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# Helping you make the **most of life**

Financial Services and Credit Guide



## **RETIREINVEST**

RI Advice Group Pty Ltd ABN 23 001 774 125  
Australian Financial Services Licence 238429 | Australian Credit Licence 238429  
Registered Office: Level 23, 242 Pitt Street, SYDNEY NSW 2000  
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# What is Financial Advice?

At its heart, good financial advice is all about making the most of life – helping you to decide what you want to achieve and setting the financial strategies to help you do it.

Everyone has different goals in life, but for most of us, finances play an important role in reaching them. That's where we can help.

Since 1979 advisers with RI Advice Group (formerly RetireInvest) have helped thousands of Australians to create, grow and protect their wealth. Your adviser will provide expert advice and reliable service to help manage your finances.

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“ Good financial  
advice is all  
about making  
the most of life...”

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# Financial Services and Credit Guide

This is a guide to the services we offer, the payments we receive to provide them and what to do if you have a complaint. It's designed to ensure you make a fully-informed decision about whether you want to use our services.

Please take the time to read it carefully. Sound financial advice is based on open and honest communication. Understanding our services and our fees is the cornerstone of this communication. It's also important that you know who is providing your services.

If there's anything you don't understand, or have questions about, please talk to your adviser or contact us.

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This guide should also be accompanied by an Adviser Profile which tells you about your adviser's skills, qualifications and the services they are authorised to provide.

“managing your finances well can help you get what you want from life”



## How we can help

As you go through life, your priorities or perspectives change, but one thing remains constant – managing your finances well will help you get what you want from life.

Your adviser will guide you by:

- helping you identify your personal goals, such as an early retirement, travelling or building funds for your children’s education
- developing strategies for saving, investing to meet your goals, and contingency plans to protect you against life’s hazards along the way
- keeping you on track by regularly reviewing your direction and making adjustments as required.

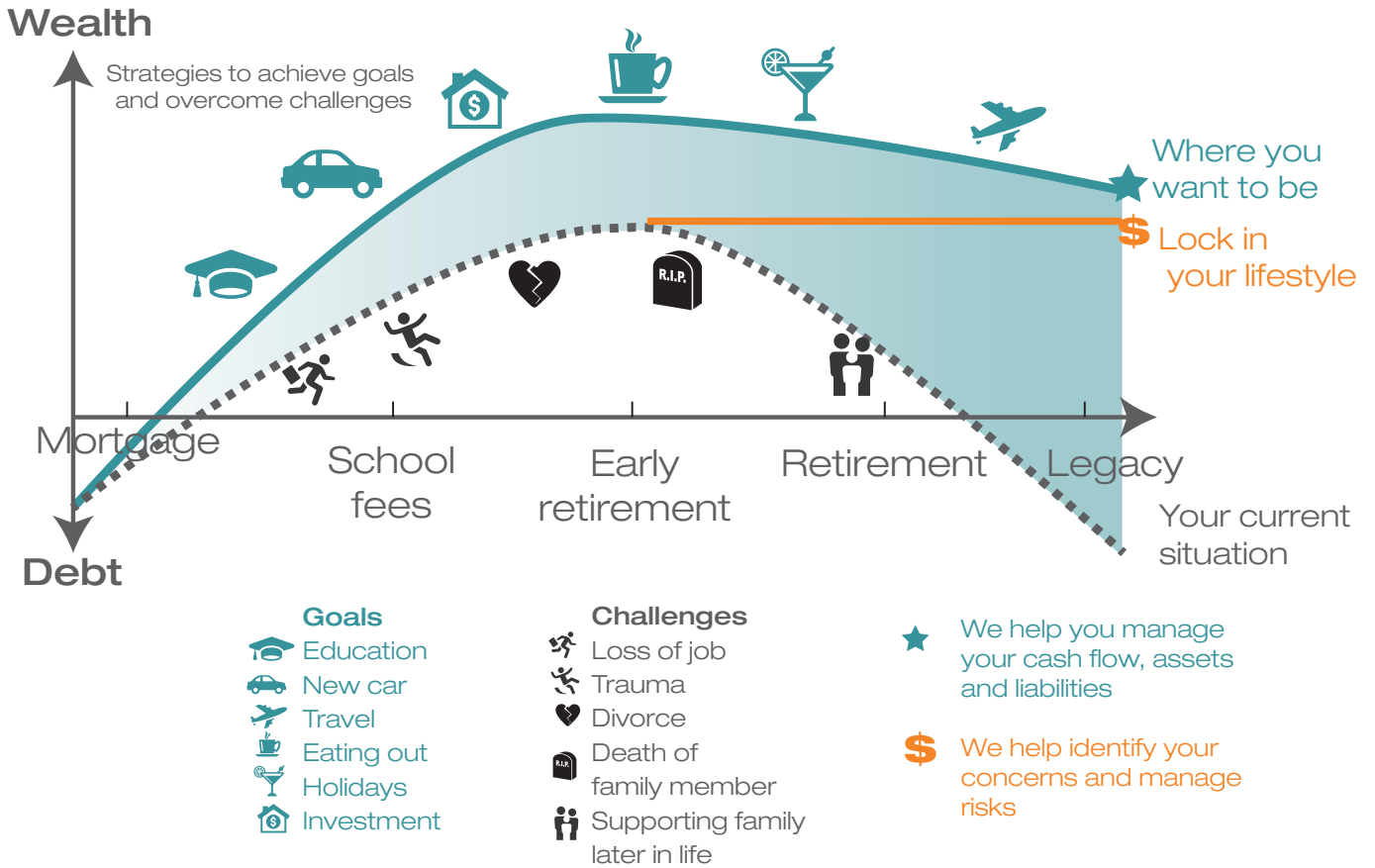
### People save more with financial advice

Independent research released in 2011 for the Financial Services Council showed that between 2005/06 and 2008/09, people with an adviser saved on average \$6,370 more than those without an adviser - after allowing for the costs of the advice.

**For someone who started saving at 45, that translates to an additional \$80,000 at retirement (aged 65)<sup>1</sup>.**

<sup>1</sup> KPMG Econtech Value Proposition of Financial Advisory Networks, 18 Jan 2011.

# Life's changing priorities



## Our services

### Managing cashflow

- Budgeting
- Income streams
- Centrelink
- Aged care
- Cashflow management and review

### Managing debt

- Debt reduction
- Credit advice

### Investing

- Dollar cost averaging
- Superannuation
- Non-super investing
- Borrowing to invest
- Margin lending
- Portfolio construction

### Insurance

- Income protection
- Term insurance
- TPD insurance
- Trauma insurance
- Business insurance
- Super vs non-super

### Estate Planning

- Asset ownership
- Powers of attorney
- Wills

### Structuring

- Trusts
- Companies
- Small business
- Self managed super



# Who we are – our associations and relationships

Your adviser is part of a network of financial advice firms that has helped over 80,000 Australians build and protect their wealth – RI Advice Group, one of Australia's oldest and best regarded financial advice groups.

## Your adviser

Provides expert professional advice to help you achieve what you want out of life. Each advice practice is locally owned by professionally qualified and authorised financial advisers. Your adviser is a self-employed practice owner or employed by the practice. The Adviser Profile provided with this guide has specific information about your adviser.

## RI Advice Group

Your adviser, or the practice they work for, has chosen to partner with RI Advice Group, who provides your adviser with research, training, compliance, technical and operational support.

RI Advice Group is responsible for any financial service or credit related service your adviser provides on its behalf.

## What this means for you

Your adviser does not act alone. As an Authorised Representative or Credit Representative of RI Advice Group your adviser is provided with:

**Technical support:** Keeping up to speed with all of the latest developments means your adviser is well positioned to help you take advantage of any changes to legislation as well as avoid potential negative impacts.

**Investment research:** Access to leading research on investments helps your adviser to source quality investments as well as avoid those that are not appropriate.

**Oversight of advice:** risk management specialists monitor and regularly audit our advisers so you can be sure all legal and business standards are met.

**Professional development:** Continuous professional development both maintains and develops standards across a broad range of skills including technology, compliance and business practice. You can be sure your adviser is professionally qualified and authorised.

## About RI Advice Group

### RI Advice Group

Started life in 1979 as RetireInvest and is one of Australia's largest and longest-established financial advisory groups. RI Advice Group is owned by OnePath.

### OnePath (formerly ING Australia)

A leading provider of investment, insurance, super and retirement solutions with over 130 years in the Australian market\*. OnePath is the specialist wealth management and protection business of ANZ.

### ANZ

One of the top four banks in Australia, a top 10 listed company on the ASX with 5.7 million customers in 32 countries and over 39,000 employees. A history of 170 years in Australia\*.



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“ RI Advice Group is part of one of the largest and most trusted financial institutions in Australia...”

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### Have a question on who we are?

If you want to find out more about RI Advice Group, and how our structure might affect the advice you receive, talk to your adviser, call us on 1800 684 653 or visit our website [www.riadvice.com.au](http://www.riadvice.com.au).

### Referring your adviser

Much of our business comes through referrals from our existing clients.

Trust and confidentiality are essential so it's important that you are aware of our Referral Policy should you choose to refer us.

- All our business is confidential. We do not discuss what services we may, or may not, have provided to you.
- We can help and support other people like you, and others from all walks of life.
- We prefer to avoid surprises and would ask for an introduction to anyone you refer to us.
- We place no obligations or expectations on anyone referred to us.

We approach every referral as merely an opportunity to see if there is any 'common ground'.

\* Figures correct as of 2 April 2012

# How we work

## We have a fundamental obligation to act in your best interests.

It is critical that your adviser gets to know you to ensure that any recommendations made are appropriate for your individual needs and circumstances.

We encourage you to be open and honest with your answers and understand that personal, family and business issues can be quite private. We stand by our promise to maintain your privacy. You can find out more about how we protect your privacy on page 15.

If incomplete or inaccurate information is provided to us inappropriate advice may be provided, or we may not be able to provide advice to you.

If you have needs outside of the experience level of your adviser or your adviser, cannot access products which are in your best interests, they may first leverage the RI Advice Group network to try and obtain suitable support.

If your adviser is unable to access suitable professional connections that can provide appropriate support in your best interests then you will be informed that advice cannot be provided to you.

Once we agree with you on the scope of the advice you require and the costs involved for this advice we will ask for your agreement to pay even if you decide not to proceed and implement our advice recommendations.





# How we work

We aim to build enduring relationships with all our clients by providing quality services that meets their changing needs over life. The initial stages in preparing financial advice for you are outlined in the chart below. However it's important to remember that the best financial advice adapts to meet your changing needs and priorities over time. Continually reviewing your strategy is essential.

## How we will provide advice to you

<b>1 First meeting</b>	<ul style="list-style-type: none"><li>• Getting to know you</li><li>• Ensuring you understand the information in this guide</li><li>• Learning about your goals and objectives</li><li>• Establishing which advice services you'll require</li></ul>
<b>2 Getting all the facts</b>	<ul style="list-style-type: none"><li>• Completing a profile of your personal and financial goals</li><li>• Establishing the right level of risk for you</li><li>• Developing a clear picture of your situation</li></ul>
<b>3 Agreeing on the service</b>	<ul style="list-style-type: none"><li>• Issuing a letter of engagement</li><li>• Discussing our services and making the costs involved clear</li><li>• Agreement for us to prepare specific advice</li></ul>
<b>4 Preparing the advice</b>	<ul style="list-style-type: none"><li>• Analysing possible strategies and options</li><li>• Researching potential products and relevant legislation</li><li>• Preparing our recommendations</li></ul>
<b>5 Presenting the advice</b>	<ul style="list-style-type: none"><li>• Presenting our advice in a Statement of Advice (SoA) or Record of Advice (RoA) document</li><li>• Discussing the SoA or RoA and any Product Disclosure Statements</li><li>• Answering your questions and ensuring you understand and are comfortable with our recommendations</li></ul>
<b>6 Implementing</b>	<ul style="list-style-type: none"><li>• Getting your permission to proceed</li><li>• Implementing the agreed strategy</li><li>• Documenting administration</li><li>• Placing your investments and taking out policies</li></ul>
<b>7 Ongoing review and service</b>	<ul style="list-style-type: none"><li>• Examining portfolio performance and recommending changes</li><li>• Considering any new legislative opportunities or threats</li><li>• Accessing our in-house investment research to guide ongoing investment decisions</li><li>• Reviewing your financial situation, needs and objectives</li></ul>

# Keeping it clear – it's all in writing

When your adviser provides personal financial advice for the first time you will be provided with a Statement of Advice (SoA). The SoA details your personal advice, along with the basis for the advice. If you are given additional advice at a later time, you may be given a further SoA. This may be a shorter document that incorporates information already provided in the initial SoA.

If there has been no material change to your circumstances or strategy, you may be given a Record of Advice (RoA) or a verbal update. If we give you a verbal update we will document the discussion, and a copy of this record can be made available to you on request. Copies of any previously supplied advice documents are available from your adviser.

If your adviser recommends the purchase of a financial product (other than ASX-listed securities) you will be given a Product Disclosure Statement containing information about that product.

We encourage you to read it and ask your adviser any questions you may have. Sometimes you may wish to make changes to your investments without receiving advice. In these cases, we can take your instructions by telephone, fax, email or in person and arrange for the transaction to be completed, without providing personal advice. We will also ask you to confirm your instructions in writing. Once the transaction has been completed, we will provide a Statement of Transaction letter which confirms your instructions, informs you that no advice has been provided, and discloses any fees and charges payable by you and any benefits we may receive.

We will clarify and agree all fees and payments with you before providing our advice and services. The actual costs will be shown in our written advice to you. If we provide a transaction without advice, the costs will be shown in your Statement of Transaction letter.

## Keeping your plans on track

As your circumstances change over time, it is important that your adviser regularly reviews both your strategy and your situation to ensure recommendations remain current and appropriate to your changing circumstances.

Ongoing services include varying levels of advice, review, contact and information and your adviser will discuss and agree your specific ongoing service requirements as part of the provision of your initial advice.

Should you choose to enter into an ongoing fee arrangement with one of our advisers you will receive an annual Fee Disclosure Statement. This will outline the fees paid and services you were entitled to and received in the preceding 12 months.

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“ Our focus is on being open and transparent –we want you to feel empowered to make sound decisions about your financial future....”

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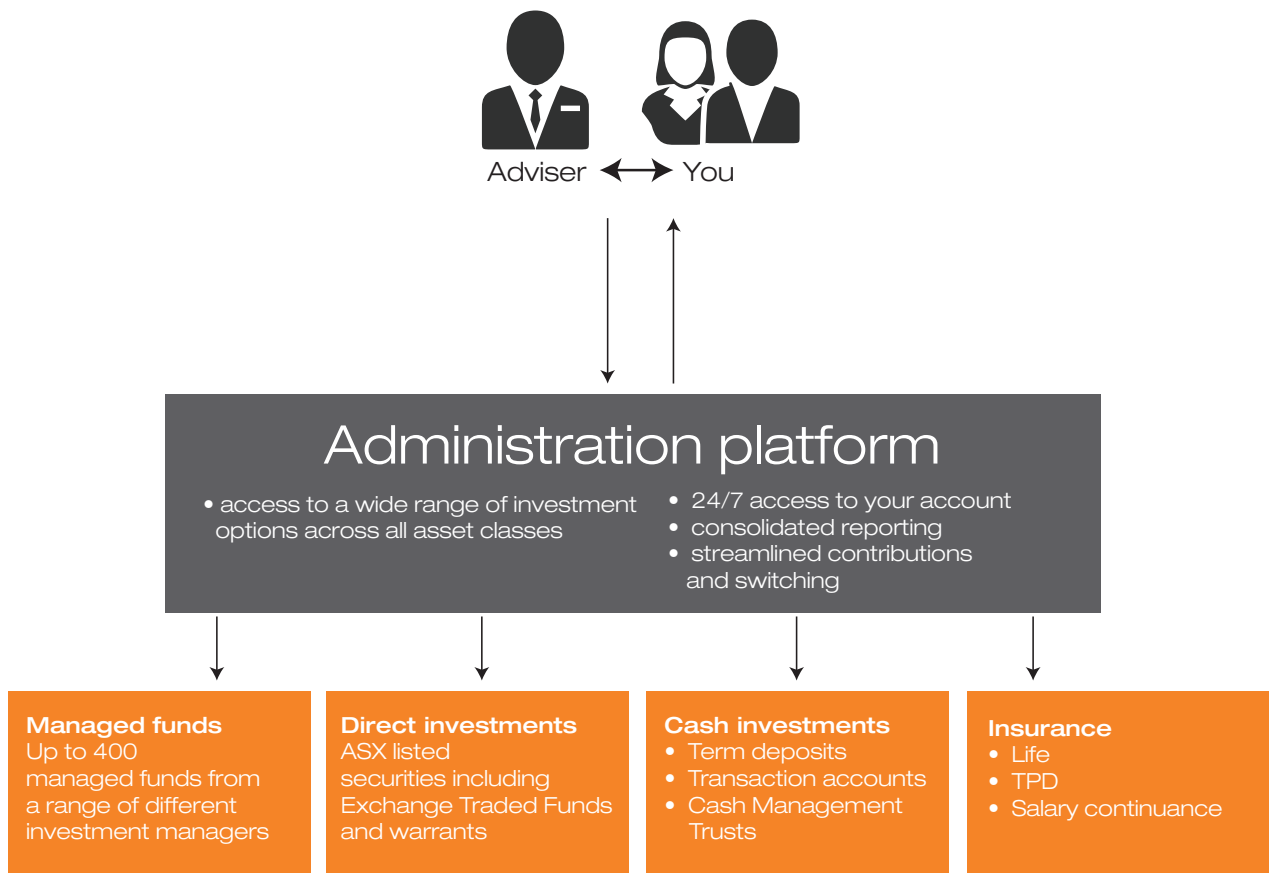
## Approved Products List

Only products that have been examined by our experienced research team are placed on our Approved Products List (APL). Your adviser is only authorised to recommend products on this list. This means any product your adviser recommends has been thoroughly researched. They will only recommend a product after considering its suitability in relation to your individual objectives, financial situation and needs.

Where a part of your strategy requires products outside of the APL the research team will be consulted and an alternative solution will be recommended.

## Administration

To administer your investments, your adviser may use an administration platform. Through the platform you can access a broad range of investment options on the Approved Product List. This allows you to access a diversified range of investments from a number of different investment managers. It also means considerably reduced paperwork for you. Instead of having to complete individual paperwork for each investment you only have to complete one set of paperwork for the platform. You'll also receive consolidated statements and tax reporting that combine all the investments in your portfolio. You will have online access to your portfolio at any time. This makes it easier for you to see the overall picture of your investments.



Note: investment and insurance options available may differ by administration platform

# How we are paid

You may choose to pay fees directly to RI Advice Group or, where possible, they may be deducted from your product. As the licensee, RI Advice Group collects any advice fees and commissions and pays 100% of these fees and commissions to your adviser's practice. The Adviser Profile explains how your adviser is paid.

We're committed to a fair, open and honest fee structure for the advice and services we provide. Our preferred method of payment is a fee for service basis. Your adviser will explain, and agree with you, any fees and payment options before providing advice and services to you.

The costs of our advice and services may include charges for preparing and implementing our initial advice, and may also include charges for ongoing advice and services.

## How you are charged for advice

The cost will depend upon the nature of the service provided. There are various ways that you may pay us for the services, including:

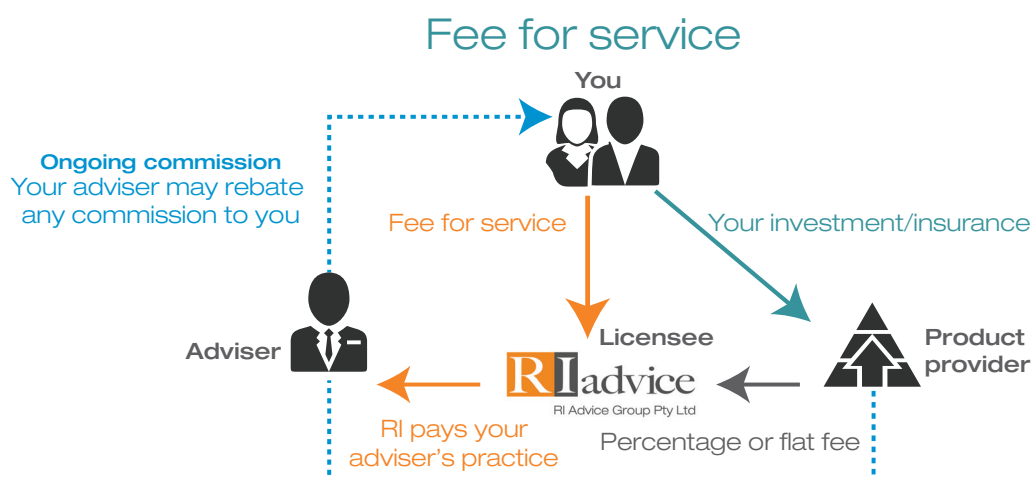
- **fee for service:** where you pay a fee for the services that we provide
- **commission:** paid by product and service providers in the form of initial (up-front) and / or ongoing (trail) commission
- a combination of both.

## Fee for service

Your adviser may charge you a fee for service based on either:

- an hourly rate, as set out in the Adviser Profile
- a fixed dollar amount
- the value of funds invested (excluding borrowed funds)
- a combination of these methods.

If you are charged a fee for service, your adviser may rebate to you all, or part, of the commission that RI would otherwise receive. Your adviser may invoice you for the relevant fee when your written advice is prepared, or when your Statement of Transaction letter is provided or you may be able to pay the fee from the relevant product or administration platform. Your adviser will provide you with further details where relevant.



## Commissions

A commission may be paid to RI by the issuer of an investment or insurance policy. The rate of commission we receive will depend on the type of product, the services provided and the amount invested or premium paid.

### How commissions are calculated

Commission payments may be either:

- **initial commission** - a percentage of the amount you invest, loan administration fee or insurance premiums you pay.
- **ongoing commission** - a percentage of the value of your investment balance, ongoing loan administration fee or insurance premiums.

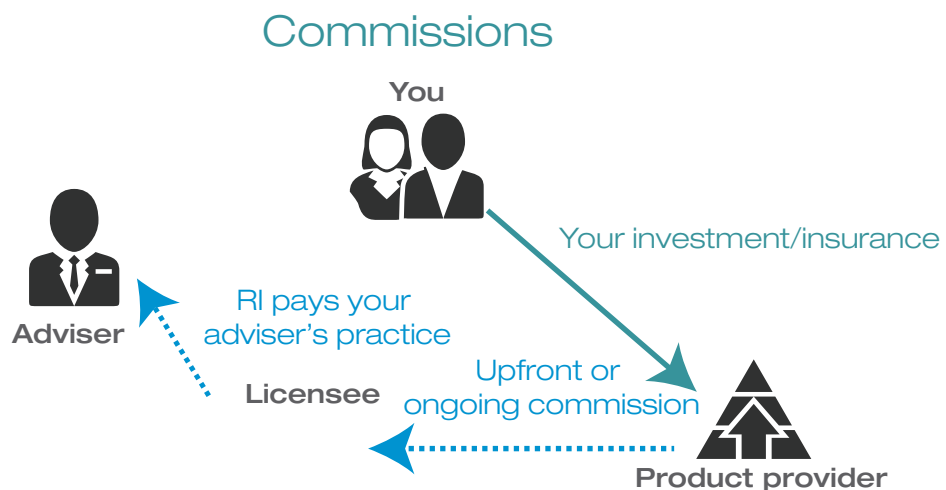
Commission amounts vary by product. The commission amounts we may receive are:

- **investment products:** between 0% and 5.12% (including GST) for initial commissions, or between 0% and 1.1% for ongoing commissions.
- **life insurance products:** up to 125% of the premium you pay for initial commissions, and/or up to 35% of the premium for ongoing commissions.
- **home loan contracts:** 95% of the administration fee for initial commissions, or 95% ongoing administration fee for ongoing commissions.

No commission is received for any credit card contract arranged by your adviser.

### Example

If you invested \$10,000 in an investment product and the initial commission is 2%, then RI Advice Group will receive initial commission of \$200 ( $\$10,000 \times 2\%$ ). RI Advice Group will then pass on this \$200 to your adviser.



# What else you need to know

## What we are licensed to advise on

### **Australian Financial Services Licence**

RI Advice Group is licensed to provide financial product advice and deal in the following products:

- deposit and payment products
- derivatives
- life investment or life risk products
- interests in managed investment schemes, including investor directed portfolio services
- retirement savings accounts
- securities
- standard margin lending facilities
- superannuation.

### **Australian Credit Licence**

RI Advice Group is licensed to engage in credit activities other than as a credit provider in relation to:

- credit contracts such as credit cards
- home loans and investment loans
- personal loans
- car leases and reverse mortgages
- consumer leases.

Your adviser will only recommend that you apply for, increase or remain in a credit or lease contract if they believe it will help address your needs and objectives.

Your adviser may provide credit services in relation to credit or lease contracts with a range of providers. The providers which we deal most with are:

- ANZ Banking Group
- Commonwealth Bank
- Westpac Bank
- St George Bank
- National Australia Bank
- ING Bank

In addition to these we may also use the services of Australian Financial Group (AFG) to provide access to a wide

range of credit products through many providers.

When providing any credit service, your adviser will not act as your agent or as the agent of the credit provider, except to the extent necessary as part of the application process.

If your adviser is not a Credit Representative of RI Advice Group, any credit services they provide are not provided as a representative of RI Advice Group. Further, RI Advice Group is not responsible for the provision of those credit services.

If we provide you with credit services we may be required to complete a preliminary assessment, to determine if the proposed credit contract is suitable for you. You can request a copy of your preliminary assessment, free of charge, within seven years of the date of the credit assistance quote.

## Product provider partnership payments

RI Advice Group may receive partnership payments from product and service providers of up to 0.40% (inclusive of GST) per annum of amounts invested with the relevant providers. RI Advice Group may also receive partnership payments from OnePath Life Limited of up to 10% of eligible new annual premiums received for policies placed with OnePath World of Protection and OnePath OneCare.

RI Advice Group retains the full benefit received from product provider partnership payments, these payments are not passed onto your adviser or your adviser's practice. The amount received is not an additional cost to you.

As at 20 April 2012, RI Advice Group receives partnership payments from the following product and service providers: OnePath, Colonial First State, Perpetual, MLC, AMP and IOOF.

## Product and service provider sponsorship payments

RI Advice Group may receive sponsorship payments from product and service providers and will use these funds predominantly to run technical and professional development training for our advisers.

## Benefits through product providers

Our practice owners or advisers may apply for and be qualified to receive commercial terms on a range of banking products and services such as interest rates and limited recourse terms.

## Referral payments

If a third party refers you to your adviser the referrer may receive a referral fee, commission or non-monetary benefit. Similarly your adviser may receive benefits if they refer you onto another party. This is not an additional cost to you. All referral payments are disclosed in the statement of advice that is provided to you.

## Other payments

We keep a full register of any benefits received by advisers of between \$100 and \$300 in value. In addition, RI Advice Group keeps a register of any other non-monetary benefits your adviser may receive in relation to education, training, technology support or software that is relevant to the provision of financial advice. If you would like a copy of either register, please ask your adviser and one will be made available to you.

# Protecting your privacy and assets

## Protecting your personal information

We keep a record of your personal information over time, including details of your investment and risk objectives, financial situation and needs, as well as records of any discussions of significance we may have had with you, and recommendations made.

We are committed to ensuring the confidentiality and security of your personal information. Our full privacy policy and privacy statement are available by contacting your adviser, 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)

You may request access to information about you held by RI Advice Group by telephoning 1800 684 653.

## What to do if you have a complaint

If you are unhappy about our advice or services, please write to:  
Client Liaison Manager, RI Advice Group,  
GPO Box 3504, Sydney NSW 2001.

We will investigate your complaint and respond to your concerns as quickly as possible and within 45 days.

If we have not responded to your complaint within 45 days or if you feel it has not been resolved to your satisfaction, you may refer your concerns to the Financial Ombudsman Service (FOS). They provide a fair and independent dispute resolution service.

You can contact FOS at:  
Financial Ombudsman Service  
GPO Box 3 Melbourne VIC 3001  
**online**      [www.fos.org.au](http://www.fos.org.au)  
**email**        [info@fos.org.au](mailto:info@fos.org.au)  
**call**          1300 780 808.

## Professional Indemnity insurance

RI Advice Group is covered by professional indemnity insurance satisfying the requirements under the Corporations Act and National Consumer Credit Protection Act for compensation arrangements. Our insurance arrangements cover claims made against us as the licensee and for the conduct of our advisers whilst acting as our Authorised Representatives and Credit Representatives.

In addition, the professional indemnity insurance policy covers claims in relation to the conduct of representatives and employees while they were authorised representatives of RI Advice Group even if they are no longer a representative under our license subject to the usual terms of the policy in relation to providing indemnity.



## Want more information?

If you have any questions about the information in this guide or about our services, talk to your adviser or contact RI Advice Group directly:

Call: 1800 684 653

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

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

T: 1800 684 653 [www.retireinvest.com.au](http://www.retireinvest.com.au) or [www.riadvice.com.au](http://www.riadvice.com.au)

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