



**solidity**

# Financial Services Guide

**Solidity Private Wealth**

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## Welcome

Solidity Private Wealth is a privately owned specialised financial advisory firm providing strategic, tailored solutions for the unique objectives, timelines and financial circumstances of our clients.

As a client of Solidity Private Wealth we will work with you to develop, implement and maintain a comprehensive financial strategy to meet your personal and business objectives. This will assist you and your family in preserving and growing your wealth, protecting against risks and reaching your chosen goals and objectives.

### **This guide contains important information about:**

- the services we offer you
- how we and our associates are paid
- any potential conflict of interest we may have
- our internal and external dispute resolution procedures and how you can access them

### **About this document**

The Australian Securities and Investments Commission (ASIC) is the government regulator for the finance industry. According to ASIC policy, and by law, those entities who hold an Australian Financial Securities License or an Australian Credit License are required to produce a Guide to those services (Financial Services / Credit Guide) when providing advice. The Advice Exchange Pty Ltd (ABN 55 107 629 194) takes its legal and compliance obligations seriously by ensuring that clients understand their role and rights when receiving financial or credit advice and has prepared this Financial Services / Credit Guide (FSG) and authorised its distribution.

Please take a moment to read this FSG which explains how we will provide services if you choose to do business with us. If you have any questions after reading this brochure, please contact your financial adviser (who is an authorised representative of The Advice Exchange) or the Principal Office of The Advice Exchange, Level 3, 7 Bowen Crescent Melbourne Vic 3004.

### **The Advice Exchange**

The Advice Exchange advisers offer you a comprehensive range of financial advice, from wealth creation to self managed superannuation to retirement planning. The Advice Exchange will tailor financial advice to achieve your specific, agreed financial goals. Starting with an analysis of your current financial position, we will utilise specialised financial research to develop and implement financial strategies, designed specifically to achieve your goals.

### **Your Advisers**

- **Solidity Private Wealth ABN 13 791 903 550**  
Corporate Authorised Representative
  
- **Matthew Anderson CFP™:**  
Authorised Representative 416448
  - Educational Qualifications and Experience: Matthew is a Certified Financial Planner™ (CFP) and has in excess of twelve years' experience in the Financial Services Industry, including previous roles at Macquarie Private Wealth, Commonwealth Private Bank, Collins House Financial Services and Mercer Wealth Solutions. He is responsible for providing clients with tailored advice in the areas of wealth creation, strategic planning and investment management.

Graduate Diploma of Applied Finance & Investment  
Bachelor of Business  
CERTIFIED FINANCIAL PLANNER™

## **The Advice Exchange's License**

The Advice Exchange holds the Australian Financial Services License and an Australian Credit License No 278937. We are licensed to provide financial product advice and deal in the following financial products as well as a comprehensive range of credit products: Deposit and payment products

- Deposit and payment products
- Life Products
- Managed Investment Schemes, including investor directed portfolio services and MDA services
- Securities
- Superannuation
- Retirement Savings Accounts
- Standard Margin Lending

When our advisers provide assistance in the following areas, this activity is governed by our Australian Credit License No 278937:

- Home Loans (first & second mortgage)
- Credit Cards
- Other Personal Loans

The Advice Exchange is therefore responsible for financial and credit services we provide on behalf of The Advice Exchange. Our primary responsibility is to you.

All Authorised Representatives of The Advice Exchange are selected for their financial expertise, supported by ongoing professional development and technical and strategic training, to ensure we deliver a service that is appropriate to your needs.

## **Financial Planning Services**

We are authorised to provide the full range of services available under our license. However, 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:

Financial planning services:

- tax effective investments
- superannuation and rollover advice
- personal risk insurance
- business risk insurance
- business succession & transition planning
- Centrelink financial planning advice
- retirement planning advice
- pensions
- managed portfolio services
- portfolio review and ongoing service
- credit assistance

We only recommend products to you after considering their suitability for your individual objectives, financial situation and needs.

Our managed portfolio services refer to tailor-made investment strategies combining several different products. You may also arrange a series of regular advisory consultations to review and discuss your ongoing financial situation.

The Advice Exchange offers both personal and general advisory services. You should be aware that where advice has been given without due consideration to your individual objectives, financial situation and needs (general advice) or where your adviser has information that is inaccurate or incomplete, you must assess, in light of your own individual circumstances, whether it is appropriate to act upon this advice.

## **Credit Services**

Where appropriate, we will help you to choose a loan or lease which is suitable for your purposes. We have the ability to source finance from a panel of financiers, however at present we only provide finance arrangements for Colonial Geared Investments. Where this product does not meet your needs we will provide a suitable referral to a broker with access to a wide range of mortgage products for you to choose from.

We will not recommend a contract, or an increase in the approved credit limit of your current contract, if it would be a suitable for you. The contract will be unsuitable for you if you will be unable to comply with your financial obligations under the contract without suffering substantial hardship, or if the contract does not meet your stated requirements and objectives.

We are required to make an assessment that the credit contract or increase in credit is not unsuitable before we recommend a new contract or increase in your current contract. If you ask us we will give you a copy of our assessment before entering into the credit contract or increasing your credit limit.

You may also request a copy of the assessment within seven years of the date of our recommendations. If you request is made within two years, we will provide you with the assessment within seven business days of your request, otherwise will provide you with the assessment within 21 business days. We will not charge you a fee for providing the assessment.

## **The Advice Process**

The Advice Exchange seeks to deliver professional advice in a very special way. We help you to pinpoint the things you want to do now and in the future. Quite simply, we put people first.

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. Your adviser is required by law to record and verify details about your objectives, financial situation and needs. You are entitled to tell us as much or as little as you choose, however should you choose not to provide full disclosure we will be required to take the following actions:

- where the service relates to financial products, we will warn you about possible consequences of the advice limitations so that you can make up your own mind if you will proceed.
- where this service relates to credit products, we are unable to provide assistance.

After our initial consultation, you then 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 a Statement of Advice (SOA) in the first instance. Once you have a chance to review our recommendations, we may mutually decide to undertake some fine tuning to make sure you are absolutely comfortable with our advice. It is important for you to understand and accept the various risks inherent within the investments and strategies recommended before you proceed with implementation. You should be prepared to seek clarification from your adviser until such time that you understand any implications of the recommendations.

An important part of our service is managing the implementation process to ensure that your personal strategies are set-up and working.

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 / credit assistance being given and the basis on which that advice / assistance has been developed. It will also include a disclosure of all benefits and potential conflicts of interest that you need to be aware of in order to make an informed decision.

We will not provide credit assistance were we determine that a credit contract is unsuitable. A contract will be unsuitable if after appropriate investigation we believe either of the following:

- that you will be unable to comply with the obligations under that contract without substantial hardship; or
- that the contract does not meet your particular financial and personal needs and objectives.

If you would like a copy of our assessment at any time up to 7 years after our assistance, please ask. This can be provided at no cost within 7 business days for requests made within 2 years of our LOE / Service Agreement and 21 business days otherwise.

The financial benefits listed later in the FSG cover the types of rewards and remunerations that The Advice Exchange, its advisers and associates may receive as a result of the financial planning service provided to you. Specific benefits and amounts can only be calculated once recommendations are made.

The SOA will include all the information presented to you in regards to the advice being provided to enable you to make the choice to implement the advice or not. A fee may be charged for the preparation of the SOA, however, this will be agreed with you beforehand. It is important that you read and understand your SOA document. If you have any questions, please let us know before you proceed.

### **Other Important Information**

The advice and information in an SOA is only current for a period of 60 days. After this time, the recommendations should not be implemented as legislation, economic conditions or your personal circumstances may have changed. Please consult us if you wish to implement any of these recommendations after 60 days from the date of the SOA.

Whilst every effort has been made to include relevant tax, Centrelink and legal considerations, you are advised to discuss your annual tax liability and tax implications with your tax adviser, any Centrelink implications (if applicable) with Centrelink and any legal issues with your solicitor. Estimates and issues raised therein are intended as a guide only. All representations made, facts presented and opinions are made by or on behalf of The Advice Exchange in good faith but The Advice Exchange and its associated companies shall not be liable for damages or in any other way for errors of fact and opinions except in any case where liability cannot be excluded pursuant to any law.

Your SOA is prepared solely for use of the person/persons, to whom it has been addressed and we (your adviser, The Advice Exchange and / or its associated companies) do not accept any liability whatsoever to third parties. It is based on our understanding of your personal objectives, financial situation and needs.

Although we are able to provide credit assistance for you in relation to any provider of credit services operating in Australia, we will restrict that assistance to products that you already hold or products that have been recommended by mortgage broking experts. Colonial Geared Investments is the main provider we deal with.

### **Further Advice**

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 we do not give that further advice in writing, you may request a copy of the record of that further advice (ROA) at any time up to 7 years from the date we gave that further advice to you. You can request the record of the advice by contacting us or The Advice Exchange in writing or by telephone or by email.

## **Product Disclosure Statement**

If we recommend a product, you will be provided with a Product Disclosure Statement (PDS). The purpose of the PDS is to assist you in deciding whether or not to acquire that particular financial product. It contains information about the financial product such as its significant features, benefits, fees and risks.

## **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 particular needs and will often include an annual review of your portfolio as well as regular reports on investment performance. 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. Fees are charged for our review service and will be detailed in the SOA and Service Agreement. We are happy to discuss the scope of the services you require and the associated fees.

The amount of any fees charged will be agreed prior to the provision of any services as per the range shown below.

## **Payment for Services**

Fees are generally payable after the service has been provided, however upfront payment may apply in certain circumstances. Ongoing service fees, which are payable in advance, will be agreed between us.

For investment and credit, we do not charge commission on initial advice/assistance or product placement. Where we recommend a product that does not allow us to waive this payment, we will reduce any fee payable by you to us by the same amount.

For insurance (personal life risk) products, we will receive up-front commission ranging between 30%-125% based on the annual premium, from product providers or other parties with which The Advice Exchange has a relationship. This commission is not charged separately to you. It is paid to us by product providers and is a one-off up-front payment.

We will also receive an ongoing commission (often called a trail commission) for insurance ranging between 10%-50% paid by the product provider out of the revenue the product provider earns. This commission is not charged separately to you. It is paid to us by product providers and is payable for the length of time you remain invested in the product or the length of time the product remains in force. The structure of these fees will be disclosed by us in relation to your individual circumstances.

All fees and commissions are fully disclosed in our initial advice and service agreements. Any changes to these fees and commissions are disclosed to you at the time of any further advice/assistance, review of Service Agreements and in additional product material.

## **Fee Structure**

We charge a pre-agreed hourly fee for our initial Advice and we will prepare written recommendations in the form of a Statement of Advice. This agreed fee will be determined by the complexities of the individual client's affairs. This fee will also cover the implementation of our recommendations should the client proceed with our advice.

## **Ongoing Investment Management and Strategic Advice Fee**

We charge a transparent, pre-agreed asset based fee for ongoing investment management deducted from the portfolio on a monthly basis. We do not charge brokerage or transaction fees nor do we accept commissions. Our ongoing Investment Management and Strategic Advice Fee are expressed as a percentage of Funds Under Management (FUM).

Our ongoing service includes:

- Ongoing strategic advice
- Frequent review and management of your investment portfolio
- Unlimited access to your Adviser Matthew Anderson
- Online access to your portfolios
- Client seminars and briefings including new investment opportunities

The actual ongoing fee charged will depend on the complexities of affairs and the amount of funds under management and will range between 0.01% and 1.00% or a fixed annual fee between \$500 and \$100,000.

### **Education support**

From time to time we may receive payment or sponsorship to subsidise the cost of conferences, training or professional development for our representatives. Product issuers receive a range of benefits including being recognised as a sponsor, attendance at conferences and the right to give speaking/training presentations to advisers.

### **Portfolio instructions**

You may specify how you would like to give us instructions, for example, by email, telephone, fax or other means. This instruction and any changes to these instructions should be provided in writing to us. If we provide you with a transaction-related related telephone advice, you may request a record of the transaction-related advice at that time or up to 90 days after this advice.

### **Benefits, remuneration and commission arrangements**

We, The Advice Exchange and any referrers or associates may receive a benefit, commission or fee as a result of the provision of financial services to you. The type of benefit and the amount received will vary depending on the type of Financial Service you require. Gross commission and fees are paid to The Advice Exchange by Fund Managers. Generally, 100% of these funds are then paid to Solidity Private Wealth.

Remuneration of Solidity Private Wealth is based on the fees and commissions they are able to generate through their activities as representatives. Full detail of remuneration and changes to these payments are disclosed to you at the time of any advice.

All representatives are required to keep a Register of Alternative Remuneration which shows any payment other than cash which may be received by them from fund managers / product providers. This register is available for inspection with 7 days notice.

You should be aware that where you have been referred to The Advice Exchange, or where you are referred by us 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 e.g. in your SOA. We will also disclose details of any sharing of payments that may apply between The Advice Exchange and us.

The Advice Exchange has a number of arrangements in place whereby The Advice Exchange receives additional payments from manufactures when we use their products. This payment does not impact on the cost of delivery of product or service to you and is used wholly to defray the costs of professional development training. Details of any such payments will be disclosed in full when our advice includes these products.

## **The Advice Exchange Privacy Statement**

The Advice Exchange is committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy detailing how we manage personal information is available on request. If you wish to obtain a copy, please ask or call The Advice Exchange on 03 9823 1344.

## **Professional Indemnity Insurance**

We have appropriate Professional Indemnity Insurance in place. This Insurance will also cover claims in relation to the conduct of authorised representatives who are no longer authorised by The Advice Exchange (but who were at the time of the relevant conduct).

## **Complaints procedure**

If you have a complaint about the service provided by The Advice Exchange or your adviser you should:

1. Write a letter of complaint to the Directors, The Advice Exchange, Level 3, 7 Bowen Crescent Melbourne Vic 3004.
2. Outline in your written complaint the specific areas of service, which have not met with your satisfaction. Detail in your letter, as simply as possible, all the facts relating to your complaint and how you believe The Advice Exchange can investigate and resolve this matter to your satisfaction.
3. The Advice Exchange will investigate your complaint and will make every effort to ensure you receive a fair and prompt reply. The Advice Exchange will endeavour to resolve your complaint within 30 business days. We will keep you informed of what is happening to your complaint if this investigation cannot be resolved within this time.

If you still do not get a satisfactory outcome, you have the right to take the complaint to the Financial Ombudsman Service (FOS).

The Advice Exchange is a member of the external complaints resolution scheme operated by FOS. FOS provides free advice and assistance to customers not satisfied with the responses provided by member companies to their complaints. FOS may undertake an independent external investigation of the complaint or enquiry. Member companies like The Advice Exchange are bound by any decisions made by FOS. You can write to the Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001 or telephone toll free 1300 780 808.

The Australian Securities and Investments Commission (ASIC) supervise the provision of financial planning and investment advice on securities and regulate the provision of superannuation and life insurance products and services.

You may choose to phone the ASIC toll free Infoline on 1300 300 630. Infoline consultants will talk to you about your rights as well as how to make a complaint which is suspected to be a breach of the law.

## **Additional Services**

It should be noted that we might also undertake work in other capacities than those as a representative of The Advice Exchange Pty Ltd. This may be as a result of having direct associations with other entities. This work is not associated with The Advice Exchange Pty Ltd, and nor is The Advice Exchange responsible for this work.

## **Contact Us**

To discuss your financial goals, please telephone our office for an appointment on 03 9653 6403.