

Financial Services Guide

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Stephan
Independent
Advisory

| EST. 1995 | Private Wealth Management

Financial Services Guide

The purpose of this Financial Services Guide

Welcome to our Financial Services Guide (FSG). This FSG is designed to assist 'you' (the client) in deciding whether to use any of the services offered by Stephan Independent Advisory. The FSG contains information about the remuneration that may be paid to 'us' (the financial services licensee) and other relevant persons in relation to the services offered and contains information on how complaints against the financial services licensee are dealt with.

About us

As a second-generation family business, we understand better than most the need for independent strategic support. We're working towards a unique vision, one that our father, Magdy Stephan passed on to us. When he created his boutique financial dealer group in 1995 he brought a new approach to the industry.

Our father believed that long-term financial health should be your focus, not just wealth; that there was more to it than simply the amount of money one could make.

But when we almost lost our father in 1999, even with his vision our family simply wasn't prepared to face the challenges that came with transitioning wealth and knowledge. This event, and the learning curve that came with it, made us realise how important a strong wealth management plan is. We decided to use this experience to provide guidance and support to other families, and help them successfully manage their wealth transition well ahead of any critical event.

This experience led us both to become independent financial advisors, and we're committed to providing strategies and structures to help alleviate the worries that a family business leader takes on their shoulders, to ensure the next generation and their surviving partner understands the implications of wealth transfer and their responsibilities within the family context, before the transition is forced upon them.

So when we work with you as your independent financial advisor, our advice isn't just academic: we're able to provide a long-term vision enriched by life experience. We want to help you avoid the heartache and complex problems we experienced.



Our process

Your wealth management shouldn't be a mystery. Here's the formula we follow that incorporates everything you need for enduring, successful wealth management, both now and into the future.

$$\begin{aligned} & \textit{Wealth Management} = \\ & \textit{Investment Consulting} + \\ & \textit{Advanced Planning} + \\ & \textit{Relationship Management} \end{aligned}$$

Investment Consulting

We manage all the investment elements of your critical capital, streamlined to maximise the goals important to you. This includes portfolio performance analysis, risk evaluation, asset allocation, cost impact assessment, tax impact assessment, and investment policy review.

Advanced Planning

Advanced planning goes beyond investments. We'll help you enhance your wealth through maximising your cash flows and minimising your tax liability, safely dispersing your assets and capital to your next generation, identifying any personal and financial risks to protect your long-term goals, and ensuring that your personal passions such as charitable giving remain intact, and even become tax-effective.

Relationship Management

As the custodians of your Wealth Management Plan, we manage the relationships between everyone involved in maintaining your wealth. This includes family members, clients, and our network of professional independent advisors. Our research has shown that a key factor in successful family wealth transitions is good communication between family members—so we'll help you keep your lines of communication open.

Think of us as your family's Chief Financial Officer, your trusted counsel that takes care of both the planning and relationship management for you.



Our value promise



We help you preserve, protect, and transfer your wealth, while upholding your family's mission and legacy. We achieve this by putting a well-defined and agile consulting process into place, in collaboration with a thoroughly-vetted and independent specialist professional team.

Whether you're maintaining the family business that you've built from the ground up, or putting plans in place for your retirement and beyond, you want to make sure your family is taken care of long into the future. Stephan Independent Advisory exists to give you a truly independent wealth management solution. We work with you to provide in-depth financial strategies which are unique to your family's situation. Our goal is to see your financial health managed in a sustainable way.

Our Mission

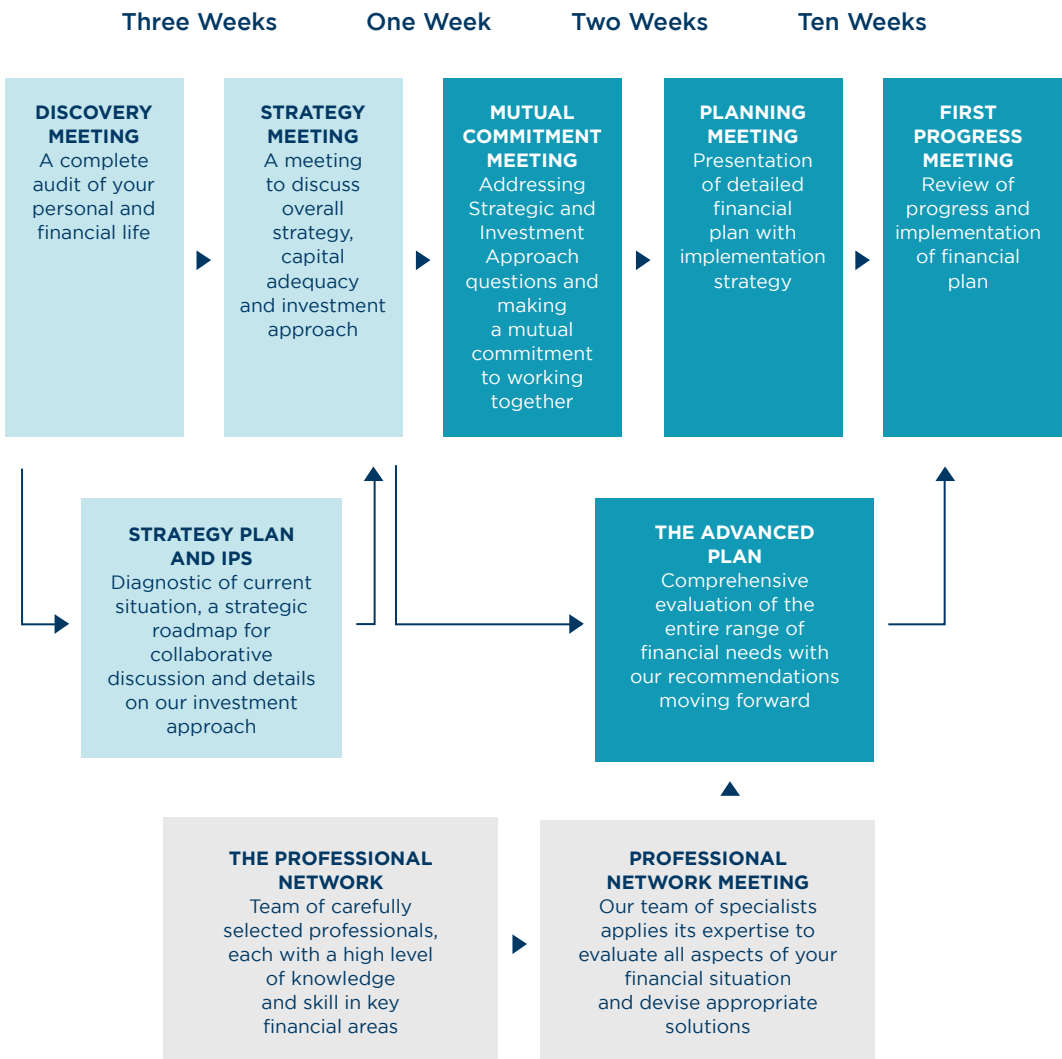
We see and contribute to a future where families live their lives with intention and purpose, where a family's freedom, flexibility, and values are upheld over purely financial motivations. We strive to refine our wealth management process to ensure our client's aspirations and financial strategies meet in the most effective and purposeful way. We're driven to strike a balance between consultation, collaboration, and education to ensure change isn't limited to our clients, but is provided as a legacy to the children, friends, and family connected with our clients.

How we'll work with you

At Stephan Independent Advisory (SIA) our purpose is to help you navigate the complexities of managing your wealth, for you and your family. Here's how we'll work with you to ensure your family's legacy is preserved.

Our wealth management consultation process

We use the following consulting process to uncover your most important goals, and design and implement a strategy that ensures your family’s most important financial issues are addressed, helping you to set the foundation of your financial health and enhance your family’s legacy.



Initial Consultation:

In our initial meeting we conduct a discovery interview to help us identify the challenges you face in achieving what’s important to you. We examine your current situation, the goals you would like to achieve, and how we can maximise the possibility of achieving those goals. The initial consultation fee is \$500 (plus GST), however we may waive this fee if you’re introduced to us from an existing client or professional advisor connected with us.

Strategy Meeting:

Here we present our diagnostic of your current situation and our guidance on the strategies we believe are most appropriate to bridge the gaps to help you to reach your goals. This strategy forms the foundation for all our work together. We don’t charge you for this meeting.

Mutual Commitment Meeting:

At this meeting we decide together whether we should proceed our engagement on an ongoing basis. If we decide to proceed we'll then present you with our rates, which include:

- An engagement fee, which is one flat rate that represents our time and expertise in producing a foundational Statement of Advice and associated paperwork. Our average engagement fee is \$3,000 (plus GST). In more complex situations where we expect the report to take longer than 10 hours to prepare, we'll agree on a fee based on a rate of \$500 (plus GST) per hour, the exact amount to be agreed upon before we commence work on the report.
- Your ongoing monthly fee for our Progress Meeting service (see below). Our minimum monthly ongoing fee is \$757.50 (plus GST) and can be cancelled with 28 days' notice with no commitment to serving the full progress year term.

If we decide to work together, both parties will commit to working toward achieving everything that's important to you and your family. There is no charge for this meeting, either.

Planning Meeting:

At this meeting we present you with a detailed recommendation of the strategies we've identified that give you the greatest possibility of achieving your goals. These strategies make up your Wealth Management Plan. We'll also address any queries you may have regarding these recommended strategies, and begin the paperwork required to put your strategies in motion.

Progress Meeting:

In our first progress meeting we address the areas of your Wealth Management Plan that we've now implemented, and outline key areas of your advanced planning that still require implementation. These regular progress meetings give us an opportunity to review any major changes in your personal or financial situation since our last meeting. We'll make adjustments to your Plan if necessary, and review your overall progress toward your long-term financial goals. These meetings are also our opportunity to implement advanced planning recommendations that may be appropriate for your situation, where we'll prioritise your most important areas and begin to address them systematically.

We charge an annual fixed fee for these meetings, based on the service level prescribed and the complexity of the ongoing advice and reviews we provide. We agree upon this fee with you before we begin implementation of any recommended products or investments, and can be renegotiated annually. You can also choose to pay this fee personally or have it deducted from your investment on an ongoing basis.

We commonly communicate with our clients through email, phone, face to face and through online virtual meeting platforms. As a business we understand that some functions of the advisory process are better served face to face, however, we also look to employ technology for functions that improve our efficiency and security.

Service documentation

We provide you with detailed documentation and statements of the services we provide, so you have everything in writing. You might also receive other disclosure documents from us. These may include;

- **Statement of Advice** This document sets out our understanding of your current circumstances, any financial planning advice and recommendations made to you, along with full disclosure of any fees that may be charged to you.
- **Product Disclosure Statements** These documents provide details regarding the financial products that have been recommended to you. They include any fees and charges associated with particular products.
- **Record of Advice** This document is designed to facilitate simple ongoing advice where your personal circumstances and the basis for further advice are not significantly different from the previous Statement of Advice (SOA) in terms of recommendations and your personal situation. We are required to hold copies of Records of advice for a period of up to 7 years, should you wish to receive a copy you may request this by email or phone and this will be provided to you.



- **Enhanced Fee Disclosure Statement (FDS)** From 1 July 2021, where a client has an ongoing fee arrangement that exceeds 12 months, we will provide you with an enhanced FDS, this will include the services you were entitled to receive, the services you actually received and the fees you paid for the previous 12 months plus the services you are entitled to receive and the fees you can expect to pay for the next 12 months. We will require you to consent to

continue the ongoing fee arrangement every 12 months. You can consent a number of ways that allow us to prove consent, however for most clients we expect they will simply sign the enhanced disclosure document and return it to our office via email or post.



Your advisors



Joe and James both hold a Bachelor of Business (Financial Planning) (with distinction) and are Certified Financial Planners™.

Stephan Independent Advisory Pty Ltd grants Directors,

Joseph and James Stephan the authority to:

- provide financial product advice; and
- deal in a financial product by arranging for a person to apply for, acquire, vary, or dispose of financial products.

The licensee, Stephan Independent Advisory Pty Ltd is ultimately responsible for the advice provided by its Directors.

This authorisation applies to the following classes of financial products:

- deposit and payment products;
- debentures, stocks, or bonds issued by a government;
- investment life insurance products;
- life risk insurance products;
- interests in managed investment schemes;
- retirement savings accounts;
- shares and other securities;
- superannuation; and
- margin lending products.

Who has an interest in our services?

Fees paid by you for our services shall be paid to SIA. Joseph and James Stephan are Directors and shareholders of SIA and will benefit from any profits earned by SIA. Any form of remuneration received by our business will be disclosed and clearly stipulated in Statements of Advice and Records of Advice prepared as a consequence of our advice.

Product providers or managers may deduct fees from the products recommended by SIA. These fees will be disclosed by the product providers in their Product Disclosure Statements, so be sure to read them carefully. We will provide a full disclosure of product fees in Statements of Advice and Records of Advice we prepare for you.

SIA may elect to receive benefits from product providers on occasion where those benefits have a genuine educational or compliance related benefit which we believe will improve our technical and compliance knowledge. We do not regularly attend these sessions and are selective about the sessions we do attend. We do not believe these benefits influence the advice we provide to our clients.

Resolving a complaint or concern

If you've got any concerns about the services provided by SIA or one of our representatives, our aim is to resolve your issue quickly and fairly.

To allow us to do so simply take the following steps.

1. Contact your advisor about your concerns.
2. Stephan Independent Advisory is a member of the Australian Financial Complaints Authority (AFCA). If the outcome of your discussions with your advisor are not to your satisfaction after 45 days (Please note that from 5th October 2021 this will change to 30 days), you may lodge your complaint in writing with AFCA. AFCA will undertake an independent review of your concerns and we are bound by their determination.

Australian Financial Complaints Authority
GPO Box 3
Melbourne Vic 3001
Phone 1800 931 678

Further information regarding the Australian Financial Complaints Authority is available from afca.org.au

Indemnity and privacy

In order to serve our clients diligently and to engage in the activities of financial services licensee we store client data on servers based domestically and abroad. We currently hold client data on both Australian and US based servers.

SIA currently holds professional indemnity insurance for activities conducted in accordance with our AFS License. Professional indemnity insurance helps reduce the risk that SIA might not have sufficient resources available to compensate clients for losses they incur as a result of certain breaches of the Corporations Act by SIA or its representative.

The limit of indemnity is as prescribed under ASIC Regulatory Guide 126. Subject to the terms and conditions of the policy, the professional indemnity insurance extends to cover claims made in relation to the conduct of Authorised Representatives and employees of the Licensee including cover for those Authorised Representatives and employees who no longer work for the Licensee (but who did at the time of the relevant conduct). This insurance does not cover any actions by the representative acting in any other capacity (eg. as your accountant) or acting beyond the scope of SIA's AFS License.

We respect your privacy, and a copy of our Privacy Statement is available on our website www.siadvisory.com.au or upon request. You can obtain a copy by calling us or asking for a copy from one of our staff.

siadvisory.com.au

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Private Wealth Management