



FINANCIAL SERVICES GUIDE

Version 7.0

1 October 2021

Financial Clarity Pty Ltd

ACN 075 567 172

ABN 13 516 478 239

AFS Licensee No 302929

Financial Clarity Pty Ltd ACN 075 567 172 as trustee for Tregold Discretionary Trust

ABN 13 516 478 239 trading as Financial Clarity Pty Ltd AFS Licensee No 302929

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ABOUT THIS FINANCIAL SERVICES GUIDE

This is an important document that outlines the products and services Financial Clarity provide under their Australian Financial Services Licensee. This document will provide you with important information such as:

- Who we are
- Products and services we offer
- What is Managed Discretionary Account Services (MDA)
- How we store and protect your personal information
- Information on fees
- How we are remunerated
- Complaints
- How you can contact us

[NOT INDEPENDENT]

Financial Clarity Pty Ltd and your adviser may receive commission based on your premium for the duration of time you hold an insurance policy, fees based on the volume of assets under advice and gifts and other non-monetary benefits. For these reasons, we are unable to refer to ourselves as 'independent', 'impartial' or 'unbiased'.

FREQUENTLY ASKED QUESTIONS

Who is my adviser?

Your adviser will be either Ken Bloomfield, an Authorised Representative, director and the Principal of Financial Clarity Pty Ltd, or another Authorised Representative of Financial Clarity. Personal details about your adviser are included in the “Adviser Profile” attached to this document.

Who is responsible for the advice given to you?

Financial Clarity is responsible for the advice its Authorised Representatives (advisers) provide to you. Financial Clarity only authorises advisers to recommend investment products and services on Financial Clarity’s current ‘approved list’ of financial products subject to the Adviser’s ‘Knowledge and Skill’ competencies.

Referrals

With the exception of our arrangements for risk insurance, detailed under “Insurance” at item 12 of FAQs, Financial Clarity’s policy on referrals is not to offer or accept any form of remuneration for business introductions to or from third parties. However, in the unlikely event that we are unable to avoid making or receiving such a payment, full details will be disclosed in our SoA.

Do any relationships exist which might influence the service or advice I receive?

Financial Clarity is not operated or controlled by any financial institution such as a fund manager, bank, insurance company or credit union. Financial Clarity is a privately owned company and therefore not influenced or directed by any of the above types of organisations. Consequently, no relationships exist that might affect the advice you receive from us.

Your instructions to Financial Clarity or your Adviser

At all times, we must have any instruction to us from you confirmed in writing before we can act on that instruction. This may include instructions via email, letter, fax or other means of communication agreed to.

PRODUCTS & SERVICES WE PROVIDE

What products & services do we provide?

As an Authorised Representative of Financial Clarity Pty Ltd, your adviser is authorised to offer you financial advice in respect of the following range of services:

- Investment Portfolio Advice
- Superannuation and Rollover Advice
- Managed Discretionary Accounts
- Share Purchases and Sales
- Tax Planning (not advice)
- Wealth Creation/Savings Programs
- Retirement Planning/ Social Security
- Redundancy and Employment Transition
- Salary Packaging/ Remuneration Planning
- Personal Insurance including Death, Disablement, Trauma & Income Protection
- Estate and Will Planning

Your adviser is also authorised to advise and deal in respect of the following types of financial products:

- Superannuation & Retirement Savings Accounts
- Securities
- Managed Discretionary Account Services (MDA)
- Managed Investment Schemes including Investor Directed Portfolio Services (IDPS) Deposit and Non-Cash Products
- Investment life Insurance Products
- Life Insurance Products.

MANAGED DISCRETIONARY ACCOUNT SERVICES

What is Managed Discretionary Account Service (MDA)?

A Managed Discretionary Account (MDA) is an investment portfolio management service where a portfolio of investments is maintained by an investment manager and discretion is provided so that investment manager can make decisions about that portfolio in accordance with investment objectives and an agreed investment program. This discretion eliminates the need to constantly obtain client agreement or instructions to sell, buy, apply for, or redeem investments in financial products.

The account is managed by professionals, in that:

- Investment Managers develop and manage a client's portfolio
- a Custodian holds the investments and cash on your behalf
- Investment Administration Services Pty Limited (ABN 86 109 199 108) (Australian Financial Services Licence Number 284316) (IAS) operates the clients Managed Account as administrator, undertaking transactions, handling all reporting providing online resources.
- Clients beneficially own the investments in their Managed Account allowing for full flow through of all dividends and franking credits.
- The Investment Manager develops a Portfolio which reflects the investment objectives and approach of the selected Investment Option.
- a high degree of customization
- greater tax efficiencies in a fee-based product
- Advisers obtain significant practice efficiencies by managing clients more effectively and reducing paperwork. This allows for more decision-making time.

Please note that this product may not be suitable for all clients.

HOW WE STORE & PROTECT YOUR PERSONAL INFORMATION

What information do we maintain in your file?

Your adviser will maintain a record of your personal profile that includes details about you personally, your investment objectives, financial situation and particular needs, records of any recommendations made to you (verbal, written or electronic) and general information that relates to your dealings with the adviser. If you give information to us about another person (like your partner) in relation to the services we provide, you have an obligation to let the other person know that we hold their information.

We are also legally required to store this information and records of any advice and services we provide to you. Information acquired by us in the course of providing our services will not be disclosed to any other party without your express consent, except as required by law or professional obligation. We may use your information for the purposes including:

- Our information technology providers.
- Assisting you to prepare an application for a financial product.
- Telling you about other products or services we make available unless you tell us not to; Allowing us to perform administration tasks including outsourcing paraplanning services.
- As required by law, regulation or codes binding us such as Financial Ombudsman Service, and
- Any purpose to which you have consented.

We are not likely to disclose your information to organisations overseas. However, we may store your information in the 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.

Records will be maintained using a combination of both print and electronic media. If you would like to examine your file, you should ask your adviser, and he or she will arrange for you to do so.

INFORMATION ON FEES

How are the fees and commissions calculated?

Financial Clarity operates mainly on a fee for service basis with fees determined by the type of service being provided. Details of the various fee scales and strategies we employ in calculating our fees are summarised below.

Comprehensive Financial Plan – “Financial Blueprint”

Fees for this service are determined on an individual basis and are influenced by the degree of complexity existent in a client’s financial affairs and life circumstances. A standard fee of \$4,400 (inclusive of GST) applies to this service. However, we reserve the right to charge more, up to a maximum of \$6,600, if we assess the content of the work to be more complex and time consuming. In these circumstances, a quotation will be provided at or soon after your introductory meeting and your acceptance, in the form of an “Authority to Proceed”, will be required prior to our commencing any work on the plan.

Limited Advice – Financial and/or Strategic

Limited advice refers, in the main, to one-off recommendations targeting specific issues such as; investment advice, insurance, impending retirement etc. Limited advice fees are time based and quoted in advance, with a set minimum of \$2,200 rising to a maximum of \$4,400 (including GST), depending on the complexity of the task. Commencement of work is subject to your acceptance of the quotation and our receiving an ‘Authority to Proceed’.

Ongoing Services - Clarity Wealth Management (CWM) – Investment Portfolio Management

This service comprises an actively managed Investment Portfolio, together with a well-organised annual review procedure specifically designed to keep clients focused on their plan and mindful of their goals.

CWM fees are structured as a percentage of total invested assets under advice. They are subject to annual review and recalculation, based on the market value of total assets under advice as at 31st March of the review year. The recalculated fees are then applied for twelve months, commencing on the 1st of July immediately following the recalculation date.

INFORMATION ON FEES (CONTINUED)

They are only subject to adjustment during this twelve-month period in the event of significant additions or withdrawals of capital.

The Investment fees are to be communicated in the Statement of Advice given to you.

Investments

Financial Clarity, whenever possible, declines to accept commission and/or fees offered by fund managers, product providers or investment companies. We do not accept up front (initial) commissions for recommended investment products.

One exception to the forgoing is however, that Financial Clarity is currently in receipt of minimal amounts of trail commissions from various fund managers in relation to certain products utilised prior to our moving to a fee-based service. Over time though, we expect these to reduce to nil, as clients reallocate investments to accommodate changes in personal circumstances.

These commissions vary according to the product type and fund manager but, in the main, rates fall between 0.3% and 0.8% of the funds invested in the product. Hence if your fund was valued at \$10,000, and we were entitled to 0.5% commission, we would receive \$50.

Insurance

As part of our wider role as advisers, Financial Clarity is often called upon to assess clients' insurance needs and to advise on the desirability and/or suitability of various risk management structures. However, we choose not to specialise in the areas of product assessment and product placement, preferring to outsource these important aspects to an external insurance professional.

The insurance professional will fully disclose, in a Statement of Advice, all commissions and remuneration received from the insurance company. Financial Clarity, by agreement, is entitled to receive up to one third of these earnings; the degree to which we are compensated will be fully documented in the SoA supplied to you by the external consultant.

INFORMATION ON FEES (CONTINUED)

Other Fees

Sometimes, depending upon the type of services we need to access on your behalf, you may be charged ancillary fees by a third party. Share brokerage and custodial service fees are two examples. We will advise you accordingly whenever there is any likelihood of such charges being levied.

HOW WE ARE REMUNERATED

How will Financial Clarity and your Adviser be paid?

All fees, commissions and charges are payable to Financial Clarity Pty Ltd. Advisers operating on behalf of Financial Clarity are either Principals of the business or salaried employees and are not subject to incentives, inducements, or any other compensation as recompense for recommending products.

All fees and commissions payable to Financial Clarity Pty Ltd must be disclosed to you before you decide to accept our advice.

Should you decide not to implement the recommended strategy, the fee payable for preparation of the Statement of Advice and for services already provided to you in accordance with the terms set out under “Initial Fees” at item 12 of FAQs, is payable in full.

Fee & Commissions Disclosure

Financial Clarity operates on a full disclosure policy for all fees and commissions received by the company. Regardless of the service you have selected, you will receive, as part of your SoA, a detailed disclosure statement that, among other things, will include all fees and/or commissions payable by you. An “Authority to Proceed” will also be attached to the SoA and you will be required to sign this prior to us commencing any administrative work associated with the implementation of our recommendations.

Alternative Remuneration

Some product providers offer non-monetary remuneration, such as entertainment and gifts. Financial Clarity and our advisers believe clients should be placed first and products should only be recommended because they are in the clients’ best interests as opposed to those of the adviser. To ensure clients are able to rely on our recommendations as being free from such influence, Financial Clarity has introduced a policy prohibiting the receipt of these types of incentives.

This policy prohibits Financial Clarity’s staff and advisers from receiving incentives it feels have a real potential to influence recommendations.

COMPLAINTS

Reporting your concerns

If you have a complaint about any financial service provided to you by your Adviser, you should take the following steps:

1. Contact the Financial Clarity Compliant team to discuss your complaint. **Letter:** PO Box 278 St Leonards NSW 1590 **Email:** service@financialclarity.com.au or **Phone:** 02 9903 76992.
2. We will acknowledge receipt of a complaint within 24 hours (or one business day), however, where this is not possible, acknowledgement will be made as soon as practicable.
3. We will then investigate the complaint and respond to you within 30 calendar days. Some complex matters may require an extension to thoroughly investigate the complaint and bring it to a resolution. We will communicate with you of the progress of your complaint.
4. If you are not fully satisfied with our responses, you have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

The contact details for AFCA are:

Australian Financial Complaints Authority Limited

GPO Box 3 Melbourne, VIC 3001

Toll free: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

Note: The FSG is only complete when accompanied by an Adviser Profile.

FURTHER QUESTIONS

If you have any further questions about the products and services Financial Clarity provide, please call our Client Service Team on 02 9903 7699 or email us on service@financialclarity.com.au.

Our office is located on Level 2, 22 Atchison Street St Leonards NSW 2060 and we are open from Monday – Friday, 9am – 5pm.