



Financial Services Guide

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Licensee

Koda Capital WA Pty Ltd (previously Redwood Wealth Alliance Pty Ltd)
AFSL 227870, ABN 54 085 130 187

Contact Details

Level 3, 66 Kings Park Road
West Perth WA 6005

info@kodacapital.com
www.kodacapital.com.au
08 9380 2000

Why am I receiving this document?

This Financial Services Guide (FSG) describes our Private Wealth Management advisory and investment services to assist you to decide whether to use our services. It also contains information about:

- Any conflicts of interest which may impact our services.
- How we are remunerated.
- How we deal with complaints if you are not satisfied with our services.

Who is Koda Capital WA?

Koda Capital WA Pty Ltd ("Koda Capital WA"), previously Redwood Wealth Alliance Pty Ltd, holds an Australian Financial Services Licence (AFSL) to provide financial planning and managed discretionary account services. We are ultimately owned by Koda Capital Holdings Ltd.

We are required to comply with the obligations of the Corporations Act and the conditions of our licence.

We leverage the diverse expertise within our whole team to provide you investment and wealth strategies tailored to your needs and objectives.

What services do we provide?

We are authorised to provide personal advice and dealing services to retail and wholesale clients in the following areas:

- Securities
- Superannuation
- Managed investment schemes including IDPS and managed discretionary account services
- Basic and non-basic deposit products
- Government debentures, stocks or bonds
- Investment life insurance products and life risk insurance products
- Retirement savings accounts products
- Margin lending facilities.

How we advise you

When you become a client of Koda Capital WA, we act on your behalf.

The objectives and personal circumstances of each client are different. Where we provide personal advice, we will seek to understand your objectives and circumstances in order for our advice to be in your best interests.

Our initial advice on suitable financial strategies will be provided in the form of a written Statement of Advice ("SoA") which you can take away and read.

The SoA will explain the basis of 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 you ask us to manage your investment portfolio, we offer a discretionary investment service. We design a suitable Investment Program for you, based on your circumstances, financial objectives and needs and we manage your investments in accordance with that Program.

Sydney

Level 8, 20 Bond Street
Sydney NSW 2000
+61 2 8651 3400

Melbourne

Level 15, 385 Bourke Street
Melbourne VIC 3000
+61 3 9909 2600

Brisbane

Level 27, 1 Eagle Street
Brisbane QLD 4000
+61 7 3144 5900

Perth

Level 3, 66 Kings Park Road
West Perth WA 6005
+61 8 9380 2000

Koda Capital WA Pty Ltd (ACN 085 130 187) is an Australian Financial Services Licensee (AFSL 227 870) with its registered office at Level 8, 20 Bond St, Sydney NSW 2000. Koda Capital WA Pty Ltd is also a registered tax agent with the Tax Practitioners Board.

This enables us to quickly and efficiently implement changes to your investment portfolio as we do not need to obtain your prior approval to each transaction. Without discretion, there can be delays in making changes to your account as it takes time to communicate our advice to you and seek your authority on each transaction.

We will provide you with a SoA where we recommend our managed discretionary account (MDA) service. The SoA will explain why the MDA service is in your best interests and suitable for you.

The discretionary investment service is provided via a regulated platform account. We will not transact on any of your investments held outside your platform account without first contacting you. We will contact you for instructions if action is required on your regulated platform account which is outside the authority you have given us.

You will need to enter a Private Wealth Management Services Agreement with us before we provide services to you. If you ask us to provide discretionary investment services, that Agreement and your Investment Program will comply with Div 3 of Part 7.7 and Div 2 of Part 7.7A *Corporations Act 2001 (Cth)*. Your Investment Program will also explain:

- The investment strategy we will implement on your behalf;
- The nature and scope of the discretions you will authorise and require us to exercise when managing your investments;
- Any significant risks associated with the Private Wealth Management Services Agreement;
- The basis on which we believe the Private Wealth Management Services Agreement is suitable for you; and
- That the Private Wealth Management Services Agreement may not be suitable for you if you provide us with limited or inaccurate information about your relevant personal circumstances or if those circumstances change.

If we recommend investment products to you outside our discretionary investment service, we will give you a Product Disclosure Statement or information memorandum (if available) containing information about the product to help you understand the product being recommended and make an informed decision. We may not give these to you if you are a wholesale client.

Our discretionary investment service may not be suitable to you if you provide us with limited or inaccurate information relating to your personal circumstances or may cease to be suitable to you if your circumstances change.

If you use our discretionary investment service, we will meet with you at least every 12 months to consider whether it continues to be suitable for you.

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.

How you may contact us

You can contact us and ask questions about our advice and the financial products we recommend at any time.

You can provide instructions to us in writing, in person, by phone or email. In some cases, we may require you to provide signed instructions.

You can cancel the discretionary investment service at any time by notifying us in writing.

Netwealth

As indicated above, we provide our discretionary investment service through administration and reporting platforms which provide a custodial service and are regulated by ASIC.

We will typically recommend the platform operated by Netwealth Investments Limited (AFSL 230975, ABN 85 090 569 109). You will need to complete an Application to open an account with Netwealth and provide us with a Netwealth Authority to Operate.

Netwealth will provide you with online access to information about the transactions that we undertake on your behalf and the value of your discretionary investment portfolio. Netwealth will also provide quarterly and annual reports on your account.

Netwealth will hold custody of your Australian investments on your behalf. For international securities they use a sub-custodian, details of which can be found in their IDPS and Financial Services Guides.

We have worked with Netwealth for many years and are satisfied that they provide the required administration, custodial and reporting functionality to support our discretionary investment service. The majority of our clients use the Netwealth platform.

Netwealth can be contacted by phone on 1800 888 223, by email at contact@netwealth.com.au or by post at PO Box 336, South Melbourne VIC 3205.

Significant risks of our discretionary investment service

The main risk of using our discretionary investment service is that you will not know about the changes we make to your investments before they are made. However, we will only make changes which are consistent with our understanding of your relevant circumstances and the agreed investment strategy.

We will have the authority to make decisions in relation to corporate actions such as share buy backs, rights issues and share splits.

Changes we make to the investments in your account may result in a capital gain which may increase your taxable income. We will consider your tax position when managing your investments.

You will be reliant on our operational capability and professional integrity to manage your investments. Our acts are binding on you provided we act within the terms of your

Private Wealth Management Service Agreement and Investment Program.

You should also be aware that all investments carry risk.

Different strategies may carry different levels of risk, depending on the investments that make up the strategy. Investments with the highest long term returns may also carry the highest level of short term risk.

The level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of their wealth are invested; and their risk tolerance.

The value of investments and the level of returns will vary. Future returns may differ from past returns. Returns are not guaranteed, and investors may lose some of their money.

How we are paid

Advisory services

For our advisory services, Koda Capital WA will charge you a combination of the fees listed below, reflecting the work that you ask us to undertake for you. The amount of each fee will depend on the complexity of your situation. We will agree these fees with you before we undertake the work.

Type of Service	Amount (incl GST)	Description
Initial Consultation	Nil	Initial consultations are free of charge.
Initial Advice	All advice fees are based on the scope of our services and the complexity of your circumstances. They are always agreed with you before we start providing any service.	This fee is for analysing your financial situation, preparing your financial strategy and documenting it in a SOA.
Ongoing Advice		This fee is for our ongoing advisory services, which are designed to keep you on track to achieve your objectives. Your Private Wealth Management Service Agreement will detail the services we will provide and our SoA will detail the actual fees that we will charge.
Ad hoc Advice		This fee is for investment or strategic advice on issues that are either not included in your Private Wealth Management Service Agreement or require considerable additional time.

Please note that the fees stated in this FSG cover all possibilities. We will clarify the fees that would apply to you once we understand your circumstances.

Investment management services

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether the features of a discretionary investment management service justify the fees and costs.

You may be able to negotiate to pay lower fees. Ask your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you check out different fee options.

This section shows the fees and other costs you will be charged for using our discretionary investment service. These may be deducted from your platform bank account or from the returns on your investments so it is important to understand their impact on your investments.

Our investment decisions may also have capital gains and income tax consequences for you, depending on your personal circumstances.

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

Our Discretionary Investment Service																
Type of Fee or Cost	Amount	How and when paid														
Fees when your money moves in and out of the discretionary investment account																
Establishment fee The fee to open your investment	\$0	Not applicable														
Contribution fee The fee on each amount contributed to your investment	\$0	Not applicable														
Withdrawal fee The fee on each amount you take out of your investment	\$0	Not applicable														
Exit fee The fee to close your investment	\$0 if you terminate the discretionary investment service after 12 months. If you terminate the service within 12 months, you must pay the applicable fees, charges and costs for the first full year.	If applicable, this fee will be deducted from your platform account before we cease to operate it on your behalf														
Management costs¹ The fees and costs for managing your investment	The fee varies according to the amount invested: <table border="1"> <thead> <tr> <th>Amount Invested</th> <th>% Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$250,000</td> <td>1.32% - 1.48%</td> </tr> <tr> <td>plus \$250,001 - \$500,000</td> <td>1.22% - 1.38%</td> </tr> <tr> <td>plus \$500,001 - \$1,000,000</td> <td>1.12% - 1.28%</td> </tr> <tr> <td>Plus \$1,000,000 - \$2,500,000</td> <td>1.07% - 1.17%</td> </tr> <tr> <td>plus \$2,500,001 and over</td> <td>0.81% - 1.11%</td> </tr> <tr> <td colspan="2">plus \$240 per annum per account (for up to 6 accounts)</td> </tr> </tbody> </table>	Amount Invested	% Fee	\$0 - \$250,000	1.32% - 1.48%	plus \$250,001 - \$500,000	1.22% - 1.38%	plus \$500,001 - \$1,000,000	1.12% - 1.28%	Plus \$1,000,000 - \$2,500,000	1.07% - 1.17%	plus \$2,500,001 and over	0.81% - 1.11%	plus \$240 per annum per account (for up to 6 accounts)		The fees are deducted from your platform account. See below for additional information.
Amount Invested	% Fee															
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plus \$240 per annum per account (for up to 6 accounts)																

¹ *Management costs do not include transactional and operational costs. Please refer to “Transactional and Operational Costs” in the “Additional Explanation of Fees and Costs” for more information about these.

² All fees and costs include GST less available reduced input tax credits.

Additional explanation of fees and costs

Management costs

The management costs shown in the above table consist of 3 components: a portfolio management fee, a platform fee and indirect costs. These are explained below.

Portfolio management fee – This is Koda Capital WA’s fee for managing your investments through its Private Wealth Management discretionary investment service. It is usually a maximum of 0.66% of your portfolio per annum. As this fee is charged from your Netwealth account, it is reduced by a RITC to a maximum of 0.615%. For example, with a portfolio balance of \$1 million, your portfolio management fee will be a maximum of \$6,150 per annum.

Platform fees – This is the cost of the platform that we use to administer and report on your investments. These fees are tiered according to the value of your investments, as shown below. The fees are paid from your platform account.

Amount Invested	Investment Wrap* ¹	Super Wrap ²
\$0 - \$250,000	0.35%	0.37%
plus \$250,001 - \$500,000	0.25%	0.27%
plus \$500,001 - \$1,000,000	0.15%	0.17%
plus \$1,000,001 - \$2,500,000	0.05%	0.06%
plus \$2,500,000 and over	0.00%	0.00%
plus \$240 per annum per account (for up to 6 accounts) with a \$550 minimum per account		

*Also used for Self-Managed Superannuation Funds.

¹ The displayed fees are the retail rates offered by the Netwealth platform. The fees offered to Koda Capital WA clients will not exceed those listed above.

2. Calculations for Super Accelerator admin fees include an allowance for an ORFR cost of 0.025% p.a. of the portfolio balance. This is the maximum estimated ORFR cost. The actual ORFR cost is likely to be less than this.

This table assumes that you will use the Netwealth platform that we recommend. The fees will be different (and may be more) if you choose to use a different platform.

Indirect costs - If we invest in exchange traded funds, listed investment companies or managed investment schemes (managed funds) on your behalf, the investment managers of these products will charge a fee (which may include performance fees) for their services based on the value of your investment (as will the managers of any exchange traded funds, listed investment companies or managed investment schemes in which they invest and so on). These indirect costs can vary between 0.18% and 1.35% of the value of your investment. They are paid from the investment and are reflected in its value.

Transactional and operational costs

The following transactional and operational costs will be incurred in addition to the management costs shown in the above table.

Dealing services fee - When we buy and sell investments on your behalf, you will incur fees of 0.33% to 1.1% of the value of the transaction. This includes our fees as well as any brokerage fees, government charges, settlement costs, platform fees and clearing costs. For example, if we purchase \$50,000 worth of shares or unlisted managed funds, up to \$550 will be added to the cost of the transaction at the time it occurs. Based on last financial year's transactional and operational costs, we estimate these costs could be 0.22% of your MDA portfolio (assuming a maximum transaction cost of 1.1%). For listed investments, our fees range from nil to half of this amount, for unlisted investments, our fees represent the full amount.

Buy-Sell Spread - When we invest in a managed investment scheme on your behalf, there will be a difference between the price paid to acquire the investment and the price for which it could be sold at that time. This is called the buy-sell spread. The buy sell spread will vary from investment to investment. We estimate a range of buy sell spreads of 0% to 0.4%. This means that if \$25,000 is invested in a managed investment scheme, the price paid could be up to \$100 more than the investment could be sold for at that time. The buy-sell spread is retained by the investment manager, we do not receive any part of it.

Fee consent - You will sign a Written Fee Consent Form annually authorising the platform to deduct fees from your account(s) to pay Koda Capital WA on a monthly basis. If your fees need to be changed during that 12 month period, you would need to sign a new Written Fee Consent Form. You may vary or withdraw your consent at any time by notifying us in writing.

Example of annual fees and costs

This table gives an example of how the fees and costs of our discretionary investment management service can affect your investment over a 1-year period. You should use this table to compare this service with other managed discretionary account (MDA) investment services. It assumes one non-superannuation account with a balance of \$1,000,000 invested in our Balanced Income asset allocation and contributions of \$50,000 per annum.

Example ¹		Balance of \$1,000,000 with a contribution of \$50,000 during year
Contribution Fees	0%	For every additional \$50,000 you put in, you will be charged \$0
Management costs <ul style="list-style-type: none"> Portfolio Management Fee of 0.615% deducted directly from your account Platform Fee of 0.225% + \$240 deducted directly from your account ² Indirect costs of 0.40% deducted indirectly 	1.264% pa	For the first \$1,000,000 you have in our discretionary investment management service, you will be charged \$12,640 each year. You will be charged \$15,975 for the next \$1,500,000 and then for each subsequent \$1,000,000 you will be charged \$10,650 each year. This may be lower for larger portfolios.
Equals Cost of MDA Service		If you invested \$1,000,000 at the beginning of the year and put in an additional \$50,000 during that year ³ , you would be charged fees of \$12,906⁴

¹ The example includes GST, net of any reduced input tax credits.

² The example assumes you use the Netwealth platform.

³ The example assumes that the additional \$50,000 is contributed 6 months after the beginning of the year.

⁴ In addition, transactional and operational costs will be incurred. For every \$50,000 you have invested, we estimate these add up to be between \$165 and \$550.

Adviser remuneration

Our advisers are employees, and receive a salary and, if certain criteria are met, may qualify for a bonus or benefit through participation in an employee incentives plan. Some advisers are owners of Koda Capital Holdings Ltd, the ultimate owner of Koda Capital WA.

Sub-underwriting or placement fees

Stamping fees may be paid by persons and entities seeking to raise funds to stockbrokers who assist companies with the placement of new issues on Australian licensed markets. Occasionally Koda Capital WA may qualify for sub-underwriting or placement fees for listed securities that we apply for on behalf of our clients in a new company or new shares being issued by existing companies. This fee is paid to us by the company raising the funds or their appointed broker and Koda Capital WA rebates this fee to your account.

Investment Bank and Stockbroker Support

Koda Capital WA uses a panel of investment banks and stockbrokers. Outside of delivering execution services, Koda receives a range of investment and market related data from these institutions in the form of access to IRESS software, conference invitations, research and access to investment analysts.

Other benefits

Koda Capital WA may receive benefits from fund managers such as tickets to sporting events, entertainment and meals or subsidised professional development. These occasional invitations and gifts could be provided by a wide range of product and service providers and do not influence the advice we provide you. Details of any benefits received above \$100 will be maintained on a register which is available to you on request.

Conflicts of Interest

The MDA service will include investments which are held by our advisers. We will manage this conflict to ensure we always act in your best interests.

Professional indemnity insurance

We have professional indemnity insurance in place which covers us and our representatives for any errors or mistakes relating to our service. This insurance meets the requirements of the Corporations Act and covers the services provided by our employees and representatives including after they cease working with us, provided we notify the insurer of the claim when it arises and this is done within the relevant policy period. This is subject to the usual terms of the PI policy in relation to providing indemnity.

What to do if you have a complaint

We are committed to providing quality advice and a high level of personalised service. You have the right to expect that we will treat you fairly and honourably and provide professional services to you.

If you are not satisfied with our services, then we encourage you to contact us and discuss the problem. Please call us, send an email, or put your complaint in writing to our office (refer above for our contact details). We are committed to resolving your concerns quickly and fairly.

We are a member of the Australian Financial Complaints Authority (AFCA). If we cannot reach a satisfactory resolution, you have the right to contact AFCA on 1800 931 678 or via their website www.afca.org.au. AFCA provides a fair and independent complaint resolution service which is provided to you free of charge. Any decision they make is binding on us, not on you.

How do we protect your privacy?

We are committed to protecting your privacy. As the Anti-Money Laundering and Counter Terrorism Financing Act 2006 requires us to verify your identity before we provide Private Wealth Management services to you, we will need you to provide documentary proof of your identity.

We will use this and all other personal information you provide to us to provide our Private Wealth Management service. We provide your information to the financial product providers with whom we deal (and their representatives). We do not trade, rent or sell your information. We may disclose your information to overseas recipients when we invest in international investments. We will ensure the recipient is either regulated by laws which protect your information in a way that is similar to the Privacy Act 1988 (Cth) or require them to agree to do so.

If you don't provide us with full information, we can't properly advise or assist you with your financial services needs. For information about how to access the information we hold about you, how to have it corrected and how to complain if you think we have breached the privacy laws, you can obtain a copy of our Privacy Policy on our website or by contacting us