investments to ensure funds are invested in a well-researched, diversified portfolio in line with the Fund’s agreed Investment Strategy.
* Have regular reviews of the Fund’s portfolio.

Accumulation

* To ensure there are sufficient funds available for on-going expenses and re-invest cash surpluses.

Pension

* To ensure there are sufficient funds available for on-going pensions and expenses.

**Profile Notes: \*\*\* Specifically looking for Investment objectives \*\*\***

\*\* no gambling or tobacco stocks  
\*\* shares are to have defensive tilt ~75% income  
\*\* pension likely to be re-contributed (2015 - 2017) check prior  
  
\*\*\* Query WOW @ $30 ethical reasons, QBE $16 & TPG $10.50 to take profits  
  
\*\*\*\* 2016 - adjusted AA to increase property / infrastructure allocation at expense of Aust Eq \*\*\*\*

To ensure your money is invested in line with your risk profile.

Aiming to re-contribute pensions as currently do not require cash. Transfer of Wrap Cash account to Panorama to obtain better yield (April 2015)

To generate the following level of retirement income 1. Absolute Minimum $60

Retain $80

|  |  |  |
| --- | --- | --- |
|  | Portfolio Performance |  |

Portfolio Performance

**Performance Report from 1 July 2019 to 30 June 2020**

IRR – BT & Netwealth

| **Position** | **Closing Market Value** | **Realised Market Gain** | **Unrealised Market Gain** | **Income** | **Percent Return** |
| --- | --- | --- | --- | --- | --- |
| **David Kendle** | | | | | |
| **1234567 (Panorama) – David Kendle** | | | | | |
| **Alternative** | | | | | |
| Russell Investments Global Listed Infrastructure $A Hedged Class A | $23,843.42 | $0.00 | $(3,252.47) | $0.00 | -11.98% |
| Total for Alternative: | $23,843.42 | $0.00 | $(3,252.47) | $0.00 | -11.98% |
| **Blended** | | | | | |
| Russell Investments Multi-Asset Growth Strategy Fund - Class A | $24,195.94 | $0.00 | $(794.17) | $68.68 | -2.90% |
| Schroder Real Return CPI +5% Fund - Wholesale Class | $24,078.98 | $0.00 | $(676.04) | $428.93 | -1.00% |
| Total for Blended: | $48,274.92 | $0.00 | $(1,470.21) | $497.61 | -1.96% |
| **Domestic Cash** | | | | | |
| Cash Management Account | $13,676.37 | $0.00 | $0.00 | $126.23 | 0.33% |
| BT Term Deposit: 3 months interest payment at maturity | $100,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $345.21 | 0.35% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $264.66 | 0.35% |
| BT Term Deposit: 3 months interest payment at maturity | $75,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $352.88 | 0.35% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $308.53 | 0.41% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $434.79 | 0.58% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $415.89 | 0.42% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $261.78 | 0.35% |
| BT Term Deposit: 6 months interest payment at maturity | $0.00 | $0.00 | $0.00 | $1,196.71 | 1.20% |
| Firetrail Absolute Return Fund - Class A | $34,287.48 | $0.00 | $4,416.13 | $0.00 | 14.75% |
| Total for Domestic Cash: | $222,963.85 | $0.00 | $4,416.13 | $3,706.68 | 3.35% |
| **Domestic Equity** | | | | | |
| Adbri Limited (ABC) | $0.00 | $(3,130.25) | $0.00 | $0.00 | -9.12% |
| AB Managed Volatility Equities Fund | $56,809.45 | $0.00 | $(1,117.10) | $202.53 | -1.58% |
| Australia and New Zealand Banking Group Limited (ANZ) | $52,192.00 | $0.00 | $(26,796.00) | $2,240.00 | -31.64% |
| BHP Group Limited (BHP) | $44,775.00 | $0.00 | $(3,977.64) | $1,242.54 | -5.73% |
| Commonwealth Bank of Australia (CBA) | $52,203.84 | $0.00 | $(10,046.72) | $3,241.12 | -11.29% |
| Estia Health Limited (EHE) | $9,477.09 | $0.00 | $(6,822.27) | $814.97 | -38.06% |
| HUB24 Limited (HUB) | $39,664.50 | $0.00 | $(11,003.70) | $260.17 | -21.22% |
| Iluka Resources Limited (ILU) | $24,125.50 | $0.00 | $(6,299.75) | $367.25 | -19.59% |
| JB Hi-Fi Limited (JBH) | $37,005.80 | $0.00 | $14,774.80 | $1,290.00 | 74.11% |
| Macquarie Group Limited (MQG) | $76,497.00 | $0.00 | $(3,705.80) | $2,773.50 | -1.21% |
| Orora Limited (ORA) | $0.00 | $(1,786.24) | $0.00 | $1,170.00 | -1.07% |
| ResMed Inc. (RMD) | $137,700.00 | $0.00 | $51,850.00 | $1,162.54 | 61.98% |
| Santos Limited (STO) | $15,900.00 | $0.00 | $(5,340.00) | $493.34 | -23.12% |
| Suncorp Group Limited (SUN) | $27,690.00 | $0.00 | $(12,720.00) | $0.00 | -31.42% |
| Telstra Corporation Limited (TLS) | $27,857.00 | $0.00 | $(6,408.00) | $1,424.00 | -14.89% |
| Westpac Banking Corporation (WBC) | $46,131.50 | $0.00 | $(26,753.70) | $2,056.00 | -34.49% |
| Spheria Australian Smaller Companies Fund | $25,863.06 | $0.00 | $(3,982.15) | $369.95 | -12.16% |
| Solaris Australian Equity Long Short Fund | $35,465.38 | $0.00 | $(5,549.25) | $551.44 | -12.35% |
| Worley Limited (WOR) | $25,244.40 | $0.00 | $(17,341.05) | $1,158.00 | -38.54% |
| Woolworths Group Limited (WOW) | $46,562.72 | $0.00 | $5,058.45 | $1,286.47 | 15.54% |
| Woodside Petroleum Ltd (WPL) | $23,273.75 | $0.00 | $(15,813.25) | $1,465.99 | -37.47% |
| Total for Domestic Equity: | $804,437.99 | $(4,916.49) | $(91,993.13) | $23,569.81 | -8.08% |
| **Domestic Fixed Interest** | | | | | |
| Australia and New Zealand Banking Group Limited (ANZPG) | $39,425.00 | $0.00 | $(1,577.00) | $1,574.87 | -0.01% |
| Pendal Monthly Income Plus Fund | $134,172.84 | $0.00 | $(1,866.88) | $2,416.62 | 0.41% |
| Commonwealth Bank of Australia (CBAPF) | $39,468.00 | $0.00 | $(1,287.00) | $1,329.31 | 0.11% |
| Janus Henderson Tactical Income Fund | $41,119.79 | $0.00 | $836.82 | $303.59 | 2.84% |
| Westpac Banking Corporation (WBCPE) | $39,964.00 | $0.00 | $(856.00) | $1,101.40 | 0.61% |
| Total for Domestic Fixed Interest: | $294,149.63 | $0.00 | $(4,750.06) | $6,725.79 | 0.67% |
| **Domestic Property** | | | | | |
| Australian Unity Healthcare Property Trust - Class A Units | $31,714.33 | $0.00 | $1,142.36 | $869.03 | 6.66% |
| Charter Hall Group (CHC) | $30,281.25 | $0.00 | $(9,634.10) | $0.00 | -24.14% |
| Charter Hall Maxim Property Securities Fund | $47,204.54 | $0.00 | $(10,874.35) | $1,139.24 | -16.92% |
| GPT Group (GPT) | $49,927.41 | $0.00 | $(23,706.54) | $1,600.79 | -30.33% |
| Charter Hall Direct Industrial Fund No.3 | $74,472.42 | $0.00 | $7,151.34 | $3,394.62 | 16.02% |
| Stockland (SGP) | $27,969.50 | $0.00 | $(7,267.00) | $1,140.75 | -17.65% |
| Total for Domestic Property: | $261,569.45 | $0.00 | $(43,188.29) | $8,144.43 | -12.65% |
| **International Equity** | | | | | |
| Talaria Global Equity Fund - Wholesale Units | $8,684.68 | $0.00 | $(1,315.32) | $170.17 | -11.57% |
| Maple-Brown Abbott Global Listed Infrastructure | $45,558.48 | $0.00 | $(4,009.53) | $792.93 | -6.53% |
| Antipodes Wholesale Plus Global Fund | $46,487.59 | $0.00 | $(1,341.10) | $0.00 | -2.80% |
| Total for International Equity: | $100,730.75 | $0.00 | $(6,665.96) | $963.10 | -5.61% |
| **International Fixed Interest** | | | | | |
| AB Dynamic Global Fixed Income Fund | $37,935.49 | $0.00 | $(64.51) | $0.00 | -0.17% |
| T. Rowe Price Dynamic Global Bond Fund | $0.00 | $(589.19) | $0.00 | $123.83 | -1.19% |
| Total for International Fixed Interest: | $37,935.49 | $(589.19) | $(64.51) | $123.83 | -1.37% |
| Total for 120012893 (Panorama) – David Kendle | $1,793,905.50 | $(5,505.68) | $(146,968.49) | $43,731.25 | -5.61% |
| **Personal Holdings - values TBC** | | | | | |
| **Domestic Cash** | | | | | |
| isaver | $55,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| NAB Term Deposit | $50,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| Total for Domestic Cash: | $105,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| **Domestic Property** | | | | | |
| Balmoral Property | $1,800,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| Total for Domestic Property: | $1,800,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| Total for Personal Holdings - values TBC: | $1,905,000.00 | $0.00 | $0.00 | $0.00 | 0.00% |
| Total for David Kendle: | $3,698,905.50 | $(5,505.68) | $(146,968.49) | $43,731.25 | -2.83% |
| Grand Total: | $3,698,905.50 | $(5,505.68) | $(146,968.49) | $43,731.25 | -2.83% |

**Note:** Percent Return calculations (Realised and Unrealised) are based on the Opening Value at the commencement of the reporting period NOT the asset’s cost base.

Income for individual investments does not include franking credits. Income is dividends declared not necessarily received during the reporting period.

TWRR – Panorama

| **Position** | **Closing Market Value** | **Income** | **Income And Growth** | **Percent Return** |
| --- | --- | --- | --- | --- |
| **David Kendle** | | | | |
| **1234567 (Panorama) – David Kendle** | | | | |
| Adbri Limited (ABC) | $0.00 | $0.00 | $(3,130.25) | -15.59% |
| AB Dynamic Global Fixed Income Fund | $37,935.49 | $0.00 | $(64.51) | -0.39% |
| AB Managed Volatility Equities Fund | $56,809.45 | $938.94 | $(178.16) | -0.38% |
| Australia and New Zealand Banking Group Limited (ANZ) | $52,192.00 | $4,480.00 | $(22,316.00) | -29.83% |
| Australia and New Zealand Banking Group Limited (ANZPG) | $39,425.00 | $1,574.87 | $(2.13) | 0.08% |
| Talaria Global Equity Fund - Wholesale Units | $8,684.68 | $170.17 | $(1,145.15) | -23.89% |
| Australian Unity Healthcare Property Trust - Class A Units | $31,714.33 | $1,207.78 | $2,350.14 | 7.81% |
| BHP Group Limited (BHP) | $44,775.00 | $1,242.54 | $(2,735.10) | -11.91% |
| Pendal Monthly Income Plus Fund | $134,172.84 | $3,469.06 | $1,602.17 | 1.16% |
| Cash Management Account | $13,676.37 | $126.23 | $126.23 | 0.27% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $415.89 | $415.89 | 1.66% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $352.88 | $352.88 | 1.41% |
| BT Term Deposit: 3 months interest payment at maturity | $100,000.00 | $0.00 | $0.00 | 0.00% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $308.53 | $308.53 | 1.66% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $264.66 | $264.66 | 1.41% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $345.21 | $345.21 | 1.41% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $434.79 | $434.79 | 2.93% |
| BT Term Deposit: 3 months interest payment at maturity | $0.00 | $261.78 | $261.78 | 1.41% |
| BT Term Deposit: 3 months interest payment at maturity | $75,000.00 | $0.00 | $0.00 | 0.00% |
| BT Term Deposit: 6 months interest payment at maturity | $0.00 | $1,196.71 | $1,196.71 | 7.92% |
| Commonwealth Bank of Australia (CBA) | $52,203.84 | $3,241.12 | $(6,805.60) | -10.94% |
| Commonwealth Bank of Australia (CBAPF) | $39,468.00 | $1,329.31 | $42.31 | 0.17% |
| Charter Hall Group (CHC) | $30,281.25 | $0.00 | $(9,634.10) | -51.86% |
| Charter Hall Maxim Property Securities Fund | $47,204.54 | $1,546.24 | $(9,328.10) | -16.46% |
| Estia Health Limited (EHE) | $9,477.09 | $814.97 | $(6,007.30) | -37.29% |
| T. Rowe Price Dynamic Global Bond Fund | $0.00 | $258.11 | $(331.08) | -1.50% |
| GPT Group (GPT) | $49,927.41 | $2,949.81 | $(20,403.30) | -29.11% |
| HUB24 Limited (HUB) | $39,664.50 | $260.17 | $(10,743.53) | -21.24% |
| Iluka Resources Limited (ILU) | $24,125.50 | $367.25 | $(5,932.50) | -19.27% |
| Janus Henderson Tactical Income Fund | $41,119.79 | $488.09 | $1,324.91 | 3.31% |
| JB Hi-Fi Limited (JBH) | $37,005.80 | $1,290.00 | $16,064.80 | 73.71% |
| Charter Hall Direct Industrial Fund No.3 | $74,472.42 | $4,490.80 | $11,642.14 | 17.92% |
| Maple-Brown Abbott Global Listed Infrastructure | $45,558.48 | $1,231.14 | $(2,778.38) | -5.82% |
| Macquarie Group Limited (MQG) | $76,497.00 | $1,612.50 | $(2,093.30) | -1.74% |
| Orora Limited (ORA) | $0.00 | $1,170.00 | $(616.24) | -2.52% |
| Russell Investments Global Listed Infrastructure $A Hedged Class A | $23,843.42 | $0.00 | $(3,252.46) | -11.98% |
| Russell Investments Multi-Asset Growth Strategy Fund - Class A | $24,195.94 | $389.73 | $(404.44) | -1.64% |
| ResMed Inc. (RMD) | $137,700.00 | $1,162.54 | $53,012.54 | 61.89% |
| Schroder Real Return CPI +5% Fund - Wholesale Class | $24,078.98 | $857.90 | $181.85 | 0.65% |
| Stockland (SGP) | $27,969.50 | $2,332.20 | $(4,934.80) | -15.77% |
| Santos Limited (STO) | $15,900.00 | $493.34 | $(4,846.66) | -22.72% |
| Suncorp Group Limited (SUN) | $27,690.00 | $0.00 | $(12,720.00) | -31.42% |
| Telstra Corporation Limited (TLS) | $27,857.00 | $1,424.00 | $(4,984.00) | -14.60% |
| Westpac Banking Corporation (WBC) | $46,131.50 | $2,056.00 | $(24,697.70) | -34.56% |
| Westpac Banking Corporation (WBCPE) | $39,964.00 | $1,101.40 | $245.40 | 0.71% |
| Antipodes Wholesale Plus Global Fund | $46,487.59 | $3,072.77 | $1,731.67 | 3.39% |
| Spheria Australian Smaller Companies Fund | $25,863.06 | $3,848.75 | $(133.40) | -2.34% |
| Solaris Australian Equity Long Short Fund | $35,465.38 | $1,279.80 | $(4,269.46) | -10.68% |
| Firetrail Absolute Return Fund - Class A | $34,287.48 | $13.19 | $4,429.32 | 14.80% |
| Worley Limited (WOR) | $25,244.40 | $1,158.00 | $(16,183.05) | -37.25% |
| Woolworths Group Limited (WOW) | $46,562.72 | $1,286.47 | $6,344.92 | 15.36% |
| Woodside Petroleum Ltd (WPL) | $23,273.75 | $1,465.99 | $(14,347.26) | -36.27% |
| Total for 1234567 (Panorama) – David Kendle: | $1,793,905.50 | $59,781.63 | $(92,339.11) | -4.78% |
| **Personal Holdings - values TBC** | | | | |
| isaver | $55,000.00 | $0.00 | $0.00 | 0.00% |
| Balmoral Property | $1,800,000.00 | $0.00 | $0.00 | 0.00% |
| NAB Term Deposit | $50,000.00 | $0.00 | $0.00 | 0.00% |
| Total for Personal Holdings - values TBC: | $1,905,000.00 | $0.00 | $0.00 | 0.00% |
| Total for David Kendle: | $3,698,905.50 | $59,781.63 | $(92,339.11) | -2.41% |
| Grand Total: | $3,698,905.50 | $59,781.63 | $(92,339.11) | -2.41% |

**Note:** Percent Return calculations (Realised and Unrealised) are based on the Opening Value at the commencement of the reporting period NOT the asset’s cost base.

Income for individual investments does not include franking credits. Income is dividends declared not necessarily received during the reporting period.

|  |  |  |
| --- | --- | --- |
|  | Proposed Asset Allocation |  |

Proposed Asset Allocation

The following demonstrates the proposed asset allocation of your portfolio following the implementation of our advice and describes any significant variations from your agreed target.

The asset allocation of your portfolio may also vary from the figures shown. This is outlined in the table below/overleaf and any large variances explained.

INCLUDE AGREED v PROPOSED Asset Allocation chart & table

\*\*\* Investment Strategy dated 05/12/2013

|  |  |  |  |
| --- | --- | --- | --- |
| **Asset Class** | **Minimum** | **Agreed** | **Maximum** |
| Australian Equities | 45.00% | 55.00% | 65.00% |
| International Equities | 0.00% | 2.00% | 10.00% |
| Property | 0.00% | 10.00% | 20.00% |
| Alternative | 0.00% | 0.00% | 0.00% |
| Fixed Interest | 0.00% | 15.00% | 25.00% |
| Cash | 0.00% | 15.00% | 25.00% |

INCLUDE AGREED v PROPOSED Asset Allocation chart & table from BFS Review Tool

**Proposed Totals by Asset Class - All**

| **Asset Class** | **Current Units** | **Action** | **Current** | **Proposed** | **Change** |
| --- | --- | --- | --- | --- | --- |
| **David KEndle** | | | | | |
| **1234567 (Panorama) – David Kendle** | | | | | |
| International Fixed Interest | 35,838.91 |  | $37,935.49 | $37,935.49 | $0.00 |
| Domestic Fixed Interest | 166,396.76 |  | $294,109.93 | $294,109.93 | $0.00 |
| Domestic Cash | 221,462.74 |  | $222,892.07 | $222,906.74 | $14.67 |
| Domestic Property | 162,549.96 |  | $267,535.72 | $267,535.72 | $0.00 |
| Alternative | 21,697.53 |  | $23,843.42 | $23,843.42 | $0.00 |
| Blended | 46,478.05 |  | $48,401.00 | $48,401.00 | $0.00 |
| International Equity | 76,354.43 |  | $100,730.75 | $100,730.75 | $0.00 |
| Domestic Equity | 125,603.55 |  | $826,009.21 | $834,166.30 | $8,157.09 |
| Total for 1234567 (Panorama) – David Kendle: |  |  | $1,821,457.59 | $1,829,629.35 | $8,171.76 |
| **Personal Holdings - values TBC** | | | | | |
| Domestic Property | 1,800,000.00 |  | $1,800,000.00 | $1,800,000.00 | $0.00 |
| Domestic Cash | 105,000.00 |  | $105,000.00 | $105,000.00 | $0.00 |
| Total for Personal Holdings - values TBC: |  |  | $1,905,000.00 | $1,905,000.00 | $0.00 |
| Total for David Kendle: |  |  | $3,726,457.59 | $3,734,629.35 | $8,171.76 |
| Grand Total: |  |  | $3,726,457.59 | $3,734,629.35 | $8,171.76 |

EDIT AS APPROPRIATE

**Asset Allocation Variance**

**?? EDIT – base decision on overall Growth / Defensive allocation AND then highlight any asset class that is greater than 5% over/under weight**

EITHER THIS SENTENCE

The proposed allocation is broadly aligned with the benchmark allocation.

OR THIS SENTENCE… **EDIT SO IT MAKES SENSE** WITH THE AA CHART

The proposed allocation has a bias (10%) towards Growth / Defensive assets, specifically Australian Equities, International Equities, Property, Fixed Interest, Cash.

OR THIS SENTENCE… **EDIT SO IT MAKES SENSE** WITH THE AA CHART

The proposed allocation is broadly aligned with the benchmark allocation with a slight bias (~5%) towards Growth / Defensive assets, specifically Australian Equities, International Equities, Property, Fixed Interest, Cash.

These significant variations exist because:

**EDIT – amend or add accordingly**

* Positive performance of Australian Equities in the past 12 – 18 months,
* Negative performance of Australian Equities in the past 6 – 12 months,
* You want into invest surplus fund in Australian Equities for potential capital growth and to receive franking credits.
* Positive performance of International Equities in the past 12 – 18 months,
* Negative performance of International Equities in the past 6 – 12 months,
* Positive performance of Property in the past 12 – 18 months,
* Negative performance of Property in the past 6 – 12 months,
* Retaining a larger portion of the portfolio in Fixed Interest to enhance the returns of funds held in Fixed Interest / Cash.
* Retaining a larger portion of the portfolio in Cash with a degree of flexibility necessary to take advantage of future investment opportunities and the liquidity necessary to fund any potential drawdowns.

**Always include first paragraph**

**Note:** Investment Managers may, within limits, vary the asset allocation of their investment portfolios from time to time depending on their views. This may result in small variations in the asset allocation of your investment portfolio.

**?? USE IF – Portfolio has Infrastructure**

The Infrastructure Funds invest in International companies, therefore may be allocated to International Equities rather than Property/Infrastructure.

**?? USE IF – Portfolio holding Aust Unity Health Property Fund**

The Australian Unity Health Property Fund is allocated to Property however was recommended based on its defensive characteristics to generate a regular income with negligible capital risk (see specific investment recommendation)

You should review any significant variations and confirm that they are acceptable in light of the fund’s investment strategy, the fund’s target asset allocation and the investment preferences of members.

It is important that our recommendations are reviewed on a regular basis to ensure the overall strategies and portfolio asset allocation remains within the appropriate range for the selected risk profile and continues to meet the fund’s needs.

|  |  |  |
| --- | --- | --- |
|  | Recommended Portfolio Changes |  |

Recommended Portfolio Changes

Having considered your needs and the available research, we recommend the following changes to your investment portfolio:

**Recommended Changes to Portfolio (as at 06 July 2020)**

| **Security** | **Position** | **Action** | **Current Value** | **Proposed** | **Change** |
| --- | --- | --- | --- | --- | --- |
| **David Kendle** | | | | | |
| **1234567 (Panorama) – David Kendle** | | | | | |
| **Domestic Cash** | | | | | |
| BTCMA | Cash Management Account | Buy | $13,604.59 | $13,619.26 | $14.67 |
| Total for Domestic Cash: | | | $13,604.59 | $13,619.26 | $14.67 |
| **Domestic Equity** | | | | | |
| BHP | BHP Group Limited (BHP) | Buy | $45,325.00 | $80,569.72 | $35,244.72 |
| ORA | Orora Limited (ORA) | Sell | $0.00 | $(45,720.00) | $(45,720.00) |
| SHL | Sonic Healthcare Limited (SHL) | Buy | $0.00 | $18,632.37 | $18,632.37 |
| Total for Domestic Equity: | | | $45,325.00 | $53,482.09 | $8,157.09 |
| Total for 1234567 (Panorama) – David Kendle: | | | $58,929.59 | $67,101.35 | $8,171.76 |
| David Kendle: | | | $58,929.59 | $67,101.35 | $8,171.76 |
| Grand Total: | | | $58,929.59 | $67,101.35 | $8,171.76 |

We anticipate that in the normal course of market events, your portfolio may change in value before we implement these recommendations. If that is the case our recommendations will be implemented in the proportions shown above.

|  |  |
| --- | --- |
| Why this benefits you | * The recommended portfolio is in line with your agreed asset allocation. * The investments are professionally researched and we are kept regularly informed of any changes which may impact on your portfolio via our research department.   EDIT – re direct equities – remove if not in portfolio   * The recommended Direct Equities: * Allow you to become a part owner of a company. * Provide you with control of assets purchased and tax consequences. * Do not incur an annual investment management fee, there is simply a brokerage payable by you at the purchase and sale dates. * The recommended Managed Funds: * Provide access to the expertise of a professional fund manager that reduces the cost and time associated with building a diverse investment, by you. * Offer access to a range of investments that may not ordinarily be available or affordable to you as a single investor. * Provide access to a qualified fund manager’s expertise, resources and experience. * Buy and sell large amounts of securities at a time, thus their transaction costs are lower than you would pay. * Offer access to different fund managers, asset classes, companies, industries, sectors and countries. To achieve this level of diversification when investing directly, you would need large sums of money. * Allow you to share the costs of investing (fees, brokerage, etc) across the fund with other investors. |

|  |  |
| --- | --- |
| **Things you should consider** | * Buying and selling units in managed funds incurs a fee (buy/sell spread). Please refer to the relevant investment PDS provided for further details. * Buying and selling shares incurs a Brokerage fee. Please refer to the section titled ‘Fees and Charges’ for further details. * Investment managers charge for their services. |

**Approved Product List**

Each of these investments has been recommended after considering your needs and objectives. To assist us in selecting suitable investments our research team review a range of offerings before providing us with a list of approved products. These approved products, sourced from leading providers, are the ones that they believe present the best opportunities for our clients.

Where your needs can’t be met from this list, or where we feel it is in your best interests to recommend a product that is not drawn from this list, we can certainly do so. We will only recommend products for you after appropriate investigation of the suitability and quality of the particular investment product concerned has been completed.

**ASX Listed Investments**

EDIT per which broker

We have recommended Bell Potter review the ASX listed investments within your portfolio.

We have recommended Ord Minnett review the ASX listed investments within your portfolio.

EDIT - Growth

As the focus of the portfolio is for long term capital growth we have recommended the Australian Equities within the portfolio are reviewed to ensure that the portfolio has the potential for capital growth to build retirement capital in line with the agreed asset allocation.

EDIT - Income

As the focus of the portfolio is to provide tax effective income we have recommended the Australian Equities within the portfolio are reviewed to ensure that the portfolio has the potential to generate fully franked dividends for retirement income in line with the agreed asset allocation.

EDIT – Growth & Income

As the focus of the portfolio is to provide a mix of capital growth and tax effective income we have recommended the Australian Equities within the portfolio are reviewed to ensure that the portfolio has the potential for capital growth to build retirement capital and to generate fully franked dividends for produce a tax effective income stream in line with the agreed asset allocation.

ALWAYS INCLUDE ONE OF THE FOLLOWING – to accompany brokers recs

*Please see the appendices for Bell Potter’s detailed recommendations and research.*

*Please see the appendices for Ord Minnett’s detailed recommendations and research.*

IF NO CHANGES TO ASX listed holdings

Bell Potter has reviewed the portfolio and has recommended that all current ASX listed investments are retained. Ie No Changes required.

Ord Minnett has reviewed the portfolio and has recommended that all current ASX listed investments are retained. Ie No Changes required.

**Managed Funds**

Our investment recommendations are made following an assessment of the investment manager styles, management ability, past performance and fund objectives as well as considering your investment risk profile.

Managed funds are selected from our licensor’s approved product list.

Please refer to the attached “product summaries” on each recommended investment.

We have recommended managed funds for your investment portfolio that are suited to obtaining your specific goals and objectives, namely providing diversification of managerial styles and investments across different asset classes as per the agreed asset allocation.

We have recommended the re-balance of the current investments within each asset class in accordance with our model portfolio, Lonsec Research and the agreed asset allocation.

XX- Only use wording below to detail rationale’ for investing and or redeeming entire investments.

**Australian Equity Funds**

**\*\* USE THIS *IF REDEEMING to another growth asset class***

We have recommended the xxXXxx Fund is redeemed and the proceeds invested in **EDIT** to reduce exposure to Australian Shares and maintain exposure to “growth” assets.

**\*\* USE THIS *IF REDEEMING within Australian Equities***

We have recommended the xxXXxx Fund is redeemed and the proceeds invested in Australian Shares to maintain exposure to “growth” assets and exposure to Australian Shares.

**\*\* USE THIS *IF REDEEMING to cash / fixed interest***

We have recommended the xxXXxx Fund is redeemed and the proceeds invested Fixed Interest / Cash to re-balance the portfolio’s asset allocation and / or provide for future pension withdrawals.

***Pengana Australian Equities Fund***

* Recommended - Lonsec Rating September 2018
* The fund focuses on achieving absolute returns and preserving capital with a concentrated portfolio of 15 to 25 stocks. The fund can also invest in up to 20% in non-Australian stocks, hybrids, ETF’s and bond, as well as having the discretion to hold up to 20% in cash.
* The fund is likely to outperform in declining markets and underperform during bullish markets, primarily due to its active stock positions and allocation to cash.

***## reason for redeeming***

* The performance objective has not been achieved during the past 3 years.
* The fund has significant exposure to the financial sector, ie 35.83%.

IF INCOME FOCUSED INCLUDE

* The yield during the past 12 months was 5.83%, compared to Plato Income fund of 9.65%.
* The investment management costs are 1.02%, higher than similar funds.

**\*\* USE THESE BELOW - ONLY REQUIRED if adding a new managed fund to portfolio.**

We have recommended the following equity funds to provide diversification across the Australian Equities market.

***Allan Gray Australia Equity Fund***

* Highly Recommended - Lonsec Rating August 2019.
* A “long only” fund, investing in mid to small capitalisation Australian companies.
* Typically holds 30 to 50 stocks.

The fund adopts a contrarian philosophy and an opportunistic approach to research. Therefore the fund is not tied to, or required to maintain coverage of any particular sectors, resulting in investing in shares often “disliked” by other funds.

As the fund adopts a 5 – 10 year investment time frame the performance is not biased to particular market movements and therefore suits longer term investment.

***AllianceBernstein Managed Volatility Equities Fund***

* Highly Recommended - Lonsec Rating August 2019.
* Objective is to outperform the FTSE ASFA Australia 300 index (after fees) over the medium to long term.
* Aims to achieve 80% of upside in rising markets and protect against 50% of the downside in falling markets.
* Typically holds 60 – 70 mid to large cap stocks which include 15 – 20 global stocks.
* May hold up to 20% in cash.
* Derivatives may be used to manage risk / volatility, but not to gear the fund.

Characteristics of selected stocks include;

* Look for companies that have a low beta with the market, which have strong cash flows/balance sheets, and are reasonably priced.
* Ensure there are not any events that may affect current holdings to the downside; if there are the stock is sold.
* If there are not any opportunities on the ASX for sectors that display the above characteristics, offshore sectors are considered, such as Health, IT and Consumer spending.

***T Rowe Price Australian Equity Fund***

* Highly Recommended - Lonsec Rating November 2018.
* The objective of the Fund is to outperform its benchmark, the S&P/ASX200 accumulation Index (’the Index’), by 3% (pre-fees) over rolling three year periods.
* The investment approach involves ranking a company’s quality based on return on capital and earnings growth resulting in a portfolio of 30 to 50 stocks.
* The fund is a “long only” fund and is best suited within the growth component of a portfolio.
* The management fee of 0.60% is the lowest in the Australian Equities “Growth” peer group.

***Plato Australian Shares Income Fund***

* Highly Recommended - Lonsec Rating July 2019.
* Tax aware strategy specifically designed for 0% tax payers.
* Seeks to generate income through investing in fully franked dividend yielding stocks in the run up period to the ex-dividend dates.
* Typical holds 50 – 100 large to mid-cap Australian shares.
* The fund pays distributions on a quarterly basis.

***Solaris Australian Equity Long Short Fund***

* Highly Recommended - Lonsec Rating July 2019.
* Objective is 4.0% pa outperformance of the S&P/ASX200 Accumulation Index over rolling 3 year periods before fees.
* Typical holds 40 – 70 long positions and 20-30 short positions in large to mid-cap Australian shares.
* The fund pays distributions on a semi-annual basis.

***OC Premium Small Companies Fund***

* Highly Recommended - Lonsec Rating February 2019.
* Objective is to outperform the benchmark by 3% - 5% over rolling 5 year periods.
* Typically holds 30 – 50 small cap stocks.
* Favours industrial stocks and generally avoids resources / mining stocks.
* Currently has a relatively low FUM which Lonsec view as a competitive advantage.

***Spheria Australian Microcap Fund***

* Recommended - Lonsec Rating February 2019.
* Objective is to outperform the benchmark by 3% over rolling 5 year periods.
* Typically holds 30 – 40 small cap stocks.
* Focus on purchasing securities where the present value of future free cash flows can reasonably be ascertained with a preference for companies with low or no gearing.

**Note:** This product is suitable only for long-term investors with a high risk/ return profile, who seek to complement their existing equity exposure across the capitalisation spectrum.

Microcap funds invest in a market that is less liquid and more volatile than the large cap Australian equity market.

***Tyndall Australian Share Portfolio***

* Recommended - Lonsec Rating August 2019.
* The fund has an active, value biased investment style and invests primarily in large capitalisation Australian companies. The fund uses a high conviction strategy, typically holding 20 to 35 stocks.
* The fund manager has the discretion to take advantage of stock opportunities; therefore the performance is driven by stock selection.

***Investors Mutual Equity Income Fund***

* Highly Recommended - Lonsec Rating August 2019.
* Seeks to generate income through investing in dividend yielding stocks.
* A buy/write option strategy generates further income.
* Typical holds 20 – 40 large cap Australian shares.
* The fund pays distributions on a quarterly basis.

***Ironbark Karara Australian Small Companies Fund***

* Recommended - Lonsec Rating February 2019.
* The Fund may suit an investor seeking high growth potential over the suggested investment horizon and, willing to accept the higher risk/return profile of investing in an actively managed portfolio of smaller companies listed on the ASX.
* The Fund will primarily invest in securities of companies not included in the S&P/ASX 100 Index, however up to 15% of the Fund may be invested in securities included in the S&P/ASX MidCap 50 Index.
* The fund typically holds 25 to 55 stocks.

***Spheria Australian Smaller Companies Fund***

* Highly Recommended - Lonsec Rating February 2019.
* Objective is to outperform the benchmark by 3% over rolling 5 year periods.
* Typically holds 30 – 40 small cap stocks.
* Focuses on stocks that have free cash generation and low debt, ie “quality bias”.
* Has relatively low FUM.

**International Equity Funds**

**\*\* USE THIS *IF REDEEMING to Aussie shares***

We have recommended the <NAME-OF-FUND> is redeemed and the proceeds invested in Australian Shares to maintain exposure to “growth” assets and reducing exposure to International Shares.

**\*\* USE THIS *IF switching between International shares EDIT funds***

We have recommended the (partial) redemption of xxxxxx Fund and the proceeds re-invested in International Equities to;

* include a Value style managed fund within the International equity asset allocation.
* provide diversification and exposure to non US markets EDIT emerging markets.
* maintain exposure to “growth” assets.
* maintain exposure to International equities.

**\*\* USE THIS - ONLY REQUIRED if adding a new managed fund to portfolio.**

We have recommended the following equity funds to provide diversification across the International Equity markets;

***Antipodes Global Fund***

* Recommended - Lonsec Rating March 2019.
* Aims to minimise the risk of permanent capital loss or unforeseen volatility.
* Produce returns in excess of benchmark at below market level of risk.
* Typically holds 30 to 60 stocks.
* May utilise short selling, derivatives, debt and unlisted securities.

***Magellan Global Fund***

* Recommended - Lonsec Rating as at March 2019.
* Seeks to invest in “outstanding companies”, ie those with “sustainable competitive advantage”.
* The investment philosophy underpinning this Fund has several elements in common with that of the 'value' approach used by Warren Buffett of Berkshire Hathaway.
* A concentrated 20-40 stock portfolio that is highly differentiated from the benchmark.
* Exposure to emerging markets is limited to a maximum 20% of the portfolio.
* Expected to outperform in declining/distressed markets but is likely to lag behind recovering/strong markets.

***Walter Scott Global Equity Fund***

* Recommended - Lonsec Rating as at March 2019.
* Targets absolute returns through a concentrated portfolio of 40-60 mid to large cap ‘growth’ stocks.
* Has very low levels of share turnover.

***Talaria Global Equity Fund – WS Units***

* Recommended - Lonsec Rating as at April 2019.
* Takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe.
* Has a unique implementation process, via being paid to commit to buy stocks in the future (through selling of 100% cash backed put options), therefore generates three very distinct portfolio outcomes: High Income, Lower Risk and Downside protection.
* Expects to outperform broader global equity markets over a full market cycle through a delivering more consistent returns. This is expected to be delivered through relative underperformance in strongly rising equity markets, albeit with positive returns, and outperformance in negative or weak equity markets.

***PM Capital Global Companies Fund***

* Recommended - Lonsec Rating as at April 2019.
* Aim to outperform MSCI world index over a 7 year period whilst preserving capital.
* The Fund has a contrarian style resulting in investing in companies that have fallen out of favour with the broader market on the premise that the negative factors are often short term and the company’s value will be restored in time.
* The Fund typically holds 25 to 45 core holdings and can utilise the following strategies; stock shorting, derivatives, debt and unlisted securities and cash borrowing.

***Fidelity Asia Fund***

* Highly Recommended - Lonsec Rating as at March 2020.
* Aim to outperform MSCI AC Asia (ex Japan) over a 5 to 7 year period.
* The Fund typically holds 20 to 30 core with 20% soft limits for sector / industry and country / region, which provide an anchor of large cap, stable companies with strong balance sheets and steady cash flows to provide some downside protection.

***GQG Partners Emerging Markets Equity Fund***

* Highly Recommended - Lonsec Rating February 2020.
* Has an actively-managed, fundamental emerging markets equities strategy.
* Is a “long only” fund and invests in 35 - 70 stocks targeting ‘Quality at a Reasonable Price’.
* The fund targets an excess return of 2.0% - 3.0% above the MSCI Emerging Market ex Tobacco index over rolling 3 - 5 year periods.

**Note:** This fund will be available on Panorama / Insignia in early March 2020.

***Pengana Global Small Companies Fund***

* Recommended - Lonsec Rating March 2019.
* The fund provides differentiated exposure to a high conviction, small-caps portfolio of what Lonsec considers to be truly idiosyncratic investment ideas.
* Is a “long only” fund and invests in 30 - 80 small to mid cap stocks.
* The fund targets an excess return of 3.0% above the MSCI All country world small index over rolling 3 year periods.

***Robeca Emerging Conservative Equity Fund***

* Recommended - Lonsec Rating January 2020.
* An ‘active’, ‘long- only’, quantitative developed-markets equities strategy.
* Focuses on ‘low-volatility’ stocks and aims to deliver returns equal to or greater than the MSCI Emerging Markets Index A$ (’the Benchmark’) with lower risk than the market.
* Hold between 150-200 securities with an expected turnover of 25% p.a.
* The investment process is considered logical, well developed and consistently applied with encouraging levels of ESG awareness.

***Polaris Global Equity Fund***

* Recommended - Lonsec Rating January 2020.
* Aims to achieve a long term return that exceeds the MSCI World (ex Aust) index.
* The Fund is an actively managed, ‘long-only’, benchmark-unaware investment product that invests in equities across global markets.
* The Fund will be fully invested in 65 – 100 stocks, with cash typically less than 5%.
* The Fund can invest across the market-cap spectrum, in recent times it has displayed a small to mid.
* The management fee is at the upper end for value style global equities funds.

***Grant Samuel Epoch Global Equity Shareholder Yield***

* Recommended - Lonsec Rating January 2020.
* Actively managed benchmark unaware, long only style fund.
* Yield Focused – aims to derive 4.0%.
* Little to no crossover of holdings with Magellan, Vanguard, Walter Scott.

***Vanguard Wholesale International Shares Index Fund***

* Highly Recommended - Lonsec Rating April 2019.
* A passive manager which aims to mirror the benchmark (index).
* Provides broader exposure in both countries, sectors and number of companies.
* Low cost in comparison to Active managers (ICR fee 0.18%).

XXXXXXX-HEDGE-XXXXXXXXX

**Hedge against currency risk**

Currency Risk is the possibility that currency depreciation will negatively affect the value of assets, investments, and related interest and dividend payment streams, that are denominated in foreign currency.

To protect against currency risk we recommend that $xxxx be invested in the following Hedged International Equities funds.

***Walter Scott Global Equity Fund (Hedged)***

* Recommended - Lonsec Rating as at March 2019.
* Targets absolute returns through a concentrated portfolio of 40-60 mid to large cap ‘growth’ stocks.
* Has very low levels of share turnover.

***Maple-Brown Abbot Infrastructure Fund (Hedged)***

* Recommended - Lonsec Rating April 2019.
* Focuses on the strong ‘core’ infrastructure characteristics – inflation protection and consistent cash flow.
* Typically holds 25 – 35 stocks with hard limits on individual stocks, country and regions.
* Target is to outperform the OECD benchmark + 5.5% per annum.
* Suitable for investors with a five-year plus investment horizon.

**Property & Infrastructure**

IF REDEEMING to another asset class use wording along the lines of

We have recommended redeeming $xx,000 from XX fund and the proceeds invested in Australian Shares to maintain exposure to “growth” assets and reducing exposure to Property.

Anything to redeem???

***Reason for redeeming:*** Insert reasons xxxxxx

**\*\* USE THIS - ONLY REQUIRED if adding a new managed fund to portfolio.**

We have recommended the following funds to provide diversification across the property sector.

***Australian Unity Property Income Fund***

* Recommended - Lonsec Rating April 2019.
* Invests in a portfolio of Australian direct property assets, unlisted property funds, ASX listed real estate investment trusts (A-REITs) and has a small allocation to cash.
* Aims to provide a relatively high-income yield and the potential for capital growth over the medium-to-long term, with relatively low levels of volatility.
* Quarterly distributions.

***Charter Hall Maxim Securities Fund***

* Recommended - Lonsec Rating March 2019.
* Aims to outperform AREIT Accumulation Index by 1.5% utilising a value / income bias style to reduce volatility.
* Invests in 10 to 20 Australian Real Estate Investment Trusts.
* Focuses on a diverse range of A-REITs with higher yield and stable rental income.
* Smaller fund, which allows manager to take meaningful positions in emerging opportunities.
* Quarterly distributions.

***Cromwell Phoenix Property Securities Fund***

* Highly Recommended -Lonsec Rating March 2019.
* seeks to generate returns 3% p.a. (after fees) above the S&P/ASX 300 A-REIT Accumulation Index over rolling five-year periods with lower total risk.
* Quarterly distributions.
* Fund can invest in infrastructure, property development companies and hold up to 20% in cash.
* Suitable for medium to high-risk profile investors with a 5+ year investment-time horizon.

***Charter Hall Direct Industrial Fund #4***

* Recommended - Lonsec Rating May 2019.
* Unlisted Property Trust investing in Australian industrial property assets.
* Quarterly distributions.
* Limited Liquidity – there will be no redemption opportunities until November 2021.
* Suitable for medium to high-risk profile investors with a 5+ year investment-time horizon.

***Maple-Brown Abbot Infrastructure Fund***

* Recommended - Lonsec Rating April 2019.
* Focuses on the strong ‘core’ infrastructure characteristics – inflation protection and consistent cash flow.
* Typically holds 25 – 35 stocks with hard limits on individual stocks, country and regions.
* Target is to outperform the OECD benchmark + 5.5% per annum.
* Suitable for investors with a five-year plus investment horizon.

***Russell Global Listed Infrastructure $A Hedged***

* Recommended - Lonsec Rating May 2019.
* More growth orientated than the RARE Infrastructure Fund.
* Uses a number of managers to identify opportunities in developed and emerging markets.
* Compliments the RARE Infrastructure Fund – minimal cross-over of holdings.
* Suitable for investors with a five-year plus investment horizon.

***UBS Clarion Global Property Securities Fund***

* Recommended - Lonsec Rating August 2019.
* Provides broad exposure and diversification across Australian and international markets.
* Invests in companies with minimum market capitalisation of $US100 million.
* Has a relatively low portfolio turnover.

***EQT SGH Wholesale Property Income Fund***

* Recommended - Lonsec Rating April 2019.
* Focuses on yield and aims to generate a return of CPI + 3.0% over a 5 year period.
* Invests in 20 to 25 Australian Real Estate Investment Trusts.
* Smaller fund, which allows manager to take meaningful positions in emerging opportunities.
* Quarterly distributions.

***Charter Hall Direct Industrial Fund #3***

* ***Soft Close*** – existing investors can retain but unable to increase investment.
* Recommended - Lonsec Rating August 2016.
* Unlisted Property Trust investing in Australian industrial property assets.
* Quarterly distributions with 6 monthly redemption offers.
* Limited Liquidity.
* Suitable for medium to high-risk profile investors with a 5+ year investment-time horizon.

***Charter Hall Direct Office Fund***

* *Closed to new investors.*
* Highly Recommended - Lonsec Rating July 2018.
* Due to the long term nature of the investment the fund manager provides investors the opportunity to redeem funds on a 6 monthly basis.

***Vanguard Property Securities Index Fund***

* Highly Recommended - Lonsec Rating May 2019.
* Provides broad exposure and diversification across international markets.
* Does not invest in direct property.
* Low cost, comparable to ETFs – see ICR fees.

**Diversified Income Alternatives**

***Please note:*** these investments are “income focused” investments however they have capital exposure risk, albeit small.

Adding managed Funds

In order to increase yield for the “defensive” portion of the portfolio we have recommended investing in Diversified Income Alternatives using managed funds.

***Firetrail Absolute Return Fund - Class A***

* Recommended - Lonsec Rating July 2019.
* Has an internal objective to deliver absolute returns of the RBA Cash Rate plus 7% p.a. (before fees) over the medium term.
* Invests predominately in Australian Equities but can invest in up to 50% net in international equities.
* Has the capacity to use other derivatives, such as contracts for difference, futures or options to hedge or achieve additional exposure to particular investments.
* The Fund is expected to hold approximately 100 to 140 long and short positions. Gross exposure is expected to be fairly constant at close to 300% and turnover of approximately 150%.
* The net exposure is expected to be managed in a range of approximately 0-10%, resulting in a ‘cash allocation’ of approximately 90%.

**Note:**

* Potential investors should be aware of, and comfortable with, the potential for the Fund to experience periods of negative returns which may result in capital losses being incurred.
* Lonsec recommends that the Fund is suitable for investors with an investment time horizon of at least five years.

***Schroder’s Real Return Fund***

* Highly Recommended - Lonsec Rating March 2019.

The fund targets a return of 5% per annum above the current Australian inflation rate while taking on minimal risks. Investments are managed with the intention of minimising the chance of losing money (capital loss), whilst maximising the opportunity to meet the return target.

The fund invests across 3 types of investments according to the likely returns and the risk.

* Defensive assets – are relatively safe such as Government issued debt and cash.
* Diversifying assets – offering better potential returns but with slightly more risk for example corporate bonds.
* Growth assets – offer potentially the highest returns but can be quite volatile.

***Perpetual Diversified Real Return Fund***

* Highly Recommended - Lonsec Rating February 2019.
* Targets a pre-tax return of 5%pa above inflation before fees over rolling five year periods.
* Aims to extract the value premium within asset classes (stock selection and sector positioning) and across asset classes (asset allocation).
* Relies on diversification, value and quality, as well as portfolio protection strategies, to protect the Fund during extreme market events.
* The Fund can invest in a range of asset classes including Australian/global equities, investment grade credit, inflation-linked bonds, emerging market debt, syndicated loans, secured private debt, infrastructure debt and commodities.

***Russell Investments Multi-Asset Growth Strategy Fund***

* Investment Grade - Lonsec Rating February 2019 **\*\*\* UNABLE TO INVEST \*\*\***
* Recommended - Lonsec Rating February 2018.
* Aims to provide a return of 4.0% above CPI over the medium to long term with a focus on risk management – lower volatility and few drawdowns than equities or traditional diversified funds
* Invests across all asset classes utilising managed funds, derivatives, ETFs and direct holdings.
* Quarterly Distributions.

The fund was established in 2014 and to date its performance has exceeded its peer median and its benchmark. However volatility has been higher than the peer median over this period.

***Australian Unity Healthcare Property Trust – NOW CLOSED FOR NEW APPLICATIONS***

* Highly Recommended - Lonsec Rating May 2017.

Due to the Trust’s significant success, the manager has decided to temporarily suspend applications has been taken in order to protect the interests of current investors.

The decision to temporarily suspend applications for all unit classes from new investors, additional applications from existing investors, and re-investment of distributions will be reviewed on an ongoing basis as we progress the Trust’s development and acquisition program.

We recommend that the Australian Unity Healthcare Property Trust Fund is retained as;

* Due to nature of assets capital growth / loss is negligible.
* The fund pays distributions on a quarterly basis.
* The long term lease revenue from Private Hospitals and Medical Clinics located predominantly in Victoria and New South Wales will provide regular, stable income.
* The expected yield for the fund for the next 5 – 7 years is approx. 6.00% per annum.

**NOTE:** Withdrawals are only available on a 3 monthly basis.

**Fixed Interest Funds**

**USE/EDIT IF SWITCHING FUNDS** -

We recommend that the EDIT partial EDIT redemption of Schroder Fixed Income Fund / Vanguard W’sale Australian Fixed Interest Index Fund is redeemed and the proceeds invested in xxxxxxx Fund to;

**Xx if less than $50k** in T Rowe – switch entire holding

**Xx if greater than $50k** in T Rowe – switch half

We recommend the EDIT partial EDIT redemption of T Rowe Price Global Fixed Income Fund and the proceeds are invested in AB Dynamic Global Fixed Income Fund.

The reasons for switching from T Rowe Price Global Fixed Income Fund to AB Dynamic Global Fixed Income Fund and why it will put the portfolio in a better position are;

* Provides greater diversity to International bonds, including European bonds.
* Reduces the exposure to low credit rating bonds (as at June 2019 T Rowe have ~14% of portfolio with BB rating or lower).
* The T Rowe Price Dynamic Global Bond fund has underperformed the benchmark and peers over the last 1 to 3 years.
* The exposure to Fixed Interest / Defensive assets sector will be maintained in the in line with the agreed asset allocation.

**Note:** the ICR for AB Dynamic Global Fixed Income Fund is 0.55% which is higher than T Rowe Price Global Fixed Income Fund ICR fee of 0.46%, resulting in an increase of ICR fees of $xxx per annum.

***AB Dynamic Global Fixed Income Fund***

* Recommended - Lonsec Rating September 2019.
* Lonsec suggests that the Fund should only be considered for investors with higher risk tolerances who want income returns exceeding Australian bank bills over the long term by investing in global debt or fixed income securities.
* The underlying strategy has been running since June 2008. Since inception, the Strategy’s average annual AUD return has met the Manager’s internal performance target of 2-3% above the Bloomberg Ausbond Bank Bill Index, before fees.
* The fund may strategically invest in sub-investment grade securities to a maximum of 40% of the Fund.
* Lonsec believes it is difficult to ‘pigeon hole’ the Fund either as a pure traditional fixed interest or pure credit fund. As such, it is best used to complement other traditional fixed income funds.

***Schroder Fixed Income Fund - (THIS SHOULD BE A DRAWDOWN FUND)***

* Recommended - Lonsec Rating May 2019.

The fund is a relatively conservatively run “fund of funds” which aims to have less absolute risk (in terms of expected loss) than the typical Australian fixed interest fund. The fund invests in Australian hybrids, Australian cash, International fixed interest, Asian fixed interest and emerging market debt.

**ELSE – USE WHEN ADDING NEW FUNDS TO PORTFOLIO**

We have recommended the following funds to provide diversification across the fixed interest sector.

***Janus Henderson Tactical Income Trust***

* Recommended - Lonsec Rating November 2018.

The Trust is designed to actively allocate between Australian cash, Australian fixed interest and Australian credit, providing greater scope than traditional bond funds to protect capital in a rising yield environment.

Unlike a traditional fixed income fund, which will always have a core allocation to bonds or fixed interest securities, the Trust is able to reduce allocations to security types or sectors to zero, based on analysis and assessment of the outlook for the Australian and global economy, interest rates and fundamentals of the corporate sector.

* The Asset Allocation parameters for the Trust are;
* Cash 0 – 100% - via Janus Henderson Cash Trust.
* Enhanced Cash 0 – 100% via Janus Henderson Cash Enhanced Trust.
* Fixed Interest 0 – 100% via the Janus Henderson Australian Fixed Interest Trust.
* Hybrids 0 – 30% via direct investment.

***Pendal W'sale Fixed Interest Fund***

* Recommended - Lonsec Rating May 2019.

The Fund uses a sophisticated investment process built on a combination of quantitative and qualitative insights, with a strong focus on risk management.

The Fund normally invests in a mix of bonds or debt securities paying fixed rate coupons issued by Australian Federal and State governments, supernational and corporates, and may also invest in bonds issued by foreign issuers. The Manager may use derivatives such as futures, interest rate swaps and credit default swaps to implement views and manage risk.

The fund may underperform in ‘risk on’ environments.

***CC JCB Active Bond Fund***

* Recommended - Lonsec Rating May 2019.
* The Fund provides a conservative, easy to understand and actively managed portfolio of government fixed income securities.
* The Fund’s internal excess return target is 1.00%p.a above the benchmark over a 3 year period.

***Pendal Monthly Income Plus Fund***

* Recommended - Lonsec Rating February 2019.
* Distributions are made on a monthly basis.
* The fund may have exposure to equities of up to 25%.
* As at 30 June Australian equity exposure is 19.8%.
* The fund may underperform in ‘risk off’ environments due to equity holdings.

The Fund uses a sophisticated investment process built on a combination of quantitative and qualitative insights.

The Fund is designed specifically to meet the needs of the retiree market and aims to provide regular, reliable and consistent income in all market conditions.

**EDIT If using instead of or with TDs include following**

The fund provides greater liquidity should investments needs to be liquidated to meet cash flow requirements. Settlement usually occurs within 5 – 7 business days compared to 34 days for Term Deposits.

***PIMCO EQT Wholesale Diversified Fixed Interest Fund***

* Highly Recommended - Lonsec Rating May 2019

The Fund aims to provide a broadly diversified exposure to domestic and international fixed interest markets by investing 50% in the PIMCO EQT Australian Bond Fund and 50% in the PIMCO EQT Global Bond Fund.

The underlying funds will normally be invested in a mix of bonds or debt securities paying fixed rate (predominantly) coupons such as those issued by sovereign governments, corporations and other structured securities like mortgage backed securities.

The Fund will at times have a modest allocation to high yield and emerging markets debt. Derivatives such as interest rates futures or interest rate swaps and credit default swaps are used to manage risk or express investment views.

***AB Dynamic Global Fixed Income Fund***

* Recommended - Lonsec Rating September 2019.
* Lonsec suggests that the Fund should only be considered for investors with higher risk tolerances who want income returns exceeding Australian bank bills over the long term by investing in global debt or fixed income securities.
* The underlying strategy has been running since June 2008. Since inception, the Strategy’s average annual AUD return has met the Manager’s internal performance target of 2-3% above the Bloomberg Ausbond Bank Bill Index, before fees.
* The fund may strategically invest in sub-investment grade securities to a maximum of 40% of the Fund.
* Lonsec believes it is difficult to ‘pigeon hole’ the Fund either as a pure traditional fixed interest or pure credit fund. As such, it is best used to complement other traditional fixed income funds.

***Bentham Global Income Fund***

* Highly Recommended - Lonsec Rating September 2018.
* Aims to provide exposure to global credit markets and to generate income with some potential for capital growth.
* The Fund’s internal excess return target is 1.75%-2.5%p.a above the benchmark over a 3 year period.

***Note:*** given the Fund’s underlying mix of assets, the Fund’s performance pattern is likely to experience periods of high volatility.

**Term Deposits**

**?? EDIT – for new term deposits**

We recommend that $xx,000 be invested into term deposits with a combination of 90 & 180 day maturities to take advantage of a pre-determined interest rate return.

We recommend that $xx,000 be invested into term deposits with a 90 / 180 day maturity to take advantage of a pre-determined interest rate return.

**?? USE IF – only has WRAP**

**?? EDIT – for maturing term deposits**

The term deposit is approaching maturity.

We recommend that $xx,000 be re-invested into term deposits with a combination of 90 & 180 day maturities to take advantage of a pre-determined interest rate return.

We recommend that $xx,000 be re-invested into a term deposit of 90 / 180 day maturity to take advantage of current interest rates.

**PA / WM / Insignia**

The current term deposit rates available under the BT Wrap facility are;

|  |  |  |
| --- | --- | --- |
| **Term** | **Interest Paid** | **Wrap** |
| **94 Day** | At Maturity | xx.40% |
| **185 Day** | At Maturity | xx.50% |

**?? USE IF – client has /commencing Panorama account – CHECK RATES**

**?? EDIT – for maturing term deposits**

The term deposit is approaching maturity.

**If Auto re-invest already in place – Panorama only**

You have nominated for term deposits to be automatically re-invested at maturity. Upon maturity the capital (and accrued interest) ***will be re-invested for the same term at the prevailing interest rate on the day.***

If you want to vary the term of investment or access the proceeds of the term deposit the auto reinvest feature will need to be deactivated.

The current term deposit rates available under the BT Panorama facility are;

**Insert “SNIP” rates from Panorama**

The current term deposit rates available under the NetWealth facility are;

**Insert “SNIP” rates from NetWealth**

We recommend that $xx,000 be invested EDIT re-invested as follows;

* $xx,000 term deposit for 90/180 days / 1 year - current rate xxx% interest paid at maturity.
* $xx,000 term deposit for 1 year / 3 year / 5 year - current rate xxx% interest paid monthly.
* $xx,000 term deposit for 3 year / 5 year - current rate xxx% interest paid yearly.

**If recommending Auto re-invest**

We recommend that the term deposits are automatically re-invested at maturity. This will result in the capital (and accrued interest) ***being re-invested for the same term at the prevailing interest rate on the day.***

Should you want to vary the term of investment or access the proceeds of the term deposit the auto reinvest feature will need to be deactivated prior to maturity.

**\*\*\* ALWAYS USE THIS Sentence & Edit accordingly**

**Note:** We have based the amount and length of investment on cash flow / pension requirements. The final amount may vary to accommodate your specific cash flow needs.

**OR – use if client maintain Term Deposits**

You wish to maintain control of the term deposits and have instructed us not to provide advice accordingly.

|  |  |  |
| --- | --- | --- |
|  | Investment Switch Analysis |  |

Investment Switch Analysis

We have recommended replacing investments. The tables below show what costs will apply in our recommended portfolio, based on our research. Amounts shown are estimates which may differ due to the timing of transactions.

**Buy / Sell Fees**

| **Investment** | **Value** | **Buy / Sell Spread %** | **Buy / Sell Spread $** |
| --- | --- | --- | --- |
| Grand Total: | $0.00 |  |  |

**Administration and management fees charged by product providers**

Product costs are charged separately by the product provider. You should refer to the Product Disclosure Statement (PDS) that outlines the Indirect Cost Ratio (ICR) of each recommended fund. The ICR indicates the management expenses of the fund, expressed as percentage of the total assets of the fund.

LEAVE THIS ENTIRE TABLE IN

|  | | | |
| --- | --- | --- | --- |
| **Product** | **Proposed Value** | **ICR % p.a.** | **Amount p.a.** |
| **David Kendle** | | | |
| **1234567 (Panorama) – David Kendle** | | | |
| AB Dynamic Global Fixed Income Fund | $37,935.49 | 0.55% | $208.65 |
| AB Managed Volatility Equities Fund | $56,809.45 | 0.55% | $312.45 |
| Antipodes Wholesale Plus Global Fund | $46,487.59 | 1.10% | $511.36 |
| Australian Unity Healthcare Property Trust - Class A Units | $31,714.33 | 0.65% | $206.14 |
| Charter Hall Direct Industrial Fund No.3 | $74,472.42 | 0.50% | $372.36 |
| Charter Hall Maxim Property Securities Fund | $47,204.54 | 0.95% | $448.44 |
| Firetrail Absolute Return Fund - Class A | $34,287.48 | 1.50% | $514.31 |
| Janus Henderson Tactical Income Fund | $41,119.79 | 0.45% | $185.04 |
| Maple-Brown Abbott Global Listed Infrastructure | $45,558.48 | 0.98% | $446.47 |
| Pendal Monthly Income Plus Fund | $134,172.84 | 0.65% | $872.12 |
| Russell Investments Global Listed Infrastructure $A Hedged Class A | $23,843.42 | 1.10% | $262.28 |
| Russell Investments Multi-Asset Growth Strategy Fund - Class A | $24,195.94 | 0.81% | $195.99 |
| Schroder Real Return CPI +5% Fund - Wholesale Class | $24,205.06 | 0.90% | $217.85 |
| Solaris Australian Equity Long Short Fund | $35,465.38 | 0.99% | $351.11 |
| Spheria Australian Smaller Companies Fund | $25,863.06 | 1.10% | $284.49 |
| Talaria Global Equity Fund - Wholesale Units | $8,684.68 | 1.16% | $100.74 |
| Total for 1234567 (Panorama) – David Kendle: | $692,019.95 |  | $5,489.80 |
| Total for David Kendle: | $692,019.95 |  | $5,489.80 |
| Grand Total: | $692,019.95 |  | $5,489.80 |

?? Use this table to calculate the difference in ICR fees for portfolio then delete this table

|  | | | |
| --- | --- | --- | --- |
| **Product** | **Proposed Value** | **ICR % p.a.** | **Amount p.a.** |
| **David Kendle** | | | |
| **1234567 (Panorama) – David Kendle** | | | |
| AB Dynamic Global Fixed Income Fund | $37,935.49 | 0.55% | $208.65 |
| AB Managed Volatility Equities Fund | $56,809.45 | 0.55% | $312.45 |
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| Australian Unity Healthcare Property Trust - Class A Units | $31,714.33 | 0.65% | $206.14 |
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| Total for David Kendle: | $692,019.95 |  | $5,489.80 |
| Grand Total: | $692,019.95 |  | $5,489.80 |

EDIT as appropriate – use highlighted table to calculate difference in ICR fees to complete these sentences

The proposed changes and additional $xx,000 to be invested in managed funds will result in an overall increase/saving in ICR fees of $xx,000.00 per annum

The proposed changes and redemption of $xx,000 in managed funds will result in an overall increase/saving in ICR fees of $xx,000.00 per annum

**Capital Gains Tax Consequences**

As a result of redeeming investments capital gains and/or losses will be realised. Calculations are based on the date investments were purchased. A summary of the gains and losses is outlined in the table below.

| **Investment** | **Sale Quantity** | **Actual Cost** | **Sale Proceeds** | **Total Gain** |
| --- | --- | --- | --- | --- |
| Grand Total: |  |  |  |  |

**Note:** Distributions have been reinvested since date of original investment.

OR

**Note:** Distributions received since date of original investment;

* EDIT ACCORDINGLY
* $xxx from NAME OF Fund
* $xxx from NAME OF Fund

We recommend that you should consult with your accountant regarding the specific taxation consequences of the realisation of this net capital gain / loss.

Based upon our understanding of current laws, as the fund is in pension phase there would be no capital gains tax liability upon implementation of our recommendations.

As the majority of the members balances in the superannuation fund are in income phase, these capital losses are generally unable to be carried forward to offset any future capital gains.

|  |  |  |
| --- | --- | --- |
|  | Portfolio Cash Management |  |

Portfolio Cash Management

**EDIT-If in pension phase include**

**Cash Requirements**

Members are currently drawing an annual pension and are required to draw a minimum percentage of their entitlement balance (as defined by current age).

The minimum pension withdrawal thresholds are as follows;

|  |  |  |
| --- | --- | --- |
| **Age** | **Percentage of Balance** | **Pension reduction FY2021**  **Percentage of Balance** |
| Under 65 | 4.0% | 2.0% |
| 65 – 74 | 5.0% | 2.5% |
| 75 – 79 | 6.0% | 3.0% |
| 80 – 84 | 7.0% | 3.5% |
| 85 – 89 | 9.0% | 4.5% |
| 90 – 94 | 11.0% | 5.5% |
| 95 or more | 14.0% | 7.0% |
|  |  |  |

In light of the recent global events and volatility of the market the Australian Government has announced that the minimum pension rate will be reduced by 50% for FY2020 and FY2021.

**EDIT—COPY table from instructions xx**

We recommend that you take advantage of this reduced rate to enable you retain as much capital as possible in the superannuation fund **EDIT-xx** as you are unable to make any further contributions to superannuation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Member** | **Estimated**  **Entitlement**  **As at 30 June 2020** | **Minimum Pension %** | **Minimum**  **Pension** | **Drawdown**  **to date.** | **To draw**  **by 30 June** |
| Xxx | $xxx | xxxx% | $xx | $- | $xx |
| Xxx | $xxx | xxxx% | $xx | $- | $xx |

The above pension calculations are based on estimated entitlement balances and will be confirmed upon the finalisation of the FY2020 accounts.

**Cash Account**

We have recommended ~$xx,000 remain in the cash account to;

* Meet ongoing investment expenses.

**EDIT accordingly**

The minimum cash balance requirement for a Portfolio Administrator account is $2,500.

The minimum cash balance requirement for a Wealth Manager account is $2,500.

The minimum cash balance requirement for an Insignia account is $2,500.

The minimum cash balance requirement for BT Panorama account is $2,000.

The minimum cash balance requirement for a NetWealth account is the lesser of 1% of account or $5,000.

**Distributions from Managed Funds**

**EDIT accordingly – if accumulation**

As the purpose of the portfolio is to accumulate and build capital we recommend that distributions are automatically re-invested.

This will help maintain the overall asset allocation of the portfolio and buy additional units for potential capital growth.

**EDIT accordingly – if drawdown/pension**

As you require income from the portfolio we recommend that distributions are retained in the cash account.

This may result in the cash allocation of the portfolio being higher than the agreed asset allocation, however will limit redemption of investments to meet cash withdrawals.

**Drawdown Strategy**

As the timing of the receipt of dividends and distributions is not consistent throughout the year there may be periods of time where the cash surplus will be insufficient to meet ongoing expenses.

The default setting is to drawdown from the investment with highest balance (managed funds, then shares)

**EDIT accordingly – if Prorata**

We recommend that funds are withdrawn Pro-rata across the portfolio (managed funds, then shares).

This will help maintain the overall asset allocation of the portfolio.

**EDIT accordingly – if specific investments**

We recommend that funds are withdrawn from the following investments (in order)

* 1. Xxxxxxxx Fund
  2. Xxxxxxxx Fund
  3. Xxxxxxxx Fund
  4. Xxxxxxxx Fund

**Reason:** Having a drawdown strategy will;

* enable funds to remain invested until funds are required thereby maximizing earning potential on invested funds,
* only redeem funds when there is a shortfall in the cash account,
* redeem sufficient funds to cover the immediate cash shortfall.

|  |  |  |
| --- | --- | --- |
|  | Fees & Charges |  |

Fees & Charges

You should be aware of the following fees if you proceed with our advice.

All fee and commission amounts stated are inclusive of GST.

**Advice Preparation & Implementation Fee**

The cost for the preparation, presentation and implementation of the advice provided in this Record of Advice has been incorporated in the Portfolio Review service.

**Upfront Transaction Fees**

By going ahead with our recommendations you will incur the following upfront costs:

|  |  |  |
| --- | --- | --- |
| **Type of Fee** | **Unit Cost** | **Fee** |
| Ord Minnett Share Brokerage | $55 (minimum) per purchase/sale or 0.495% | $0.00 |
| Bell Potter Share Brokerage | $55 (minimum) per purchase/sale or 0.495% | $0.00 |
| ONLY USE FOR CG TRADES  PA / WM / Panorama / NetWealth Share Brokerage | $19.95 (minimum) per purchase/sale or 0.11% | $0.00 |
| Portfolio Administrator Transaction Fees  – Managed Funds & Term Deposits | $23.00 per transaction | $0.00 |
| Wealth Manager Transaction Fees  – Managed Funds & Term Deposits | $0.00 per transaction | $0.00 |
| Insignia Transaction Fees  – Managed Funds & Term Deposits | $0.00 per transaction | $0.00 |
| Panorama Transaction Fees  – Managed Funds & Term Deposits | $0.00 per transaction | $0.00 |
| NetWealth Transaction Fees  – Managed Funds & Term Deposits | $0.00 per transaction | $0.00 |
| Regular Investment Plan  – Managed Funds | $0.00 per investment / redemption | $0.00 |
| Drawdown Strategy  – Managed Funds | $0.00 per investment / redemption | $0.00 |
|  | **Total Transaction Fees:** |  |

**Ongoing Investment & Administration Fees**

By going ahead with our recommendations we estimated that your ongoing costs would be impacted as follows;

* The total investment management fees will increase / decrease by $XXXX to $XXXX per annum.
* Platform fees will remain as per your Statement of Advice.

Of the amount paid to

Bell Potter

Ord Minnett

and

Portfolio Administrator

Wealth Manager

Insignia

Asset Administrator (BT Panorama)

Netwealth

the amount paid to Lonsdale and Boyce Financial Services will be 0%, which equates to $0.00. Your Financial Planner is entitled to nil, as your Financial Planner is salaried.

Xxx\_OR\_XXX

There are no new charges payable in regard to this advice or its implementation, and no change to the fees explained in our previous Statement of Advice. For further information we encourage you to refer to the previous Statement of Advice.

**\*\*\* ONLY INCLUDE for CLIENT REVIEW (ANNUAL REVIEW) \*\*\*\* ELSE delete**

**Client Service Agreement**

Our internal Pricing Committee, to ensure equity with the pricing of advisor service fees across our client base, has determined for the level and range of personalised services that you require for the next 12 months your advisor service fee will be $xx,000.

Please refer to your Client Service Agreement.

xx-**NOTE:** the above fee must reflect CSA – issue is if more than entity – what are we charging the entity??

xx-always\_include-xxx

Taxation

Please note that we are a registered tax (financial) adviser with the Tax Practitioners Board created under the Tax Agent Services Act (2009).

Notwithstanding this registration, any references to taxation in this document and any supporting schedules are provided to assist in your planning only. They are based on a general understanding of the issues involved but are not intended to be a substitute for professional tax advice. If you intend to rely upon the advice contained herein to satisfy liabilities, obligations or to claim entitlements which may (or could) arise under a taxation law, you should seek advice from a registered tax agent.

Related parties

As there may have been changes to incentives, associations and/or conflicts of interest since we last provided advice to you we suggest that you refer to the latest version of our Financial Services Guide which provides current details regarding incentives, associations and/or conflicts of interest.

Understanding the recommended products

Before you decide to implement our recommendations, please ensure that you read the following important information that we have provided:

|  |  |  |
| --- | --- | --- |
| **Code** | **Product Disclosure Statement (PDS) name** | **Dated** |
| **PLATFORMS** |  |  |
| NetWealth | Wealth Accelerator IDPS Guide  Supplementary IDPS Guide Strategic Partner Pricing | 1 March 2020  1 July 2019 |
| NetWealth Super | Super Accelerator PDS  Supplementary PDS Strategic Partner Pricing | 1 March 2020  1 July 2019 |
| Panorama | Asset Administrator Investors Guide  Important Changes to AA March 2019  Important Changes to AA Investments | 1 July 2019  26 Feb 2019  19 Nov 2018 |
| Panorama Super | Asset Administrator Super PDS  Important Changes to AA March 2019  Important Changes to AA Investments  Investment Options Booklet | 1 July 2019  26 Feb 2019  19 Nov 2018  1 July 2019 |
| Insignia Wrap | Investor Short Guide  Additional Information & Terms | 15 Oct 2018  1 July 2019 |
| Insignia SuperWrap | Investor Short Guide  Additional Information Booklet | 15 Oct 2018  1 July 2019 |
|  |  |  |
| **BT LIFE** |  |  |
| Insurance | BT Protection Plans – PDS  Supplementary PDS | 19 May 2014  1 July 2014 |
|  |  |  |
| **AUSTRALIAN** |  |  |
| ACM0006AU | [AllianceBernstein Managed Volatility Equities Fund](https://www.morningstar.com.au/s/bt/AU60ACM00065.pdf) | 14 June 2019 |
| ETL0060AU | [Allan Gray Australia Equity Fund](https://www.morningstar.com.au/s/bt/AU60ETL00600.pdf) | 1 July 2017 |
| ETL0328AU | [T Rowe Price Australian Equity Fund](https://www.morningstar.com.au/s/bt/AU60ETL03281.pdf) | 1 May 2018 |
| WHT3859AU | [Solaris Australian Equity Long Short Fund](https://solariswealth.com.au/wp-content/uploads/Solaris-Australian-Equity-Long-Short-Fund-PDS.pdf) | 30 June 2019 |
| WHT0039AU | [Plato Australian Shares Income Fund](https://www.morningstar.com.au/s/bt/AU60WHT00394.pdf) | 30 June 2018 |
| IML0005AU | [Investors Mutual Equity Income Fund](https://www.morningstar.com.au/s/bt/AU60IML00051.pdf) | 21 Sep 2017 |
| PCL0005AU | [Pengana Australian Equities Fund](https://www.morningstar.com.au/s/bt/AU60PCL00057.pdf) | 28 Sept 2017 |
|  |  |  |
| OPS0002AU | [OC Premium Small Companies Fund](https://www.morningstar.com.au/s/bt/AU60OPS00024.pdf) | 5 Feb 2018 |
| WHT0066AU | [Spheria Australian Microcap Fund](https://www.morningstar.com.au/s/bt/AU60WHT00667.pdf) | 30 June 2018 |
| WHT0008AU | [Spheria Australian Smaller Companies Fund](https://www.morningstar.com.au/s/bt/AU60WHT00089.pdf) | 30 June 2018 |
|  |  |  |
| *WFS8908AU* | [Spheria Wholesale Plus Australian Smaller Companies Fund](https://www.morningstar.com.au/s/bt/AU60WHT00089.pdf) | *30 June 2019* |
|  |  |  |
| VAN0002AU | [Vanguard Australian Shares Index Fund](https://api.vanguard.com/rs/gre/gls/1.3.0/documents/8189/au) | 1 Nov 2018 |
|  |  |  |
| **INTERNATIONAL** |  |  |
| IOF0045AU | [Antipodes Global Fund](http://antipodespartners.com/wp-content/uploads/2015/06/Global-Fund-PDS.pdf) | 15 Apr 2019 |
| MGE0001AU | [Magellan Global Fund](https://www.magellangroup.com.au/index.cfm?LinkServID=8314383E-FF1A-47AA-BC3F69D841D5E0A1) | 18 Nov 2019 |
| MGE0007AU | [Magellan Global Fund (hedged)](https://www.magellangroup.com.au/funds/forms-pds/unlisted-funds/magellan-global-fund-hedged-pds/) | 18 Nov 2019 |
| MAQ0410AU | [Walter Scott Global Equity Fund (unhedged)](https://www.macquarie.com.au/dafiles/Internet/mgl/au/docs-pa/pds/walter-scott-global-equity-fund.pdf) | 2 July 2018 |
| MAQ0557AU | [Walter Scott Global Equity Fund (hedged)](https://mim.fgsfulfillment.com/download.aspx?sku=PDS-WSGEF-H-ANZ) | 1 July 2019 |
|  |  |  |
| *WFS0864AU* | [Antipodes Wholesale Plus Global Fund](https://www.morningstar.com.au/s/bt/AU60WFS08641.pdf) | *30 June 2019* |
| *BTA0565AU* | [Magellan WS Plus Global Fund](https://www.morningstar.com.au/s/bt/AU60BTA05657.pdf) | *30 June 2019* |
| *BTA0542AU* | [Walter Scott WS Plus Global Equity Fund (unhedged)](https://www.morningstar.com.au/s/bt/AU60BTA05426.pdf) | *30 June 2019* |
|  |  |  |
| AUS0035AU | [Talaria Global Equity Fund](https://www.australianunity.com.au/wealth/~/media/publicsite/documents/funds/talaria/wgefwu/pds.ashx) | *30 Oct 2019* |
| ETL4207AU | [GQG Partners Emerging Markets Equity Fund](https://gqgpartners.com/wp-content/uploads/2019/05/GQG-Partners-Emerging-Markets-Equity-Fund-Final.pdf) | *1 April 2019* |
| PMC0100AU | [PM Capital Global Companies Fund](https://www.morningstar.com.au/s/bt/AU60PMC01004.pdf) | *28 Mar 2018* |
| PCL0022AU | [Pengana Global Small Companies Fund](https://www.pengana.com/assets/Forms/All/Forms/Current-One-Vue-forms/PDSs/Global-Small-Companies-Fund.pdf) | *28 Sept 2017* |
| ETL0381AU | [Robeco Emerging Conservative Equity Fund](https://www.robeco.com/media/7/5/2/752ffa2d454d84e152ece91cb65d216c_robeco-emerging-conservative-equity-fund-au-psd_tcm20-8194.pdf) | *29 Sep 2017* |
|  |  |  |
| GSF0002AU | [Grant Samuel Epoch Gbl Equity Unhdg Fund](https://www.morningstar.com.au/s/bt/AU60GSF00021.pdf) | *1 Mar 2018* |
| MAQ0838AU | [Polaris Global Equity Fund](https://www.morningstar.com.au/s/bt/AU60MAQ08381.pdf) | *22 Sept 2017* |
| VAN0003AU | [Vanguard International Shares Index Fund](https://www.morningstar.com.au/s/bt/AU60VAN00030.pdf) | *1 Nov 2018* |
| VAN0105AU | [Vanguard International Shares Index Fund (Hedged)](https://api.vanguard.com/rs/gre/gls/1.3.0/documents/8276/au) | *1 Nov 2018* |
|  |  |  |
| **PROPERTY** |  |  |
| COL0001AU | [Charter Hall Maxim A-REIT Securities Fund](http://folkestone.com.au/wp-content/uploads/2016/08/Folkestone-Maxim-A-REIT-Securities-Fund-PDS.pdf) | 11 June 2014 |
| CRM0008AU | [Cromwell Phoenix Property Securities Fund](https://www.morningstar.com.au/s/bt/AU60CRM00085.pdf) | 29 Sep 2017 |
| MPL0006AU | [Maple-Abbot Brown Global Infrastructure](https://www.morningstar.com.au/s/bt/AU60MPL00064.pdf) | 1 July 2019 |
| MPL0008AU | [Maple-Abbot Brown Global Infrastructure (Hedged)](https://www.maple-brownabbott.com.au/Documents/PDS/PDS-Global-Listed-Infrastructure-Fund-Hedged.pdf) | 1 July 2019 |
| MAQ0854AU | [Charter Hall Direct Industrial Fund No 4](https://documentscdn.financialexpress.net/Literature/BAA019F556901E493583BB7F448571D0/127115624.pdf) | 1 Feb 2019 |
| HML0016AU | [UBS Clarion Global Property Securities Fund](https://www.morningstar.com.au/s/bt/AU60HML00160.pdf) | 20 Nov 2017 |
| ETL0119AU | [EQT SGH Wholesale Prop Income Fund](https://www.morningstar.com.au/s/bt/AU60ETL01194.pdf) | 28 Sep 2017 |
| YOC0100AU | [Australian Unity Property Income Fund](https://www.australianunity.com.au/wealth/~/media/publicsite/documents/funds/australianunity/pif-whole/pds.ashx) | *31 Oct 2018* |
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| RIM0042AU | [Russell Global Listed Infrastructure](https://russellinvestments.com/-/media/files/au/resources/pds/r-pds-russell-global-listed-infrastructure-fund-$a-hedged-class-a-iq.pdf) | 22 Sep 2017 |
| VAN0004AU | [Vanguard Property Securities Fund](https://www.morningstar.com.au/s/bt/AU60VAN00048.pdf) | 1 Nov 2018 |
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| **ALTERNATE** |  |  |
| SCH0047AU | [Schroder Real Return Fund](https://www.morningstar.com.au/s/bt/AU60SCH00471.pdf) | *1 Aug 2017* |
| PER0556AU | [Perpetual Wholesale Diversified Real Return Fund](https://www.morningstar.com.au/s/bt/AU60PER05562.pdf) | *1 May 2017* |
| RIM0098AU | [Russell Investments Multi-Asset Growth Strategy Fund](https://russellinvestments.com/-/media/files/au/resources/pds/multi-asset-growth-strategy-fund-class-a.pdf) | *28 Sept 2018* |
| WHT5134AU | [Firetrail Absolute Return Fund](https://firetrail.com/wp-content/uploads/2019/01/Firetrail-Absolute-Return-Fund-PDS.pdf) | 17 Dec 2018 |
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| **FIXED INTEREST** |  |  |
| ETL0016AU | [PIMCO EQT Diversified Fixed Interest Fund](https://www.pimco.com.au/handlers/displaydocument.ashx?c=72201P944&wd=Product%20Disclosure%20Statement%20(AU)&fn=PIMCO%20Diversified%20Fixed%20Interest%20Fund%20-%20Wholesale%20Class%20PDS.pdf&id=G6irbegizg%2FCMb%2BnRG%2FveyP3Lsbl%2BBJTksfv%2BHrzKUd3iAaZxX5leqVZo89a5SfwbFyWSvZBPFIbMXBEy54WwoiyXaaaK0sXXU459FaJuGVFk4fALALODrcNr4ErqEk1ISfsn9ZD65j%2B%2BUlH2ahRLWG1YMnL%2BwwZBY16A28aHJd6Qb%2Fg7zydShn5vXuHizx3YgKT5f5k9uPbHHkKzTlbHc6XrraiVVUj2i6VHiGSbT1L4dOZHdSl7l%2B1AgYsjv4M1j6CmtytNT%2F1SO9UC%2BJa%2Fi%2BvXETvxU7ELommC59Rr6Yf%2BZToGvc9LvUH1wGtHO8TI%2B7C%2FtHj1%2BjFwO1yxzGHekpEbh3hG%2F9vxVC4EcGpfXS%2Bde4jHDdsxfxtLg1TCw73) | 19 Oct 2018 |
| RFA0813AU | [Pendal Fixed Income Fund](https://www.pendalgroup.com/wp-content/uploads/docs/factsheets/PDS/Pendal%20Fixed%20Interest%20Fund%20-%20PDS.pdf?v=2018-05-071525652995) | 7 May 2018 |
| SCH0028AU | [Schroder Fixed Income Fund](https://www.schroders.com/getfunddocument/?oid=1.9.2169122&oid=1.9.2169122) | 1 Aug 2017 |
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| *BTA0499AU* | [PIMCO EQT Wholesale Diversified Fixed Interest Fund](https://www.morningstar.com.au/s/bt/AU60BTA04999.pdf) | *30 June 2019* |
| *BTA0547AU* | [Pendal WS Plus Fixed Income Fund](https://www.morningstar.com.au/s/bt/AU60BTA05475.pdf) | *30 June 2019* |
| *BTA0545AU* | [Schroder Wholesale Fixed Income Fund](https://www.bt.com.au/content/dam/public/btfg-bt/documents/personal/wholesaleplus/Schroder-Wholesale-Plus-Fixed-Income-Fund.pdf) | *30 June 2019* |
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| BTA0318AU | [Pendal Monthly Fixed Income Fund](https://www.morningstar.com.au/s/bt/AU60BTA03181.pdf) | *7 May 2018* |
| IOF0145AU | [Janus Henderson Tactical Income Trust](https://cdn.janushenderson.com/webdocs/Janus+Henderson+Tactical+Income+Fund+Product+disclosure+statement.pdf) | 20 Dec 2019 |
| CHN0005AU | [CC JCB Active Bond Fund](https://uploads-ssl.webflow.com/5cc921f11273fa8570f56301/5cc921f11273fa0776f564fa_CCJCB_CHN0005AU_PDS_November%2018.pdf) | Nov 2018 |
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| ACM0001AU | [AB Dynamic Global Fixed Income Fund](https://web.alliancebernstein.com/APAC/investments/au/funds/rsb/DG/Product%20Disclosure%20Statement%20DGIFund.pdf) | *14 June 2019* |
| CSA0038AU | [Bentham Global Income Fund](https://www.morningstar.com.au/s/bt/AU60CSA00385.pdf) | *30 Sep 2017* |
| ETL0398AU | [T Rowe Price Global Dynamic Bond Fund](https://www.morningstar.com.au/s/bt/AU60ETL03984.pdf) | *26 Sept 2017* |
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| VAN0001AU | [Vanguard Fixed Income Fund](https://www.morningstar.com.au/s/bt/AU60VAN00014.pdf) | *1 Nov 2018* |
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| WFS0377AU | [BT W/S Enhanced Cash](https://www.morningstar.com.au/s/bt/AU60WFS03774.pdf) | *18 Sep 2017* |
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| **MULTIMIX** |  |  |
| IOF0253AU | [IOOF MultiSeries 30](https://www1.ioof.com.au/files/docsForms/IOOFMultiSeriesPDS.pdf) | 30 Nov 2019 |
| IOF0254AU | [IOOF MultiSeries 50](https://www1.ioof.com.au/files/docsForms/IOOFMultiSeriesPDS.pdf) | 30 Nov 2019 |
| IOF0090AU | [IOOF MultiSeries 70](https://www1.ioof.com.au/files/docsForms/IOOFMultiSeriesPDS.pdf) | 30 Nov 2019 |
| IOF0255AU | [IOOF MultiSeries 90](https://www1.ioof.com.au/files/docsForms/IOOFMultiSeriesPDS.pdf) | 30 Nov 2019 |
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**Tailor Alert**

Update the above to reference disclosure or research material provided in relation to this advice, including the name and version number if applicable

If you are unable to access this information, or if any of it appears to be missing, please contact us and we will make arrangements to get it to you.

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|  | How to Proceed |  |

How to Proceed

If you are happy to implement our advice, you can confirm that you wish to proceed by completing the enclosed paperwork and returning it to us, or otherwise letting us know in writing. Upon receipt of your instructions we will proceed to implement the recommendations on your behalf.

|  |  |  |
| --- | --- | --- |
|  | Implementation Instructions |  |

Implementation Instructions

| **Action** | **Quantity** | **Security** | **Product** | **Market Price** | **Market Value** |
| --- | --- | --- | --- | --- | --- |
| **David Kendle** | | | | | |
| **1234567 (Panorama) – David Kendle** | | | | | |
| **Australian Shares** | | | | | |
| Buy | 597.00 | SHL | Sonic Healthcare Limited (SHL) | $31.21 | $18,632.37 |
| Buy | 972.00 | BHP | BHP Group Limited (BHP) | $36.26 | $35,244.72 |
| Sell | 18,000.00 | ORA | Orora Limited (ORA) | $2.54 | $45,720.00 |
| **Cash** | | | | | |
| Buy | 14.67 | BTCMA | Cash Management Account | $1.00 | $14.67 |

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| **Bell Potter: No changes to ASX Listed Investments** |
| **Ord Minnett: No changes to ASX Listed Investments** |
| **Amendments:** |
|  |

Implementation Instructions (continued)

**Cash Management**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Managed Fund Distributions** | | | | |
| Accumulation Phase | * Re-Invest all | | * Other…………… | |
| Pension Phase | * Retain as cash | | * Other…………… | |
|  | | | | |
| **Drawdown** | | | | |
| Retain Asset Allocation | | * Drawdown pro-rata | |  |
| Strategic Drawdown | | * Drawdown in order | |  |
|  | | Fund Code | Fund Name |  |
|  | |  |  |  |
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| **Amendments:** | | | | |
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| --- | --- | --- | --- |
| **Office Use only** | Completed |  | Completed |
| Applications & Product changes: |  | Investments: |  |

|  |  |  |
| --- | --- | --- |
|  | Authority To Proceed |  |

Authority To Proceed

If written to single person

As the sole Director of David Pty Ltd which acts as Trustee for the David Kendle Fund;

* agree to proceed and implement the recommendations as outlined in the Record of Advice dated 06 July 2020 with any variances from the recommendations as detailed above.

In signing this authority I confirm that;

* I have read the attached Record of Advice and received, or otherwise accessed, a copy of the Financial Services Guide, Privacy policy and Product Disclosure Statements / Information Brochures for each financial product recommended.
* I have provided all information I thought relevant to the preparation of the advice and have assessed in my own mind that the recommendations are appropriate having regard to the information provided.
* I have read the attached Record of Advice in conjunction with the Statement of Advice dated 07/03/2019 and the Fund’s current Investment Strategy dated 05/11/2016.
* John Jones has discussed with me the information I provided, the recommendations, benefits and risks involved, how much risk I am prepared to take and the fees I will have to pay.

If written to 2 or more people

We, the Directors of David Pty Ltd which acts as Trustee for the David Kendle Fund;

EDIT for Individual Trustees\*\*\* If no Trustee in system CHECK if corporate or individual \*\*\*

We, the individual trustees for the David Kendle Fund;

* agree to proceed and implement the recommendations as outlined in the Record of Advice dated 06 July 2020 with any variances from the recommendations as detailed above.

**Declaration**

In signing this authority we confirm that;

* we have read the attached Record of Advice and received, or otherwise accessed, a copy of the Financial Services Guide, Privacy policy and Product Disclosure Statements / Information Brochures for each financial product recommended.
* we have provided all information we thought relevant to the preparation of the advice and have assessed in our own minds that the recommendations are appropriate having regard to the information provided.
* we have read the attached Record of Advice in conjunction with the Statement of Advice dated 07/03/2019 and the Fund’s current Investment Strategy dated 05/12/2013. Xx-if no Investment strategy date find it and enter into xplan
* John Jones has discussed with us the information we provided, the recommendations, benefits and risks involved, how much risk we are prepared to take and the fees we will have to pay.

Date:

**David Kendle**

**EDIT as required**

|  |  |  |  |
| --- | --- | --- | --- |
| **OFFICE USE** | **Attached** | **Completed** | **Implemented** |
| Bell Potter Recommendations & Research |  |  |  |
| Ord Minnett Recommendations & Research |  |  |  |
| Research & Product Disclosure Statement |  |  |  |
| **If doing Client Review (Annual Review) - CSA** |  |  |  |
| Client Service Agreement |  |  |  |