



Partners in Prosperity

Financial Services Guide

Part 2 Version 3

Adviser Profile: John Spooner

8th May 2020

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

PART 2 (Adviser Profile)

Part 2 (Adviser Profile) contains the following sections:

- About Your Adviser (Section 1);
- The Services I Provide (Section 2);
- Fees and Charges (Section 3); and
- Contact and Acknowledgment (Section 4).

This document is Part 2 (Adviser Profile) of the Financial Services Guide (FSG) dated 8th May 2020 and should be read together with Part 1. Part 2 sets out specific details about me as an Authorised Representative of HKS Group Licensee Pty Ltd (HKS Group) and HKS Financial Planning Pty Ltd (HKS Financial Planning).

I am authorised by HKS Group Licensee to provide the financial services described in Part 1 and Part 2 (Adviser Profile) of the FSG. I have also been authorised by HKS Group Licensee to distribute this FSG.

HKS Group Licensee Pty Ltd.
ABN 67 633 232 514 holder of
Australian Financial Services Licence No. 516082

Unit 2/61 Holdsworth Street
Coorparoo Qld 4151
PO Box 248
Coorparoo Qld 4151

Email: mail@hksfp.com.au
Website: hksfp.com.au

SECTION 1

ABOUT YOUR ADVISER

WHO IS YOUR FINANCIAL ADVISER?

Your Financial Adviser is John Spooner and HKS Financial Planning. In this document, the terms 'I', 'me', 'us', 'we' and 'our' refer to John Spooner and HKS Financial Planning. The term 'Representatives' refers generally to HKS Group's Authorised Representatives.

My Authorised Representative number is 339041 and the Corporate Authorised Representative number is 339043.

WHAT EXPERIENCE DOES YOUR FINANCIAL ADVISER HAVE?

I have extensive experience in the financial planning industry.

My career has included senior accounting roles in both public and major corporate environments including the Investment Bank Credit Suisse.

Before commencing HKS Financial Planning, I was a Financial Planner at Suncorp, where I was awarded "Best Financial Planner" in 2007/08. In 2011, I was awarded "Rising Star of 2011" by Guardian Advice.

Seeking an opportunity to develop my own financial planning practice, I formed HKS Financial Planning in July 2009.

WHAT QUALIFICATIONS AND PROFESSIONAL MEMBERSHIPS DOES YOUR FINANCIAL ADVISER HAVE?

I graduated from Queensland University of Technology with a Bachelor of Business in Accounting and have been a Certified Practising Accountant since 1998. I have also completed my Diploma of Financial Planning, CFP, Certificate IV in Finance and Mortgage Broking and I am an Accredited Aged Care Professional™

I am CFP® AFP® member of the Financial Planning Association of Australia and a member of the HKS Financial Planning investment review committee and Auditor of the Peugeot Club of Queensland.

DOES YOUR FINANCIAL ADVISER HAVE ANY ASSOCIATIONS OR RELATIONSHIPS?

I have an association with HKS Group and HKS Financial Planning Pty Ltd ABN 86 137 839 984 as a Director.

I have an association with HKS Mortgage Broking ABN 40 600 547 779 as a Director

Fees and commissions are paid to HKS Group for distribution HKS Financial Planning Pty Ltd. HKS Financial Planning Pty Ltd's Authorised Representative number is 339043.

SECTION 2

THE SERVICES I PROVIDE

WHAT AREAS IS YOUR FINANCIAL ADVISER AUTHORISED TO PROVIDE ADVICE ON?

I am authorised by HKS Group to provide financial services, including advice or services in the following areas:

- Deposit products;
- Government debentures, stocks or bonds;
- MDA Services
- Life investment and life risk products;
- Managed investment schemes including investor directed portfolio services;

- Standard margin lending facilities;
- Retirement savings account products;
- Securities (e.g. shares); and
- Superannuation products
- Derivatives

HOW CAN YOU PROVIDE YOUR INSTRUCTIONS TO ME?

You may provide instructions to me by using any of the contact details provided in Section 4 'Contact & Acknowledgment'.

MANAGED DISCRETIONARY ACCOUNT SERVICE

A Managed Discretionary Account service ('MDA') is a financial service that allows an Australian Financial Services licensee (and its representatives) to invest in financial products on behalf of a client, and/or manage a client's (financial product) investment portfolio, on a discretionary basis.

The discretion can be used to rebalance a client's portfolio, or replace a financial product with another, for a particular reason, without having to contact the client and obtain the client's authority to make the changes.

I may recommend a MDA service offered by an Australian Financial Services licensee ('MDA operator'). The MDA service may be limited to trading in financial products on your behalf on a regulated investment platform ('Regulated Platform'), at the MDA operator's discretion. If you wish to appoint the MDA operator to manage the portfolio on a discretionary basis, you must enter into a Managed Discretionary Account Services Contract ('MDA Contract') with the MDA operator and direct any Regulated Platform to take instructions from the MDA operator, on your behalf. I will provide advice to you in relation to your portfolio, an appropriate Investment Program, administration platform and MDA operator.

The MDA service is optional.

What are the significant risks associated with using our MDA service?

The discretion involved in an MDA service will allow HKS Group and I to make changes to your investments without seeking your prior consent. By giving us the discretion, you are bound by our actions and the changes we make to your investments (as long as the changes are within the limits of the discretion and in accordance with the Corporations Act). It is important you understand what we are authorised to do and carefully read and understand the activities that you are authorising us to perform on your behalf. You should contact us if you have any questions.

Neither HKS Group, nor I, nor any related or associated person or body corporate guarantees or makes any

representations concerning the future performance of the managed funds, securities (shares), the return of capital, any specific level of performance, the success or tax effect of any strategy HKS Group and I may use, or the success of HKS Group and my overall decisions pursuant to the discretion granted by you.

The investment decisions made by HKS Group or myself are subject to various market, currency, economic, political and business risks, and those investment decisions may not always be profitable and may at times result in losses. There is also a risk that HKS Group's investment management and investment decisions will not achieve your expectations and needs. These risks may also affect the value of your investment and the return you may receive.

Actions that HKS Group takes pursuant to the discretion may trigger a capital gains tax liability, depending on your personal tax position. You should seek advice about the tax implications that would be applicable to you. If HKS Group or I replace one financial product with another, you may be charged a 'Buy/Sell spread' by the platform operator or brokerage and you will lose any other benefits of ownership of the financial product being replaced.

How can I give HKS Group instructions on corporate actions relating to the financial products in my portfolio?

I will exercise my discretion in relation to the exercise of any rights attaching to your share investments and will not seek your written instructions on how to exercise those rights. Accordingly, you will not have the ability to give us instructions about how to exercise those rights. If you were investing in shares directly and not through a Regulated Platform or MDA service, you would be able to decide how to exercise any rights attaching to the shares

For investments in managed funds, clients do not generally have any rights or entitlements in respect of the underlying investments held by the managed fund. Accordingly, we will not generally have any input into decisions about rights or entitlements (such as corporate actions).

Do I have to enter into a contract for you to provide MDA Services?

Yes. Before we can provide you with any MDA services you must first enter into an MDA Contract with HKS Group. This contract will set out the terms and conditions of the MDA Service.

Who prepares the investment program?

As an Authorised Representative of HKS Group, I will prepare and provide to you an MDA Investment Program. The Investment Program is prepared in accordance with the requirements in (which complies with Division 3 of Part 7.7 and Div 2 of Part 7.7A of the Corporations Act) that will be given to you before you enter into the MDA Contract.

What information will be included in the MDA Contract and our accompanying Statement of Advice?

We must determine if the MDA is appropriate for you based on your personal circumstances, needs and financial position, is in your best interests and give you a written Statement of Advice that includes our recommendations and remuneration disclosure.

The MDA Investment Program will also contain:

- The nature and scope of the discretions that we will be authorised and required to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- Information about any significant risks associated with the MDA Contract and the investment strategy;
- The basis on which we consider the MDA Contract to be suitable for you; and
- Warnings that our MDA service may not be suitable for you if we have formed the view that you have provided us with inaccurate or limited information about your relevant personal circumstances or if your relevant personal circumstances change. It is important that you inform me immediately if your circumstances change.

Who is responsible for reviewing the investment program?

We are required to review your investment program to ensure that it remains suitable for you. This review must take place at least once every 13 months. I will contact you to arrange this review.

Do you provide custodial or depository services for my portfolio?

We do not provide custodial or depository services. Your assets in the Regulated Platform are held by operator or custodian of the Regulated Platform. We will give the operator instructions in relation to the assets in your MDA service.

MDA Custodian details

In addition:

You may cancel the MDA service or request changes to the Investment Program at any time by first notifying me in writing.

- For direct share investments only, you may give me discretion to exercising any rights relating to the direct share investments in your portfolio (for example, corporate actions), which are also within my HKS Group authorisation. In all other circumstances, I will only act in accordance with your written instructions on how any rights relating to these products in your portfolio are to be exercised.
- To protect your interests, HKS Group does not allow me to have authority to withdraw funds from the nominated Asgard Account. Further, I am not authorised to transact funds held outside your nominated Asgard Account.
- As described above, HKS Group places certain limits on my discretionary services, such as:
 - I am not permitted to trade on your nominated Asgard account in an attempt to make short term gains. All investment decisions must be made with long term goals in mind.
 - I am required to maintain your portfolio within a specified range for each asset class or as further restricted by you.

These limits on my discretion will be described in more detail in your SoA.

- You will be provided with access to on-line reporting for your nominated Asgard account to view the transactions undertaken on your behalf and the impact on your portfolio. If you do not have internet access you should not accept an MDA service.

PRIVACY STATEMENT

In addition to the information provided in the HKS Group FSG Part 1 on how we collect, hold, use and disclose your personal information, and how we manage this information, further details around privacy are available at www.hksfp.com.au and/or by calling us on 07 3397 7315.

SECTION 3

FEES AND CHARGES

HOW WILL YOUR FINANCIAL ADVISER BE PAID FOR THE SERVICES PROVIDED?

All fees and commissions disclosed in this FSG which are attributed to the services provided to you by me are paid to HKS Group. HKS Group will pay up to 100% of those fees and commissions to HKS Financial Planning.

I receive profit share as a shareholder of HKS Financial Planning as determined by the company as appropriate from time to time.

WHAT IS YOUR FINANCIAL ADVISERS FEE STRUCTURE?

As part of detailed financial planning, there are costs to you at various stages of the process. Before making any recommendations, I will discuss and agree the fees with you.

Advice fees are inclusive of GST (unless otherwise stated) and payable by you at the following stages:

- 1.) **Recommendation:** For having a personalised financial plan (SoA) prepared, a plan preparation fee (up to \$10,000) is payable. The actual fee will depend on the complexity of your situation and the time it takes to prepare personal financial advice for you. There may be circumstances where a plan preparation fee may not be within this range i.e. we will charge a greater plan fee for very complex advice cases. In this instance we will provide you with a quotation prior to going ahead with preparing your plan.
- 2.) **Implementation:** I may charge a placement fee and/or implementation fee to implement the recommendations in your financial plan. These are payable when you decide to proceed with the implementation of any one or more recommendations that I provide to you. The actual fee will depend on the complexity of your situation and the amount of funds invested, but will not exceed:
 - a. a range from \$500 (min.) to \$10,000 (max.); or
 - b. \$495 per hour; or
 - c. 4.00% of the initial funds invested, or 60% of premium; or
 - d. the maximum of entry fees or contribution fees specified in the Product Disclosure Statement (PDS) for the recommended product;whichever is the greater.

(Indicated values may exceed what is noted for more complex matters and/or as agreed. This would be agreed prior to advice being provided.)

- 3.) **Ongoing Advice Service and Reviews:** If you choose to have me conduct a review of your financial plan to ensure that your financial strategies and financial products remain appropriate for you, you may be charged a review fee. If you choose to have me provide an ongoing advice service, the actual fee will depend on the complexity of your situation and the amount of funds under advice, but will not exceed:

- a) A fixed dollar amount up to \$5,000; or
- b) up to 4% p.a. of total funds under management; or
- c) 38.5% of the ongoing premium (exclusive of GST where applicable).

(Indicated values may exceed what is noted for more complex matters and/or as agreed. This would be agreed prior to advice being provided.)

Note: Full details of all fees and commissions for financial services will be provided to you in a Statement of Advice (SoA), or Record of Advice (RoA) and Product Disclosure Statements at the time of receiving any recommendation.

WHAT AMOUNTS DO MY EMPLOYER AND OTHER RELATED ENTITIES RECEIVE FOR FINANCIAL SERVICES?

HKS Financial Planning receives up to 100% of fees, commissions and incentives. The shareholders of HKS Financial Planning have a profit share arrangement to distribute company profits annually to shareholders and staff.

FEES AND COSTS ASSOCIATED WITH YOUR MDA SERVICE

The actual fees and costs relevant to your MDA investment will be detailed in the SoA that will be given to you.

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance, rather than 1%, could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask HKS Group or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, the returns on your investment or from the MDA service assets as a whole. You should also seek advice on the tax implications of your MDA portfolio. You should read all of the information about fees and other costs, as it is important to understand their impact on your investment.

Type of fee or cost	Amount ¹	How and when paid
Fees when your money moves in or out of the MDA service¹		
Establishment fee The fee to open your MDA account	Nil	Not applicable
Contribution fee The fee on each amount contributed to your MDA account	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your MDA account	Nil	Not applicable
Exit fee The fee to close your MDA account	Nil	Not applicable
Management costs		
Managed Discretionary Account (MDA) service fee The fee for managing your investments in accordance with your investment program	Nil	This amount is paid to HKS Group at the end of the month from your cash account held in the respective platform.
Platform fee The fee for administrative, reporting and custodial services	0 – 4 %	This amount is paid to the Regulated Platform operator at the end of the month from your cash account held in the respective platform.
Fund Manager Fees The fees charged by the managers of the funds in which your MDA account is invested	0 – 4 %	This amount is paid to the managers of the funds in which your MDA account is invested and is reflected in the unit price of the relevant managed fund.
Service fees		
Switching Fee The fee for changing investment options	Nil	Not Applicable
Transaction Fee The fee when the MDA operator switches between one investment to another	Nil	This amount is paid at the same time the switch occurs and deducted from your cash account.
Brokerage The fee for the execution and settlement of share trades	0-0.1025%	This amount is paid at the same time the trade occurs and deducted from your cash account.

1. You may also incur a buy/sell spread when your money moves in or out of the MDA service or when the MDA operator buys or sells investments. See 'Buy/Sell spread' under the section, 'Additional explanation of fees and costs' for further details.
2. Abnormal expenses (if any) and transactions costs will generally be paid by the MDA service. See 'Expenses' under the section 'Additional explanation of fees and costs' for further details.

All fees in the table above are shown inclusive of GST, net of Reduced Input Tax Credits ('RITC'). Additional fees and charges may apply. See 'Additional explanation of fees and costs' below for further information.

The information in the table above can be used to compare costs between the MDA service and different simple managed investment products (Managed Funds). ASIC provides a calculator on its website www.moneysmart.gov.au. The calculator can be used to calculate the effect of fees and costs on account balances.

Example of annual fees and costs of the MDA service

The below table provides an example of how the MDA service fees and costs can affect your investment over a one-year period. You should use this table to compare the MDA service with other MDA services and simple managed investment products (Managed Funds).

The example assumes an account balance of \$50,000 invested in the MDA service with no variation in the value of your investment over this period. In practice, the actual fees we charge are generally based on the value of your investment which may vary daily. This example also assumes that the additional \$5,000 contribution occurs at the end of the relevant period (that is, no management fees are incurred in connection with the additional investment amount).

Example	Fee	Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged a contribution fee of \$0.
PLUS		
Management costs	1.69%	And for every \$50,000 you have in the MDA service, you will be charged \$260 each year comprising;
Comprising		
Managed Discretionary Account (MDA) service fee	0.00% pa	\$ 0
Platform fee	0.27% pa	\$135
Total Fund Manager fee for the portfolio	0.25%	\$125
EQUALS cost of MDA service	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$260 plus any brokerage or transaction costs.	
	What it costs you will depend on the fees you may be able to negotiate.	

Notes to example

1. You may also incur a buy/sell spread when your money moves in or out of the MDA service. See 'Buy/Sell spread' under the section, 'Additional explanation of fees and costs' below for further information.
2. Management costs are calculated using the average Indirect Cost Ratio ('ICR') from Asgard Infinity eWrap Investment Account of the MDA service for the financial year ended 2019. The ICR refers to the management costs that were not paid directly out of your account (for example MDA Service Fees and Platform Fees) but were paid from the MDA service assets over the relevant financial year, expressed as a percentage of the average net asset value of the MDA service. It is not a forecast of the amount of the total management costs in the future. Past performance is not a reliable indicator of future performance, and the amount of the management costs may be higher or lower in the future.
3. The calculation of the management costs in the example assumes that the additional \$5,000 invested in the MDA service occurs at the end of the relevant period and therefore no management fees are payable on the additional investment. Additional fees may apply, as well as the abnormal expense recovery. Refer to 'Additional explanation of fees and costs' below for more information.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management fee

The management fee generally accrues daily and is payable quarterly. It is deducted from the MDA service's assets.

Expenses

All properly incurred expenses can be recovered directly from the MDA service. When expenses are paid by the MDA service, they will be deducted from the MDA service assets. Expenses are generally paid when incurred.

Administrative expenses

We currently don't seek reimbursement from the MDA service for administrative expenses such as custody fees, registry costs, audit, accounting and tax fees, postage and printing costs. Such expenses will be paid by us out of the management fee. We will provide prior notice to investors if we seek to recover these expenses from the MDA service in the future.

Abnormal expenses

Abnormal expenses such as the cost of defending legal proceedings and the costs of terminating the MDA service will generally be paid by the MDA service. Abnormal expenses are not generally incurred during the day-to-day operation of the MDA service and may not be incurred in any year. Abnormal expenses are in addition to administrative expenses.

Transaction costs

Transaction costs incurred in the acquisition or disposal of the assets of the MDA service such as brokerage, clearing costs, hedging costs, transaction fees, taxes and stamp duty will generally be paid for by the MDA service. Where the acquisition or disposal of assets relates to a subscription or redemption from the MDA service, the MDA service may recover an estimate of these costs from the investor who is applying for, or redeeming, units through the buy/sell spread.

Buy/Sell spread

When financial products are acquired, a "buy spread" may be incurred. The buy spread is an amount which reflects the estimated transaction costs associated with acquiring the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the acquisitions on the price of the investments being acquired.

When financial products are disposed of, a "sell spread" is incurred. The sell spread is an amount which reflects the estimated transaction costs of disposing of the underlying investments and may take into account the difference between the bid/offer price of investments traded and/or the estimated market impact of the disposals on the price of the investments being sold.

A buy/sell spread seeks to ensure that the estimated transaction costs of the acquisition or disposal are borne by the investor, and not by the existing investors in the financial product. The buy/sell spread may apply even if no transaction to acquire or dispose of underlying assets is required (for example, where there is an acquisition by one investor and a corresponding disposal by another investor). The buy/sell spread for the MDA service, as at the date of this FSG Part Two Adviser Profile, is up to 1% for applications and up to 1% for redemptions, but may be varied from time to time. In certain circumstances, the buy/sell spread may increase significantly. Notice will not usually be provided for variations to the buy/sell spread.

Information about fee changes

We may increase certain fees and expenses without your consent. We will provide at least 30 days' notice to you of any proposed increase in fees, charges or expenses (except any changes to the buy/sell spread).

The maximum fees we may charge (exclusive of the net effect of GST) are:

- a maximum contribution fee of 4% of the investment amount;
- a maximum redemption fee of 4% of the redemption amount;
- a maximum management fee of 4% pa of the value of the assets of the MDA service, and
- a maximum switching fee of Nil of the value of the investment switched.

Additional fees may be paid by you to me as your Adviser. You should refer to the SoA provided by me for details of those fees.

WHAT OTHER BENEFITS DOES YOUR FINANCIAL ADVISER RECEIVE?

In addition to the remuneration detailed above, I am eligible to qualify for other benefits and entitlements as detailed below:

- From time to time, we may accept alternative forms of remuneration from product providers or other parties (up to a value of \$300), 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 that we receive and other benefits that relate to information technology software 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.

WILL YOUR FINANCIAL ADVISER BE PAID WHEN MAKING A REFERRAL?

If you have been referred to me by an external party and you accept the services I provide, I may make a payment to the external party for that referral. Any amount payable will be disclosed in the SoA provided to you. This will be paid by me to the external party and will be at no additional cost to you.

SECTION 4

CONTACT & ACKNOWLEDGMENT

HOW YOU CAN CONTACT YOUR FINANCIAL ADVISER

	Phone:	07 3397 7315
Your Financial Adviser:	Fax:	07 3324 1405
	Mobile:	0412 885 221
John Spooner	Email:	john.spooner@hksfp.com.au
HKS Financial Planning	Website:	www.hksfp.com.au

ACKNOWLEDGMENT – CLIENT COPY

I/We acknowledge that I was/we were provided with the HKS Group Licensee Guide Part 1 dated 8th May 2020 and Part 2 (Adviser Profile) dated 8th May 2020.

Client name:		
Client signature:		Date received:
Client name:		
Client signature:		Date received:

OR complete as follows if Financial Services Guide is mailed to Client(s):

I confirm that I sent a copy of the HKS Group Licensee Guide Part 1 dated 8th May 2020 and Part 2 (Adviser Profile) dated 8th May 2020 as follows:

Sent to (Client name(s)): _____

Sent on (Date): _____

Sent by (Name): _____

ACKNOWLEDGEMENT – ADVISER COPY (to be retained on client file)

I/We acknowledge that I was/we were provided with the HKS Group Licensee Financial Services Guide Part 1 dated 8th May 2020 and Part 2 (Adviser Profile) dated 8th May 2020.

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