

# Financial Services Guide

RI Advice Group Pty Ltd | ABN 23 001 774 125 AFSL 238429

This Financial Services Guide is only complete when the adviser profile is provided.  
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Contact Address:  
Level 8, 10 Barrack Street Sydney NSW 2000  
T: (02) 9262 1111



As an Australian Financial Services Licence (“AFSL”) holder RI Advice Group Pty Ltd (“RI Advice Group”) is required to give clients a Financial Services Guide (“FSG”) when providing financial services.

This FSG sets out information about:

- [who we are](#)
- [the services we offer](#)
- [how we and our advisers are remunerated](#)
- [what our complaints handling process is.](#)

This FSG is designed to assist you in deciding whether to use any of the services offered by RI Advice Group.

Please take a moment to review this FSG and the adviser profile and do not hesitate to contact us if you have any further questions.

## RI Advice Group

RI Advice Group has been helping Australians with their financial planning needs since 1979. On 1 January 2010, RI Advice Group, formerly known as RetireInvest Pty Ltd (“RetireInvest”) embarked on a new corporate strategy, expanding its target market to support the needs of both pre-retiree/retirees as well as those in the younger accumulator market.

With a network of over 220 advisers and existing assets under management in excess of \$9 billion, RI Advice Group supports the financial planning needs of over 60,000 clients.\* With over 110 locations established around Australia, RI Advice Group caters well for clients in both metropolitan and regional areas. Each Practice is a separate business, and is separately owned. Each Practice is authorised to provide financial services under RI Advice Group’s AFSL and operates in accordance with RI Advice Group’s policies and procedures.

RI Advice Group is a principal member of the Financial Planning Association (“FPA”), the professional association for qualified financial planners in Australia. RI Advice Group is committed to the FPA’s Code of Ethics and Rules of Professional Conduct.

RI Advice Group can provide you with a comprehensive range of financial advice specifically tailored to suit your circumstances.

\*Information current as at 8 December 2009.

## RI Advice Group as an AFSL holder

### Who is responsible for the advice provided?

RI Advice Group holds AFSL No 238429. Your adviser will be acting on behalf of RI Advice Group as an Authorised Representative. RI Advice Group is therefore responsible for any financial service your adviser provides on behalf of RI Advice Group.

### Who is my Adviser?

Your adviser is an Authorised Representative of RI Advice Group. For specific information about your adviser, please refer to the adviser profile provided with this FSG.

### What is RI Advice Group licensed to provide?

RI Advice Group is licensed to provide financial product advice and deal in products, as outlined below:

- deposit and payment products
- derivatives
- life investment or life risk products
- interests in managed investment schemes, including investor directed portfolio services ("IDPS")
- retirement savings accounts
- securities
- superannuation.

### What advisory services can RI Advice Group and your adviser provide?

RI Advice Group offers both personal and general advisory services. The type of advisory services you receive will depend upon your financial situation, needs and objectives.

You can select which services you require from the range outlined below:

- financial planning
- investment strategies
- superannuation strategies, including self-managed superannuation funds
- life and disability insurance, including investment life insurance
- tax effective investments
- Centrelink benefit advice
- retirement planning advice
- portfolio review services
- estate planning advice
- ongoing advisory services.

Some of the services RI Advice Group can provide may be beyond those your adviser is authorised to provide. Please refer to the adviser profile for further details.

## Advice Process

### Fact Find

To ensure our adviser provides you with suitable financial advice and before they make any recommendations, your adviser will undertake a fact finding process where they will ask you questions about your financial situation, needs and objectives.

You have the right not to provide all information requested, however, without all the relevant information, we may not be able to provide you with appropriate advice. Your adviser will notify you when they prepare your Advice Documents of the possible consequences of not providing your full personal and financial details, and you should consider the implications carefully.

### Advice Documents

Your Statement of Advice (“SoA”) and Record of Advice (“RoA”) are the documents which make up your Advice Documents.

You will receive an SoA for any personal advice that takes into account your financial situation, needs and objectives. An SoA sets out the advice, the basis for the advice, the remuneration and other benefits we receive. The SoA also makes reference to any potential conflicts of interest that you need to be aware of when deciding whether to rely on the advice.

For any further advice, either an SoA or RoA may be provided to you. The document you receive will depend on the nature of the advice provided and your personal and financial circumstances at the time.

### Product Disclosure Statement

If we recommend a product, your adviser will provide you with a Product Disclosure Statement (“PDS”). The purpose of a PDS is to assist you in making a decision about the particular financial product. It contains information about the product’s key features, benefits, risks and fees.

### Risks associated with advice

Your adviser will explain any risks associated with implementing the recommendations. Please ask your adviser to clarify any risks you do not understand.

### How can I tell my adviser to buy or sell my investments?

You may specify how you would like to give us instructions, for example by telephone, fax, email or in person at the RI Advice Group office you are dealing with. Where instructions are provided by telephone they must be confirmed in writing.

### What personal information do you keep in my file?

We keep a record of your personal information over time, including details of your investment objectives, financial situation and needs, as well as records of any discussions of significance we may have had with you, and recommendations made. If you wish to look at your file, please ask your adviser. Please refer to the section titled ‘Privacy’ for details of how we treat your personal information.

### Ongoing Review Service

In order to ensure that the advice we provide you continues to meet your financial situation, needs and objectives we offer an Ongoing Review Service, which provides regular reviews and written reports on the valuation and status of your investment portfolio.

If you wish to take up this service please contact your adviser so they can provide more information and outline their fees.

## Remuneration

The remuneration and other benefits listed below and in the adviser profile generally cover the type of rewards and remuneration that RI Advice Group, its advisers and associates may receive as a result of the financial advisory services provided to you. Specific amounts and benefits can only be calculated once the recommendations are made to you.

### How will I pay for advisory services?

There are various ways that you may pay for the services we provide, including:

- **fees for services** – where you pay a fee for the services that we provide
- **remuneration paid to us by product and service providers in the form of initial (or up-front) and ongoing (or trail) remuneration or both, or**
- **a combination of both.**

These costs will reflect the individual services we provide to you. All payments that you make are made directly to RI Advice Group.

How are fees for services calculated and paid?

Fees charged for our services may be:

- **a dollar amount**
- **a percentage of the amount invested**
- **based on an hourly rate as set out in the adviser profile, or**
- **a combination of some or all of the above.**

Fees for services payments may be payable for:

- **preparation of advice:** A dollar amount for providing you with advice and preparing an Advice Document. The actual cost will be outlined in your Advice Document.
- **initial adviser services:** A dollar amount or hourly rate payable for the services that are provided, which includes the implementation of the recommendations by your adviser.

- **ongoing adviser services:** A dollar amount, hourly rate or percentage of amount invested payable for the services provided on an ongoing basis, commencing from the implementation of the recommendations contained in the Advice Document.
- **ongoing review services:** A dollar amount payable for providing you with an ongoing review service. This amount will be determined in consultation with your adviser. Please refer to the adviser profile attached for more information.

Your adviser will discuss the precise calculation of the fees when you meet and agree on the services to be provided.

Fees charged are generally payable after the advisory services have been provided, however, ongoing adviser service fees are paid in advance. The agreed fees will be set out in the Advice Document.

### How is remuneration from a product and service provider calculated and deducted?

Initial remuneration from a product and service provider is typically:

- **investment products:** between 0% and 5.12% (including GST) of the amount invested, with the exception of some agribusiness products where it may be up to 11% (including GST).
- **life insurance products:** up to 125% of the premium that you pay.

The above amounts are not separately paid by you. They are deducted by the product or service provider from your initial investment or premium and paid to RI Advice Group by the provider.

Some product and service providers also pay RI Advice Group an ongoing remuneration out of their revenue for the period of time you hold the product.

Typically this is:

- **investment products:** between 0% and 1.1% (including GST) of the value of your investment, with the exception of some agribusiness products where it may be up to 2% (including GST).
- **life insurance products:** up to 35% of the premium.

All remuneration percentage rates paid from the product and service provider are dependent upon the specific products you hold, and are inclusive of GST where applicable. Specific details of the initial and ongoing remuneration paid from the product and service provider will be fully disclosed in your Advice Document.

## What fees for services and remuneration from product and service providers does RI Advice Group pay its Practices?

All our fees for services paid by you and/or remuneration paid by product and service providers are paid to RI Advice Group. RI Advice Group may then pay a proportion of this to its Practices depending on the gross revenue generated by the Practice over the previous 12 months, as per the table below. Upon receiving any fees for services or remuneration from a product and service provider, Practices may pay a proportion of this to the adviser. Your Advice Document will provide further details of amounts paid to RI Advice Group, the Practices and your adviser.

Gross Annual Revenue of business is between (\$)	Proportion paid from Fee for Service and Remuneration from product and service provider	
	Practice (%)	RI Advice Group (%)
\$0 – 400,000	83	17
\$400,001 – 750,000	86	14
\$750,001 – 1,250,000	89	11
\$1,250,001 – 2,000,000	91	9
\$2,000,001 and above	92	8

For example, if the Practice's gross revenue equals \$100,000 pa, the proportion paid to RI Advice Group would be \$17,000 and the proportion paid to the Practice would be \$83,000.

The proportion of the total revenue that RI Advice Group retains from the Practice is capped and indexed annually to the average of the CPI figure and the Average Weekly Ordinary Time Earnings figure. The current cap is \$361,745 for the 2010 calendar year.

However, if an existing Practice purchases a business from a party outside RI Advice Group which has clients outside of RI Advice Group, then for 12 months from the date of purchase the Practice will receive 95% of all revenue generated from those clients. A new Practice to RI Advice Group will also receive 95% of all revenue generated from their clients for the first 12 months following the new Practice's commencement with RI Advice Group.

## How is my adviser remunerated?

For details on how your adviser is remunerated refer to the adviser profile. You should have a clear understanding of how your adviser is paid before you act on any recommendations.

## Other Benefits

RI Advice Group and/or our advisers may be entitled to other benefits when providing services to you.

RI Advice Group and our advisers keep alternative remuneration registers, which lists any benefits with a value greater than \$300. If you would like a copy of the register, please ask your adviser.

### 1 Product provider partnership payments

RI Advice Group receives partnership payments from product and service providers of up to 0.40% (inclusive of GST) per annum of amounts invested with the relevant providers.

Our Practices are paid a proportion of this partnership payment, and they may pass this payment to other advisers within their practice. Our Practices are able to receive between 40% and 65% of the revenue generated by investing with these product providers.

The Practices are paid the amount specified in the table below based on the total revenue generated. Any Practice generating revenue greater than \$280,000 will share an additional 10% on the amount above \$280,000.

Revenue Generated (\$'000)	Practice Share (%)
\$0 – 99,999	40%
\$100,000 – 179,999	45%
\$180,000 – 279,999	50%
\$280,000 +	55%

For example if a Practice has generated revenue of \$290,000 it will receive a partnership payment of \$160,500. This is calculated as 55% of \$290,000 plus an additional 10% of the \$10,000 generated above \$280,000.

As at 1 September 2010, we have strategic partnerships with the following product providers:

Aviva, Colonial First State, Perpetual, OnePath (formerly ING), Oasis, AXA, Blackrock, BT Financial Group, Zurich, GSJB Were Asset Management, Schrodgers, Rare Infrastructure, Fidelity International, Hunter Hall, TRowe Price, UBS, MLC and Challenger.

Please note that any financial advice provided to you is based on your personal and financial situation, needs and objectives and is not influenced in any way by our partnership with the listed providers.

### 2 Equity Alignment Scheme (“EAS”)

Practice Owners and their staff have the right to purchase and sell shares in RI Advice Group’s Equity Alignment Scheme (“EAS”) at fair value. Participants have a right to receive dividends and at times sell their shares (for a profit if the price has increased). The right to sell shares in certain circumstances is also subject to acceptable compliance results by their Practice. RI Advice Group may be a buyer of those shares. The value of the shares is linked to the profitability of RI Advice Group.

Practice owners may choose to nominate their staff or other associates as holders of the shares.

### 3 Product and service provider sponsorship payments

RI Advice Group may receive sponsorship payments from product and service providers.

Your adviser does not receive any of these payments. RI Advice Group may use these payments to pay for the cost of conferences, training or professional development for our advisers. The product/service provider receives a range of benefits including being recognised as a sponsor, attendance at conferences and the right to give presentations to our advisers.

## 4 Loans benefits through product providers and/or RI Advice Group

RI Advice Group practice owners or advisers may receive loan benefits from product and service providers and RI Advice Group such as access to commercial or discounted interest rates, limited recourse terms, or guarantees. These benefits may be based on a number of conditions.

## 5 Awards

We award three of our Practice owners and four of our advisers through the annual RI Advice Group Excellence Awards. These awards are based on the highest revenue and new business generated and satisfactorily meeting our compliance standards and professional development requirements. Each award is a cash gift of \$1,500.

## 6 Platinum Adviser Group Program

We award up to 12 of our top advisers through the Platinum Adviser Group Program with a holiday package to the value of \$10,000 per adviser. The program will be based on the following criteria:

- satisfactorily meeting RI Advice Group compliance standards
- attendance at RI Advice Group Professional Development days, and
- volume of business and revenue.

## Referral

If you have been referred to RI Advice Group by another party we may pay them a fee or reward.

The exact payment, amount and the referring party name will be disclosed in the Advice Document. The amount paid will be paid from remuneration received by us and will not be an additional expense to you.

## Professional Indemnity Insurance

We have professional indemnity insurance in place to meet our obligations as an AFSL holder. Our insurance arrangements cover claims made against us as the licensee and for the conduct of our advisers whilst acting as our Authorised Representatives.

## Privacy

RI Advice Group is committed to ensuring the confidentiality and security of your personal information. Our privacy policy details how we manage personal information and is available on request by contacting your local RI Advice Group office, calling RI Advice Group on 1800 684 653, or visiting our website at [www.riadvice.com.au](http://www.riadvice.com.au) or [www.retireinvest.com.au](http://www.retireinvest.com.au)

## Complaints handling

If you have a complaint about the service provided by RI Advice Group or your adviser you should:

1. Write a letter of complaint to:  
Complaints Coordinator  
RI Advice Group  
Level 8, 10 Barrack Street  
Sydney NSW 2000
2. Outline in your written complaint the specific areas of service that you are not satisfied with. You should detail, as simply as possible, all the facts relating to your complaint, and
3. How you believe RI Advice Group can investigate and resolve the matter to your satisfaction.

RI Advice Group will investigate your complaint and will make every effort to ensure you receive a fair and prompt reply. RI Advice Group will provide a response to your complaint within 30 business days. RI Advice Group will inform you if this investigation cannot be resolved within this time.

If you still do not get a satisfactory outcome, you have the right to take the complaint to the Financial Ombudsman Service ("FOS").

FOS is an external, independent complaints resolution scheme established to help clients who have tried to resolve their complaint with the member but have been unable to do so. As a member of FOS, RI Advice Group is bound by decisions made by FOS.

You can contact FOS by letter to:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001

or telephone 1300 780 808  
or by email at [info@fos.org.au](mailto:info@fos.org.au)

Internet: [www.fos.org.au](http://www.fos.org.au)  
Fax: +61 3 9613 6399

## RI Advice Group's associations and relationships

RI Advice Group is owned by OnePath Australia Ltd (OnePath) (ABN 60 000 000 779).

OnePath is one of Australia's leading providers of wealth, insurance and advice solutions and has been helping Australians grow and protect their wealth for over 130 years, previously as Mercantile Mutual and more recently as ING Australia.

OnePath is a wholly owned subsidiary of Australia and New Zealand Banking Group Limited (ANZ) (ABN 11 005 357 522) and operates as ANZ's Australian specialist wealth management and protection business.

RI Advice Group through the above relationship is a related company of each of the following product issuers and service providers: OnePath Funds Management Limited (ABN 21 003 002 800), OnePath Life Ltd (ABN 33 009 657 176) and OnePath Custodians Pty Ltd (ABN 12 008 508 496).

Where appropriate, we do recommend financial products issued by companies within the group.

Registered Office:  
Level 13, 347 Kent Street  
Sydney NSW 2000

[www.riadvice.com.au](http://www.riadvice.com.au)  
[www.retireinvest.com.au](http://www.retireinvest.com.au)



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