

# Financial Services Guide

## Horizon Investment Solutions Pty Ltd - AFSL 405897

### *A guide to our relationship with you*

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This Financial Services Guide (FSG) is an important document designed to assist you in deciding whether to use any of the services offered by Horizon Investment Solutions Pty Ltd, ABN 79 668 035 212 (Horizon). It provides you with an understanding of what to expect from your interactions with Horizon.

This FSG explains the services and the types of products we can offer you. It also explains how we are remunerated for these services, and includes details of our complaints handling procedures and how you can access them.

This version of Horizon's FSG is dated 1 September 2017.

#### **Who are we?**

Horizon Investment Solutions Pty Ltd is the trustee for the RMBMM Bunbury Unit Trust trading as Horizon Investment Solutions.

Horizon initially commenced trading as Morgan Stockbroking in 1998. In July 2011, following a short stint licensed under Minc Financial Services and MDS Financial Services, the firm changed to its current name.

Horizon is different to many investment advisory firms as we hold our own Australian Financial Services Licence (405897), which has been issued by the Australian Securities and Investments Commission (ASIC). This enables our firm to provide objective advice to best meet the needs of our clients.

As a licensee, we are required to comply with the obligations of the Corporations Act and the conditions of our licence. This includes the need to have compensation arrangements in place with a Professional Indemnity insurer.

Horizon can be contacted via the following;

Street Address	Unit 4, 2 – 4 Jetty Road, Bunbury.
Postal Address	PO Box 399, Bunbury WA 6231
Phone	08 9791 9188
Email	administration@horizonis.com.au
Website	www.horizoninvestmentsolutions.com.au

#### **What financial services does Horizon provide?**

Horizon holds a licence to provide advice and dealing services on a wide range of investments as well as offer comprehensive financial planning advice. This includes the following:

- Comprehensive financial planning advice that can encompass the following areas;
  - Wealth accumulation and protection
  - Social security
  - Estate planning
  - Tax minimisation
  - Superannuation
- Direct equity and derivatives advice
- Cash and fixed interest advice
- Managed investment advice
- Self-managed superannuation and other superannuation product advice
- Personal insurance advice
- Margin lending advice
- Portfolio administration advice

These can be provided to both wholesale and retail clients.

#### **Your Financial Adviser**

Your Advisor is an Authorised Representative of Horizon. Horizon is responsible for the services provided by your Advisor.

Whilst Horizon is authorised in its own right to provide the above named services, Horizon Advisors may be authorised by Horizon to provide all, or only some, of these financial services. The products and services Advisors are authorised to provide will depend on their experience and qualifications with respect to each product or service and is set out in their Adviser Profile.

Horizon will ensure your Advisor:

- Only provides advice to you where he or she is competent to do so
- Complete ongoing training to maintain his or her competency
- Is provided with the best quality technical support and investment research
- Is monitored and supervised

You can rely on Horizon to deliver professional advice and to stand by that advice.

### **The financial planning process and documents you may receive from us.**

Horizon and our Advisors recognise that the objectives and personal circumstances of each client are different. What is right for one client may not be right for another.

We will listen to you to understand your objectives and circumstances. We will also ask questions to make sure we address all issues.

When we provide advice to you it will be explained thoroughly and documented in a Statement of Advice which you can take away and read. The Statement of Advice will be based upon the information you have provided to your Advisor. Accordingly, it is important that the information you provide to your Advisor is accurate.

The Statement of Advice will explain the basis for the advice, the cost to you of implementing the advice and any benefits or associations received by Horizon or its employees which could have influenced the advice provided.

You will receive a Statement of Advice when you receive advice for the first time or where you have notified your Advisor that your financial circumstances have materially changed. It is important that you notify your Advisor where your circumstances have changed so that your Advisor may consider the impact that your change in circumstance may have on your current investment strategy or financial planning advice provided.

If appropriate, we will also provide you with a Product Disclosure Statement. This contains information about each product recommended to help you understand the investment being recommended. Such information may include the financial product's features, benefits, fees and associated risks to enable you to make an informed decision, whether or not to acquire it.

We are not required to give you a Product Disclosure Statement where you are dealing in ASX listed equity securities.

At all times you are able to contact us and ask questions about the advice and investments recommended.

We conduct ongoing reviews to ensure the advice we provide remains appropriate for any change in your personal circumstances, changes in the law that we are aware of, changes in the economy and investment markets and products available.

The ongoing advice we provide to you may be documented in a Record of Advice. You may request a record of the further advice within 7 years after the date on which the advice was provided.

You may also receive other documents when Horizon provides services or products to you.

### **How are we paid for providing financial services?**

Your first meeting with us is complimentary and obligation free. From this meeting we will set out the services we can provide and the cost.

We will advise of any fees, commissions or other benefits at the time of providing the advice within your Statement of Advice.

Where we are providing an execution only service for share trading for Australian Stock Exchange listed investments, we will detail to you verbally the costs of using our services prior to executing any share transactions on your behalf.

### **How are any fees, commissions or other benefits calculated for providing the financial services?**

There are a number of ways we may be remunerated for our services depending on the type of financial service you receive.

#### **1. Fee for Service Remuneration**

##### **i. Financial Planning**

A fee may be payable for the preparation and or review of a Financial Plan. The fee charged will be based on the complexity of advice provided and will be disclosed prior to the preparation or reviewed of the Financial Plan.

##### **ii. Portfolio Administration and Advice Fees**

If you hold an investment portfolio through Horizon then portfolio Administration fees may be payable to Integrated Portfolio Services (IPS) and Advice fees are usually payable to Horizon Investment Solutions. These fees will be deducted from your nominated account on a quarterly basis. As an indicative guide, the annual fee is as follows;

<b>Portfolio Value</b>	<b>IPS Administration Fee</b>	<b>Horizon Advice Fee</b>
Minimum Annual Fee	\$440	\$0
\$0 - \$250,000	0.33%	0.99%
\$250,000 - \$500,000	0.165%	0.495%
\$500,000 and above	0.11%	0.33%

For example, should you have a portfolio administered by IPS for \$1,000,000, your annual fee, inclusive of GST, would be \$7,150 or 0.715%. IPS would deduct \$1,787.50 per quarter from your nominated account. Of the fee paid, 25% (\$446.87) is retained by IPS for administration and reporting services provided. Horizon will receive the balance (\$1,340.63) for advisory services provided.

iii. Share Trade Fees

Share trade fees are payable to Horizon Investment Solutions and will be taken into account at the time of settlement. Horizon receives its share trade fees from Pershing Securities Australia Pty Ltd ACN 136 184 962 (Pershing) after clearing and execution related costs have been deducted.

Share trade fees are determined by you and your Advisor and may be applicable to all transactions or a single transaction.

The share trade fees charged will be dependent on the type and level of service required and provided and the size and frequency of transactions. Share trade fees are payable on all local and international securities, options and warrant transactions and are payment for associated advisory and implementation services.

As a guide, the minimum share trade fees charged may range between \$85 and 1.25% per transaction plus GST.

*Example – ASX Listed products*

If you buy \$20,000 worth of ABC shares, and your share trade fee is 1.25%, the share trade fee charged by Horizon would total \$250 + GST, a total of \$275. This fee is inclusive of third party costs such as those charged by Pershing.

iv. **Commissions and Other Benefits**

Horizon may receive commissions paid by Financial Product Issuers (e.g. product issuer, fund manager, cash management trust provider or life insurance company).

i. Initial Public Offering and Capital Raisings

Horizon Investment Solutions may receive placement fees where you participate in Initial Public Offerings and Capital Raisings that we have introduced to you. This fee will be disclosed in the Product Disclosure Statement relating to the issue. In all such instances, you will be advised of any fees Horizon may receive prior to your determining if you wish to participate in the investment opportunity.

*Example – New Public Offering*

If you apply for \$10,000 worth of securities in an initial public offering and the issuer is paying a 1% handling fee to Horizon, Horizon will receive \$100.

ii. Ongoing/Trailing commissions

Horizon may receive a trailing commission from a Product Issuer from the time you invest in a particular product. This ranges between 0% and 0.50% plus GST per annum on the total funds invested.

Horizon does not provide its own margin lending facilities. Should you utilise a margin lending facility, we may receive a trailing commission of up to 0.50% plus GST per annum.

iii. Investment Life and Life Risk Insurance

Horizon may receive upfront and or on-going payments from the Insurance Provider at the time you contract. Payments are generally calculated as a percentage of your annual premium and are generally between 8% and 121% of the annual premium.

iv. On-market Warrant purchases

Horizon may receive incentive fee payments from those Product Issuers (warrant issuers) as disclosed in the relevant Issuer Offering Circulars. These fees range between 1% and 2% of the on-market transaction value.

**Your Advisor Remuneration**

Your Advisor is paid a salary. Your Advisor may also receive a performance bonus and other remuneration from Horizon.

Your Advisor may be a unit holder of the entity that owns Horizon Investment Solutions, the RMBMM Bunbury Unit Trust. In such instances, your Advisor will be entitled to a portion of the profit and losses that Horizon generates.

**How can you transact with us?**

Upon your account being established, you may place orders with your Advisor, either in person, by telephone, email, letter or facsimile.

Your order will be executed and settled through Pershing or other nominated third party clearer. The method by which Horizon will accept your instructions will be subject to trading arrangements determined between you and your Advisor.

## **Related Entities**

Through various entities, David Offer is the major shareholder of RMBMM Bunbury Unit Trust.

In addition, through various entities, David Offer is a major shareholder of Integrated Portfolio Solutions Pty Ltd (ABN 84 134 352 828). Integrated Portfolio Solutions (IPS) is a Sydney based business that specialises in advisor support services relating to portfolio management and administration, self-managed superannuation and client reporting.

Depending on the individual circumstances of each client, Advisors may recommend to clients the services offered by IPS. Where this is done, the reasons why will be detailed as well as a client agreement being signed between the client and IPS detailing the terms and conditions associated with using the services of IPS.

## **Your privacy**

We maintain a record of your personal information that includes details of your objectives, financial circumstances and needs. We also maintain records of recommendations made to you.

If you wish to examine your file, you should ask us and we will make arrangements for you to do so.

We will only disclose information about you:

- To product providers we recommend and agree to use
- Where the law requires us to do so
- If you consent for us to do so

Horizon's privacy policy explains our policies on the management of personal information. If you would like a copy of this policy, please contact your Advisor.

## **Complaints**

If you are not satisfied with our services then we encourage you to contact us.

Please call us at our office or put your complaint in writing.

If you are not satisfied with our response you can escalate it to the Financial Ombudsman Service. You can contact FOS on 1300 780 808. This service is provided to you free of charge.

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