



**C/O AMP Advice Remediation**  
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19 May 2020

**Private and Confidential**

Mr Robert Shannan & Ms Rebecca Tran  
34 Simmons Drive,  
SEAHOLME VIC 3018

Sent via email to Fiona Newton, JRT Partnership [Fiona.Newton@jrtpartnership.com.au](mailto:Fiona.Newton@jrtpartnership.com.au)

Dear Mr Shannan and Ms Tran,

**Final compensation offer**

We refer to our letter dated 7 August 2019. Charter Financial Planning Limited (Charter) agreed to pay compensation in two tranches in recognition that the sale of your National Rental Affordability Scheme (NRAS) properties may take some time.

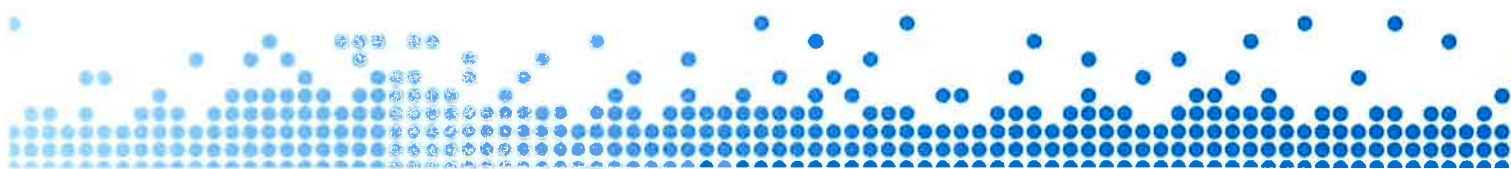
In our letter dated 4 February 2020, Charter offered you Tranche 1 compensation and this was paid to you by way of an interim payment on 12 February 2020.

Our final compensation offer (Tranche 2) should be read together with our Letters of Offer dated 20 September 2018 and our Tranche 1 Compensation Offer Letter dated 4 February 2020 (attached for your reference).

**Our Tranche 2 Compensation Offer**

We are offering a final compensation amount of **\$800,294.64** to compensate you for financial loss or disadvantage which resulted from the advice services you received as follows:

<b>Name</b>	<b>Where to be paid</b>	<b>Amount \$</b>
Mr Robert Shannan	Nominated Superannuation fund	\$271,742.09
Mr Robert Shannan	Nominated bank account	\$278.60
Ms Rebecca Tran	Nominated Superannuation fund	\$528,033.52
Ms Rebecca Tran	Nominated bank account	\$240.43



## A breakdown of our Tranche 2 compensation offer

Mr Shannan - Adjustment Due	
Alternative Portfolio Balance as at 12/05/2020	\$ 377,462.59
Less: Actual Portfolio Balance as at 12/05/2020	(\$ 75,312.90)
<b>Client's Loss as at 12/05/2020</b>	<b>\$ 302,149.69</b>
Add: Express Post Envelopes	\$ 13.27
Less: Compensation Paid - Tranche 1	(\$ 30,142.27)
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 272,020.69</b>

Ms Tran - Adjustment Due	
Alternative Portfolio Balance as at 12/05/2020	\$ 714,356.88
Less: Actual Portfolio Balance as at 12/05/2020	(\$ 129,556.13)
<b>Client's Loss as at 12/05/2020</b>	<b>\$ 584,800.75</b>
Add: Express Post Envelopes	\$ 13.28
Less: Compensation Paid Tranche 1	(\$ 56,540.08)
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 528,273.95</b>

## How we have calculated our Tranche 2 compensation offer

To assess your loss, we have calculated the difference between the position you were in following the inappropriate advice and the position that you would have been in, had an alternative approach been adopted.

- We have assessed your loss by completing a calculation which shows how your investment would have performed from 19 April 2012 until 12 May 2020, if it had been alternately invested.
- We have used the Vanguard Growth Index Fund investment option as the benchmark for the calculation of Mr Shannan's loss because it reflected his risk profile and asset allocation at the time of the advice.
- We have used the Vanguard Growth Index Fund investment option as the benchmark for the calculation of Ms Tran's loss because it reflected her risk profile and asset allocation at the time of the advice.
- We have used 12 May 2020 as the end date for our calculations because we finalised our calculations at this time.
- Our Tranche 1 calculation took into account all of the advice fees, insurance premiums and all the fees associated with your Self-Managed Super Fund (SMSF). Our Tranche 2 calculation has taken into account the loss of investment performance on these fees.
- Our final compensation amount is offset by the Tranche 1 compensation payment and payments in respect to the holding costs for the NRAS property Charter made on 13 January 2020, 12 February 2020 and 5 March 2020.
- We will pay interest at the Federal Court's post-judgement rate on the Settlement Sum of \$800,294.64 from 12 May 2020 until the date of payment.

The tables below provide a detailed breakdown of our Tranche 2 compensation offer.

Compensation Breakdown (Super) for Mr Shannan	
<b>Macquarie SMSF</b>	
Advice Fees (Macquarie SMSF)	\$ 2,243.97
Administration Fees (Macquarie SMSF)	\$ 2,176.89
ASIC Fees (Macquarie SMSF)	\$ 139.69
Accounting Fees (Macquarie SMSF)	\$ 1,356.28
Audit Fees (Macquarie SMSF)	\$ 1,285.18
Life and TPD Insurance (Macquarie SMSF)	\$ 12,242.01
Suncorp Land Lord insurance (Macquarie SMSF)	\$ 9,416.26
Other Fees Related to SMSF and NRAS	\$ 1,142.53
<b>NRAS Properties</b>	
NRAS Rental Income - 2 Richfield Court	(\$ 24,482.77)
NRAS Rental Income - 13 Millbrae St	(\$ 26,751.75)
Loan Interest on NRAS Properties - 2 Richfield Court	\$ 38,926.48
Loan Interest on NRAS Properties - 13 Millbrae St	\$ 40,330.75
Property Capital Loss - 2 Richfield Court	\$ 60,105.03
Property Capital Loss - 13 Millbrae St	\$ 61,115.97
NRAS Settlement Related Fees - 2 Richfield Court	\$ 2,351.63
NRAS Settlement Related Fees - 13 Millbrae St	\$ 2,512.89
NRAS Council Rates - 2 Richfield Court	\$ 8,782.20
NRAS Council Rates - 13 Millbrae St	\$ 8,782.20
NRAS Tax Offset	(\$ 40,689.12)
NRAS Incentive	(\$ 20,974.69)
NRAS - Stamp Duty	\$ 4,809.96
Other Fees Related to Loan	\$ 2,256.53
<b>North</b>	
Advice Fees (North)	\$ 513.83
Administration Fees (North)	\$ 825.63
Guarantee Fees (North)	\$ 3,343.06
<b>Compensation Paid &amp; Performance</b>	
Less: Interim Payment	(\$ 3,816.55)
Less: Compensation Paid - Tranche 1	(\$ 24,173.91)
Performance	\$ 147,971.89
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 271,742.09</b>

Compensation Breakdown (Cash) for Mr Shannan	
Trauma Insurance	\$ 5,968.36
Less: Compensation Paid Tranche 1	(\$ 5,968.36)
Express Post Envelopes	\$ 13.27
Performance	\$ 265.33
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 278.60</b>

Alternative Position Breakdown for Mr Shannan		
Transaction	Amount	Description
Opening Balance	\$131,716.34	Combined balance of MLC and Mercer - Wesfarmers Group Super Plan.
Contributions/Deposit	\$47,000.00	Contributions made by Mr Shannan.
Contributions/Deposit to North	\$50,000.00	Contributions made by Mr Shannan.
Contribution Tax	-\$6,150.00	Government contributions tax on concessional contributions.
Trauma Insurance	\$5,968.36	Trauma Insurance paid from Credit Card
Performance	\$148,927.89	
<b>Alternative Portfolio Balance as at 12/05/2020</b>	<b>\$377,462.59</b>	

Compensation Breakdown (Super) for Ms Tran	
<b>Macquarie SMSF</b>	
Advice Fees (Macquarie SMSF)	\$ 3,860.16
Administration Fees (Macquarie SMSF)	\$ 3,744.78
ASIC Fees (Macquarie SMSF)	\$ 240.31
Accounting Fees (Macquarie SMSF)	\$ 2,333.12
Audit Fees (Macquarie SMSF)	\$ 2,210.82
Life and TPD Insurance (Macquarie SMSF)	\$ 15,423.47
Income Protection Insurance (Macquarie SMSF)	\$ 15,555.41
Suncorp Land Lord insurance (Macquarie SMSF)	\$ 16,198.21
Other Fees Related to SMSF and NRAS	\$ 1,965.43
<b>NRAS Properties</b>	
NRAS Rental Income - 2 Richfield Court	(\$ 42,116.20)
NRAS Rental Income - 13 Millbrae St	(\$ 46,019.37)
Loan Interest on NRAS Properties - 2 Richfield Court	\$ 66,962.82
Loan Interest on NRAS Properties - 13 Millbrae St	\$ 69,378.50
Property Capital Loss - 2 Richfield Court	\$ 103,394.97
Property Capital Loss - 13 Millbrae St	\$ 105,134.03
NRAS Settlement Related Fees - 2 Richfield Court	\$ 4,045.37
NRAS Settlement Related Fees - 13 Millbrae St	\$ 4,322.76
NRAS Council Rates - 2 Richfield Court	\$ 15,107.47
NRAS Council Rates - 13 Millbrae St	\$ 15,107.47
NRAS Tax Offset	(\$ 69,994.99)
NRAS Incentive	(\$ 36,081.45)
NRAS - Stamp Duty	\$ 8,274.27
Other Fees Related to Loan	\$ 3,881.78
<b>North</b>	
Advice Fees (North)	\$ 883.90
Administration Fees (North)	\$ 1,420.28
Guarentee Fees (North)	\$ 5,750.87
<b>Compensation Paid &amp; Performance</b>	
Less: Interim Payment	(\$ 6,565.37)
Less: Compensation Paid Tranche 1	(\$ 51,504.62)
Performance	\$ 315,119.34
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 528,033.52</b>

Ms Tran - Adjustment Due	
Alternative Portfolio Balance as at 12/05/2020	\$ 714,356.88
Less: Actual Portfolio Balance as at 12/05/2020	(\$ 129,556.13)
<b>Client's Loss as at 12/05/2020</b>	<b>\$ 584,800.75</b>
Add: Express Post Envelopes	\$ 13.28
Less: Compensation Paid Tranche 1	(\$ 56,540.08)
<b>Adjustment Due as at 12/05/2020</b>	<b>\$ 528,273.95</b>

Alternative Position Breakdown for Ms Tran		
Transaction	Amount	Description
Opening Balance	\$303,814.50	Balance of Australia Post Super.
Contributions/Deposit	\$47,000.00	Contributions made by Ms Tran.
Contributions/Deposit to North	\$50,000.00	Contributions made by Ms Tran.
Contribution Tax	-\$6,150.00	Government contributions tax on concessional contributions.
Trauma Insurance	\$5,035.46	Trauma Insurance paid from Credit Card.
Performance	\$314,656.92	
<b>Alternative Portfolio Balance as at 12/05/2020</b>	<b>\$714,356.88</b>	

## **We're here to help**

Once again, we're sorry. We hope the compensation resolves this issue and that AMP can work with you in the future to support your financial needs.

If you've any questions about our review or compensation offer, please call us on 1800 478 668 from 9am to 5pm (Sydney time), Monday to Friday, or email us at [adviceremediation@amp.com.au](mailto:adviceremediation@amp.com.au)

Yours sincerely



**Craig Dainton**  
**Director, Customer Remediation Programs**

Enclosures:

- Letters of Offer dated 20 September 2018 (personal capacity and SMSF)
- Letter to JRT Partnership dated 7 August 2019
- Tranche 1 Compensation Offer Letter dated 4 February 2020
- Release Agreement
- Bank Account Nomination forms
- Superannuation Payment forms