

# Financial Services Guide

## Horizon Investment Solutions Pty Ltd - AFSL 527462

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

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 11 November 2021.

#### **Not Independent – Disclosure of Lack of Independence required under 942B(2)(fa) of the Corporations Act**

##### Capital Raisings

Horizon reserves the right to be paid a fee in the event of committing to place a new issuance (shares or units) in a new float or capital raising. This fee is to meet the financial risk incurred by Horizon in committing to such an undertaking. This fee is paid by the issuer and not incurred by you. You will be advised of any such fee at the time of determining whether to participate in the new issuance.

##### Personal Insurance

Horizon's preference is to be paid a one-off advice fee for arranging personal insurance. However, in some cases, the cost of providing and implementing insurance advice upfront can be higher than desired or cost prohibitive. In such circumstances, you can choose to pay this fee over a period of time via the insurance provider paying a commission to Horizon. All commissions payable will be disclosed to you prior to the arranging of your personal insurance.

In the above instances, payment to Horizon is by a third party and not directly by you. Accordingly, in such instances, the advice received is not independent, impartial or unbiased.

#### **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 Morgans 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 (from July 2011 to November 2021 AFSL No. 405897 and from November to present AFSL No. 527462), 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 for the services that our Authorised Representatives provide.

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](mailto:administration@horizonis.com.au)  
Website: [www.horizoninvestmentsolutions.com.au](http://www.horizoninvestmentsolutions.com.au)

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

Horizon holds a license 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 abovenamed 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
- Completes 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.

#### **Fee for Service Remuneration**

Where possible, Horizon strives for our remuneration to be based as a 'fee for service'. That is, you are invoice d directly for services rendered.

#### Where you have an investment portfolio with Horizon

We will charge an agreed fee via an annual engagement that is reviewed and executed prior June 30 each year. As part of the annual engagement, either a monthly or quarterly fee will be debited from your investment portfolio bank account and paid to Horizon. This fee is primarily to meet all ongoing investment advice relating to your investment portfolio, ongoing financial planning advice and liaising with third parties with respect to your investment portfolio.

You may elect to pay a lower annual engagement fee but incur share trade implementation fees at the time alterations are made to your investment portfolio.

Share trade implementation fees are payable to Horizon Investment Solutions and will be taken into account at the time of settlement of the share transactions. Horizon receives its share trade fees from FinClear Services Pty Ltd ACN 136 184 962 (FinClear) after all clearing and execution related costs have been deducted. To view the FinClear FSG, please click [HERE](#).

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. However, as a general guide, Horizon applies the following fee scale inclusive of FinClear and ASX charges;

Trade Value	Cost (excluding GST)
Minimum Annual Fee	\$85
\$0 - \$25,000	\$85 and then 1%
\$25,000 - \$50,000	\$250 and then 0.625%
\$50,000 - \$100,000	\$406.25 and then 0.35%
\$100,000 - \$200,000	\$581.25 and then 0.25%
\$200,000 +	\$831.25 and then 0.15%

#### *Example – ASX Listed products*

If you buy \$20,000 worth of ABC shares, and your share trade fee is 1%, the share trade fee charged by Horizon would total \$200 + GST, a total of \$220. Once FinClear has deducted clearing, execution and ASX charges, the balance of this fee will be paid to Horizon.

#### Financial Planning Advice

A fee may be payable for one off financial planning advice. The fee determined will be based on the complexity of advice provided and will be disclosed prior to your proceeding with obtaining the advice. Advice will be provided in the form of a Statement of Advice. A fee may also be payable for the implementation of the advice recommended. You will be advised of the implementation fee prior to you electing to proceed with the implementation of the advice.

#### Transitional Arrangement - Portfolio Administration and Advice Fees

For some established clients of Horizon, the advice fee is determined by the value of the investment portfolio and is drawn quarterly by Integrated Portfolio Solutions (IPS). IPS then remits the advice fee to Horizon. As an indicative guide, the annual fee is as follows;

Portfolio Value	IPS Administration Fee	Horizon Advice Fee
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 from IPS the balance (\$1,340.63) for advisory services provided.

This arrangement where the advice fee is collected by IPS and paid to Horizon will cease in June 2022. Thereafter, an agreed advice fee will be paid directly to Horizon as determined in an annual engagement between you and Horizon.

#### **Commissions and Other Benefits**

##### i. Initial Public Offering and Capital Raisings

Horizon Investment Solutions may receive a placement fee where you participate in Initial Public Offerings and Capital Raisings where Horizon has committed to support the issuance. 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 income securities in an initial public offering and the issuer is paying a 0.75% placement fee, Horizon will receive \$75.

##### ii. Investment Life and Life Risk Insurance

Where a one-off advice fee for arranging insurance is not applied, Horizon may receive upfront and or on-going payments from an Insurance Provider at the time you contract. Payments can be up to 66% of the annual premium in year one and 22% of the annual premium thereafter.

#### *Example – Insurance commission*

If your annual personal insurance premium is \$1,000, Horizon may receive up to \$660 for arranging in year one and \$220 each subsequent year.

## **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 interact with Horizon?**

You may correspond with Horizon and your Advisor, either in person, by telephone, email or letter.

Share orders will be executed and settled through FinClear 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.

## **Conflicts of Interest**

Your Adviser is likely to recommend investments in shares or other investments that he or she holds or may hold in the future. You are welcome to ask for a list of shares held by your Advisor at any time.

## **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 Australian Financial Complaints Authority (AFCA). This service is provided to you free of charge. You can contact AFCA the following ways;

Online: [www.afca.org.au](http://www.afca.org.au)

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Mail: AFCA, GPO Box 3, Melbourne VIC 3001

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