

# ALDER & PARTNERS

Private Wealth Management

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## FINANCIAL SERVICES GUIDE

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Alder and Partners Pty Ltd ABN 98 146 233 534  
Australian Financial Services Licence No. 382714

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## About this Financial Services Guide

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This Financial Services Guide (FSG) is an important document which we need to provide to you as a requirement of our Australian Financial Services Licence. It provides you with information about Alder & Partners Private Wealth Management ('Alder and Partners', 'we', 'our' or 'us') to help you decide whether to use the financial services we provide.

The FSG contains important information about:

- who we are and how we can be contacted;
- the financial services and financial products we can offer you;
- how we are paid for our services; and
- our internal and external dispute resolution procedures and how you can access them.

This FSG must be read in conjunction with the Adviser Profile, which is part of this FSG. It provides information about your financial adviser such as their experience, authorisations and contact details.

Please retain both the FSG and Adviser Profile for your reference and any future dealings with us.

Alder and Partners authorises the distribution of this FSG.

## Who is Alder & Partners Private Wealth Management?

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Alder and Partners is a Western Australian boutique financial advisory group dedicated to providing you with personalised wealth management solutions focused on our core values of integrity, trust, professionalism and personalised service.

We are neither partly or wholly owned by any financial institution, bank or insurance company.

We have been issued with an Australian Financial Services Licence (No. 382714) from the Australian Securities and Investments Commission (ASIC).

## Who will be your adviser?

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We have attached an Adviser Profile to this FSG which provides details of your adviser and their authorisations.

## Who is responsible for the financial services provided to you?

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Alder and Partners is responsible for the advice and services provided to you. Any financial services offered by us will be provided to you by a representative of Alder and Partners.

## What services do we offer?

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Alder and Partners offers both personal and general advisory services in the following areas:

- Investment Portfolio Management
- Superannuation (including Self-Managed Superannuation Funds)
- Retirement Planning
- Wealth Accumulation (including Margin Lending)
- Managed Discretionary Account Services
- Cash Flow and Debt Management
- Personal Insurance
- Estate Planning
- Ongoing Advisory Services

We tend to focus our services on the financial products that form our Approved Securities and Products List.

## How do we provide you with advice?

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You may receive the following documents to help you make an informed decision on any financial strategy or recommended financial product.

### Statement of Advice (SOA)

If we provide you with personal financial product advice, which is advice that takes into account one or more of your objectives, financial situation and needs, our initial advice will be provided to you in an SOA.

Future advice may also be in the form of an SOA where your objectives, circumstances, financial situation or needs are significantly different to those in your previous SOA.

The SOA will include:

- the advice and the basis on which it is given;
- our remuneration; and
- any associations we have which may have influenced the advice provided to you.

### Record of Advice (ROA)

Where your circumstances, objectives or needs have not changed significantly since your previous SOA, an ROA may be prepared instead.

You have the right to request a copy of an SOA or ROA that had been previously provided to you in the past 7 years.

### Product Disclosure Statement (PDS)

If we recommend a particular financial product to you (other than securities or financial products listed on a licensed market) we will give you information about that financial product in a PDS to help you make an informed decision.

### Managed Discretionary Account (MDA) Service

If your account is operated through our MDA service, you may not receive an SOA, ROA or PDS related to specific financial product transactions. However, you will receive one or more of those documents when:

- we commence your MDA service;
- we provide advice at a time when your circumstances, needs or objectives have changed significantly; or
- when we conduct an annual review as to your suitability to the MDA service.

## What is an MDA Service?

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Alder and Partners offers an MDA service. The MDA service allows your adviser to acquire, vary, realise, sell, subscribe, purchase, withdraw or otherwise dispose of, and deal in assets and financial products in your account, including any corporate actions (such as decisions regarding voting rights and reinvestment of distributions or dividends) without seeking your prior approval or consent. You must first enter into an MDA Agreement with us in order to participate in the MDA service. Alder and Partners, as an MDA Operator, will only provide MDA services for clients using specifically approved investment and superannuation products.

Alder and Partners will not provide custodial services and will not hold your assets for you as part of our MDA service. Rather, your assets will be held for you through your account in the recommended investment and/or superannuation regulated platform.

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## About the MDA Agreement

The MDA Agreement will set out the terms and conditions of the MDA service. It authorises us to acquire, vary, realise, sell, subscribe, purchase, withdraw or otherwise dispose of, and deal in assets and financial products in your account, including any corporate actions (such as decisions regarding the voting rights). Accordingly, you will not receive SOAs or ROAs in relation to ongoing financial transactions, unless we have determined that your circumstances, needs or objectives have significantly changed or we are producing the SOA or ROA as part of an annual review. We will not be required to seek your instructions regarding corporate actions or other matters in relation to your investments. If you wish to provide instructions regarding corporate actions or change the MDA arrangements you can only do so by contacting your adviser in writing.

The MDA Agreement will include an Investment Program and will be accompanied by an SOA, which sets out how your money is going to be invested. The Investment Program will be developed based on your relevant personal circumstances, objectives and needs. The Investment Program will comply with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the Corporations Act and will be reviewed by your adviser at least every 13 months.

The MDA Agreement and Investment Program will also contain:

- information about the nature and scope of the discretions we will be authorised and required to exercise;
- the investment strategy that is to be applied in exercising those discretions;
- information about any significant risks associated with the MDA Agreement;
- the basis on which we consider the MDA Agreement to be suitable for you; and
- warnings that the MDA Agreement may not be suitable to you if you have provided us with limited or inaccurate information. It will also specify that the MDA Agreement may cease to be suitable for you if your relevant personal circumstances change.

## Risks Associated with the MDA Agreement

It is important to note that there are risks associated with the MDA Agreement. Some significant risks include, but are not limited to:

- your adviser making investment decisions that you disagree with, provided the actions are within the law and scope of the authority you have granted; and
- risks associated with investing in a live, fluctuating and unpredictable market.

Please read the MDA Agreement and your Investment Program for further discussion regarding the risks and benefits associated with using the MDA service. In addition, please also read the specific risk disclosure related to non-limited recourse products and facilities detailed in this FSG.

This FSG complies with the requirements of the Corporations Act, ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968 and ASIC Regulatory Guide 179.

## Outsourcing

We may use any agent, other Australian Financial Services licensee, broker or custodian who we think is necessary or convenient to discharge our responsibilities under the MDA service, including our related entities. The typical services that may be outsourced include training, compliance, accounting, legal, account administration and research. Outsourcing only occurs after we have conducted practical due diligence and reference checks in respect of the outsourced provider. We will regularly monitor these providers. In applying these rigorous standards, the outsourced providers may change from time to time.

## Non-Limited Recourse Products and Facilities (NLRPs)

NLRPs can include loans used to acquire financial products (including margin loans) and certain types of capital protected products that require the payment of ongoing fees to retain the capital protection feature.

NLRPs can substantially increase the level of risk if used in the MDA service. We will never incorporate NLRPs into your MDA without your specific prior consent to their use. In the event we recommend an NLRP, and before you make a decision about them, we will provide additional disclosures and warnings to you in your SOA.

Before entering into an MDA service with us, you will be required to acknowledge that you have been provided with a warning regarding NLRPs and that you have consented to us acquiring, holding or disposing of those products or facilities on your behalf.

Investing in NLRPs can significantly increase your investment risk. Specifically, an NLRP imposes a legal obligation on you to pay an amount to another person or financial institution in the event of the occurrence or non-occurrence of something where the rights of the other person or financial institution are not limited to any property or asset that you have paid or set aside as security for the agreement.

For example, you use \$50,000 of your own money and borrow \$150,000 via a margin loan to invest a total of \$200,000 in shares. Assuming your shares decrease in value to \$40,000 and your margin lender requires you to fully repay your \$150,000 loan, you may be forced to sell an additional \$110,000 of your other assets/property to make up the shortfall (in addition to the \$40,000 in shares). Therefore, your losses are not limited to the collateral you may provide for the loan and you may be forced to sell other assets/property that you own (including your family home) to repay the loan.

The level of leverage and risk in terms of an MDA service that could be offered to you is unknown at this point because the required due diligence of your circumstances, needs and objectives has not been conducted and is not known. Where the advice in the SOA includes NLRPs, the level of leverage and risk will be fully disclosed to you to enable you to make an informed decision as to whether to proceed with the advice.

Before proceeding with any advice in relation to NLRPs, you should carefully read the MDA Agreement, including the Investment Program and SOA. It will provide important details about, including but not limited to:

- the type of NLRPs that we intend to use;
- the degree of leverage that may be employed;
- the means by which we will communicate with you should matters such as margin calls be triggered; and
- information about our policy regarding closing positions at a loss in relation to each type of product.

## Managing and Disclosing Conflicts of Interest

We are legally obliged to always provide financial services to you consistent with your best interests, and to give priority to your interests before our interests.

We are also required to disclose any matters that could represent a potential conflict of interest. Disclosure of remuneration and benefits we may receive in providing financial services to you and details of any relationships, associations and interests that may give rise to a conflict are disclosed in this FSG. In addition, you should be aware that we or our associates may:

- receive remuneration or other benefits from persons other than you in relation to those financial services. The specifics of the remuneration or benefit will be disclosed to you in an SOA;
- be dealing in the assets and financial products on our own (or associate's) account as principal, including in transactions with you;
- be matching your transactions with those of another client of ours; or
- acquire, or dispose of financial products that are issued or managed by companies and entities that are associates of our firm, including related bodies corporate.

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## What do we expect from you?

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We expect that you will provide us with accurate information so that we have a reasonable basis on which to provide you with advice. This will allow your adviser to tailor recommended strategies to enable you to make informed financial decisions.

We expect that, where appropriate, you inform your adviser of any changes that may influence your future objectives.

As a financial services provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Finance Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as your current passport and driver's licence. We will also retain copies of this information.

## Will we give you advice which is suitable to your investment needs and financial circumstances?

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Yes, but to do so we need to understand your individual investment objectives, financial situation and needs, before we make any recommendation to you. You have the right not to divulge this information to us if you do not wish to do so. In that case, we are obliged to warn you that we do not have complete and accurate information about you, and the onus of determining the appropriateness of our advice will pass to you. In addition, we warn you that in the absence of us knowing your complete and accurate information, you run the risk that the MDA service and/or the Investment Program may not be suitable for you. You should read the warnings carefully.

## What information do we maintain in your file?

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For a period of 7 years from the date on which we provide the relevant advice to you, we will maintain a record of your personal profile which includes details of your investment objectives, financial situation and needs, and records of any recommendations we make to you. We also retain copies of communication between you and Alder and Partners' staff for 7 years. You may make arrangements with us to examine your file should you wish to do so.

We are committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy can be obtained by contacting our office.

## Can you instruct us to buy, hold or sell investments?

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A fundamental feature of the MDA service is that you provide us with authority and discretion to trade or invest on your behalf. Accordingly, we do not seek your approval or consent prior to making investment decisions.

If you wish to instruct us to buy, hold or sell investments or retain control of the decision-making function in respect of any particular financial product, or group of financial products, please let us know immediately. Those financial products will be identified as Excluded Products. Please note that while Excluded Products may be referred to in consolidated reports and accounts in relation to your holdings of financial products, Excluded Products are not part of the portfolio managed under our discretion as part of the MDA service. In other words, we will not be responsible or liable to actively manage these investments. No transaction in relation to these products can occur without your prior consent.

Clients who do not use the MDA service may instruct us to buy/hold/sell a financial product by telephone, fax or email.

## Do we have any relationships that may influence the service or advice you may receive?

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We are a privately-owned company. We are neither partly or wholly owned by any financial institution, bank or insurance company, and are therefore not subject to the specific potential conflicts of interest that may arise from such associations or interests.

Alder and Partners, its directors and employees, including your adviser and their associates, may hold interests in financial products that are recommended to you. Any significant interest will be recorded in a register of financial product holdings and where appropriate this will be disclosed to you in your SOA or ROA.

Alder and Partners has a relationship with Netwealth who may provide us with free or subsidised technology, education, training, and/or other services. CommSec Adviser Services provides Alder and Partners with free access to the webIRESS financial information system. CommSec Adviser Services is on our approved stockbroker panel and receives stockbrokerage fees from our clients when listed securities are transacted through them.

Your adviser may occasionally receive non-monetary benefits from product providers (such as invitations to social or sporting events) up to the value of \$300. These benefits do not influence the advice we provide to you. We maintain a register of these benefits which can be viewed upon request.

## What kind of compensation arrangements are in place and are these arrangements complying?

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Alder and Partners has arrangements in place to ensure it continues to maintain Professional Indemnity insurance in accordance with s912B of the Corporations Act 2001 (as amended).

Our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the Sum Insured for Alder and Partners and our representatives and 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 and employee who has ceased work with Alder and Partners for work done whilst engaged with us.

## What should you do if you have a complaint about our services?

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If you have any complaint about the services provided to you, you should take the following steps:

1. Contact our Compliance Manager on (08) 9386 1900. Alternatively, put your complaint in writing and send it to us at PO Box 5140 Dalkeith WA 6009
2. Alder and Partners is a member of the Australian Financial Complaints Authority (AFCA). Should the complaint remain unresolved, or is not resolved within 45 days, you have the right to refer the matter to AFCA. The contact details for AFCA are:  
*Australian Financial Complaints Authority*  
Postal Address: GPO Box 3, Melbourne VIC 3001  
Phone: 1800 931 678  
Fax: (03) 9613 6399  
Email: info@afca.org.au
3. You may also call the Australian Securities and Investments Commission on 1300 300 630 to obtain information about your rights.

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## How are we paid for the services we provide?

The initial consultation with your adviser is free of charge. At this meeting your adviser will discuss the fees that will be payable to prepare a written SOA.

We offer flexible payment methods to suit you and your advice requirements and these fee arrangements may be negotiated with your adviser. The table below outlines the fees that may be payable for the advice and services you receive from us. A detailed description of the fees payable for our initial recommendations, ongoing advice and services will be provided to you in your SOA or ROA. All fees quoted are inclusive of GST.

### Advisory Fees and Commissions

<b>Initial Advice Fee</b>	We may charge this fee for the preparation of an SOA and implementation of those recommendations. This fee will be a minimum of \$2,200, with the maximum dependent on the complexity of the analysis required and the time expected to prepare the advice.										
<b>Client Service Fee</b>	<p>We will charge a Client Service Fee for ongoing investment management and strategic advice services which will include the offer of a formal Annual Review with your adviser. This fee is calculated via one of the following methods. Please note that a minimum Client Service Fee of \$2,500 per annum may be charged for our ongoing services and advice under any of these methods.</p> <p><b>Tiered Portfolio Value</b> Under this method the Client Service Fee is tiered based on the value of your portfolio account. For example, if you have a portfolio value of \$500,000, the Client Service Fee would be up to \$6,500 per annum. If you have a portfolio value of \$2 million, the Client Service Fee would be up to \$23,000 per annum.</p> <table><thead><tr><th>Account Balance</th><th>Maximum Client Service Fee (p.a.)</th></tr></thead><tbody><tr><td>First \$1 million</td><td>1.30%</td></tr><tr><td>Next \$1 million</td><td>1.00%</td></tr><tr><td>Next \$3 million</td><td>0.60%</td></tr><tr><td>Amounts Over \$5 million</td><td>0.45%</td></tr></tbody></table> <p><b>Fixed Dollar Fee</b> Under this method a set fixed dollar fee is agreed between you and your adviser. The fee amount will depend on the complexity of your circumstances and the time expected to manage your affairs. We do offer flexible fee arrangements and the above arrangements may be negotiated with your adviser.</p>	Account Balance	Maximum Client Service Fee (p.a.)	First \$1 million	1.30%	Next \$1 million	1.00%	Next \$3 million	0.60%	Amounts Over \$5 million	0.45%
Account Balance	Maximum Client Service Fee (p.a.)										
First \$1 million	1.30%										
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Amounts Over \$5 million	0.45%										
<b>Other Advice Fee</b>	We may charge a fee for specialist investment or strategic advice on a matter not included as part of our Client Service Fee offering or if you do not require our ongoing advice services. The advice will be charged at an hourly rate of up to \$350, a fixed dollar amount or a combination of these. The fee will be confirmed with you before we commence work.										
<b>Investment Commissions</b>	<p>For investment products, such as managed funds and cash management accounts, that were established prior to 1 July 2013, we may retain ongoing or trailing commissions paid to us by the product provider. These are typically in the range of 0.1% - 0.55% per annum of the account balance.</p> <p>For example, if you had an investment account with a balance of \$50,000, the commission we receive would be up to \$275 per annum.</p>										
<b>Insurance Commissions</b>	<p>Where we arrange life insurance policies on your behalf we may receive commissions paid to us by the product provider. The commission will vary between insurance companies and the type of insurance product recommended. Commissions paid in the first year will vary between 0% and 80% of the first year's premium (reducing to 60% by January 2020). Upon annual renewal of your policy we may receive commissions of up to 35% of the annual premium.</p> <p>For example, if you purchased a life insurance product for an annual premium of \$1,000, we may receive an initial commission from the insurance provider of up to \$800 and an additional commission of up to \$350 per annum upon renewal of the policy each year.</p>										
<b>Stamping Fees</b>	Stamping fees may be paid by persons and entities seeking to raise funds to stockbrokers who assist companies with the placement of new issues on Australian licensed markets. From time to time we may recommend clients invest in these new issues and the stockbroker may pay Alder and Partners a proportion of the stamping fees they receive. We will donate any stamping fees received (net of GST) to one or more charitable organisations of our choice.										
<b>Referral Fees</b>	It is not our business model to receive or pay referral fees to third party service providers. In the event that this should occur in relation to managing your financial affairs, we will provide a detailed disclosure of such fee arrangements in the SOA.										

### Product Fees

<b>Product Fees and Costs</b>	<p>Separate from and in addition to the Initial Advice Fee, Client Service Fee, Other Advice Fee, Stamping Fees, Investment Commissions and Insurance Commissions disclosed above, you may incur other fees and costs relating to the products and/or portfolio administration service we recommend. These fees may include portfolio administration fees, investment management fees, brokerage charges when buying and selling listed securities, product fees, buy/sell spreads, trustee fees, compliance fees, switching fees and withdrawal fees.</p> <p>You will receive a detailed estimate of the product fees and costs in your SOA. We will also provide the relevant product and/or portfolio administration service product disclosure document (Investor Directed Portfolio Service document or PDS) where the specific details of fees are provided. For the avoidance of doubt, product fees and costs are an additional expense to all of the fees and costs outlined in the sections above. Please consult your adviser if you need clarification about any of these fees and costs.</p>
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