Financial Services & Credit Guide (FSCG)

Harts Financial Solutions Pty Ltd

(ABN 36 128 904 521)
Authorised Representative (AR 321342)
& Credit Representative (CR 416309) of

Harts Financial Group Pty Ltd

(ABN 80 128 903 962)
Combined Australian Financial Services
& Credit Licence (AFS&CL 324390)

harts
FINANCIAL SOLUTIONS

hartsfinancial.com.au

Nigel Hart *BCom, CFP*
Director and Head
of Advisory Services

Success in life often leads to financial complexity. Over time, you become connected to a range of advisers - accountants, stockbrokers, bankers and lawyers - each making vital contributions to your wealth management. However, without a well considered, over-arching plan, these inputs can be uncoordinated, leading to inefficiency, turbulence and risk.

Harts Financial Solutions starts with a clear strategy to strengthen, grow and protect your financial position. Once we have developed an effective action plan,
we become the single, central collaboration point for all inputs in the service of your wealth management.

We stand beside you, actively guiding but not controlling your wealth management strategy. We maximise efficiencies, manage risks and ensure seamless collaboration with your other advisers.

We apply a robust science to your personal wealth management, giving you the confidence to concentrate on what started building your wealth in the first place.

Let Harts Financial Solutions help you take command.

Consider us your Private Wealth Pilot.

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Harts Financial Group (HFG) is a Professional Practice of the Financial Planning Association of Australia (FPA) and is committed to upholding the FPA's Code of Professional Practice. Nigel Hart is a CERTIFIED FINANCIAL PLANNER® professional.

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Financial Services & Credit Guide (FSCG)

About Harts Financial Group

Harts Financial Group Pty Ltd (ABN 80 128 903 962 / AFSL & ACL 324390) is an Australian Financial Services Licensee (AFSL) and Australian Credit Licensee (ACL). Harts Financial Group (HFG) is a privately owned financial advice and wealth management consultancy based in Wembley with financial advice being provided to clients through its representatives.

HFG focuses on providing holistic advice and advanced strategies rather than transacting products. It operates on a transparent fee for service basis to ensure that clients can see and control the value of the advice/service provided at all times. Being privately owned, HFG is able to ensure that the advice provided is not unduly biased towards any particular institutional interests, financial services product and/or credit provider.

HFG and its Authorised Representative, Harts Financial Solutions (HFS) are committed to the highest standards of ethical conduct with HFG being a Financial Planning Association of Australia (FPA) Professional Practice and a member of Mortgage & Finance Association of Australia (MFAA). HFG/HFS are members of the external disputes resolution service, being the Australian Financial Complaints Authority (AFCA). This commitment is supported by Nigel Hart who is a CERTIFIED FINANCIAL PLANNER® professional and by having directors, management and advisers that are amongst the most experienced in the industry.

About Harts Financial Solutions

Harts Financial Solutions Pty Ltd (ABN 36 128 904 521 / AR 321342 & CR 416309) is an Authorised Representative & Credit Representative of Harts Financial Group Pty Ltd (ABN 80 128 903 962 / AFSL & ACL 324390). Harts Financial Solutions (HFS) is a privately owned financial advice and wealth management consultancy based in Wembley.

HFS clients are typically high-income earners and/or successful business owners who benefit from truly holistic financial advice, credit advice and tailored strategies. Whether they are self-directed or use HFS's full guidance, clients value HFS's active management approach.

Being truly holistic, HFS's advice framework is robust, encompassing your entire financial affairs which also include any business interests, rather than promoting financial services products and/or credit products. Only by considering your affairs in their entirety and working closely with your other professionals can HFS recommend strategies to manage risks and improve your overall efficiency of wealth creation.

Clients benefit from having their advice and strategies document and delivered in a professional manner which is clear and concise.

As your Private CFO and Wealth Pilot, Harts Financial Solutions works closely with you and your other professional advisers to ensure that everyone is pulling in the same direction; yours.

Note: From this point forward, HFG and HFS can be interchanged with 'us', 'our', and 'we'.

Lack of Independence

Harts Financial Solutions does not receive commission for investment or superannuation business. Harts Financial Solutions does currently receive commissions from life insurance (risk) and finance business, therefore please note that Harts Financial Solutions is not independent, impartial, or unbiased in this regard.

What is the purpose of this Financial Services & Credit Guide (FSCG)?

This FSCG is designed to provide you with important information to help you understand the services offered by Harts Financial Group Pty Ltd and Harts Financial Solutions Pty Ltd. It contains an overview of the services offered and the types of financial services products and credit assistance to which those services relate. It also contains information about:

- How HFG, HFS and its representatives are remunerated;
- How we charge for our advice and services;
- Details of fees charged and commissions received;
- Any interests, associations or relationships that could affect the advice provided to you;
- HFG's Privacy Policy together with details of their internal and external dispute resolution procedures and how you can access them.

This key information is set out in answers to the questions below. Should you require additional information or further clarification, please ask us.

This FSCG is issued with the authority of Harts Financial Group Pty Ltd (HFG).

How can I receive updates to this Financial Services & Credit Guide?

Whenever changes are made to this Financial Services & Credit Guide, a new version will be available for download from our website (FSG). Alternatively, you can request a copy to be emailed or posted to you.

What other documents may I receive?

You are entitled to receive a written report called a Statement of Advice (SOA) whenever we provide you with personal advice which takes into account your objectives, financial situation and needs. The SOA will contain the advice, the basis on which it is given, and information about any fees, commissions and associations which may have influenced the provision of the advice.

Where you receive further advice and your current circumstances and/or investment strategy remain unchanged you may receive a Record of Advice. In the event we make a recommendation relating to a particular financial product, we must also provide you with an offer document, usually a Product Disclosure Statement containing information about the particular product, which will enable you to make an informed decision in relation to that product.

In relation to a credit product, we will also provide a Loan Proposal.

Before You Receive Our Advice

Who is my financial adviser?

Your Financial Adviser is a representative of Harts Financial Solutions (HFS). HFS is an Authorised Representative (AR 321342) & Credit Representative (CR 416309) of Harts Financial Group Pty Ltd (HFG). HFG holds a combined Australian Financial Services & Credit Licence (AFS&CL 324390).

Who is responsible for the services offered?

HFG is responsible for the advice provided by its representatives. HFG is a Financial Planning Association of Australia (FPA) Professional Practice and must comply with the FPA's Code of Ethics, Practice Standards and Rules of Professional Conduct. Nigel Hart is a CERTIFIED FINANCIAL PLANNER® professional.

What kinds of Financial and Credit Services are you authorised to provide me and what kinds of Financial Products and Credit Assistance do those services relate to?

Our Representatives can provide you with the following financial product services and credit services:

- Advice on investment objectives and strategies to help you achieve your financial goals;
- Advice on wealth creation strategies and cash flow management issues;
- Advice on structuring your investments and superannuation, in conjunction with your accountant, for maximum tax effectiveness and flexibility;
- Advice on banking & finance arrangements for personal and business needs;
- Regular review of your financial planning strategies, objectives and portfolio investments;
- Administration of and reporting on your investments including performance and asset allocation position;
- Superannuation and investment portfolio construction;
- Standard margin lending facility;
- SMSF and retirement planning advice;
- Life insurance advice;
- Estate planning advice.

Our Representatives are authorised to advise and deal in the following financial products:

- Deposit & payment products;
- Derivatives;
- Government debentures, stocks or bonds;
- Investment life insurance and life risk insurance products;
- Limited recourse borrowing;
- Managed investment schemes including Investor Directed Portfolio Services;
- Securities;
- Superannuation and retirement savings accounts;
- Standard margin lending facility;
- Credit facilities.

The types of derivatives utilised by HFG include structured products. Derivatives such as call and put options are not (and will not) be utilised by HFG.

Managed investment schemes utilised by HFG include typical managed investment schemes, cash management trusts, protected equity loans and property schemes.

In addition, our Representatives are able to offer you on-going monitoring and a financial review service for your loans, investment portfolio and/or life insurance program.

How will you prepare and provide me with suitable advice?

Any advice we provide must be appropriate to your personal circumstances and is based on information that you provide us and our investigation of your financial position and goals.

You may elect not to provide this information or limit the scope of advice to be provided by us, however, if you do not provide us with full and accurate information, the advice you receive may not be appropriate to your needs, objectives, and financial situation.

We will only recommend an investment to you after considering its suitability for your individual investment needs, objectives and financial circumstances. The products we recommend are all selected from an approved list of products that have been researched and subsequently believed to be the most appropriate for our clients.

We only advise and deal in products and services that are listed on HFG's Approved Product List (APL). A copy of HFG's APL is available on request or may be downloaded from our website (APL).

What Advice Process do you offer?

At Harts Financial Solutions we have designed our advisory process to meet the very different needs of self-directed business owners and high-income individuals.

The strength of our process is its efficient identification and ongoing management of risks while pursuing agreed wealth creation strategies. It's a unique approach in an industry that still maintains an unhealthy focus on financial services products and transactions.

The Harts Advice Process combines industry-leading and proprietary systems with our proven strategic wealth management philosophy. The result is a robust advice framework that actively manages your risks and improves the overall efficiency of your wealth creation.

Full details of our service offering and Advice Process are contained in our Service Details & Fee Schedule booklet and published on our website. A copy of this booklet will be provided to you as part of the Engagement Process. You can also download a copy of this booklet from our website (SDFS).

Do you have any relationships or associations with Financial Product and Credit Issuers?

Harts Financial Group is a privately owned company and is not controlled by any financial product and/or credit issuers when providing financial advice, recommendations and/or products. From time to time, HFG may enter into commercial arrangements with a product and/or credit issuer and/or suppliers that could be perceived as a conflict of interest. We will record these arrangements in our conflicts of interest register and detail the conflicts in the Statement of Advice that you will receive. You may inspect our conflicts of interest register at any time upon request.

How will I engage and pay for the initial services provided?

We offer an obligation free Initial Assessment Consultation which will be confirmed when scheduling this meeting.

Following this meeting we will provide you with an Initial Engagement Proposal, and a cost estimate for the proposed initial work to be performed. As we are a true fee for service business, we charge set fees based on the professional time and services to be provided.

Should you engage HFS, we will agree on the amount to be invoiced and amounts which may be paid through fixed upfront product fees (on superannuation and/or investment products). If the agreed fixed upfront product fees are not received, you will be invoiced for the amount.

If we broker risk insurance and/or finance, we may receive upfront commissions. Anticipated commissions to be received may significantly contribute towards funding of the agreed initial engagement work to be performed. This is taken into account when agreeing on the amount to be invoiced.

How will I engage and pay for ongoing services provided?

After initial advice has been provided, ongoing service will be provided under a Fixed Term Fixed Fee Client Service Agreement of no more than 12 months. The agreement will provide the scope of services to be provided.

The Fixed Term Fixed Fee Service Agreement may be paid via direct invoicing (via monthly direct debits) and/or superannuation/investment product fee arrangements of no more than 12 months. The payment arrangements will be outlined in the agreement.

If we have brokered risk insurance and/or finance, we may receive ongoing trail/renewal commissions. Anticipated ongoing trail/renewal commissions to be received may significantly contribute towards funding of the agreed ongoing work to be performed and is considered when agreeing to the amount invoiced and/or charged through superannuation/investment product fee arrangements.

Payment by Direct Invoice

Invoices will normally be issued to you in monthly intervals and paid under direct debit arrangements.

Interest will accrue on any overdue amounts at the rate set out in your Client Service Agreement (CSA).

At our discretion, we may invoice you over longer intervals.

Contribution by Commission/Fee Offsets

All commissions (i.e. upfront, ongoing or transaction commissions, adviser fees, brokerage, trail or any form of product fees) received by HFG and/or HFS are attributed to your client file and will be considered when setting the cost of upfront and ongoing service and advice whilst you are an active advice client. These commissions/fees are non-refundable and non-rebateable.

Notes on Commissions

HFG may receive fees, commissions, brokerage (collectively referred to as 'fees' from this point forward) from dealers, credit providers, fund managers and/or life insurers. These fees are typically calculated as a percentage or fixed dollar value of the amount invested/borrowed or as a percentage of insurance premiums that may be paid by you. This percentage may be a fixed percentage as set by the issuer or may be able to be negotiated.

These amounts will be disclosed both in the Statement of Advice and accompanying PDS.

All fees received by HFG may be split with HFS. The amount of product fees and/or commissions received by HFG and paid to HFS will be detailed in your Statement of Advice in both dollar amounts and in percentage amounts. The Corporations Act and National Consumer Credit Protection Act require us to fully disclose all fees and charges, so if you are in doubt, please ask us to explain.

Investments and Superannuation

If you purchase or retain any managed investment products on our recommendation, we may receive fee payments from the product provider. We may receive an initial fee of between 0% to 5% of the amount invested into the product together with an ongoing trailing fee of between 0% and 4% per annum calculated on the balance of the amount invested. Ongoing trailing fees will be limited to a term of up to 12 months. Ongoing trailing fees may be renewed at the end of the term.

HFG may also receive fees or a percentage of funds under management and/or brokerage when a transaction in a listed security is placed through an executing broker. This will be included in the transaction advice and is payable as part of the total cost. These fees may vary according to the dealer being used and the type of transaction.

All fees received will be attributed to your client file.

Credit

If we assist you in obtaining a loan, we may receive brokerage/commission from the credit provider. We may receive an initial commission of between 0% to 0.715% of the amount borrowed together with an ongoing trailing commission of between 0% and 0.275% per annum of the outstanding loan balance.

All fees received will be attributed to your client file.

Life Insurance (Risk)

If you purchase or retain a life insurance policy on our recommendation, we may receive brokerage payments from the insurer who issues the policies. There are a number of ways these payments can be structured. Insurers currently offer brokerage commission of between 0% and 66% calculated on the first year's premium and renewal commission of up to 22% of the premium in subsequent years over the life of the policy.

All fees received will be attributed to your client file.

Our Financial Advisers

Our Financial Advisers are paid a salary and may also be entitled to a bonus based on their productivity of services provided and Company performance. As your Financial Adviser will not directly receive any product commissions, nor is their remuneration based upon product commission received, we do not believe that the quality of advice will be affected by the manner in which the Financial Adviser is remunerated.

If your Financial Adviser is also a director and/or shareholder, they may also be entitled to receive dividends and/or other fees from profits generated by Harts Financial Group and/or Harts Financial Solutions.

How are any commissions, fees or other benefits calculated for providing the Financial Services?

We will detail in writing all fees, commissions, and other benefits associated with our recommendations in your Statement of Advice. We will also provide you with the relevant Product Disclosure Statements (PDS) issued by the product issuer or the loan Proposal Document issued by the lender, detailing fees relating to any investment and/or loan products recommended. Your Financial Adviser will provide you with a Statement of Advice before we proceed to act on your instructions, except in the case of time-critical advice where written advice will be prepared within 5 working days of your signed application.

Will anyone be paid for referring me to you?

No.

Will anyone pay you for referring me to another professional?

We may refer you to other professionals as agreed from time to time. Those professionals will not pay us a referral fee (upfront and/or ongoing).

When You Receive Our Advice

Will you provide me with advice that is suitable to my needs and financial circumstances?

Yes. However, as previously explained, we must determine your individual financial objectives and needs and your financial situation before we recommend any investment, risk insurance or credit service to you. You have the right not to divulge this information to us if you do not wish to do so. Should you not wish to divulge this information we are required to warn you in your Statement of Advice document about the possible consequences of us not obtaining your full personal information. You should read these warnings carefully.

We are obligated to provide advice which is in your “Best Interest”. This Best Interest duty is enshrined in legislation. If you do not provide requested information or provide incomplete information, we may not be able to provide you advice and we may terminate our service arrangements.

What should I know about any risks concerning the investments or investment strategies recommended to me?

We will explain to you any significant risks of strategies and investments that we recommend to you as well as your obligations when entering into a credit product. If you are in any doubt whatsoever about the associated risks or your obligation with any financial strategy, financial service product and/or credit assistance we might recommend to you, you should immediately ask us for further clarification.

You should observe any warnings and consider any significant risks identified in our advice prior to implementing any of our recommendations as any investment and/or borrowing decision carries with it a degree of risk, either the risk of capital loss or the risk of expected benefits not being obtained. We also recommend that you seek independent legal and taxation advice about our recommendations and confirm any entitlement to government benefits with the relevant government departments.

What information do you maintain in my file, and can I examine my file?

We maintain a record of your personal profile that includes details of your financial objectives, situation and needs. We also maintain records of any 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.

Note: Under Corporations Regulations 2021 – Reg 7.7.05, copies of Statements of Advice must be retained by Harts Financial Solutions for a period of 7 years after the day on which the advice is provided.

We will not use or disclose personal information collected unless where the Australian Privacy Principles authorise the use or disclosure where required under law such as relating to public health and safety, in connection with certain operations by or on behalf of an enforcement body, as required under the Corporations Act 2001, or the Anti-Money Laundering and Counter-Terrorism Financial Act 2006.

Your personal information is held in the strictest confidence. 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 is available on request or from our website (Privacy Policy).

How can I give you instructions?

You may specify how you would like to give us instructions, for example by telephone, fax, email, or other means. But in all cases, we must receive a written confirmation of these instructions. Written confirmation can be sent via email.

If You Have a Complaint

Who can I speak to if I have a complaint about the advisory service?

We are committed to providing quality advice and service to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

1. Contact your Representative and tell your Representative about the nature of your complaint.
2. We will acknowledge your compliant within 24 hours of receiving, and if your complaint is not satisfactorily resolved within 21 days please contact the Managing Director, Harts Financial Group Pty Ltd on (08) 6380 7900 or put your complaint in writing and send it to us at Harts Financial Group Pty Ltd, PO Box 291, WEMBLEY, WA, 6913. We will try and resolve your complaint quickly and fairly.
3. If the complaint is not resolved to your satisfaction within 30 days, you have the right to refer the matter to the external dispute resolution scheme below, of which Harts Financial Group Pty Ltd is a member:

   Australian Financial Complaints Authority (AFCA)
   PO Box 3,
   MELBOURNE VIC 3001
   Telephone: 1800 931 678

The Australian Securities and Investments Commission (ASIC) also has an info-line service on 1300 300 630 which you may use to obtain information about your rights.

Other Information

Does HFG hold Professional Indemnity (PI) Insurance?

The Corporations Act 2001 (section 912(B)) requires HFG to hold adequate PI Insurance.

A copy of our PI insurance policy may be available upon request (if permitted by the insurance underwriter) and covers all HFG representatives (which includes HFS). Should a representative leave HFG, their new AFS Licensee should have appropriate PI Insurance in place. However, if a representative retires from HFG, HFG will continue to provide PI Insurance cover for the next seven years.

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