



**m b a**  
WEALTH SOLUTIONS

# FINANCIAL SERVICES GUIDE

**VERSION NO: 2**

**Issue Date: 20 April 2020**

This Financial Services Guide (FSG) tells you about us and the services we can provide you. It is designed to assist you in your decision on whether to use any of our services. It provides information on:

- who we are
- what services we are authorised to provide to you
- how we are paid
- what we can do and what we expect from you
- details of any potential conflicts of interest
- how we protect your personal information
- details of our internal and external dispute resolution procedures and how you can access them.

We encourage you to read this document carefully and if you'd like more information or clarification, please don't hesitate to contact us.

For more information on anything in this FSG, to obtain a copy of our privacy policy or if there is anything else we can help you with, please contact us at:

204 Howick Street, Bathurst NSW 2795  
PO Box 1496, Bathurst NSW 2795  
T 02 6331 1192  
E [admin@mbawealthsolutions.com.au](mailto:admin@mbawealthsolutions.com.au)  
[www.mbawealthsolutions.com.au](http://www.mbawealthsolutions.com.au)  
MBA Wealth Solutions Pty Ltd  
ABN 61 003 185 742  
AFSL 240689

## OUR RELATIONSHIP

In order to provide financial planning services, the law requires that a person must be either licensed directly to do so, or authorised by a licensee. Your adviser is a Representative of MBA Wealth Solutions Pty Ltd (MBA) and is authorised to carry out the financial advice activities allowed under the licence held by MBA. MBA is ultimately responsible for the services which are provided to you where the Representative acts within the scope of their authority. Details about your adviser and the services they are authorised to advise upon may be found on page 8 of this FSG. This FSG is only complete when accompanied by an adviser profile.

The licence which MBA holds permits it to appoint Representatives to provide advice and related services from amongst the following classes of products:

- superannuation and retirement savings account products
- securities
- managed investments (including an IDPS)
- government debentures, stocks or bonds
- deposit products
- standard margin loans
- life insurance (investment and risk) products

The products recommended to you will be sourced from a wide range of investment managers, life insurance companies and securities on our recommended list of products.

Where you come to MBA with financial products that are not on our recommended list and for which we do not have approved research, we will be unable to provide you with advice on those products. Under these circumstances and depending on your instructions to us, we will either include those products in your portfolio for valuation purposes or provide you with advice on alternative products.

If your adviser is able to provide you with a more limited range of services or products than shown above, they will disclose this to you at the earliest and most convenient time.

Our advisers are members of the Financial Planning Association, recognised internationally as the peak professional organisation representing the financial planning sector in Australia. As a business we have adopted their professional standards, codes of conduct, ethics and rules. For more information about the FPA you can visit their website at [www.fpa.asn.au](http://www.fpa.asn.au)

## THE ADVICE PROCESS

<b>Gathering Information</b>	It is critical that our advice is tailored to meet your particular needs and circumstances. This process involves you completing our Client Needs Analysis document and providing all relevant details regarding your circumstances
<b>Identifying Goals</b>	We need to understand what you are seeking to achieve so that we can provide advice that is appropriate to your needs and objectives
<b>Written Advice</b>	We provide a written Statement of Advice outlining all of the key issues and our recommendations – including all fees and charges
<b>Agreement</b>	It is essential that you read and understand the advice, ask any questions and 'own' the financial plan.
<b>Implementation</b>	We implement the recommendations
<b>Review</b>	We regularly review your financial plan to ensure it stays up-to-date and relevant to the current economic climate and your changing requirements

## **DOCUMENTS YOU ARE ENTITLED TO RECEIVE**

You are entitled to receive a Statement of Advice (SoA) on the first occasion that we provide you with personal advice. This document will:

- Explain the advice and the basis of the advice,
- Provide information about our remuneration (including commissions), and
- Disclose any associations or relationships that could potentially influence us in providing the advice.

After providing you with our Statement of Advice, any ongoing personal advice that we may provide will be documented in a further 'Statement of Advice' or a 'Record of Advice' depending on the nature of the advice.

Copies of the Statement(s) of Advice, Records of Small Investment Advice, and/or Record(s) of Advice will be retained on your client file and if you have not already been provided with one you may ask for a copy of these documents at any time.

If we advise you to invest in certain investment product types, such as a wrap product or managed investment, we are required to provide a copy of the most recent Product Disclosure Statement (PDS) to you before investing. This will give you the opportunity to understand in detail the product features, risks and costs, before acting on our recommendations. In the event we are required to provide you with multiple PDS documents, we may provide them via email or internet hyperlinks.

## **RISK**

All investments carry some level of risk, including the risks associated with not acting on our recommendations. Your adviser will help you to understand the level of risk associated with the different investment options so that you can make choices you are comfortable with. Within the context of achieving your financial goals, risk management is an important part of our planning process.

## **YOUR PRIVACY**

MBA is committed to ensuring the privacy and security of your personal information in accordance with Privacy Legislation. We will request that you sign a Privacy Consent form when we initiate our relationship with you.

We will maintain a record of your personal profile, including details of your investment objectives, financial situation and needs and any other information relating to your specific financial situation. We also maintain records of any recommendations made to you.

Under the Anti Money Laundering/Counter-Terrorism Finance (AML/CTF) Act, as a financial service provider, we are obligated to verify your identity. Accordingly, we will ask you to present identification documents, such as your passport, drivers licence or photo ID card. The copies of the identification documents will be held on file for compliance purposes.

We are committed to ensuring the privacy and security of your personal information in accordance with the Privacy Act 1988 and the Australian Privacy Principles (APPs).

You have a general right to examine the relevant contents of your file and you should have been provided with our privacy statement, which details our approach to privacy. Should you wish to examine your file, please ask your adviser.

If you are dissatisfied about the way we handle your personal information, or wish to express your concerns about the accuracy and completeness of the information we hold, you may contact:

The Privacy Officer  
MBA Wealth Solutions  
PO Box 1496  
Bathurst NSW 2795

## **ASSOCIATIONS AND RELATIONSHIPS**

MBA is neither owned nor controlled by any financial product provider and our advice will always be suitable and appropriate for your needs and circumstances. While we may receive commission and other benefits from product providers, such as training (which are disclosed in our documentation) no fund manager, bank, insurance company or other licensee is currently in a position to influence our advice to you.

MBA has an association with the Lonsdale Financial Group Limited. Lonsdale is 100% owned by IOOF Holdings Limited. Through this association, we have access to services and support offered by IOOF including;

- Transaction and portfolio administration operated by Wrap Account Limited
- Training from Fund Managers
- Technical Support
- Research
- Access to an Approved Product List
- Compliance Support and Internal Auditing

We may receive share options in IOOF based on our contributions to IOOF's revenue. As such, MBA shareholders may benefit if we receive IOOF options and exercise them. The number and value of these options, if offered, are at IOOF's discretion and will be determined in part by the level of IOOF's profit. More detail will be provided upon your request or in a Statement of Advice, if relevant.

These relationships enable our representatives to deliver a comprehensive service to you.

## **REMUNERATION**

The cost of providing our service to you will depend upon the nature of the service provided, the amount you are investing and the complexity of the work. The amount of any fee payable is agreed upon by you and your adviser prior to the work commencing and is fully disclosed in your Statement of Advice. An explanation of the fees and charges of the product provider will also be outlined in the relevant Product Disclosure Statement.

We should be in a position to provide you with a reasonable estimate of the likely fee after our initial discussion with you, and encourage you to discuss it with your adviser during the first meeting. There is no charge for our initial consultation.

### **Initial Advice**

The fee which we charge may be a combination of:

- A flat fee for the Statement of Advice of between \$0 and \$6,600. Our standard fee for a Statement of Advice is \$1,650  
*and/or*
- An implementation (or lodgement) fee. This fee may be calculated as a flat rate of between \$0 and \$9,900 or as a percentage of up to 2.20% of the Funds Under Management (FUM).

Alternatively, any one-off provision of financial services may be billed at an hourly rate for the service performed. The hourly rate may be up to \$250 per hour depending upon the complexity of the service required and will also be discussed with you during our first meeting.

### **Ongoing Service**

We encourage clients to take up an ongoing review service, to ensure that the financial strategy continues to meet changing personal lifestyles and financial goals.

For example, you can receive a regular review of the performance of your strategy, in the context of the performance of local and international markets, current superannuation and taxation laws, as well as your own personal circumstances.

Your adviser will explain the available levels of service together with the associated fee options to enable you to decide the type of ongoing service (if any) you require. Based on your circumstances, your adviser will also recommend an appropriate level of service.

To ensure the ongoing success of your financial goals and objectives, we recommend reviews should be undertaken at least every 12 months. We offer a number of ongoing review service packages starting from \$1,650 per annum through to comprehensive, fully inclusive service packages.

As with the initial fee, you can choose to pay the fee directly by invoice, or as an ongoing service fee deducted from a cash account or any managed funds into which you invest.

If you enter into an ongoing service arrangement with MBA, we will provide you with an annual Fee Disclosure Statement which fully details what fees were paid by you, what services this entitled you to, and which of those services you actually received.

Every two years, we will ask you to confirm in writing that you would like to renew the terms of our agreement to provide you with ongoing financial advice services.

### **Commission Payments from Product Providers**

Ongoing commission (also known as trailing commission) may be paid to MBA for the duration that your investment or insurance policy is held with the product provider. This payment is generally calculated as a percentage of the amount invested or premium paid and is not a direct cost to you. Trailing commission payments (if any) will be clearly outlined in your Statement of Advice.

As a Dealer Associate and shareholder of Lonsdale Financial Group and IOOF, we may receive benefits from business generated including the following:

- Additional commission in relation to the volume of monies placed with Wrap Account Limited (AssetLink, AssetChoice, Portfolio Essentials and Portfolio Administrator)
- Bonus payments from the use of the Lonsdale SMSF Risk Pool and Lonsdale Life Wrap

### **Advice in respect of insurance products**

Any initial advice fee and /or commission payments in relation to insurance cover that you take up will be discussed with you by your adviser and fully disclosed in your Statement of Advice.

An implementation (or lodgement) fee is not charged for transactions in relation to insurance cover. For placing your insurance we usually receive a commission paid by the insurer as a percentage of the premium you pay. The amount can be up to 66% of the first year's premium paid, depending upon the type of insurance and the life insurance company it is placed with. For example, on an initial annual premium of \$2,000 we would receive \$1,320.

You should be aware that as long as you retain any policy we will usually receive ongoing commission. The rate will usually be up to 22% of the annual premium paid by you on renewal. On an annual premium of \$2,000, we would receive ongoing commission of up to \$440 per annum.

The amount paid to us as commission is a result of the way the pricing on insurance products is structured, and the fact of the payment doesn't mean that you are entitled to, or will receive, advice about your insurance needs prior to insurance renewal dates, as these services are also separate, and part of our ongoing service offering.

Any commission amounts we receive are paid to us by the insurance provider. This does not form part of your premium amount and is not a direct cost to you

### **Shares**

Should you wish to trade in direct equities the fee is a combination of a transaction fee of \$220 for each trading instruction, payable to MBA Wealth Solutions and a share brokerage fee of up to 1.50% (or a minimum of \$110, whichever is the greater). MBA Wealth Solutions also receives 0.55% of any share brokerage fee.

## **Other Benefits or Payments**

The financial products which we may recommend to you can produce both direct and indirect benefits which the firm may benefit from.

The precise details of any such benefits arising from our advice to you will be set out in your Statement of Advice. In all cases we are required by law to ensure that you have full details, in advance, of the benefits we anticipate receiving because of a financial product recommended to you.

Products could also be recommended to you that may indirectly benefit the person giving you advice. In all cases we are required by law to ensure that you have full details, in advance of any transaction, in relation to the relevant product recommended.

If you are not confident that you fully understand the effect of any payments or benefits generated as a result of your investments, or how these impact upon the impartiality of our advice, please let us know.

In accordance with industry requirements and as outlined in the FPA Alternative Remuneration Code of Practice, MBA maintains an Alternative Remuneration Register that contains information about any indirect or alternative forms of payment or benefits exceeding \$100 in value (e.g. gifts, meals, tickets to events) that may be received.

If you wish to inspect the Alternative Remuneration Register or have any questions, please ask your adviser.

## **PROFESSIONAL INDEMNITY INSURANCE**

We maintain professional indemnity insurance in accordance with the law. Our professional indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for us and our representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any representative/employee who has ceased working for us, but for work done while engaged with us.

## **WHAT WE EXPECT FROM YOU**

We will expect that you will do the following:

- Give us complete, up-to-date and accurate details of your personal objectives, financial situation and needs;
- Keep us informed of any changes in your personal situation, and
- Use our advice to make your investment decisions

## COMPLAINTS

As a professional Financial Services business, we are committed to acting efficiently, honestly and fairly. Your satisfaction is very important to us and we have procedures in place to resolve any concerns you may have promptly and fairly.

If you are unhappy with the services provided, please follow the steps outlined below:

1. You should first contact your financial adviser who provided the service to you.
2. If your complaint is not satisfactorily resolved by your adviser within five business days, or you prefer not to contact them directly, please contact the Complaints Officer of MBA Wealth Solutions or put your complaint in writing and send it to us addressed to:

Complaints Officer  
MBA Wealth Solutions  
PO Box 1496  
BATHURST NSW 2795

We will try to resolve your complaint quickly and fairly.

3. If our Complaints Officer is unable to reach a satisfactory resolution of the complaint within 45 days or you are not satisfied with our handling of your complaint or our decision, you may contact the Australian Financial Complaints Authority (AFCA). AFCA is an independent body established to provide free advice and assistance to consumers to help them to resolve certain types of complaints against financial services businesses.

AFCA may be able to assist you to resolve your complaint, but only if you are not satisfied with the response received from our handling of your complaint. If AFCA accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and us to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to an independent adjudicator for a determination that is binding on the financial services provider, should the investor accept.

AFCA can be contacted on 1300 56 55 62, at [info@afca.org.au](mailto:info@afca.org.au) or via their website [www.afca.org.au](http://www.afca.org.au) You can also write to them at:

Australian Financial Complaints Authority  
GPO Box 3  
MELBOURNE VIC 3001

4. You can also make a complaint to the industry regulator, the Australian Securities & Investments Commission (ASIC) on their Freecall Infoline, 1300 300 630 or visit the website [www.asic.gov.au](http://www.asic.gov.au)

There is no charge to you for accessing the services offered by the above organisations.

We value your support and appreciate any feedback that will help us meet your expectations and needs, even if it is not in the form of a complaint.

