

01 May 2024

# FINANCIAL SERVICES GUIDE

**Licensee:**

Escala Wealth Management Pty Ltd  
(AFSL 456207 ABN 30 162 573 828)

This Financial Services Guide (FSG) is authorised for distribution by Escala Wealth Management.

**Authorised Representatives:**

Escala Partners Pty Ltd  
(ASIC# 439722 ABN 74 155 884 236)

The Authorised Representatives act on behalf of Escala Wealth Management who is responsible for the services that they provide.

**Contact:**

Level 19, 90 Collins Street  
Melbourne VIC 3000  
T. 03 8651 2600

**Not Independent**

Because:

- we receive fees in respect wholesale clients that may constitute conflicts of interest;
- we may recommend products that we manage including the Escala Investment Account service and any other discretionary products; and
- our advisors have interests in financial products that may also be recommended to our wholesale clients, we are not able to refer to ourselves or our advice as 'independent', 'impartial' or 'unbiased'.



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## Why am I receiving this Document?

This Financial Services Guide (FSG) will help you decide whether to use the services that are offered by Escala Partners Pty Ltd ABN 74 155 884 236 (Escala Partners) (we, us, our). It contains information about:

- The services we offer and their cost
- Any conflicts of interest which may impact the services
- How you are charged for any services
- How we are remunerated
- How we deal with complaints if you are not satisfied with our services.

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## Escala Wealth Management

Escala Wealth Management Pty Ltd (AFSL 456207 ABN 30 162 573 828) (Escala Wealth Management) holds an Australian Financial Services Licence as defined under the Corporations Act 2001 (Cth).

Escala Wealth Management has in place professional indemnity insurance which it considers adequate to meet the requirements in section 912B of the Corporations Act 2001 (Cth) (relating to retail client compensation arrangements) for financial service provided by its current and past representatives.

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## What Services do we Provide?

We are authorised to provide general and personal advice and dealing services in the following areas:

- Managed investments
- Securities (direct shares)
- Derivatives
- Deposit products
- Government bonds and debentures
- Superannuation
- Margin Lending
- Foreign exchange contracts

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## The Financial Advice Process

Where we provide personal advice, we will listen to you to understand your objectives and circumstances. We will also ask questions to make sure we provide advice which is in your best interests.

When we first provide personal advice to you it will be explained thoroughly and documented in a Statement of Advice (SoA) which you can take away and read.

The SoA will explain the basis for our advice, the main risks associated with the advice, the cost to you of implementing the advice, the benefits we receive and any conflicts of interest which may influence the advice.

If we recommend investment platforms and managed funds, we will provide you with the Product Disclosure Statement for those products. This contains information to help you understand the product being recommended and contains information about the product including its features and risks.

At all times you are able to contact us and ask questions about our advice and the products we recommend.

You can send us instructions in writing, or via phone, email, SMS, or any other means that we agree with you from time to time. In some cases, we may require you to provide signed instructions. You must provide us with complete and accurate information about your circumstances and ensure that any assumptions that we have made when providing advice are correct. If you fail to do so, our advice may not be suitable to your needs.

We may provide further advice to you to keep your plan up to date for changes in your circumstances, changes in the law and changes in the economy and products.

If we provide further advice it will typically be documented in a Record of Advice (RoA) which we retain on file. You can request a copy of the RoA document at any time up to 7 years after the advice is provided.



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## Fees

All fees that are payable in connection with the services provided by us are payable to Escala Partners. The services and fees to be provided by us will be set out in our SoA or RoA. If you enter into an ongoing service agreement with us, you will receive annual fee disclosure statements and we will ask you to renew the agreement and consent to the deduction of advice fees from your account each year.

### Initial Advice Fees

We will generally not charge you a fee for our initial advice. If we do intend to charge a fee, we will agree the fee with you in writing before providing any services. This fee is negotiated between you and your Investment Advisor and is capped at no more than 5.5% of the total initial investment.

### Ongoing Advice Fees

Our ongoing fees will depend on your total assets under management and other factors such as the complexity of your portfolio, the regularity of reviews and any additional services we are providing. The fee will typically be a % of your portfolio value, calculated daily and charged each month. Whether the fee is a flat dollar amount or a percentage of assets charge, the fee cannot exceed 2.2% per annum.

The services and fees will be set out in the SoA or RoA.

### Brokerage

Brokerage may be charged when we buy or sell securities or other financial products. The fee will typically be \$100 (excluding GST) per transaction. If we do intend to charge a fee, we will agree the fee with you in writing before providing any service.

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## Placement Fees

Escala Partners may receive placement fees on debt and equity raisings undertaken by product issuers. These include initial public offerings, share placements and rights issues. This fee will typically be up to 1.1% of the investment amount (e.g. \$220 on \$20,000). You will be advised of any placement fee we receive when we provide advice to you.

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## Other Benefits

Escala Partners may receive other benefits from product providers such as training, meals and entertainment. Details of any benefits received above \$100 will be maintained on a register which is available to you on request.

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## Advisor Remuneration

Advisors are employees of 2nd Chapter Pty Ltd ACN 631 879 439 (2nd Chapter), a distinct legal entity from Escala Partners Pty Ltd. 2nd Chapter has entered into a management agreement with Escala Partners. Advisors receive compensation in the form of a salary and, if applicable, a bonus based on a percentage of the revenue generated by Escala's clients, after meeting a compliance hurdle.

Shareholders of 2nd Chapter, which includes some advisors, receive a share of the revenue generated by Escala Partners.

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## Powerwrap

We continue to recommend the use of the Escala Investment Account (which is part of the Powerwrap Investment Account, a registered managed investment scheme (ARSN 137 053 073) (Scheme)) as the administration platform for your account. Powerwrap Limited ABN 67 129 756 850 is the Responsible Entity of the Scheme. In 2020, Powerwrap Limited was acquired by Praemium Limited ABN 74 098 405 826 (Praemium).

Authorised Representatives, directors of 2nd Chapter and their related entities may directly or indirectly (e.g., through a trust or superannuation fund) hold shares in Praemium.



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## Conflicts of Interest

We may recommend investments in shares that advisors hold or may hold in the future. We will manage any conflicts of interest to ensure our advice is always in your best interests in accordance with his best interests duties and obligations under the Corporations Act 2001 (Cth) and the Code of Ethics. We will also tell you about any conflict of interest when we provide advice.

Some of our advisors hold shares in FinClear Pty Ltd ABN 63 607 164 714 (FinClear). FinClear is an execution and clearing service used by Powerwrap Limited and Praemium Limited. There is no contractual relationship between Escala Partners and FinClear.

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## Wholesale Clients

In some circumstances we may provide services to you as a wholesale client. We will seek your consent before providing services to you as a wholesale client.

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## Making a Complaint/ Dispute Resolution Procedure

We endeavour to provide you with the best advice and service at all times.

If you are not satisfied with our services then we encourage you to contact the Licensee. We accept complaints over the phone, in person, via email or letter or on our social media channels. The best option is to call the Licensee or put your complaint in writing to the Licensee's office. The Licensee will endeavour to resolve your complaint in 5 business days.

If you still do not receive a satisfactory outcome or the Licensee does not respond to you within 30 days after you make the initial complaint, you have the right to complain to the Australian Financial Complaints Authority (AFCA) at the following address:

GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678  
Facsimile: 03 9613 6399  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

You may only contact AFCA once you have followed the above procedure.

Our Complaints Handling Procedure is available on request and at our website at <https://escalapartners.com.au/docs/escala-complaints.pdf>

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## Your Privacy

We are committed to protecting your privacy.

We have a Privacy Policy which sets out how we collect, hold, use and disclose your personal information. It also sets out how you can access the information we hold about you, how to have it corrected and how to complain where you are not satisfied with how we have handled your personal information.

Our Privacy Policy is available at [https://escalapartners.com.au/docs/home/7\\_escala\\_privacy\\_policy.pdf](https://escalapartners.com.au/docs/home/7_escala_privacy_policy.pdf)

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