

***Enjoy the benefits of direct
investmentwithout the
annoying paperwork !***

**Professional Investment
Portfolio Administration**

Client Services Brochure



PPA

Administration Services Pty Ltd

ABN 21 099 015 086

PPA Client Services Brochure

PPA is a specialist company providing investment portfolio administration and reporting services for investors wishing to invest directly in listed equities and other direct investment markets

The principle underlying PPA's service is that you, as a direct investor, regard your investing activity as a business and that you employ the management disciplines and tools to allow you to succeed in the business of investing. In essence, you are the Chief Executive Officer of a business of investing and have responsibility for the investment decisions and resulting returns.

Our role at PPA is to support your investment business by providing you with timely, understandable and accurate portfolio reports by which you can monitor the achievement of your financial goals and the success of your investment business.

We believe that professional investing isn't a stop and start affair, rather it's a process that begins with your first investment dollar and continues through your working life and into retirement. But this process shouldn't be time consuming or stressful or tiresome or a chore; it can and should be an exciting, interesting and fulfilling process.

You may have a professional investment advisor such as a stockbroker or financial planner to assist you with your investment decisions. We are not a licensed securities dealer and do not provide advice in regard to securities and other prescribed interests. Rather we are the specialist administrators and with the majority of our clients are part of a tri-partite co-operative team involving the investor, the advisor and ourselves.

Client Benefits

- **Eliminate banking chores and unnecessary paperwork**
- **Receive only paperwork needing attention**
- **Quarterly portfolio performance reports**
- **Quarterly reconciliation of cash management accounts**
- **'Tax ready' accounting records**

Benefits of Using PPA

PPA undertakes the processing of your portfolio correspondence and the on-going administration of your investment portfolio and provides you with easily understandable quarterly cumulative portfolio reports balanced to a cash management or other like account. The resulting benefits for you are:

- Your paperwork and banking tasks are minimised,
- We on-forward to you any correspondence requiring an investment decision,
- You receive quarterly portfolio reports reconciled to your cash management and investment accounts,
- The reports provide you with the historical information to monitor the performance of your investment portfolio,
- You receive an annual organized source document file for your record,
- The final quarterly portfolio report may suffice as the annual accounts for self-managed superannuation funds, and
- The reports and document file greatly simplifies your tax return preparation.

Processing of Portfolio Correspondence

Under our service you retain your investments in your name or in the name of a custodial service if you use one. PPA becomes the registered postal address for your investment correspondence to facilitate the timely preparation of your portfolio reports, the banking of your investment income, the notification of your TFN to registries and other administrative tasks.

PPA, as your registered mailing address, will process your investment correspondence and will on-forward any correspondence requiring an investment decision to you (or if instructed to your investment advisor). Examples of correspondence that will be on-forwarded are new issues, rights, placements and take-over offers. PPA will not on-forward annual reports, meeting notices, voting resolutions and other correspondence not requiring an investment decision.

PPA does not require any agency or other authority over your investments except a limited authority to allow us to efficiently execute our administration duties.

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“..accurate portfolio reports to monitor your investment performance..”

“..a complete administration solution for self managed super funds..”

Portfolio Reports

PPA provides investment portfolio reports for the quarters ending September, December, March and June usually within two to four weeks following each quarter end. If you are subject to BAS/IAS returns you may request priority for your reports to be issued within your BAS/IAS timetable.

A typical portfolio report contains:

- Portfolio performance summary
- Total portfolio valuation at market value
- Equities portfolio valuation
- Open and closed options positions statement
- Open and closed short positions statement
- Managed fund portfolio valuation
- Fixed interest securities portfolio valuation
- Investment sales profit and loss statement
- Reconciliation of cash management account
- Taxable income & income banked statement
- CGT Cost Base adjustments statement
- Expenses and outgoings statement
- Accruals & income tax provision statement
- Investor's capital account statement

PPA may after discussion with you tailor the presentation of your portfolio reports specifically to suit your portfolio composition and stated investment objectives. PPA will provide you with a source document file for the financial year at the time of issue of the following September quarterly report. This file will contain all relevant documents received by PPA throughout the financial year needed to substantiate the preparation of your income tax return.

The portfolio reports produced by PPA include an estimate of income tax payable based on the assumptions provided by you in the PPA Portfolio Administration Service Agreement. However where these assumptions do not accurately reflect your overall income tax circumstances, PPA's estimate may differ from the actual tax payable as calculated by your tax agent.

Self Managed Superannuation Funds

Self managed superannuation funds can appoint an affiliated company of PPA as tax agent to prepare the superannuation fund's income tax return and arrange for the audit of the fund. In this event, PPA will produce a fifth and final report for the year and the final report will reflect the actual tax payable by the fund as calculated in the income tax return prepared by PPA's affiliate rather than a tax estimate. The final report can suffice as the annual accounts of the fund for compliance purposes. PPA will deliver to the fund's trustees a bound set of annual accounts that includes copies of the fund's investment strategy, final report, signed auditors report and income tax return.

Confidentiality

The relationship between you and PPA is confidential. PPA will not release any information relating to your financial affairs to any party except to those that you authorise in the PPA Portfolio Administration Service Agreement or where PPA is required to disclose certain information by law.

Account Operating Procedures

PPA requires that certain account operating procedures be implemented for PPA to deliver its portfolio administration services in a timely and efficient manner. These procedures are:

- You appoint PPA as the registered postal address for your portfolio correspondence,
- You provide PPA with a limited administrative authority over your investments,
- You authorise PPA to establish on-line enquiry access to your cash management or like account attached to your portfolio,
- Your investment holdings are broker sponsored where possible,
- You instruct your investment advisor to deliver your sponsored holdings and client ledger statements to us by the 5th working day after each quarter end and to assist us from time to time in resolving any transaction queries.

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About PPA

PPA is a specialist company providing investment portfolio administration services to facilitate the reporting of transactions for investors wishing to invest in, or are engaged in, direct market investing. The principals of PPA are Ron Penkara (B.Comm, Dip.Fin.Planning (Distinction), CPA), Richard Crothers (Grad.Dip.Tax, B.Bus(Acct), B.Bus(Insurance), CPA, FTIA) and Karla Stone (B.Bus (Banking & Finance)) who collectively have many years of experience in financial services including direct market dealing, taxation and financial management.

PPA's Fees

Our fees are determined by quotation based on the size and composition of your portfolio, your stated investment objectives, likely transaction activity, the quality of the records you pass to us to establish your initial portfolio report, the extent to which our account operating procedures are implemented and so on.

As an indication our fees usually range from 0.75% to 1.25% per annum (including GST) but may be as low as 0.55% to as high as 1.5% per annum of Total Portfolio Valuation. Our fees are payable quarterly in advance and are subject to a minimum fee of \$687.50 per quarter or \$2750.00 per annum (including GST). Our fees are usually tax deductible.

We reserve the right to vary our rate and basis of fee calculation, for example by substituting Total Transaction Values in lieu of Total Portfolio Valuation in our fee calculation for highly active accounts or to withdraw our services by providing 30 days written notice. Similarly you may terminate our services at any time by providing 30 days written notice where upon we will transfer your records compiled on your behalf to you.

Total Portfolio Valuation means the total value of your portfolio investments at market value before borrowings, income tax provision and accruals at each quarter commencement or if there are material movements in your capital account during a quarter, the average of the Total Portfolio Valuation calculated at each month end during the quarter. Total Transaction Values means the sum of all investment purchases and sales during the quarter.

An additional fee applies where an affiliate of PPA prepares your income tax return. Our normal fee is \$1045.00 per annum (including GST) for this service for a self managed superannuation fund with a separate fee for audit of the fund. The audit fee usually ranges from \$250.00 to \$400.00 (including GST).

We may at our discretion remit a portion of our fees to your investment advisor in recognition of the role and support provided by your advisor to us.

How to Appoint PPA

To appoint PPA as your portfolio administration service, you need to complete the PPA Portfolio Administration Service Agreement and forward it to PPA together with your records requested in that Agreement. PPA will review your information and will contact you to resolve any queries that PPA may have and to establish how best to proceed based on your requirements and investment parameters, how to inter-relate with your investment advisor, our indicative fees and so on. This step may involve a meeting with you and/or your investment advisor.