

24 September 2020

Update – Introducing Family Pricing

As an investor of Australian Practical Investor Service, we would like to advise you that the new Family Pricing will be available from **1 October 2020**.

What is Family Pricing?

Family Pricing is designed to create more competitive administration fee pricing. Quite simply, it allows you and your Family Members to aggregate your account balances for the purposes of calculating administration fees, allowing greater use of the tiered percentage pricing structure, and potentially saving money.

How does Family Pricing work?

Up to 6 Family Members who have the same financial adviser can apply to have their individual Australian Practical Investor Service Accounts or Australian Practical Superannuation Accounts linked as a Family Group in order to aggregate their average daily balances across all investments.

If Australian Practical Investor Service Accounts or Australian Practical Superannuation Accounts are linked, the asset-based administration fee is calculated on the aggregate average daily balance of the linked accounts and then applied proportionally to each linked account, according to the share of the aggregated balance. In this way, a lower asset-based administration fee may apply, depending on the aggregate average daily balance of all linked accounts. The account keeping fee and any other fees that apply are not included in this arrangement and will continue to apply to each account, as relevant.

In order for Australian Practical Investor Service Accounts or Australian Practical Superannuation Accounts to qualify for Family Group pricing, the holder of the account must be a Family Member (see definition below).

We reserve the right to determine whether accounts may be linked in any Family Group, or whether to reject a request. We may also cancel the linking of accounts and change these terms at any time.

Example

Sue and Bob are married and both have Australian Practical Investor Service Accounts with the same financial adviser. They have balances of \$500,000 (in Core Menu) and \$800,000 (in Full Menu) respectively. The tables below show what their total annual administration fees would be, first without and then with family linked pricing:

Without Family Group Pricing

	Fee Calculation	Administration Fees
Sue (Core Menu)	$\$250,000 \times 0.35\%$ $\$250,000 \times 0.25\%$ + \$150 Account keeping fee	\$1,650 p.a.
Bob (Full Menu)	$\$250,000 \times 0.35\%$ $\$550,000 \times 0.25\%$ + \$250 Account keeping fee	\$2,500 p.a.
Total administration fees		\$4,150 p.a.

With Family Group Pricing

	Fee Calculation	Administration Fees
Sue (Core Menu) + Bob (Full Menu)	$\$250,000 \times 0.35\%$ $\$750,000 \times 0.25\%$ $\$300,000 \times 0.00\%$ + \$150 Account keeping fee + \$250 Account keeping fee	\$3,150 p.a. <i>Sue's fee charge is: $\\$1,057.69 + \\$150 = \\$1,207.69$</i> <i>Bob's fee charge is: $\\$1,692.31 + \\$250 = \\$1,942.31$</i>
Total administration fees		\$3,150 p.a.

The above example:

- assumes that the average daily balances do not change,
- individual account holder fees charged based on the calculated amount proportioned to the individual accounts based on the share of the combined balance, and
- the same fee calculation will apply if Sue and Bob's Accounts are across Australian Practical Investor Service and Australian Practical Superannuation

Definitions:

The following definitions apply to Family Group Pricing

Child has the same meaning given to that term in the Superannuation Industry (Supervision) Act 1993

De Facto Relationship has the same meaning given to that term under the Family Law Act 1975

Family Group means a group of between two and six Family Members who have the same financial adviser and who have a linked Australian Practical Investor Service account.

Family Member means:

- a) members of the same immediate family including a Spouse, members of a De Facto Relationship, Child, Parents, sibling, grandchildren and grandparents; and
- b) members in companies, family trusts and SMSFs, provided the directors/directors of the trustee or the trustees and/or beneficiaries are members of the same immediate family.

Nominated Representative means a financial adviser who is registered with the Promoter to use the Secure Online Portal and who has been authorised by their client to be their Nominated Representative.

Parent has the same meaning given to that term under the Family Law Act 1975

Spouse has the same meaning given to that term in the Superannuation Industry (Supervision) Act 1993

What does this mean for you?

If you wish to make a request to link accounts, speak to your financial adviser. He or she can make the election for you and provide details of the relevant accounts. Once we accept the request, linking will apply at the start of the following month.

If you have any questions in relation to this notice, the Service Guide or any other documents in relation to Australian Practical Investor Service, please contact your financial adviser or us.

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