



Partners in Prosperity

Financial Services Guide

Part 1 Version 3
8th May 2020

HKS Group Licensee ABN 67 633 232 514
Australian Financial Services License 516082

This Financial Services Guide has been authorised for distribution by the authorising licensee:

HKS Group Licensee Pty Ltd ('HKS Group')

ABN 67 633 232 514

Australian Financial Services Licence No. 516082 ('AFSL')

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Website: hksfp.com.au

This Financial Services Guide ('FSG' or the 'Guide') provides you with important information about HKS Group Licensee Pty Ltd ('HKS Group'), and its Authorised Representatives, who will provide you with the financial services described in this Guide. It is designed to help you evaluate and make an informed decision about whether to use the financial services described in this Guide. We suggest you retain this Guide for your future reference. If any part of this Guide is not clear, please speak to your financial adviser.

This Guide consists of two parts. Part 1 of this Guide contains important information about:

- the financial services we offer as Authorised Representatives of HKS Group;
- HKS Group as the holder of an AFSL;
- the financial services that HKS Group offers;
- the process we follow to provide financial services;
- how we, our associates, and HKS Group are paid;
- any arrangements which may influence our advice to you;
- how we and HKS Group protect your privacy; and
- who to contact if you have a complaint or if you are not satisfied with the services provided.

Part 2 of this Guide is an Adviser Profile and includes information on the services we are authorised to provide on behalf of HKS Group.

References in this Guide to 'me', 'I', 'us', 'we' and/or 'our' should be read as either HKS Group or your 'Authorised Representatives' of HKS Group, as the context requires.

PART 1

Part 1 contains the following sections:

- Financial Services Guide (Section 1);
- Privacy Statement (Section 2); and
- Are you satisfied? (Section 3).

You must read each of these sections in conjunction with Part 2, which provides more detail to allow you to make an informed decision about whether to use the financial services we offer.

Together, these documents form the complete FSG which we, as Authorised Representatives, are required to provide.

ABOUT HKS GROUP

HKS Group has an AFSL issued by the Australian Securities and Investments Commission and is a Professional Partner of the Financial Planning Association of Australia (FPA).

As an Authorised Representative, we act on behalf of HKS Group when providing the financial services we are authorised to provide under HKS Group's AFSL.

Further information on these services is set out in the FSG Part 2 Adviser Profile.

The following companies are related party companies:

- HKS Group Licensee Pty Ltd
- HKS Financial Planning Pty Ltd
- HKS Mortgage Broking Pty Ltd.

SECTION 1

FINANCIAL SERVICES GUIDE

WHAT OTHER INFORMATION SHOULD YOU CONSIDER BEFORE DECIDING WHETHER TO PROCEED WITH OUR RECOMMENDATIONS?

If you receive personal financial advice this will be documented in a Statement of Advice (SoA), or in specific circumstances a Record of Advice (RoA), that confirms the discussions you have had with us, the recommendations we are making and the basis for those recommendations. These documents will also explain how those recommendations will work towards achieving your goals, any relevant fees received by us, and any associations with financial product providers.

When a financial product is recommended to you, you will be provided with a Product Disclosure Statement (PDS) or other disclosure document issued by the product provider. Among other things, the PDS contains information about the risks, benefits, features and fees payable in respect of the product. In combination, these documents will help you make an informed decision about whether to proceed with our recommendations.

WHO PROVIDES THE FINANCIAL SERVICES DESCRIBED IN THIS FSG?

The financial services described in this FSG are provided by us as Authorised Representatives of HKS Group.

Part 2 of this Guide contains further details about your financial adviser, and our experience, qualifications and professional memberships.

WHO IS RESPONSIBLE FOR THOSE FINANCIAL SERVICES?

As the holder of an AFSL, HKS Group is responsible for the financial services we provide to you. HKS Group acts on its own behalf when these financial services are provided to you. In relation to the financial services offered in this FSG, HKS Group, as the holder of an AFSL, does not act on behalf of any other person or licensee. HKS Group is only responsible for the services offered in the FSG.

The law requires HKS Group to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by HKS Group and/or its Authorised Representatives. HKS Group has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

WHAT FINANCIAL SERVICES DO WE OFFER?

We are authorised, on behalf of HKS Group to provide financial product advice and to deal in a wide range of products (unless otherwise stated in Part 2 of this Guide):

- deposit products;
- Government debentures, stocks or bonds;
- life investment and life risk products;
- managed investment schemes including investor directed portfolio services;
- managed discretionary account (MDA) services;
- standard margin lending facilities;
- derivatives;
- retirement savings account products;
- securities (e.g. shares); and
- superannuation products.

Some of the services we can provide you (unless otherwise stated in Part 2 of this Guide) are:

- financial planning advice;
- wealth accumulation advice;
- superannuation advice, including self-managed superannuation funds;
- redundancy advice;
- retirement advice;
- gearing strategies;
- cash flow advice;
- social security benefits advice;
- life and disability insurance advice;
- MDA services; and
- estate planning services (financial planning).

WHAT PRODUCTS ARE AVAILABLE?

A range of financial products offered by many leading financial product providers are available to our advisers when they provide personal advice

HOW DO WE ENSURE THAT THE PERSONAL ADVICE WE GIVE YOU SUITS YOUR NEEDS AND OBJECTIVES?

To ensure your adviser provides personal advice that is appropriate, we firstly need to understand your objectives, financial situation and needs. Your adviser (referred to as 'we' below) will follow a step-by-step process as outlined below:

- 1.) We will meet with you for an initial consultation. During this meeting we will discuss your expectations and provide you with details of the services we can offer.
- 2.) We will collect all the information we need from you, including your objectives, financial situation and needs. If you do not wish to provide the information we require, we will advise you of the possible consequences of not disclosing all this information and the impact on the recommendations given. This may include not being able to provide advice on the subject matter you request.
- 3.) We will help you identify your goals and may discuss your attitude towards investment risk.
- 4.) We may consider strategies and areas such as income, social security, insurance, cash and estate planning requirements. Where we recommend a financial product we will also conduct a reasonable investigation of the financial products that may be suitable to implement the strategies as part of the recommendations. Based on these and other considerations, we will prepare and present you with a written SoA, or in some cases depending on the circumstances, an RoA.

Where we recommend financial products, we will provide you with a PDS or other disclosure document containing information about each product recommended, to help you make an informed

decision about whether to invest in or acquire that product.

- 5.) We will discuss our recommendations with you, make any changes you require and ask you whether you would like us to implement those recommendations on your behalf.
- 6.) If you agree, we will then implement those recommendations.
- 7.) We will meet with you periodically to review your financial circumstances if we agree to an ongoing advice service arrangement which includes a regular review component.

We will also explain to you any significant risks of the financial products and strategies which we recommend to you. If you are unclear of the risks, do not hesitate to question us further.

In certain circumstances, we may not provide you with personal advice via a SoA or RoA, as outlined above. These circumstances may include:

- 1.) Where we provide you with only general advice, such as through seminars and newsletters;
- 2.) When we are acting under a Managed Discretionary Account (MDA) Service which allows us to manage investments on your behalf, once you have accepted this service in a SoA.
- 3.) Further advice or verbal advice – if you previously received advice recorded in a SoA, any further personal advice provided by us may be recorded in a RoA. We will not necessarily provide you with a copy of the RoA unless you request it (see below).

WHAT DOCUMENTS DO YOU GET IF WE PROVIDE FURTHER ADVICE?

Where a further review is conducted and personal advice is provided, in some circumstances we are not required to provide you with a SoA for this further advice. Where this is the case, if you have not already been provided with a RoA, you may request a copy of the RoA from us by contacting us (on any of the contact details set out in Part 2 of this Guide) for a period of seven years from when the further advice was first provided to you.

HOW CAN YOU INSTRUCT US?

You may specify how you would like to give us instructions, for example, by phone, fax or email using any of the contact details set out in Part 2 of this Guide. Alternatively, you may provide instructions to us in person. Where instructions are provided by telephone, these must be confirmed in writing.

OTHER SERVICES

Related businesses may provide services other than financial planning services. While we may provide these other services, you should understand that these other services are not provided on behalf of HKS Group and HKS Group does not train, support or supervise the provision of these other services and has no responsibility in relation to these services.

Examples of the services which HKS Group is not responsible for include:

- general insurance services (e.g. car insurance);
- real estate and direct property advice;
- taxation services, such as completion of tax returns;
- accounting and audit services;
- legal services;
- credit activities;
- consulting services; and
- administration and compliance of Self-Managed Superannuation Funds.

HOW ARE WE PAID FOR OUR SERVICES?

We and HKS Group may receive:

- fees paid by clients;
- commissions paid by product providers;
- other payments by product providers; and
- other benefits.

Fees and commissions are paid directly to HKS Group.

Details of any fees, commissions or other benefits that we, HKS Group or other associated persons are entitled to receive if you implement our recommendations in relation to a specific financial product, will be disclosed to you in your SoA or RoA when personal advice is given.

WHAT TYPE OF FEES, COMMISSIONS, PAYMENTS AND OTHER BENEFITS DO WE RECEIVE FOR OUR SERVICES?

If the fees, commissions or other benefits are not calculable at the time we provide personal advice, we will describe the manner in which they are calculated at the time the advice is given or as soon as practicable after. If you receive general advice you may request particulars of the fees, commissions and other benefits that we may receive, within a reasonable time after this FSG is given to you.

The types of fees, commissions and other benefits that may be received by us and by HKS Group include the following:

Service fees

We will discuss and agree our fee structure with you before we provide you with services. The types of fees you can be charged are listed below. You may be charged a combination, or part of, any of these fees.

Fees for advice

We may charge fees for the preparation, presentation and implementation of our advice. These fees will be based on your individual circumstances, the complexity involved in your situation and the time it takes to prepare personal financial advice for you. We will discuss these fees with you and gain your agreement to the fees before we provide you with advice.

Ongoing advice fees

We may charge a fee to provide ongoing portfolio reviews and/or for the provision of ongoing services.

This fee will be agreed with you and is either a set amount, or an amount based on the amount of funds under our advice, and/or the time involved in reviewing your portfolio and circumstances.

Payment methods

Our fees are either invoiced to you directly, or deducted from your investments, or a combination of these methods.

Where it is debited from your investments it is normally referred to as the Adviser Service Fee.

In most instances you will be able to select the method of payment that suits you best. We will discuss and agree the method of payment with you before we provide you with services.

Commissions

If you take out a financial product through us HKS Group may receive payments in the form of initial commissions and/or ongoing commissions from the financial product providers. These commissions are included in the fees, premiums and interest rate (in the case of margin loans) you pay for the product. They are not an additional cost to you. We may agree to rebate some or all of these.

The commission payable for different classes of financial products include the following:

Investment products

Commissions on investment products may only be payable in certain circumstances where an arrangement exists as at 1 July 2013.

HKS Group may receive between 0% and 4% of your initial investment as initial commissions from product providers whose products are recommended to you. HKS Group may also receive ongoing commissions from the management fees of the product providers.

Ongoing commissions range between 0% and 4% p.a. of your investment balance. HKS Group may pass up to 100% of these commissions to us.

Example

We recommended you invest \$10,000 in an investment product before 1 July 2014. The applicable initial commission is 1% and ongoing commissions are 1% p.a. HKS Group may receive initial commission of \$100 and may pass up to \$100 of that to us. Assuming the investment amount stays the same, each year HKS Group will receive ongoing commission of \$100 and may pass up to \$100 to us.

Life Insurance Products

Initial and ongoing commissions from insurance providers may be received by HKS Group. These commissions are paid to HKS Group by the company that issues the product that we recommend to you and they are included in what you pay for the product. The commissions vary and are based on the policy cost, which is the sum of the premiums you pay and may include other fees related to the product.

The initial commission is paid in the first year by the product issuer to HKS Group. Ongoing commissions are payments paid by product issuers to HKS Group in the years after the first year. These commissions may be passed onto us.

If you initiate an increase to your cover, HKS Group may receive an initial commission and ongoing commissions on the annual increase to your policy cost. The ongoing commission on a client-initiated increase is only paid in respect of the period that starts from the first anniversary of the increase.

If the initial commission is equal to the ongoing commissions (as a percentage of your policy cost HKS Group may receive up to 38.5% (excl. GST) of your annual policy cost. If the initial commission is higher than the ongoing commissions, the maximum commission that HKS Group may receive is set out in the table below:

Date a new product is issued	Initial commission (% of annual policy cost or increase excl. GST)	Ongoing commission pa (% of annual policy cost or increase excl. GST)
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Before 1 January 2018 or before 1 April 2018 when the application was received prior to 1 January 2018	0 - 140%	0 - 38.5%
1 January 2018 - 31 December 2018*	0 - 80%	0 - 20%
1 January 2019 - 31 December 2019*	0 - 70%	0 - 20%
From 1 January 2020*	0 - 60%	0 - 20%

You'll find details of how your insurance policy cost is calculated in the relevant PDS that we provide you. Where personal advice is provided to you, you'll also find details of the commission that HKS Group and we are entitled to receive if you decide to purchase a life insurance product, in your SoA or RoA.

Margin lending Products

If we organise, or increase a margin loan for you, HKS Group may receive payments in the form of ongoing commissions from the margin loan provider. Commissions on margin lending products may only be payable in certain circumstances where an arrangement exists as at 1 July 2013. Where you have entered into a margin lending product arrangement prior to 1 July 2014, commissions may be payable where HKS Group had an existing arrangement with the margin loan provider prior to 1 July 2013. These commissions range between 0% and 0.5% p.a. of your loan balance. HKS Group may pass up to 100% of these commissions to us.

Example

We recommend you borrow \$10,000 through a margin loan. The applicable ongoing commission is 0.5% p.a. Assuming the loan balance stays the same, each year HKS Group will receive ongoing commission of \$50 and may pass up to \$50 to us.

DOES HKS GROUP CHARGE ANY FEES?

HKS Group will not charge you any additional fees. HKS Group pays up to 100% of all fees and commissions generated to HKS Financial Planning.

OTHER BENEFITS

From time to time we may accept alternative forms of remuneration from product providers or other parties, such as hospitality or support connected with our professional development (e.g. training or sponsorship to attend conferences). We maintain a register detailing any benefit we receive which is valued at between \$0 and

\$300 and other benefits that relate to information technology software or support provided by a product issuer or that relate to educational and training purposes.

A copy of the register is available on request for a small charge.

WHAT ARRANGEMENTS MAY INFLUENCE OUR ADVICE TO YOU?

HKS Group's Approved Product List has a range of financial products from product providers not associated with the HKS Group.

HKS Group has a formal Investment & Insurance Committee to form the foundation of appropriate investment and insurance advice for clients. Where applicable the Committee will look to the market to utilise external investment expertise to support the Committee function. We utilise the specified ratings of external research provider Morningstar to construct the managed funds APL.

Any other relationships or associations we have that may influence our advice to you will be disclosed in Part 2 of this FSG.

WHAT FEES DO WE PAY TO SOMEONE WHO REFERS YOU TO US?

If you are referred to us, we may pay the referrer a fee. We may also provide the referrer with gifts such as branded promotional items, hampers or gift vouchers.

The fee varies according to the referrer and financial products involved.

The fee may be a percentage of our fees, a percentage of the total amount invested paid through the referral, or a flat fee. We may pay these fees upfront when the financial service is provided, or the financial product is provided, or periodically as ongoing fees.

SECTION 2

PRIVACY STATEMENT

WHY WE COLLECT YOUR PERSONAL INFORMATION

We collect personal information, including sensitive information (e.g. health information), from you to provide you with services including financial advice.

We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, to prevent fraud, crime or other activity that may cause harm in relation to the particular products or services provided, and to help us run our business.

If you do not provide all the information we request, we may no longer be able to provide a product or service, including financial advice, to you.

COLLECTING AND DISCLOSING YOUR PERSONAL INFORMATION

We may disclose your personal information to anyone we engage to do something on our behalf such as a service provider, and other organisations that assist us with our business. We may also disclose your personal information to third parties such as a complaints body to whom a complaint relating to a product or service is referred, your past and present employers, any party acquiring an interest in our business and anyone acting on your behalf.

We may also collect from the parties listed above any personal information they may hold about you which relates to our provision of financial advice.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

HKS Group is also required, pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act) and its corresponding rules and regulations to implement certain client identification processes. We may be required to obtain information about you at the time of providing financial services to you, and from time to time in order to meet our legal obligations.

We have certain reporting obligations pursuant to the AML/CTF Act and information obtained from or about you may be provided to external third parties and regulators in accordance with the requirements imposed on us.

OTHER IMPORTANT INFORMATION

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at www.hksfp.com.au. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Privacy Act 1988 (Cth), or a registered privacy code and how we will deal with your complaint; and;
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Where you have provided information about another individual, you must make them aware of that fact and the contents of this privacy statement.

We will use your personal information to contact you or send you information about other products and services offered by us or our preferred suppliers. If you do not wish to receive marketing communications from us, please contact us.

SECTION 3

ARE YOU SATISFIED?

WHAT TO DO IF YOU HAVE ANY CONCERNS ABOUT OUR SERVICES

Both we and HKS Group endeavour to provide you with quality financial advice. If you have a complaint or concern about the service provided to you, we encourage you to take the following steps:

- 1.) Contact us first about your concern. You may do so by speaking to your adviser, or you can contact HKS Group by:

Writing to:

Operations Manager
Advice Complaints

HKS Group Licensee Pty Ltd

2/61 Holdsworth Street, Coorparoo Qld 4151

PO Box 248, Coorparoo Qld 4151

Email:

mail@hksfp.com.au

- 2.) If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Write to:

AFCA

GPO Box 3

Melbourne VIC 3001

Email:

info@afca.org.au

Website:

www.afca.org.au

Phone:

1800 931 678 (free call)

- 3.) The Australian Securities & Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC contributes to maintaining Australia's economic reputation by ensuring that Australia's financial markets are fair and transparent, and is supported by informed investors and consumers alike. ASIC seeks to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services. You may contact ASIC by:

Writing to:

Australian Securities & Investments Commission

GPO Box 9827

Your Capital City

or

PO Box 4000

Gippsland Mail Centre

Victoria 3841

Website:

www.asic.gov.au

Phone:

1300 300 630

1300 626 393

- 4.) To lodge a complaint about an FPA Member, you need to complete a complaint form available on www.fpa.com.au website and send it to:

Professional Accountability Manager

Financial Planning Association of Australia Ltd

GPO Box 4285

Sydney 2001

Or Professional.standards@fpa.com.au

- 5.) Where you have a complaint about your Privacy.

Office of the Australian Information Commissioner

Call: 1300 363 992

Email: enquiries@oaic.gov.au

Address:

GPO Box 5218

Sydney NSW 2001. ABN 85 249 230 937