

Appendix - How we calculated the additional financial compensation

The first page of our letter sets out the total amount we are offering to compensate you for financial loss or disadvantage, and how that amount will be paid.

Set out below are details about how we calculated each of the components of your compensation.

How we calculated your offer

To assess your loss, we calculated the difference between the position that you were in following the inappropriate advice and the position that you would have been in, had an alternative approach been adopted. Please read this in conjunction with Appendix 2 of our Letter of Offer dated 7 January 2020 addressed to you personally.

- As requested, we have updated our calculation by applying the Vanguard High Growth Index Fund (85% Growth benchmark) for both of you and updated the end date to 3 November 2020.
- From the end date of the calculation until 18 November 2020, we have also applied the Vanguard High Growth Index Fund to calculate the time value of your compensation.
- To maintain the real value of the compensation offer, we have applied interest on the amount of compensation from 18 November 2020 to 18 December 2020, using the 90-day Bank Bill Swap Rate (BBSW).

The tables below provide a details breakdown of our compensation offer.

Mr Piho - Adjustment Due	
Alternative Position as at 03/11/2020	\$ 49,541.35
Less: Actual Position as at 03/11/2020	(\$ 767.67)
Client's loss as at 03/11/2020	\$ 48,773.68
Adjusted for Performance in 85% Growth Benchmark from 03/11/2020 to 18/11/2020	\$ 2,901.38
Adjustment Due as at 18/11/2020	\$ 51,675.06
Add: 30 days interest at the 90-day BBSW rate	\$ 0.86
Full and Final Adjustment Due as at 18/12/2020	\$ 51,675.92

Compensation Breakdown (Super) for Mr Piho	
Initial Advice Fee	\$ 10,863.87
Implementation Fees	\$ 3,957.03
SMSF Fees	\$ 23,853.73
Performance	\$ 13,001.29
Full and Final Adjustment Due as at 18/12/2020	\$ 51,675.92

Mrs Piho - Adjustment Due	
Alternative Position as at 03/11/2020	\$ 1,184.00
Less: Actual Position as at 03/11/2020	(\$ 2.13)
Client's loss as at 03/11/2020	\$ 1,181.87
Adjusted for Performance in 85% Growth Benchmark from 03/11/2020 to 18/11/2020	\$ 18.01
Adjustment Due as at 18/11/2020	\$ 1,199.88
Add: 30 days interest at the 90-day BBSW rate	\$ 0.02
Full and Final Adjustment Due as at 18/12/2020	\$ 1,199.90

Compensation Breakdown (Super) for Mrs Piho	
Initial Advice Fee	\$ 30.13

Implementation Fees	\$ 10.97
SMSF Fees	\$ 66.15
Performance	\$ 195.49
Full and Final Adjustment Due as at 18/12/2020	\$ 302.74

Compensation Breakdown (Cheque) for Mrs Piho	
Insurance Premiums	\$ 871.88
Performance	\$ 25.28
Full and Final Adjustment Due as at 18/12/2020	\$ 897.16