

## SPM INVESTMENT GROUP PTY LTD

### Training and Education Policy

SPM's training policy and procedures extend to the activities of all Responsible Managers, Representatives and non-advisory employees whose roles involve licence-related functions.

Andrew Suosaari is the nominated individual responsible for the implementation of SPM's Training Policy and the assigned Training Manager.

#### Induction Training Program

Upon commencement with SPM all new employees and Representatives will undertake a role-appropriate induction program as per the Induction Procedures.

#### CPD Policy

SPM's approach to ongoing training is that of professional development - to encourage and enable all staff and Representative engagement in activities, which systematically assist to enhance their knowledge, skills, competence and general life attributes so as to achieve professional and organisational goals.

It is also continuous - directed towards maintaining the knowledge, skills and competence necessary for the diligent and competent practice of providing quality financial advice and services to clients.

SPM encourages staff and Representatives to undertake continued professional development (CPD) across a wide range of professional and personal development areas, thereby developing characteristics and skills beyond the technical competencies and aligned to their professional and personal goals.

For Representatives of SPM, CPD is also a legal requirement as per the FASEA CPD Standard.

To this end, SPM has implemented the following procedures:

- development of written CPD Plans for all Representatives, customised for each individual's training needs and objectives as relevant to their role, for each CPD Year;
- access to appropriate resources and opportunities in order to successfully achieve the requirements of the CPD Plan; and
- regular monitoring, reporting and record keeping requirements.

SPM's CPD Year is each financial year. Individuals who commence with SPM during a CPD Year will have pro-rata training requirements included within their CPD Plan.

SPM ensure that it communicates its CPD Policy to all Representatives and relevant staff through publication of the CPD Policy on the SPM's internal network. SPM's CPD Policy may be amended at any time and any changes made are formally communicated to all relevant individuals as required.

#### CPD Plans

The overall objective and focus of the CPD Plans is to:

- Improve, develop and extend competence, knowledge and skills relevant to the individuals' authorised capacity for SPM;
- Keep abreast of internal policies and procedures, industry standards, movements and topical, technical and strategic information in the financial services industry; and
- For Representatives, comply with legislative requirements in order to continue to provide financial advice and services for SPM and within the broader Australian financial services industry.

### **Non-advisory employees**

The CPD Plan for relevant non-advisory employees of SPM is set at a minimum of 10 CPD hours per CPD Year, which can be compromised of accredited and non-accredited CPD activities. A range of CPD activities including internal training sessions are provided by SPM to non-advisory employees on a regular basis, objective is for monthly group sessions however more frequent when new employees are engaged. An informal agenda for these training sessions will focus on the areas of general and specific knowledge relevant to the individuals' role in providing financial services and that of SPM's business services. Ad hoc individual sessions and on the job training is also provided.

### **Representatives**

A CPD Plan will be developed each CPD Year and signed by both the individual and Training Manager. The following procedure is completed by the Training Manager in the development, monitoring and review of CPD Plans:

- Assess information sourced from the recruitment, selection, supervision and monitoring procedures conducted on the individual to identify any gaps or weaknesses that the individual needs to focus on in the upcoming CPD Year;
- Career progression goals and SPM's succession planning are also taken into account when formulating the training and education requirements;
- Any identified requirements are to be incorporated into the CPD Plan, along with any other training needs/updates that may have been identified and/or scheduled;
- The Training Manager is to select the appropriate level and type of CPD activities to address the identified requirements, in accordance with FASEAs guidelines;
- During the year, the Training Manager will monitor whether the objectives of the CPD Plan are on track to be met through regular review of the individuals CPD Register and records. The Training Manager will report on this progress to the Compliance Committee on a quarterly basis; and
- At the end of the CPD Year, the Training Manager will provide feedback as part of the performance management process to each Representative regarding their performance against their objectives and identify any training requirements that are to be carried over into the next CPD Year; and
- The Training Manager will collate a final status report at the completion of the CPD Year on all Representatives compliance with their CPD Plans, which is to be completed within 3 weeks of the conclusion of the CPD Year, to ensure any required ASIC notifications can be made within the relevant timeframes.

The following minimum CPD requirements are to be included within the CPD Plan for all Representatives:

- A minimum of 40 hours of qualifying CPD activities each CPD Year for full time Representatives;

- A minimum of 36 hours of qualifying CPD activities each CPD Year may set for part-time Representatives, however this is subject to prior written consent by the Training Manager on a case-by-case basis (special circumstances only);
- At least 70% of the required 40 hours of qualifying CPD activities (28 hours) must be activities that have been approved by SPM;
- No more than 4 hours of CPD activity can be allocated to professional or technical reading; and
- No more than 30 hours of CPD activity can be allocated from formal relevant education i.e. in courses required / being completed towards qualifications or designations relevant to an individuals activities as a Representative with SPM (e.g. FASEA approved degree or equivalent course, education or training provided or approved by a professional association).

The following requirements may also apply and if so, will be incorporated into Representatives' CPD Plan as appropriate:

- Tax (financial) advisers are to attain a minimum of 60 hours of continued professional education (CPE) within a standard 3 year registration period, with a minimum of 7 CPE hours completed each year and professional reading capped at 25% of CPE completed.
- CFP® professionals are to attain 120 points & non-CFP professionals are to attain 90 points over a triennium with a minimum of 35 points per annum for CFP® professional and 25 points per annum for non-CFP professionals. Non-accredited CPD activities and professional reading are capped, for CFP® members it is capped at 60 points per triennium and non-CFP® members it is capped at 45 points per triennium. A minimum of 3 points per triennium must be obtained specifically covering Ethics.
- SMSF Association Associate Members are to attain a minimum of 15 CPD hours each financial year with a minimum 60 CPD hours over each triennium. Non-accredited CPD activities and professional reading are capped, for Associate members it is capped at 30 CPD points per triennium (with a sub-limit of 5 CPD hours of professional reading).

For any existing adviser Representatives (subject to the transitional arrangements for education standards to 1 January 2026), the relevant formal education required to satisfy the FASEA DQC Standard may be included as part of the CPD Plan requirements, subject to the 30 hour maximum.

The formal education approved by FASEA is set out in the FASEA DQC Standard however is broadly described as a degree (AQF7) or degree equivalent (Graduate Diploma AQF8 or Masters AQF9) qualification in the following areas of study:

- financial planning;
- investments;
- accounting;
- banking;
- economics;
- estate law;
- finance or finance law; or
- TPB approved courses in business law, commercial law and taxation law.

Any formal education courses a Representative wishes to include within the CPD Plan must be approved by the Training Manager.

## Returning Representatives

Representatives who have previously been authorised on the Financial Advisers Register (between January 2016 and January 2019) and are returning to the industry after an absence of two or more continuous years, must have a CPD Plan specifically developed and approved by SPM. This returning CPD Plan may require additional CPD hours to address any gaps in the Representatives competence, knowledge and skills arising from their absence from practice.

## Qualifying CPD Activities

The CPD Plan will set out the qualifying CPD activities that each Representative is to complete for the CPD Year.

In order for a CPD activity to be considered as a qualifying CPD activity it must satisfy all of the following requirements:

- the activity is in one of the following CPD areas (subject to minimum hours requirements);
  - technical competence (minimum 5 hours);
  - client care and practice (minimum 5 hours);
  - regulatory compliance and consumer protection (minimum 5 hours);
  - professional and ethics (minimum 9 hours); or
  - general (no minimum).
- the activity has sufficient intellectual or practical content;
- the activity primarily deals with matters related to the provision of financial product advice, financial advice services and financial advice businesses;
- the activity is led or conducted by one or more persons who are appropriate, and have sufficient standing, expertise, academic qualifications and/or practical experience; and
- the activity is designed to enhance relevant providers' knowledge and skills in areas that are relevant to the provision of financial product advice and financial advice services.

SPM utilises Kaplan OnTrack, provided by Kaplan Professional (RTO 90116), to assist the Training Manager in the selection of qualifying CPD activities, as well as the monitoring and reporting of CPD Plans.

Kaplan Professional provides industry-recognised FASEA compliant qualifying CPD activities via Kaplan OnTrack, and provides an undertaking that the CPD activities provided by this platform:

- have clearly defined aims and learning outcomes;
- have clearly defined and logical structures, with clear and defined target audiences, following adult learning principals;
- relates to one or more of the FASEA CPD areas;
- is the appropriate level of learning and has appropriate technical or practical content;
- are mapped to AQF level using the learning outcomes, with reference and alignment to the AQF framework;

- is conducted, and are technically reviewed, by one or more persons with appropriate expertise, academic qualifications and practical experience;
- enhances the students' knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and services;
- have appropriate CPD hours assessed and allocated to complete all components, and will not be double counted across multiple CPD areas if they relate to more than one CPD area; and
- are current and up to date.

The online CPD Register provided by Kaplan OnTrack enables evidence of qualifying CPD criteria to be collected and recorded including:

- Name of the activity and the provider;
- Date the activity was undertaken;
- Title and overview of the activity;
- Content of the activity;
- Assignment of relevant CPD area;
- Allocation of CPD hours;
- Assessment items and results
- Details of the content developer/writer, including qualifications and experience; and
- Details of the content technical checker, including qualifications and experience.

In assigning activities and relevant weightings for each CPD Plan, the Training Manager will further ensure the CPD activities:

- relate to one or more of the FASEA defined CPD areas;
- deals primarily with matters relating to the provision of financial product advice, financial advice services and financial advice businesses (including AUSTRAC and TPB requirements as applicable); and
- are appropriate for the individual Representative in respect to the authorised capacity in which they act for SPM.

If a Representative wishes to add an externally provided or alternative training or education course to their CPD, this will require approval by the Training Manager. In respect to approvals:

- all relevant education courses that are listed on the FASEA DQC Standard are automatically approved;
- Kaplan Professional OnTrack content, if relevant to SPM's business, will be approved;
- Any other training or education course selected by the Representative will require approval by the Training Manager, in accordance with the qualifying CPD activities criteria and evidence requirements, prior to being included within the Representatives CPD Plan.

If an external or non-OnTrack CPD activity, or other education course has been approved by the Training Manager to be included within a Representatives CPD Plan, appropriate adjustments may be made to the qualifying CPD activities weightings within the Representatives CPD Plan.

## Training Records

SPM requires all Representatives to ensure appropriate records are maintained of all CPD activities, via a CPD Register, and provide this CPD Register to the Training Manager on a quarterly basis or as requested by the Training Manager at any time.

Evidence of completion of CPD activities is also to be maintained as part of this record keeping requirement. Records are to be maintained for 7 years from the date the record was made (e.g. 7 years from the date of the Certificate of Completion) and may include documentation / evidence such as:

- Certificates of Completion / Attendance;
- Email records of CPD accreditation / eligibility;
- Attendance records; and
- Assessment statements.

For qualifying CPD activities undertaken and completed outside of the OnTrack platform, the Representative is required to upload the details and provide all evidence requirements to the Training Manager for assessment and approval.

Satisfaction of each Representative's CPD Plan will be monitored by an annual audit of the Representatives' CPD Registers upon the conclusion of each CPD Year by the Training Manager. This audit process will review records to establish compliance with the expiring CPD Plans to identify:

- the qualifying CPD activities undertaken;
- when the qualifying CPD activities were undertaken;
- the number of hours spent on each qualifying CPD activity;
- evidence of completion of the qualifying CPD activity and the outcomes of the qualifying CPD activity.

The Training Manager is required to complete this audit within three weeks of the completion of the CPD Year to ensure any required ASIC notifications on a Representative's failure to comply with the CPD Plans is reported to ASIC within 30 business days of the failure.

## **Adequate Resources**

SPM will ensure its Representatives have appropriate opportunities provided throughout the CPD Year in order to achieve compliance with the CPD Plan through the allocation and assignment of approved qualifying CPD activities on a monthly basis by the Training Manager.

SPM utilises Kaplan Ontrack as a resource to assist in this process as detailed above and will allow adequate working time for Representatives to complete these activities.

SPM will also ensure additional resources are available to Representatives which may include opportunities to attend, subject to approval by the Training Manager:

- Fund Manager / Adviser Briefings
- Professional Association Conferences
- Equity Analysts Briefings / Meetings

SPM has appropriate employment policies to support Representatives training and education activities as set out in the SPM Employee Handbook, including financial support for formal qualifications and education courses, memberships to professional associations and availability of study leave.

SPM will also provide access to an appropriate CPD Register via Kaplan OnTrack to assist Representatives in their record keeping requirements of their completed CPD activities, which will assist in the demonstration of compliance with the CPD requirements.

## Professional Year Program

All individuals who are not already listed on the ASIC Financial Adviser Register and who wish to be appointed as a Representative of SPM must complete SPM's Professional Year Program (**PY Program**) and hold the appropriate qualifications in order to be eligible for this appointment (known in this policy as a **Trainee Adviser**).

The PY Program is a structured one year program (or pro-rata extension for part time Trainee Advisers) incorporating training and supervised work activities designed enable a Trainee Adviser to achieve set outcomes and demonstrate key competencies in order to satisfy the requirements of FASEA's Corporations (Work and Training Professional Year Standard) Determination 2018 (**FASEA PY Standard**).

The outcomes to be achieved through the PY Program of a person are that, by the end of the program, the Trainee Adviser:

- is able to undertake all of the following activities:
  - to analyse, compare and apply underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions, and to do so effectively; and
  - to integrate technical competence and professional skills in managing and completing work assignments; and
  - to understand and apply the Code of Ethics, including in relation to avoiding inappropriate personal advantage, and applying professional values and attitudes, to work assignments; and
  - to present information and recommendations, and explain ideas, orally and in writing in a clear confident and professional manner likely to be understood by retail clients; and
  - to make appropriate judgments on courses of action, drawing on professional values, ethics and attitudes; and
  - with appropriate consultation, to assess, research and develop appropriate solutions for complex business or client problems and issues
- has acquired and satisfactorily demonstrated the following key competencies;
  - technical competence: technical proficiency to ensure that advice strategies are appropriate to the objectives, financial situations and needs of different classes of retail clients;
  - client care and practice: the ability to act as a client-centric practitioner in advising both new and existing clients;
  - regulatory compliance and consumer protection: a satisfactory understanding of applicable legal obligations and how to comply with them; and
  - professionalism and ethics: the ability to act as an ethical professional.
- has passed the exam approved by FASEA's Corporations (Relevant Providers Exam Standard) Determination 2018 (Exam Standard).

SPM will assign a Supervisor to each Trainee Adviser undertaking SPM's PY Program to assist the Trainee Adviser through the program. The supervisor will have a minimum of 5 years experience as an appointed Representative of SPM (not including any time as a Trainee Adviser themselves).

The Trainee Adviser and Supervisor participating the PY Program will be provided with appropriate resources and opportunities to successfully complete their activities and responsibilities as part of the PY Program by SPM, including:

- appropriate dedicated working time to complete the activities and fulfill the obligations of the requirements of the professional year;
- access to business tools and documentation to assist in completing activities and record keeping requirements;
- availability of appropriate employee policies (including access to financial support) to assist in the activities undertaken as part of the professional year.

### Professional Year Plan

SPM, in conjunction with the Supervisor and Trainee Adviser, will develop and agree on a written Professional Year Plan (**PY Plan**) which clearly sets out the responsibilities, activities, outcomes, resources and timeframes that will apply to the PY Plan. This will include:

- the identification of the Trainee Adviser, Supervisor and responsible person at SPM;
- the identification of any other relevant persons who will be involved in the supervision activities of the PY Plan e.g. specialist / technical areas;
- the period of the PY Plan including quarterly stages;
- the particular work and training outcomes to be achieved by the Trainee Adviser during the PY Plan, and for each quarter stage;
- the resources and opportunities that SPM will make available for the PY Plan;
- a detailed account of the work activities and structured training the Trainee Adviser will undertake in each quarter stage of the PY Plan; and
- any other relevant arrangements for the professional year.

The Trainee Advisers PY Program must be carried out in accordance with the PY Plan, however this PY Plan can be varied in writing if needed and signed off by all relevant parties. Each party to the PY Plan is required to co-operate to assist in the successful completion of the PY Plan.



## Work Activities

FASEA has determined that the work activities for the Trainee Adviser are to be structured and documented within the PY Plan as below:

Quarter	Quarter Description	Activities to be undertaken in the Quarter
1	Client observations and supporting Supervisor (or other Representative as nominated by the Supervisor)	All the following work activities, under the direct supervision of the Supervisor (or other Representative as nominated by the Supervisor): <ul style="list-style-type: none"> <li>shadow the supervisor or other relevant providers nominated by the supervisor in meetings with a range of clients;</li> <li>complete post-meeting documentation as required and undertake follow up actions;</li> <li>discuss with the supervisor appropriate advice strategies suitable to the clients' objectives, financial situations and needs;</li> <li>actively participate in administration &amp; "back office" activities.</li> </ul>
2	Supervised engagement and advice preparation	All the following work activities, under the direct supervision of the Supervisor (or other Representative as nominated by the Supervisor): <ul style="list-style-type: none"> <li>prepare for client meetings;</li> <li>conduct meetings with clients;</li> <li>prepare draft documentation for clients including: <ul style="list-style-type: none"> <li>advice strategies; and</li> <li>statements of advice;</li> </ul> each suitable to the clients' objectives, financial situations and needs;</li> <li>complete relevant admin. &amp; back office activities.</li> </ul>
Trainee Adviser must successfully pass the national exam prior to commencing Quarter 3		
3 & 4	Indirect supervision of client engagement and advice preparation	All the following work activities, under the limited or indirect supervision of the Supervisor (or other Representative as nominated by the Supervisor): <ul style="list-style-type: none"> <li>model strategies and research products to determine suitability to clients' objectives, financial situations and needs;</li> <li>determine and prepare appropriate client documentation (such as statements of advice);</li> <li>complete relevant administration and "back office" activities; and</li> <li>satisfactorily identify and resolve at least two ethical dilemmas, relevant to practice as a Representative, which requires demonstration of: <ul style="list-style-type: none"> <li>knowledge and understanding of the Code of Ethics; and</li> <li>an ability to resolve ethical issues in an appropriate way</li> </ul> </li> </ul>

A total of at least 1,500 hours of the work activities, as structured above, must be completed for the PY Plan. Those 1,500 hours can be allocated as appropriate and agreed by the relevant parties to the PY Plan in line with the parameters as set out above.

As part of any direct or indirect contact with retail clients, a notification in writing must be provided to the retail client of the Trainee Adviser's status, specifically:

- that the Trainee Adviser is taking part in supervised work and training program; and
- the name and contact details of the Trainee Adviser's Supervisor.

### Training Activities

The Trainee Adviser must, over the course of their PY Plan; complete a minimum of 100 hours of structured training activities and the PY Plan must provide adequate time and resources for the Trainee Adviser to be able to complete this requirement.

The training can be:

- an approved course as set out in the FASEA DQC Standard e.g. as part of the relevant formal education qualification required to achieve the education requirements of a Representative;
- a course of study approved or provided by a professional association for the purposes of achieving a professional designation e.g. FPA's CFP Program;
- a course of study approved or provided by a professional association for the purposes of achieving expertise or accreditation in a particular area of financial advice or on a financial product e.g. SMSF Specialist Course; or
- training facilitated or provided by SPM or Supervisor.

### Progress and Quarter Completions

Except for Quarter 1, the Trainee Adviser must not undertake the structured work or training activities for a particular quarter unless:

- The Trainee Adviser has completed the work and training activities for the previous quarter; and
- The Supervisor of the Trainee Adviser has issued a Completion Certificate for the previous quarter.

Further, the Trainee Adviser must not undertaken the work or training activities in Quarter 3 unless they have successfully passed the exam as approved by the FASEA Exam Standard.

### Completion Certificates

In order for a Trainee Adviser to progress through the quarterly stages of the PY Plan, the Supervisor must issue a Completion Certificate for each quarter.

The Supervisor must only issue the Completion Certificate if they are satisfied that the Trainee Adviser:

- has completed and maintained his or her logbook for the quarter; and
- has satisfactorily completed all the work activities and structured training set out in the PY Plan for the quarter, the assessment of which will include:
  - the number of hours for the work and training activities;
  - the extent to which the Trainee Adviser has achieved the particular work and training outcomes set out in the PY Plan for the quarter; and
  - the extent to which the Trainee Adviser is capable of satisfactorily completing the work and structured training for the next quarter.
- for Quarter 3 or 4 - has satisfactorily identified and resolved ethical dilemmas, the assessment of which will include:

- whether the identification and resolution of the ethical dilemmas demonstrates the ability to identify ethical issues and resolve them appropriately.
- for Quarter 4 - has achieved the outcomes, and acquired the key competencies, of the PY Program, the assessment of which will include:
  - whether the Trainee Adviser has achieved satisfactory progress against the requirements of the PY Plan, including satisfactorily addressing areas for further development.

### Accelerated Progression

A Supervisor may issue a Completion Certificate for Quarter 1 or 2 (only) before the end of the respective quarter if they are satisfied that the Trainee Adviser:

- has achieved the outcomes set out in the PY Plan for the quarter; and
- is capable of satisfactorily completing the work activities and structured training for the next quarter.

Any Completion Certificate issued under these circumstances must expressly state that it has been issued under the Accelerated Progression provisions.

### Final Completion Certificates

The Completion Certificate for Quarter 4 and hence the PY Plan, must not be given unless the Trainee Adviser has, during the PY Plan:

- completed at least 1,500 hours of work activities;
- completed at least 100 hours of structured training;
- passed the exam approved by FASEA's Exam Standard; and
- SPM has conducted an audit of at least 5 client files on which the Trainee Adviser worked during the PY Plan and is satisfied that the Trainee Adviser can be relied on to comply with applicable legal and regulatory requirements applicable to the provision of personal advice to retail clients in relation to relevant financial products.

The Final Completion Certificate is to be issued by both the Supervisor and SPM.

### Record Keeping and Notification Requirements

The Trainee Adviser must keep a logbook of their structured work and training activities which will record;

- Details of the activity undertaken, including the date of the activity
- Hours undertaken in the completion of the activity
- Supervisor of the activity (where direct supervision required)
- For client related activities:
  - Name of client
  - Notification to clients about the Trainee Advisers status
- Supervisors sign off on the activities

Note if the logbook is not maintained completely and accurately, the Supervisor and SPM will not be able to sign off on the Completion Certificates, accordingly it is important to note that this record is essential for successful completion of the PY Program. Log books are available from the FASEA website.

The Supervisor must:

- if satisfied the Trainee Adviser's log book is complete and accurate, confirm in writing to the content of the log book;
- make and maintain complete and accurate records of their assessment, and the reasons for that assessment, of:
  - the work and training activities undertaken by the Trainee Adviser during each quarter of the PY Plan;
  - satisfaction of assessment criteria for each quarters work and training activities, including any application of accelerated progression;
  - satisfaction of the ethical dilemma identification and resolution activities; and
  - achievement of Quarter 4 and the overall PY Programs' outcomes and key competencies.

SPM must:

- make and maintain complete and accurate records of the reasons for being satisfied as required for the purposes of issuing a Final Completion Certificate;
- notify ASIC within 30 days of the following events:
  - if a person is a Trainee Adviser and, if so:
    - the date that they start their professional year;
    - if Completion Certificate is issued under Accelerated Progression;
    - the date a Final Completion Certificate is issued to complete their professional year.
  - of the Representatives principal place of business (or change to it);
  - of start date of SPM's CPD year (or change to it);
  - if a Representative has not complied with the CPD requirement of each CPD Year;
  - of becoming aware that the Representative or Trainee Adviser has passed the exam.

All records from all parties to the PY Program must be maintained for 7 years.