



# Financial Services Guide and Credit Guide

## Discover Financial Partners

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This Financial Services Guide (FSG) dated 1<sup>st</sup> January 2020 has been authorised for distribution by the authorising Licensee:

The Advice Exchange Pty Ltd  
ABN 55 107 629 194  
Australian Financial Services Licence ('AFSL') and  
Australian Credit License ('ACL') No 278937

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## About this Document

The Financial Services Guide and Credit Guide (FSG) is a document required by law to be given to all clients prior to the provision of any financial and/or credit product advice and services. This guide consists of two parts.

This document is Part 1 of the FSG and contains important information about:

- Who we are;
- The services we are licensed to provide;
- Processes we follow when providing advice;
- How we and our associates are paid;
- How we handle your personal information;
- Any potential conflicts of interest; and
- How complaints are resolved.

Part 2 of this FSG is the Adviser's Profile which introduces to you your Adviser which contains information about the services your Adviser can provide on behalf of The Advice Exchange.

Please take a moment to fully read Part 1 and 2 of the FSG and retain this for future reference, as it contains important information required to assist you in making an informed decision about the services before engaging them.

References in this Guide to 'me', 'I', 'us', 'we', 'their' and/or 'our' should be read as either The Advice Exchange or your Adviser and their company as Authorised Representatives of The Advice Exchange.

## Licences and Responsibilities

The Advice Exchange holds the Australian Financial Services Licence and Credit Licence No. 278937. The Advice Exchange is a wholly owned subsidiary of Advice Exchange Solutions Pty Ltd, which is owned by The Advice Exchange's Advisers, directors and staff.

The Advice Exchange is therefore responsible for the financial advice and services its Advisers (Authorised Representatives) provide. Our primary responsibility and priority, and that of your Adviser, is to you.

We are licensed to provide personal financial product advice and deal in the following financial products:

- Deposit products;
- Government debentures, stocks or bonds;
- Life investment and Life risk products;
- Managed Investment Schemes, including Investor Directed Portfolio Services (IDPS);
- Managed Discretionary Account Services;

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- Securities (shares);
- Superannuation products;
- Retirement Savings Accounts;
- Standard Margin Lending Facilities.

We are also authorised to provide credit advice for loans regulated by the National Credit Code (NCC).

The NCC applies to loans to individuals where the loans purpose is wholly or predominantly for personal and residential purposes.

The Advice Exchange only offers limited credit advice services. These include:

- Strategic credit advice, not specific credit product advice or assistance; and
- Referrals to finance brokers or credit providers.

### **Your Adviser**

The Adviser's Profile (Part 2 of this FSG) will detail the advice and services your Adviser is authorised to provide as an Authorised Representative of The Advice Exchange.

### **Financial Planning Services**

The type of services you receive will depend on your individual objectives, financial situation and needs. You can select from the wide range of financial services offered by The Advice Exchange: These may include:

- Financial planning and structuring;
- Wealth accumulation strategies;
- Retirement planning & pensions;
- Superannuation and rollover advice;
- Self-Managed Super Fund (SMSF) advice;
- Personal & Business risk insurance;
- Assistance with Business succession, transition and asset protection planning;
- Cash flow advice;
- Centrelink financial planning advice;
- Access to Managed Discretionary Account (MDA) services;
- Assistance with Estate planning; and
- Portfolio review and ongoing advice services.

### **Credit Services**

The Advice Exchange does not authorise any of its Advisers to recommend any specific credit product and/or provide credit assistance, recommendations or

statements intended to influence you to retain or make changes to your existing credit products.

Your Adviser may discuss factual information about the structure, features and benefits of your loans generally, however your Adviser is not authorised to transact on a specific credit product and/or any credit product you hold. This means they will not suggest you apply for an increase to your credit limit and/or suggest you maintain and/or apply for a new credit contract.

Your Adviser may refer you to a fully authorised Mortgage and Finance Broker under a separate ACL.

Where we provide you with strategic credit advice, we may charge fees for the preparation and presentation of this advice. These fees will be based on your individual circumstances and the complexity of the credit advice you require. We will discuss and agree upon the fees and any other fees or charges with you before we provide any advice when referring you to a Mortgage and Finance Broker.

### **The Financial Planning Advice Process**

The advice process begins with an initial consultation. This involves getting an accurate picture of where you are now, identifying your goals and looking at broad strategies to help you reach those goals.

After our initial consultation, you will need to decide whether you wish to engage our services which may include advice, implementation or other services designed to meet your individual needs.

Any advice we provide will be presented in an advice document.

It is important for you to understand and accept the various risks inherent within the investments and strategies recommended before you proceed with implementation.

The final stage of the process is to ensure your strategies continue to meet your changing needs and circumstances, taking into consideration financial markets, product developments and any legislative changes, by undertaking regular portfolio and strategic reviews.

### **Statement of Advice (SoA) Document**

Because each client has individual needs which affect the structure and detail of their financial situation, the disclosure of all benefits, commission or fees specific to your arrangements will be provided to you in the Statement of Advice (SoA) document. This document will confirm the financial advice being given and the basis that advice has been developed. It will also

include a disclosure of all benefits and potential conflicts of interest that you need to be aware of to make an informed decision.

#### **Record of Advice (RoA) Document**

If we provide further financial advice to you, and that further advice is related to the advice we provided to you in a Statement of Advice and your personal circumstances have not changed, a Record of Advice (RoA) will be used. The RoA will be communicated to you and/or will be added to your file and you may request a copy at any time up to 7 years from the date we gave that further advice to you. You can request the ROA by contacting your Adviser or The Advice Exchange in writing, by telephone or by email.

#### **Product Disclosure Statement (PDS) Document**

If we recommend a financial product, you will be provided with a Product Disclosure Statement (PDS).

The purpose of the PDS information is to explain to you all the features, benefits, fees and risks. It is therefore imperative that you read and understand any PDS provided by your Adviser before you make any decisions relating to a financial product recommendation.

#### **Managed Discretionary Account (MDA) Document**

Where our recommendations include utilising a Managed Discretionary Account (MDA) Service to manage your investments, you will be provided with the service providers own Financial Services Guide (FSG) and Investment Program.

Each year your Adviser will review the appropriateness of this service to ensure it continues to be appropriate for you.

#### **Your Instructions**

You may specify how you would like to give us instructions, for example, by email, telephone, fax or other means. These instructions and any changes to these instructions should be provided in writing to us. In ensuring your interests are always protected, we require your ongoing instructions and authority before we can proceed with any implementation. In most cases, we will require you to provide us with a signed or expressed authority before we can proceed.

#### **Ongoing Service**

To help ensure that you have peace of mind we suggest that you take advantage of our ongoing service offering.

This service is customised to suit your needs and includes an annual review of your portfolio, and access to your adviser. The review service is designed to ensure that your investment continues to meet your goals within any legislative changes, market changes and/or changes to your personal circumstances or requirement.

#### **Fee Disclosure Statements and Opt-In Renewals**

A Fee Disclosure Statement (FDS) will be issued to you in instances where you have entered into an Ongoing Fee Arrangement with your Adviser for a period greater than 12 months.

The FDS will contain information about the services you were entitled to receive, the services you received, and the fees you paid during the period.

An Opt-In Renewal Notice will be issued to you in instances where you have had an Ongoing Fee Arrangement with your Adviser for a period greater than 12 months and you have engaged their services from 1 July 2013.

The Opt-In Renewal Notice requires you to elect to renew or terminate the ongoing fee arrangement for ongoing advice and services provided, and to notify your Adviser of this election within 30 days of receipt.

#### **Complimenting Services**

Your Adviser may provide services other than financial planning services under another business name or corporate entity. For example, they may also act as your accountant or legal adviser or advise you on real estate investments or finance needs. Where they may provide these other services, you should understand that these other services are not provided under The Advice Exchange's AFSL and ACL.

You should always conduct your own enquiries into any services referred to you by your Adviser which are outside the responsibility of The Advice Exchange.

#### **How Your Adviser is Paid**

Your Adviser is generally remunerated by fees charged at a fixed rate for the services provided or may be calculated on a percentage of your investable funds.

Your Adviser may also receive commissions, payments or other benefits from product providers.

#### **Initial Advice Fees**

Your Adviser generally charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances and the agreed fee will be determined by the time and complexity involved.

Where you require non-advisory implementation services, a fee will be pre-agreed based on the time it takes to implement your instructions.

### **Ongoing Advice Fees**

This fee will be agreed with you and Your Adviser and is either set at a fixed amount based on the time cost of the ongoing advice package, or an amount based on the amount of funds under our advice. The actual ongoing fee charged will depend on the complexities of your affairs and the amount of funds under management. Part 2, the Advisor Profile will outline a range of fees charged by your Adviser that you can expect.

Where any changes are significant and require the development of a new SoA, an additional pre-agreed fee may apply in addition to your existing ongoing service fee arrangement.

### **Payment for Services**

For insurance risk products, your Adviser or their company will receive upfront commission up to 66% (including GST) on the annual premium, paid by the product providers. This is a one-off, upfront payment and is not an additional cost to you.

Your Adviser or their company will also receive an ongoing commission (or trail commission) for insurance up to 22% (including GST) paid by the product provider out of the revenue the product provider earns. This commission is also not an additional cost to you and is payable for the length of time the product remains in-force. For example, if the annual insurance premium is \$500 p.a. (including GST), your Adviser or their company may receive a maximum of \$330 (including GST) as an initial commission payment. Assuming the premium stays the same each year, your Adviser or their company may receive a maximum of \$110 p.a. (including GST) as an ongoing (trail) commission.

All fees and commissions are fully disclosed in our advice documentation and service agreements. Any changes to these fees and commissions will be disclosed to you at the time of further advice, a review of service agreement, or in additional product material.

## **Licensee Commissions**

The Advice Exchange may receive initial and/or ongoing allowance from product providers in relation to financial products under an arrangement that began prior to 1 July 2013.

In the interests of transparency, we disclose that under this arrangement The Advice Exchange currently receives an allowance from the following product providers:

- Colonial First State.

## **Education Support**

From time to time we may receive payment or sponsorship to subsidise the cost of conferences, training or professional development for our Advisers.

Product providers receive a range of benefits including being recognised as a sponsor, attendance at conferences and the right to present to our Advisers.

## **Remuneration Arrangements**

Full details of remuneration and other payments are disclosed to you at the time of any advice.

Also all Advisers are required to keep a register of Alternative Remuneration which shows any payment other than cash which may be received by them from product providers. This register is available for inspection with 7 days' notice.

You should be aware that where you have been referred to the Adviser, or where we refer you to another service provider, the referring party may receive a referral fee, commission or non-monetary benefit as a consequence of the products or services you purchase. Complete details of any such fee will be disclosed at the time of your advice i.e. in your advice document.

## **Other Arrangements**

The Advice Exchange is not owned by any financial institution or product provider. Entities related to The Advice Exchange hold shares in several of its Corporate Authorised Representative businesses. This means that The Advice Exchange may, by way of dividends, indirectly benefit from the advice fees and/or commissions derived by your Adviser.

Your Adviser, or entities related to your Adviser, also hold shares or interests in The Advice Exchange Solutions Pty Ltd, the parent company of the Advice Exchange and/or The Adviser Productivity Trust, a discretionary trust into which a portion of the profit derived by The Advice Exchange can be transferred,

and then distributed to Advisers at the sole discretion of the trustee, based on a combination of performance factors such as contribution to profit, quality of advice and services and compliance with the law.

## **The Advice Exchange Privacy Statement**

We take the protection of your personal information very seriously. Our full privacy policy is available at [www.theadviceexchange.com.au](http://www.theadviceexchange.com.au) and covers:

- how you can access the personal information;
- how you may complain about a breach of your privacy; and
- how we collect, hold, use and disclose your personal information in more detail.

We collect personal information, including sensitive information i.e. health information, from you to provide you with our advice and services.

The Advice Exchange is also required, in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) and its corresponding rules and regulations, to implement certain client identification processes.

We may be required to obtain information about you when providing financial services to you, to meet our legal obligations. We have certain reporting obligations under the AML/CTF Act where information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

If you do not provide all the information we request, we may not be able to provide an advice, products or services.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this Privacy Statement.

We are not likely to disclose your information to organisations overseas. However, we may store your information in cloud or other types of networked or electronic storage.

As electronic or networked storage can be accessed from various countries via an internet connection, it's not always practicable to know in which country your information may be held.

We may use your personal information to contact you or send you information about other products and services offered by our preferred suppliers.

## **Complaints Procedures**

We endeavour to provide you with quality financial and credit advice and services. If you have a complaint or concern about the service provided to you, we encourage you to discuss this with your Adviser in the first instance.

If you are unhappy with your Advisers response, please make a formal complaint to the Adviser, in conjunction with:

The Complaints Manager  
Level 2, 177 Toorak Road  
South Yarra VIC 3141

Phone: 03 9823 1344; or

Email: [info@adviceexchange.com.au](mailto:info@adviceexchange.com.au).

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). The AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

Website: [www.afca.org.au](http://www.afca.org.au);

Email: [info@afca.org.au](mailto:info@afca.org.au);

Phone: 1800 931 678 (free call).

## **Professional Indemnity Insurance**

The law also requires The Advice Exchange to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by The Advice Exchange and/or its Authorised Representatives, including those Advisers who are no longer authorised by us but were so at the time of providing advice.