

Financial Services Guide

2nd August 2021

Version 13

Part 2

This document is part of a Financial Services and Credit Guide (“Guide”) and should be read in conjunction with Part 1 (A Guide to Our Relationship with You and Others) version 20, dated 1st July 2021.

This section is designed to provide you with enough information to decide whether to obtain financial advice (or any other financial service) from us. It’s an important document that will introduce your adviser, Luke Oakes, and provide you with the information you need to consider before you engage us to provide you with advice or services.

This document complements Part 1 that provided information about our Licensee and the types of documents – Statements of Advice, Records of Advice and Product Disclosure Statements – that you will receive if we provide you with personal advice. Part 1 also explained how you can provide information to us, our compensation arrangements and who to contact if you want to provide feedback or complain about our advice or services.

We’ve tried to be as clear and direct as possible but if you have any questions, we’re happy to answer them.

Authorised Representative Profile

Your adviser is Luke Oakes, an Authorised Representative of Paragem. Luke's ASIC Authorised Representative number is 330331.

Luke has been employed as a Financial Adviser for 10 years. Luke is focused on providing high quality and personally tailored financial advice that meets the requirements of his clients.

Luke has extensive experience in all forms of Financial Planning, whether it be the early stages of wealth creation, or preparing strategies for clients addressing their Retirement & Estate Planning needs.

Luke also advises on Business Succession Planning and has excellent knowledge of asset structures such as trusts, companies and superannuation.

Luke's relevant educational qualifications include:

- Advanced Diploma of Financial Advising
- Bachelor of Economics

Luke's employer is Ford Scott Financial Planning, which is a Corporate Authorised Representative (CAR no. 313595) of Paragem.

Luke can be contacted at:

- 1/31 Davey Street, Hobart TAS 7000
- GPO Box 2250, Hobart TAS 7001
- luke.oakes@fordscott.com.au
- (03) 6224 4011
- www.fordscott.com.au

Luke is authorised by Paragem to advise and deal in the following financial products:

- Deposit products (cash and term deposits)
- Debentures, stocks, and bonds issued by a government
- Life Insurance risk products
- Life Insurance investment products
- Managed Investment Schemes (Unit Trusts)
- Securities (shares)
- Superannuation
- Retirement Savings Accounts
- Self-Managed Superannuation Funds

Luke is not authorised to recommend any strategy that involves an agricultural scheme investment, direct property, derivatives and unregistered managed investment schemes. Luke is also not authorised to offer credit assistance such as assistance with mortgages, credit cards and personal loans and will refer you to an appropriate credit service provider if you require advice in this area.

Remuneration

Financial advice has value, but it also involves fees and charges. We are committed to transparency because we believe it's important that you're able to make an informed decision about our advice and its benefits. You may pay a fee for a service, and we may also receive commissions from product issuers, if you engage us to provide advice, implement our recommendations or act on your instructions. Rest assured that the relevant costs or fees will be discussed with you by your adviser before any services are provided.

Paragem will pay Ford Scott Financial Planning 90% of the fees and/or commissions detailed in this schedule. Paragem will charge Ford Scott Financial Planning for licensee services and is not linked to client revenue.

Luke is a director and employee of Ford Scott Financial Planning Pty and is remunerated by salary and bonus/dividends/distributions from Ford Scott Financial Planning.

Employees may receive a performance bonus from Ford Scott Financial Planning, determined by a balanced scorecard which includes reference to client feedback, effectiveness, their provision of ongoing service and various compliance measures. There is no remuneration, or rewards, for recommending particular products or strategies.

Advice Fees

We are predominantly a Fee for Service organisation. There are set fees for each service that I provide to you, and these fees will be agreed upon and confirmed to you prior to any service being provided.

Current fees and charges are detailed below and are GST inclusive:

- **One-off Reviews:** If a client wishes to receive strategic financial advice on a one-off scenario, an hourly fee of \$550 will apply, which will be invoiced to you. Further reviews and consultations will also be invoiced subject to the time involved at this hourly rate.
- **Execution Only Service:** A fee of \$550 is payable for this service and may be invoiced to you.
- **Statement of Advice (SoA) and Implementation Fees:** Fees for the preparation and implementation of your advice may range from \$1,650 - \$11,000. The fee charged will depend on the complexity of the advice and the time taken to prepare the SoA document. The fee can either be invoiced to you or deducted from a platform account. Please note that Luke will provide an estimated cost to you, which we will agree on before commencing any work. It should be noted that the Statement of Advice (SoA) Fee will still apply where you choose not to implement the recommendation.
- **Ongoing Advice Fees:** Ongoing Advice Fees may be charged as an annual fixed fee between \$1,650 - \$30,000 and are based upon time (at \$550 per hour), complexity and the number of structures/entities involved payable as one lump sum or monthly instalments. Ongoing Advice Fees will be included in your mutually agreed ongoing service package. However, in the event that the review incurs a greater cost than the ongoing adviser fee, Luke may invoice you for the difference. If this does occur, you will be provided with a quote before you agree to proceed with the extra advice services. This fee will be charged at the hourly rate of \$550, or by reviewing your underlying service package.

Commissions

Insurance Products

Commissions can be received for life insurance products with the exception of life insurance implemented after 1 July 2014 for a member in a default superannuation or a group life policy in a superannuation fund.

There will be a 100% clawback of commission where the life insurance policy is cancelled, not continued or the policy cost is reduced in the first year and 60% clawback of commission in the second year.

If you choose to pay fee for service, we can rebate to you part or all of the commission we would otherwise receive for insurance arrangements.

In the interests of transparency, please understand that I will receive an upfront commission from the product issuer if you decide to buy a life risk insurance product I recommend to you. Commissions, whether up-front or ongoing, are paid to us by the Insurer.

I will receive an upfront commission of between 0% and 66% of the first year's annual premium, and then an annual ongoing commission of between 0% and 22% of the annual premium.

For example, for an insurance product with an annual premium of \$2,000, where the issuer pays me an upfront commission of 66%, I will receive \$1,320. The issuer will pay me 22% of the annual premium as ongoing commission for as long as you hold the product. Assuming an annual premium of \$2,000, this equates to \$440 per year.

Potential Conflicts of Interest

Ownership

Paragem is a wholly owned subsidiary of Easton Investments Limited, an ASX listed company that provides services to financial advisers and accountants in the areas of licensing, training, education and client engagement. Easton Investments Limited has a material shareholder, HUB24 Limited, which offers a leading investment administration and reporting platform to the Australian marketplace.

Paragem was previously owned by HUB24 as such if you use the HUB24 platform, some of Paragem's employees and representatives (our advisers) may benefit financially by virtue of being shareholders in the company. This will be disclosed to you below and in the Statement of Advice if you wish to receive advice, where applicable.

We are obliged to always act in a client's best interests and will only recommend the use of the HUB24 platform if it is appropriate to do. We also continue to use other platforms to implement our investment advice and you are free to request your adviser use an alternative platform if you would prefer.

Luke Oakes is not a shareholder of Easton Investments/HUB24.

Referral Payments

We do not receive any form of referral payments