



ELSTON

Customised Financial Solutions

**Financial
Services
Guide**



Contents

Information about EP Financial Services Pty Ltd and your Adviser.....	4	Specialist Investment Services	9
Purpose and content of the Financial Services Guide (“FSG”).....	4	Investment Partner Services.....	9
Statement of Advice	4	Managed Discretionary Account (MDA) Service	10
Product Disclosure Statement	5	Managed Discretionary Account Service Fees.....	10
Financial Services Available.....	5	Elston Premium Partner Service.....	11
Specialist Strategic Advice Services.....	5	Administration Fees.....	12
Payments to Elston for the services provided.....	5	Performance Fees.....	12
Implementation fee	6	Indirect Costs	12
Advice fee	6	Adviser Remuneration.....	12
Performance fee	6	Advice Fees.....	12
Investment fees.....	6	Minimum Portfolio Size	12
Other fees.....	6	Negotiated Fees.....	12
Calculation of brokerage, commission and other charges	6	Transaction Fees.....	12
Life Risk Insurance Product fees	7	Fee Changes.....	13
Remuneration or other benefits received by Elston representatives	7	Providing instructions to Elston	13
Disclosure of fees in the SOA.....	8	Worked Examples.....	13
Fee Disclosure Statements (FDS).....	8	Personal information.....	18
Renewal Notice.....	8	Anti Money Laundering and Counter Terrorism Finance Act	18
Associations and Relationships.....	8	Making a complaint	18
Compensation	8		

Information about EP Financial Services Pty Ltd and your Adviser

Our advisers are employed by Elston Private Wealth Pty Ltd and are authorised as representatives of EP Financial Services Pty Ltd ABN 52 130 772 495 Australian Financial Services Licence number 325252 ("AFSL"), a related entity within the Elston Group of Companies. We act on behalf of EP Financial Services Pty Ltd (Elston) and, as the authorising licensee, EP Financial Services Pty Ltd is responsible for the financial services we provide to you.

EP Financial Services Pty Ltd contact details are:

Elston

Level 5, 850 Ann Street
Fortitude Valley QLD 4006
GPO Box 2220
Brisbane Q 4001
Tel: 07 3211 9555
Email: epfs@elston.com.au

Purpose and content of the Financial Services Guide ("FSG")

This FSG is an important document which we are required to provide to you. This FSG is designed to inform you of items to consider before deciding whether to use our financial services. The FSG is designed to provide you with an understanding of what to expect from our relationship. The items covered by the FSG include:

- who we are and how we can be contacted;
- details of the financial products and services we are authorised to provide;
- information on remuneration paid to Elston and other relevant persons in relation to the services offered; and
- details on our complaints handling procedure and process.

If you choose to use any of our financial services and products, you may also receive other important documents. These documents may include a Statement of Advice (SOA) and Product Disclosure Statements (PDS).

Statement of Advice

When we give you personal advice, in most instances we will be required to provide you with an SOA. An SOA is normally provided to retail clients when personal advice is given. The SOA is designed to enable you to make an informed decision about whether to act on the personal advice received.

It will include (but is not limited to) statements and information in relation to:

- the advice;
- the basis on which the advice was given;
- the identity of the person or person(s) advising you; and
- any remuneration, commissions, other benefits and conflicts of interest related to the provision of the advice.

On an ongoing basis, a Record of Advice (ROA) will be prepared instead of an SOA if there have been no significant changes in your personal circumstances and/or the basis of the advice has not significantly changed since your last SOA was provided. You have the right to request a copy of your ROA at any time.

Product Disclosure Statement

When we recommend a particular financial product (except for listed managed funds and securities), we are generally required to provide you with a PDS for that financial product. A PDS is an important document that sets out the significant features of a financial product, including its risks, benefits and costs (including any applicable fees). A PDS is designed to help you compare and make informed choices about financial products.

Financial Services Available

EP Financial Services Pty Ltd is licensed to provide financial product advice and deal in the following classes of financial products:

- basic deposit products;
- non-basic deposit products;
- non-cash payment products;
- derivatives;
- government issued debentures, stocks or bonds;
- life risk insurance;
- interests in managed investment schemes including investor directed portfolio services;
- managed discretionary account (“MDA”) services;
- retirement savings account products;
- securities;
- standard margin lending; and
- superannuation

to retail and wholesale clients.

Depending on the circumstances, our advice in relation to financial products may be:

- **General Advice:** this is advice which does not take into account your objectives, financial situation and needs. Documents will be issued with a warning that they contain only general advice. Before making an investment decision on the basis of general advice, you need to consider, with or without the assistance of your adviser, whether the advice is appropriate given your particular personal investment objectives, current financial situation and needs; and/or
- **Personal Advice:** this is advice which takes into account your objectives, financial situation and needs.

Specialist Strategic Advice Services

Elston offers specialist strategic advice services that encompass amongst others:

- Pre-retirement planning
- Business sale and succession
- Wealth creation
- Agribusiness succession
- Retirement planning
- Family law
- Self Managed Superannuation
- Business succession risk funding
- Philanthropy
- Personal insurance

Payments to Elston for the services provided

Elston may charge fees for services and products it provides. Where we provide you with personal advice, detailed information about fees, commissions or other benefits will be contained in the SOA.

These fees may be charged for various services and products, and may include:

- account opening fee;
- plan preparation fees (these are charged on a case by case basis depending on the level of work involved and other relevant factors. The fee charged will be agreed with you prior to your adviser preparing the SOA);
- implementation fees;
- advice fee;
- performance fee;
- investment fees;
- administration fees;
- brokerage on share trades; and
- life risk insurance product fees.

All fees set out in the FSG are GST inclusive. We may recover from you any GST we are required to pay as a result of providing services to you.

A schedule of current rates that apply is available from your advisor. Any fee charged will be agreed with you prior to being billed.

Implementation fee

A one-off implementation fee may apply when assets are first invested in securities or other non-cash assets on your behalf.

The implementation fee can be a percentage of the amount invested, a flat dollar fee and/or an hourly rate. Any fee applicable will be agreed with you prior to being charged.

Advice fee

We may charge an hourly rate, a flat fee or a fee based on a percentage of assets under management for certain specialist advice

or portfolio monitoring, but any fees will be disclosed and agreed with you.

Performance fee

Where a performance fee applies, both the Absolute and Benchmarked Performance Fees are calculated as a percentage of any out-performance. Calculations of performance fees can be discussed with your Adviser.

Investment fees

If you invested in an investment product we recommended to you prior to 1 July 2013, Elston may receive fees and/or commissions based on the value of your holding, from the product issuer. Typically, these amounts are a percentage of funds under management and are payable out of the issuer's own resources.

If your application for securities is a new issue, privatisation or float, is stamped by us and is successful, we receive a lodgement fee from the relevant company or issuer. Lodgement fees are generally calculated on the basis of a percentage of funds invested. This also applies in relation to applications for units in managed funds (eg equity trusts). Any lodgement or other fees payable to us will be disclosed in the offer document for the issue.

Other fees

In some cases, you may be charged additional fees such as a fee for portfolio cost base reconstruction. The fee will be agreed with you prior to it being charged.

Calculation of brokerage, commission and other charges

You will be charged brokerage fee or transaction fee for each security transaction we execute or arrange on your behalf. Payments

from you are to be by electronic payment or cheque. Elston is unable to accept or pay cash. Brokerage is calculated as a percentage of the total dollar value of the securities purchased or sold on your behalf. Brokerage rates are negotiable with each client and are subject to a minimum brokerage charge of \$138.

For a purchase, the brokerage fee or transaction fee is added to the consideration payable for that transaction. For a sale, the brokerage fee or transaction fee is deducted from your gross proceeds. All these amounts are specified on the confirmation of sale or purchase.

You may also be charged an account opening fee. The account opening fee will vary depending on the complexity of your situation with the maximum fee charged being \$440. The account opening fee will be agreed with you prior to your initial transaction and will be incorporated into the brokerage charge on your initial transaction.

If you fail to settle a purchase or sale by the time and date shown on the confirmation you will also be charged fail fees of \$55 and any other applicable ASX fees. Fail fees are charged on the settlement date, and on each day after the settlement date, while settlement remains outstanding.

You may also be charged any Third Party Provider charges in relation to execution, clearing and settlement of ASX transactions. You can request details of these from your adviser.

Life Risk Insurance Product fees

Elston may receive initial or ongoing commission from the provider of a particular insurance product paid directly from

the provider. For life insurance products, commissions (initial and/or ongoing) are included in the amount you pay for the product—called the premium. The rate varies depending on the product and the provider. We may receive an initial commission up to 130% (GST inclusive) of the premium and ongoing commissions up to 35% (GST inclusive) of the premium after year 1 of the policy. The commissions received may be an addition to other fees listed in this FSG.*

Remuneration or other benefits received by Elston representatives

Our representatives are salaried employees. Representatives (including directors) may be eligible to receive bonuses and other benefits from us. The bonuses and benefits will be determined by meeting various quantitative and qualitative targets. Details of any related remuneration or commissions that the employees and directors may receive in relation to the advice provided to you will be included in the SOA given to you when providing that personal advice.

Our employees may receive non-monetary benefits from product providers and other similar parties in specific circumstances such as:

Where the amount is less than \$300 and identical or similar benefits are not given on a frequent basis;

The benefit has a genuine education or training purpose (including attendance to conferences) and is relevant to providing financial product advice; and/or

The benefit consists of the provision of information technology software or support and is related to the provision of financial

From 1 January 2018 Upfront commissions will be limited to 80% of premium paid. From 1 January 2019 Upfront Commissions will be limited to 60% of premium paid.

product advice in relation to the financial products issued or sold by the benefit provider.

Payments or benefits received must be disclosed in either a Conflicts of Interest Register or an Alternative Remuneration Register. A copy of the register, is available upon request. If you wish to inspect this Register please ask your adviser or contact us.

Disclosure of fees in the SOA

Where the amount of Elston's remuneration, (including commission or other benefits) payable to Elston, its employees, directors or associates ("Fees") cannot be ascertained at the time we give you this FSG, we will provide you with the following information at the time we give you personal advice (by way of an SOA or otherwise):

- the amount of the Fees if the Fees are able to be calculated at the time we give you personal advice; or
- the manner in which the Fees are to be calculated if the Fees are not calculable at the time we give you personal advice.

Fee Disclosure Statements (FDS)

A FDS is a statement setting out any ongoing fees we have received from you over the preceding 12 months, the services you were entitled to receive and the services you have received.

You may receive multiple FDS's if you have multiple financial products or financial products held in different names.

If you are paying ongoing advice fees to us you will receive a FDS at least once every year.

Renewal Notice

We are required to renew any ongoing fee arrangements with you every two years. This

may happen more frequently, for instance during your annual review.

Associations and Relationships

When we recommend products to you, we do so on the basis of research either conducted by us or by third party service providers. We currently have an arrangement in place with Morningstar for the provision of research.

Elston will arrange for brokerage and execution services to be provided to you through UBS Securities Australia Ltd. Fees and charges paid to UBS for providing this service will be paid from the amounts we charge you under the brokerage agreements and are not an additional expense to you.

In some instances Elston will use the services of brokers to execute trades where a service fee is charged in lieu of brokerage. In these circumstances the fee will not be disclosed on a contract note but will be shown as a separate item on your transaction statement.

Eg. 10,000 shares are purchased and the broker charges a fee of \$1,000. The number of shares allocated to your portfolio is 1000. The transaction fee you will be charged is \$100.

Elston has appointed an external custodian in relation to managed portfolios (discretionary and non-discretionary) to hold unlisted managed investment schemes. This external custodian is Mainstream Fund Service Pty Ltd ACN 118 902 891 (Mainstream BPO). If you have any questions around the assets held by Mainstream on your behalf, please contact Elston.

Mainstream is a licensed Custodian AFSL 303253, Level 1, 51 -5 Pitt Street, Sydney NSW 2000, 1300 133 451.

Elston has an investment option under some platform providers such as Macquarie Wrap and HUB24, if you invest in any of the Elston options your adviser will disclose any fees that Elston are eligible to receive as part of this arrangement.

Compensation

EP Financial Services Pty Ltd makes all reasonable steps to maintain professional indemnity and fraud insurance that meets the requirements for compensation arrangements under section 912B of the Corporations Act 2001 (Cth).

Specialist Investment Services

Elston offers two specialist investment management services, Investment Partner a non-discretionary portfolio management service and Premium Partner a Managed Discretionary Account Service.

Investment Partner Services

Investment Partner (non-discretionary) services requires a minimum portfolio size of \$150,000. The fees we charge for Investment Partner (non-discretionary) services are as follows:

Investment Partner Service (non-discretionary service)					
Fees (annual as a percentage of portfolio)	Admin Fee#	Brokerage**	Performance Fee	Advice Fee*	Service
Option 1	●	●		●	0.83% to 1.38% (plus brokerage)
Option 2	●			●	0% min 2.40% max

*Minimum Fees Apply. Advice Fee may be a Fee for Service and/or Asset Based.

**For services that do not attract brokerage there is a Minimum Transaction Fee of \$24.75 that applies to each purchase or sale with a consideration of \$33,333.33 or less. For transactions over \$33,333.33 a transaction fee of 3 basis points (0.03%) applies to the consideration over and above \$33,333.33 in addition to the \$24.75 fee.

Administration fees are charged at a minimum of \$990 per annum to a maximum of \$2970 per annum in addition to advice, performance and brokerage.

Managed Discretionary Account (MDA) Service

EP Financial Services Pty Ltd is licensed to operate Managed Discretionary Account (MDA) services on behalf of clients. An MDA Service is a service where the licensee acts with discretion over the investment portfolio within agreed parameters.

If you choose to participate in the MDA Service then the law requires that you enter into an MDA contract before any MDA services can be provided. Allowing EP Financial Services Pty Ltd to operate an MDA service on your behalf involves inherent risks. These risks are attributable to the investment itself and to the performance by EP Financial Services Pty Ltd, and its representatives, of their obligations under the MDA contract.

Your Adviser will provide a relevant investment program as part of the contract and transactions will only be conducted on your behalf in line with the recommended investment strategy.

- the investment program will contain information on:
- the nature and scope of the discretions that Elston will be authorised and required to exercise;
- any risks associated with the MDA contract;
- the basis on which the MDA contract is considered to be suitable for you; and
- warnings that the MDA contract:
 - > may not be suitable for the client if the client has provided limited or inaccurate information about their relevant circumstances; and
 - > may cease to be suitable if the client's relevant circumstances change.

Under the MDA agreement transactions can be undertaken on your behalf, but you may also

give us specific instructions on how to deal with various transactions/products via telephone, written request or email. As a subscriber to the MDA service you also receive quarterly reporting detailing any transactions undertaken and their associated costs. All listed securities held will be in the name of the client. If any of the portfolio is invested in unlisted managed investment schemes, these will be held by an external custodian. The external custodian appointed to hold unlisted managed investment schemes is Mainstream Fund Service Pty Ltd ACN 118 902891 (Mainstream BPO).

Elston uses related parties and external entities to provide some of the functions required to operate the managed discretionary services. These outsourced functions include investment management by Elston Asset Management Pty Ltd and UBS executes trading and settlement of on market securities transactions. These providers are continually monitored by Elston at board level.

Elston does not exercise voting rights attached to securities that you own under the MDA service on your behalf unless you notify us of your election. If you wish to take up your voting rights in respect to any of your securities please contact your adviser and the appropriate elections can be made on your behalf.

This information complies with ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968.

Managed Discretionary Account Service Fees

This document shows fees and other costs that you may be charged when engaging the Elston Premium Partner service. These fees and costs may be deducted from your portfolio.

You should read all the information about fees and costs because it is important to understand their impact on your portfolio*.

**The Australian Securities and Investments Commission (ASIC) requires us to set out the fees you may be charged under our MDA services in a standard format so as to enable you to compare similar services.*

Elston Premium Partner Service

Fees when your money moves in or out of your Elston Portfolio

Type of fee or cost	Amount	How/when paid
Establishment fee <i>The fee to open your investment</i>	Nil [^]	N/A
Contribution fee <i>The fee on each amount contributed to your investment</i>	Nil [^]	N/A
Withdrawal fee <i>The fee on each amount you take out of your investment</i>	Nil	N/A
Exit fee <i>The fee to close your investment</i>	Nil	N/A

Type of fee or cost	Fee Option	Amount	How/when paid
Advice fees <i>The fees for managing your investment</i>	Option 1	Advice fee of up to 2.75% + a performance fee of up to 22% of absolute portfolio return	Advice fees are deducted directly from portfolio cash - monthly ¹ Performance fees are deducted directly from portfolio cash - bi-annually ¹
	Option 2	Advice fee of up to 2.75% + a performance fee of up to 22% of portfolio performance above the relevant benchmark	Advice Fees are deducted directly from portfolio cash - monthly ¹ Performance Fees are deducted directly from portfolio cash - semi annually ¹
	Option 3	Advice fee of up to 2.75%	Advice Fees are deducted directly from portfolio cash - monthly ¹
	Option 4	A scaled performance fee levied on absolute portfolio performance as follows: PFV less than \$1m - 22% PFV \$1m or over - 16.50%	Performance Fees are deducted directly from portfolio cash - semi annually ¹
Administration Fees <i>The fees for portfolio reporting, mailing house and corporate actions handling</i>	All Options	\$82.50 per month plus 0.22% capped at \$248 per month	Deducted directly from portfolio cash monthly
Transaction Fees	All Options	Min \$24.75 for each purchase or sale*	Deducted from sale proceeds or added to purchase amount at the time of the transaction

Service fees

Switching fee <i>The fee for changing investment options</i>		Nil	N/A
--	--	-----	-----

¹ Whilst not an Establishment or Contribution fee Elston usually charges an implementation fee where you have been provided strategic advice which can be deducted from your Elston Premium Partner portfolio at inception.

¹ Advice fees are calculated and deducted monthly in arrears.

¹ Performance fees are calculated semi-annually on the 30th June and 31st December for the respective preceding period.

Any fee payable is deducted over 6 months starting in the quarter following the fee calculation date in equal monthly instalments.

*Minimum transaction fee of \$24.75 applies to each purchase or sale with a consideration of \$33,333.33 or less. For transactions over \$33,333.33 a transaction fee of 3.3 basis points (0.033%) applies to the consideration over \$33,333.33 in addition to the \$24.75 fee. Special Brokerage fees apply in some special transactions - see additional explanation for details.

Additional explanation of fees and costs

Administration Fees

All Premium Partner services are subject to an administration, reporting and analysis charge. This charge covers the portfolio administration, tax reporting and handling of corporate actions. The fee is \$82.50 per month plus 0.22% of assets under management capped at a maximum of \$248 per month.

Performance Fees

Performance fees are charged on Premium Partner options 1, 2 and 4.

Option 1 & Option 4

Performance fees are calculated on the absolute positive return on the portfolio. This means any return on the portfolio above 0% will be levied the agreed performance fee subject to the portfolio High Water Mark (HWM). The HWM for the portfolio is the value of the portfolio at the time a performance fee is payable plus any additional contributions to the portfolio, less any withdrawals, ongoing advice fees and administration fees. If the Portfolio value does not exceed the HWM in the relevant period no performance fee is payable. The HWM is perpetual, which means that it will not be changed or 'reset'.

Indirect Costs

The manager has at their discretion the ability to include specialist exchange traded funds, managed funds or listed investment companies in portfolios. Where these investments are employed there will be indirect costs incurred for the fees charged by the managers of these underlying products and the costs of investing in and disposing of these investments (buy/sell spread).

Whilst these charges are subject to change we estimate indirect management costs at any one time to be a minimum of 0% and maximum of 0.549% and indirect transaction costs to be a minimum of 0% and maximum of 0.210%. Please note that the actual indirect charges that may apply are determined by the inclusion of an underlying managed product in a portfolio and the weighting of that security in the portfolio.

Adviser Remuneration

Advisers are salaried employees of Elston Private Wealth Pty Ltd. As salaried employees your Adviser does not directly receive any of the fees or charges charged by Elston. However, advisers we are eligible to receive performance based payments from Elston. Elston pays a portion of its Profit to the advisory team bonus pool. Your adviser may receive performance-based payments from this pool. The proportion of the pool to which your adviser is entitled is determined by a number of factors, based on a balanced scorecard approach.

Advice Fees

Advice fees under the Elston Premium Partner service include both investment management of your portfolio and ongoing strategic advice and review services.

Minimum Portfolio Size

A minimum portfolio size of \$500,000 applies for Elston Premium Partner services

Negotiated Fees

Advice fees charged under fee options 1, 2 and 3 may be negotiated with your adviser.

Transaction Fees

Minimum transaction fee of \$24.75 applies to each purchase or sale with a consideration

of \$33,333.33 or less. For transactions over \$33,333.33 a transaction fee of 3.3 basis points (0.033%) applies to the consideration over \$33,333.33 in addition to the \$24.75 fee.

From time to time a special transaction is required which will incur an additional special brokerage fee. These transactions only apply where we source a specialist broker to achieve best execution. We are unable to estimate the brokerage fee incurred in

advance but typically the additional fee would not be in excess of 0.10% of trade value.

Fee Changes

Elston may change the fees we charge you. If Elston changes its fees you will be notified in writing giving you at least one month notice before changes take effect.

Worked Examples

Premium Partner – Option 1:

Advice Fee of up to 2.75% of Gross Portfolio Value plus a performance fee up to 22% of absolute portfolio return.

Advice fees are calculated as at the last day of each month and deducted monthly in arrears.

Performance fees are calculated semi-annually and where payable, the fee is deducted over 6 months in equal monthly installments.

Example:

Gross Portfolio Value = \$500,000

Advice Fee = 2.75%

Annual Advice Fee = \$500,000 x 2.75% = \$13,750 per annum

Or for a 31 day month:

Monthly Advice Fee = \$500,000 x 2.75% x 31/365 = \$1,167.80 per 31 day month

Semi-annual Performance Fee of 22% (Including GST) of the total positive returns on the portfolio, subject to High Water Mark (HWM).

Example:

Semi-annual Performance Fee = 22% x (Performance Fee Value - High Water Mark)

Performance Fee Value (PFV) = \$525,000

High Water Mark (HWM) = \$500,000

Semi-annual Performance Fee = 22% x (\$525,000 - \$500,000) = \$5500

Assuming equivalent portfolio performance in the second half of the year the total performance fees charged for the full year would total \$11,000.

Premium Partner – Option 2:

Advice Fee of up to 2.75% of Gross Portfolio Value plus a performance fee up to 22% of performance above the relevant benchmark.

Advice fees are calculated as at the last day of each month and deducted monthly in arrears.

Performance fees are calculated semi-annually and where payable, the fee is deducted over 6 months in equal monthly installments.

Example:

Gross Portfolio Value = \$500,000

Advice Fee = 2.75%

Annual Advice Fee = \$500,000 x 2.75% = \$13,750 per annum

Or for a 31 day month:

Monthly Advice Fee = \$500,000 x 2.75% x 31/365 = \$1,167.80 per 31 day month

Semi-annual Performance Fee of 22% of the total returns on the portfolio that exceed the performance of the Benchmark Value (BV) of the portfolio.

Example:

Assume Portfolio Value at the time of calculating the performance fee exceeds the 'Benchmark Value'.

Semi-annual Performance Fee = 22% x (Performance Fee Value – Benchmark Value)

Performance Fee Value (PFV) = \$505,000

Benchmark Value = \$500,000*

Semi-annual Performance Fee = 22% x (\$505,000 – \$500,000) = \$1100

Assuming equivalent portfolio performance in the second half of the year the total performance fees charged for the full year would total \$2,200.

Premium Partner – Option 3:

Advice Fee of up to 2.75% of Gross Portfolio Value. Advice fees are calculated as at the last day of each month and deducted monthly in arrears.

Example:

Gross Portfolio Value = \$500,000

Advice Fee = 2.75%

Annual Advice Fee = \$500,000 x 2.75% = \$13,750 per annum

Or for a 31 day month:

Monthly Advice Fee = \$500,000 x 2.75% x 31/365 = \$1,167.80 per 31 day month

Premium Partner – Option 4:

Scaled Performance Fee (Inc. GST) of the total positive returns on the Portfolio, subject to High Water Mark as follows:

- Less than \$1,000,000 –22.0% of performance
- \$1,000,000 and over – 16.50% of performance

Performance fees are calculated semi-annually and where payable, the fee is deducted over 6 months in equal monthly installments.

Example:

Portfolio Value = \$1,050,000

High Water Mark = \$1,000,000

Semi-Annual Performance Fee = $(16.50\% \times (1,050,000 - 1,000,000)) = \$8,250$

Charged monthly for the six month period the fee = $\$8,250/6 = \$1,375$ per month

Assuming equivalent portfolio performance in the second half of the year the total performance fees charged for the full year would total \$16,500.

Special Brokerage Charge:

Special brokerage rate x trade value.

Minimum Transaction Fee of \$24.75 applies for the purchase or sale with a net consideration after the special brokerage fee has been applied of \$33,333.33 or less. For transactions over \$33,333.33 a transaction fee of 3.3 basis points (0.033%) applies to the consideration over and above \$33,333.33 in addition to the \$24.75 fee.

Example:

Transaction Value = \$40,000

Special Brokerage Rate = 0.10%

Special Brokerage Fee = $0.10\% \times \$40,000 = \40

Standard Transaction Fee = $\$24.75 + ((\$40,000 - \$33,333.33) \times 0.033\%) = \26.95

Total transaction fees = \$66.95

Transaction fees:

Minimum Transaction Fee of \$24.75 applies to each purchase or sale with a consideration of \$33,333.33 or less. For transactions over \$33,333.33 a transaction fee of 3.3 basis points (0.033%) applies to the consideration over and above \$33,333.33 in addition to the \$24.75 fee.

Example:

Transaction Value = \$40,000

Transaction Fee Charged = $\$24.75 + ((\$40,000 - \$33,333.33) \times 0.033\%) = \26.95

Premium Partner Option 1 – High Water Mark:

Semi Annual	Semi Annual Period 1	Semi Annual Period 2	Semi Annual Period 3	Period 4
High Water Mark (HWM)				
HWM (Start of Period)	\$500,000*	\$517,697	\$514,724	\$532,004
Plus Portfolio Additions	\$-	\$15,000	\$15,000	\$15,000
Less Portfolio Withdrawals	\$-	\$10,000	\$-	\$-
Less Advice Fees **	\$7,219	\$7,013	\$7,356	\$7,494
Less Administration Fees	\$975	\$960	\$985	\$995
High Water Mark (End of Period)	\$491,806	\$514,724	\$521,383	\$538,515
Actual Portfolio Value - End of Period				
Performance Fee Value (PFV)	\$525,000	\$510,000	\$535,000	\$545,000
Performance Above HWM	\$33,194	\$-	\$13,617	\$6,485
Performance Fee @ 22%	\$7,303	\$-	\$2,996	\$1,427
Adjusted High Water Mark***	\$517,697	\$514,724	\$532,004	\$543,573

* Starting HWM is equal to the Initial Contributions of the Investor

** Advice fees are calculated based on assumed advice fee of 2.75% and calculated on the PFV of the portfolio for the purpose of this example. Actual advice fees are deducted monthly in arrears.

***High Water mark is reduced by Performance Fees

Premium Partner Option 2 – Benchmark Value Calculations:

Semi Annual	Semi Annual Period 1	Semi Annual Period 2	Semi Annual Period 3	Period 4
Benchmark Value (BV)				
BV (Start of Period) *	\$500,000	\$530,873	\$510,846	\$558,666
Plus Portfolio Additions	\$-	\$15,000	\$15,000	\$15,000
Less Portfolio Withdrawals	\$-	\$10,000	\$-	\$-
Less Advice Fees **	\$7,356	\$7,040	\$7,563	\$8,044
Less Administration Fees	\$985	\$921	\$1,000	\$1,035
	\$491,659	\$527,871	\$517,283	\$564,587
Benchmark Return	5.00%	-4.00%	8.00%	2.00%
Benchmark Value (End of Period)	\$516,242	\$506,756	\$558,666	\$575,879
Actual Portfolio Value - End of Period				
Performance Fee Value (PFV)	\$535,000	\$512,000	\$550,000	\$585,000
Performance Above BV	\$18,758	\$5,244	\$-	\$9,121
Performance Fee @ 22%	\$4,127	\$1,154	\$-	\$2,007
Adjusted Benchmark Value***	\$530,873	\$510,846	\$558,666	\$582,993

* Starting BV is equal to the Initial Contributions of the Investor

** Advice fees are calculated based on assumed advice fee of 2.75% and calculated on the PFV of the portfolio for the purpose of this example. Actual advice fees are deducted monthly in arrears.

***Benchmark Value is reduced by Performance Fees

Premium Partner Option 4 – High Water Mark Example:

	Semi Annual Period 1	Semi Annual Period 2	Semi Annual Period 3	Semi Annual Period 4
High Water Mark (HWM)				
HWM (Start of Period)*	\$1,000,000	\$1,041,478	\$1,044,861	\$1,134,837
Plus Portfolio Additions	\$0	\$15,000	\$15,000	\$15,000
Less Portfolio Withdrawals	\$0	-\$10,000	\$0	\$0
Less Admin Fees	-\$1,650	-\$1,617	-\$1,760	-\$1,727
High Water Mark (End of Period)	\$998,350	\$1,044,861	\$1,058,101	\$1,148,110
Actual Portfolio Value - End of Period				
Performance Fee Value (PFV)	\$1,050,000.00	\$1,020,000.00	\$1,150,000.00	\$1,120,000.00
Performance Above HWM	\$51,650.00	\$0.00	\$91,899.25	\$0.00
Performance Fee***	\$8,522.25	\$0.00	\$15,163.38	\$0.00
Adjusted High Water Mark**	\$1,041,477.75	\$1,044,860.75	\$1,134,836.62	\$1,148,109.62

* Starting HWM is equal to the Initial Contributions of the Investor

**High Water mark is reduced by Performance Fees

***The Performance Fee is calculated as follows: $(22\% \times (PFV (<\$1M) - HWM))$, or $16.50\% \times (PFV (\geq \$1M) - HWM)$

Please note that the above examples are very simplistic. The Advice Fees examples assume that gross portfolio value remains constant throughout the calculation period. In practice gross portfolio value is likely to fluctuate during the year, which will affect the final amount of Advice Fees. Performance fee examples do not indicate or forecast future performance. Please carefully read all information about fees and costs in this agreement and ask your Elston adviser if you have any questions.

Providing instructions to Elston

You can give us instructions by telephone, mail, email, or other methods, as agreed with your adviser.

Personal information

Elston respects your right to the privacy of your personal information. Any personal information provided by you to Elston will be handled in accordance with our privacy policy. Our privacy policy details how we comply with the requirements of the Privacy Act 1988 (Cth) in the handling of your personal information.

A copy of that policy can be obtained by visiting the Elston website at www.elston.com.au

Anti Money Laundering and Counter Terrorism Finance Act

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's licence. We will also retain copies of this information. We assure you that this information will be held securely. We cannot provide you with services if you are unwilling to provide this information.

Making a complaint

Elston is committed to providing a high standard of client service and to maintaining our reputation for honesty and integrity. Elston acknowledges that you have the right to complain if you are dissatisfied with the service you receive from Elston. Elston is committed to the efficient and fair resolution of complaints.

If you have any complaint about the service provided to you, you should take the following steps:

- 1 Contact your adviser and tell your adviser about your complaint.
- 2 If your complaint is not resolved to your satisfaction within a reasonable time, please contact our Complaints Manager on (07) 3211 9555 or put your complaint in writing and send it to:

The Complaints Manager
EP Financial Services Pty Ltd
PO Box 2220, Brisbane Q 4001

or email to epfs@elston.com.au

- 3 If you are unhappy with our response to your complaint, you may raise the matter with the Australian Financial Complaints Authority ("AFCA"). Our AFCA membership number is 12781.

- 4 The AFCA toll free number is 1800 931 678 or write to:

AFCA
GPO Box 3,
Melbourne, VIC 3001
www.afca.org.au



ELSTON
Customised Financial Solutions

Elston House, Level 5, 850 Ann Street
Fortitude Valley Qld 4006
GPO Box 2220, Brisbane Qld 4001
Toll Free: 1300 ELSTON
www.elston.com.au

EP Financial Services Pty Ltd
ABN 52 130 772 495, AFSL No: 325 252