

# ClearView **WealthSolutions**

## Investments IDPS Guide

Update pursuant to ASIC Class Order 13/763

Date issued 29 September 2017

The information in this notice dated 29 September 2017, provides non-materially adverse updates to the WealthSolutions Investments Investor Directed Portfolio Service (**IDPS**) Guide dated 1 October 2015 (**IDPS Guide**). This update is issued by ClearView Financial Management Limited ABN 99 067 544 549 AFSL 227677 (**CFML**) as operator of the IDPS. It should be read together with the IDPS Guide, which is available at [www.clearview.com.au](http://www.clearview.com.au).

### About this update

This update incorporates information on the following:

1. Enhanced fee and cost disclosure requirements introduced by the **Australian Securities and Investments Commission** (ASIC) by Class Orders and in the updated *Regulatory Guide 97 - Disclosing fees and costs in PDSs and periodic statements (RG 97)*. It is important to note that any changes are simply for the enhanced disclosure requirements, there is no increase or change to the actual fees or costs to clients.
2. Common Reporting Standards.
3. Changes to the taxation of Managed Investment Trusts (MITs).

### Changes to the IDPS Guide from 29 September 2017

#### What are the changes?

##### 1 Insert:

The following paragraph under '3. How we invest your money', at the end of page 8 of the IDPS Guide:

*'Periodic statements for underlying investments*

When you invest in a managed fund through WealthSolutions, your financial adviser will provide you with the PDS for the managed fund which will set out its own fees and costs (which are in addition to the fees and costs disclosed in this IDPS Guide).

It is important to note that there is no statutory requirement for the product issuer of your underlying managed fund to provide you with a periodic statement each year which sets out the indirect costs applicable to that managed fund for the year. Your periodic statement from WealthSolutions will only include the fees and costs disclosed in this IDPS Guide, and will not include specific disclosure of any indirect costs incurred within the underlying investments you have chosen to invest in through WealthSolutions.'

##### 2 Replace:

The following paragraph under '5. Fees and costs', on page 16 of the IDPS Guide:

*'The fees and costs below apply to all of the options available in your WealthSolutions account. For specific fees that relate to each option you should refer to the Investment List or the SMA Models Investment List available from your financial adviser, by calling us on **1800 023 549** or online at [wealth.clearview.com.au](http://wealth.clearview.com.au).'*

### With:

'The costs of the investments you choose will generally be set out in the disclosure documents for the investment. Where possible, the fees and costs for each investment options are set out in the Investment List.

The fees and costs below apply to all of the options available in your WealthSolutions account. For specific fees that relate to each option you should refer to the Investment List or the SMA Models Investment List available from your financial adviser, by calling us on **1800 023 549** or online at **www.clearview.com.au.**'

### 3 Insert:

This additional paragraph under each of the example tables under '5. Fees and costs' on page 18 of the IDPS Guide:

'The fees and costs relate to access to the investments on the Investment List, not the costs within those investments. Additional costs will be charged by the issuers of the investments that you decide to invest in.'

### 4 Replace:

In the 'Additional explanation of fees and costs' section under '5. Fees and costs', on page 21 of the IDPS Guide:

#### 'Buy-sell spread

The buy-sell spreads for managed funds and unlisted investments vary for each fund. There is no buy-sell spread for listed securities or term deposits.'

### With:

#### 'Buy-sell spread

The buy-sell spreads for managed funds and unlisted investments vary for each fund. There is no buy-sell spread for listed securities or term deposits.

Some investment managers disclose a different price between buying and selling units. This difference allows investment managers to direct the costs involved in buying or selling assets to investors transacting in the fund based on their transactions. You should refer to the disclosure document for each of your investments for more detail on these price differences.

The sub-custodian may offset your instructions to buy or sell a managed fund against another instruction to sell or buy that managed fund so that only net transactions are acted on. This will result in a reduction in fees and charges that would have applied had the transaction been processed individually. This fee reduction will be retained by the sub-custodian and be used to reduce the cost of services they provide.

#### Performance fees

We do not deduct performance fees. However, some underlying managed funds may have a performance fee. Refer to the PDS for the underlying managed fund, available from your financial adviser.'

### 5 Insert:

This additional sentence under each of the example tables under '5. Fees and costs' on page 23 and 24 of the IDPS Guide:

'These examples should be used as a guide only and may not represent the actual fees that you will pay if you join WealthSolutions Investments.'

### 6 Insert:

This additional paragraph under '9. Other information' on page 36 of the IDPS Guide, after the paragraph on FATCA:

#### 'Reporting of financial account information on foreign tax residents

In addition to FATCA, from 1 July 2017, Common Reporting Standards (CRS) will implement statutory reporting requirements for jurisdictions within the Organisation for Economic Co-operation and Development (OECD) which includes Australia. If you are an investor in WealthSolutions, we may pass your information on to the ATO for the purpose of meeting our obligations under these statutory requirements. If you are a foreign tax resident we will request that you provide certain information about yourself, including your Taxpayer Identification Number.'

### 7 Insert:

This additional paragraph under '8. Tax in investments' on page 34 of the IDPS Guide, after the paragraph on non-residents:

#### 'Changes to the taxation of Managed Investment Trusts (MITs)

The managed funds which you can invest in through your WealthSolutions Investments account are generally structured by their investment managers as Managed Investment Trusts (MIT).

Legislation has been passed which changes how MITs will be taxed. Under the changes, the investment manager of an eligible MIT will be able to elect into the attribution regime for the taxation of MITs. The legislation took effect from 1 July 2016, but in some cases might apply to income distributed by MITs from 1 July 2015. If you invest in a MIT that elects into the attribution regime, that MIT may attribute income to you without paying a cash distribution for that income. This means that you may have to pay tax on the attributed income, even though you have not received a cash distribution for that income. Where applicable, TFN withholding tax and non-resident withholding tax may also apply to attributed income.

We recommend you seek professional taxation advice should you wish to understand how the attribution regime may impact your personal circumstances.'

## Need more information?

Please speak to your financial adviser or contact  
WealthSolutions Service and Support Centre on **1800 023 549**.

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