Where are you now

Our advice is based on the information you provided to us and our understanding of your situation. Please review this information carefully to ensure the details are accurate.

|  |  |
| --- | --- |
|  | **Jon** |
| **Given Name** | Jon |
| **Family Name** | Snow |
| **Date of birth** | 2/7/1955 |
| **Date of birth** | Single |
| **Occupation** |  |
| **Employment Status** | Employed |
| **Health** |  |
| **Smoker** |  |
| **Will** |  |
| **Power of Attorney** |  |

**Children and dependants**

|  |  |  |
| --- | --- | --- |
| **Name** | **Age** | **Financial dependant** |
|  |  |  |

**Your income and expenses**

|  |  |  |
| --- | --- | --- |
| **Income** | **Owner** | **Annual Amount ($)** |
| Salary | Client | 120,000 |
| Rental Income - Nelson Bay | Client | 13,520 |
| **Total** |  | **133,520** |

|  |  |  |
| --- | --- | --- |
| **Expenses** | **Owner** | **Annual Amount ($)** |
| Living Expenses | Client | 50,000 |
| Loan Repayments | Client | 2,856 |
| **Total** |  | **52,856** |

**Your personal assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Owner** | **Amount ($)** |
| Home | Client | 750,000 |
| **Total** |  | **750,000** |

**Your investment portfolio assets**

|  |  |
| --- | --- |
| **Jon Investments** | **Current Balance ($)** |
| **FirstChoice Employer** |  |
| CFS FC ESup - FirstChoice Defensive | 35,000 |
| CFS FC ESup - FirstChoice High Growth | 25,000 |
| CFS FC ESup - FirstChoice Growth | 40,000 |
| **Sub Total** | **100,000** |
| **MyNorth** |  |
| North Professional High Growth | 40 |
| North Professional Conservative | 160 |
| **Sub Total** | **200** |
| **Cash** |  |
| Cash | 5,000 |
| **Sub Total** | **5,000** |
| **Bank Account** |  |
| AMP Growth Bond - AMP All Growth | 10,000 |
| **Sub Total** | **10,000** |
| **FirstChoice Wholesale Investments** |  |
| FirstChoice WS Balanced | 750 |
| FirstChoice WS Growth | 1,750 |
| **Sub Total** | **2,500** |
| **Voyage Super** |  |
| North Professional Moderately Cnsrv | 900 |
| North Professional Conservative | 100 |
| **Sub Total** | **1,000** |
| **Total (Jon)** | **118,700** |

**Your liabilities**

|  |  |  |
| --- | --- | --- |
| **Description** | **Owner** | **Amount ($)** |
| Home Loan | Client | 400,000 |
| **Total** |  | **400,000** |

Your Risk Profile

An important part of developing your investment strategy involves determining your attitude to risk and the level you are prepared to accept to achieve investment returns.

Risk and return are closely related. In general, the higher the degree of risk associated with an investment, the higher the rate of return an investor would expect to receive for taking on that level of risk. This is the risk/return trade-off, and is part of the process in selecting an appropriate asset allocation and specific investments for your portfolio.

Based on the results of our questionnaire and our further discussions we have agreed that you would be comfortable with the risk profile shown below. If you do not feel that the description accurately reflects your attitude to risk and return, please let us know as our recommendations may not be appropriate for your needs.

[Change due to CIO update] Note: Our research team recently reviewed the descriptions, asset allocations and acceptable tolerance ranges of our risk profiles. As an outcome of this review, your risk profile category has changed to the following. This change does not constitute a change in our overall view of your risk tolerance or return expectations, but rather it reflects our research team’s update of the risk profile we have recommended to you.

|  |  |
| --- | --- |
|  | **Risk Profile** |
| **Jon** | Balanced |

|  |  |
| --- | --- |
| The investment objective of a **Balanced Investor** is to place an emphasis on longer term growth using a combination of asset classes to moderate some volatility. A Balanced portfolio looks to invest around 70% in growth assets (e.g. equities and property) and the remainder in defensive assets (e.g. cash and fixed income). The figure of 70% is a general benchmark; actual allocations over time will vary around this as investment conditions change and investment managers take opportunities to improve returns. This portfolio suits investors who are willing to accept higher levels of investment value volatility in return for higher potential investment performance, however some capital stability is still desired. Such a portfolio is suitable for investors with a medium to longer term investment time frame with no need to access a large part of their investment over that time. It is important to note that the value of your capital can move up and down over time, particularly in shorter time spans. Hence these investments should be considered with a minimum time frame of 5 years. |  |

|  |  |
| --- | --- |
| Investment  recommendations |  |
|  |  |

We use a dedicated research team and software to consider the suitability and appropriateness of products and strategies for your personal circumstances.

Our research includes an analysis of a fund’s asset allocation, strength and resources of underlying investment managers.

**Recommended portfolio**

The following table outlines our recommendations for your investment portfolio. This table may include other existing investments or products you hold which we have not addressed as part of our advice.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Current ($)** | **Change ($)** | **Proposed ($)** |
| **Snow , Jon** |  |  |  |
| **FirstChoice Employer** |  |  |  |
| CFS FC ESup - FirstChoice Defensive | 35,000 | -35,000 | 0 |
| CFS FC ESup - FirstChoice High Growth | 25,000 | -25,000 | 0 |
| CFS FC ESup - FirstChoice Growth | 40,000 | -40,000 | 0 |
| CFS FC ESup - FirstChoice Balanced | 0 | 70,000 | 70,000 |
| **Sub Total** | **$100,000** | **$-30,000** | **$70,000** |
| **MyNorth** |  |  |  |
| North Professional High Growth | 40 | 160 | 200 |
| North Professional Conservative | 160 | -160 | 0 |
| **Sub Total** | **$200** | **$0** | **$200** |
| **Cash** |  |  |  |
| Cash | 5,000 | 0 | 5,000 |
| **Sub Total** | **$5,000** | **$0** | **$5,000** |
| **Bank Account** |  |  |  |
| AMP Growth Bond - AMP All Growth | 10,000 | -10,000 | 0 |
| **Sub Total** | **$10,000** | **$-10,000** | **$0** |
| **FirstChoice Wholesale Investments** |  |  |  |
| FirstChoice WS Balanced | 750 | 0 | 750 |
| FirstChoice WS Growth | 1,750 | 0 | 1,750 |
| **Sub Total** | **$2,500** | **$0** | **$2,500** |
| **Voyage Super** |  |  |  |
| North Professional Moderately Cnsrv | 900 | 0 | 900 |
| North Professional Conservative | 100 | 0 | 100 |
| **Sub Total** | **$1,000** | **$0** | **$1,000** |
| **AMP Growth Bond** |  |  |  |
| AMP Growth Bond - AMP Moderate Growth | 0 | 30,000 | 30,000 |
| **Sub Total** | **$0** | **$30,000** | **$30,000** |
| **Grow Wrap Super** |  |  |  |
| AMP Growth Bond - AMP Balanced Growth | 0 | 5,000 | 5,000 |
| AMP Growth Bond - AMP Cash Plus | 0 | 5,000 | 5,000 |
| **Sub Total** | **$0** | **$10,000** | **$10,000** |
| **Total for Snow , Jon** | **$118,700** | **$0** | **$118,700** |

**Proposed asset allocation**

The following chart provides an illustration of your asset allocation after the recommended changes to your portfolio are implemented.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Asset Class** | **Current Weight** | **Target Weight** | **Proposed Weight** | **Variance** |
| **Defensive Assets** |
| Defensive Alternatives | 0.00% | 20.00% | 0.00% | -20.00% |
| Domestic Cash | 20.56% | 6.00% | 16.13% | 10.13% |
| Domestic Fixed Interest | 5.82% | 2.00% | 13.41% | 11.41% |
| International Cash | 0.00% | 0.00% | 0.00% | 0.00% |
| International Fixed Interest | 11.71% | 2.00% | 10.30% | 8.30% |
| **Total Defensive** | **38.09%** | **30.00%** | **39.84%** |  |
| **Growth Assets** |
| Growth Alternatives | 0.00% | 7.00% | 0.00% | -7.00% |
| Domestic Equity | 25.05% | 24.00% | 23.43% | -0.57% |
| Domestic Property | 0.00% | 0.00% | 0.00% | 0.00% |
| International Equity | 26.53% | 32.00% | 24.85% | -7.15% |
| International Property | 0.00% | 7.00% | 0.00% | -7.00% |
| Other Growth | 6.29% | 0.00% | 8.24% | 8.24% |
| **Total Growth** | **57.87%** | **70.00%** | **56.52%** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Asset Class** | **Current Weight** | **Proposed Weight** | **Target Min** | **Target Max** |
| **Defensive Assets** |
| Defensive Alternatives | 0.00% | 0.00% | 0.00% | 30.00% |
| Domestic Cash | 20.56% | 16.13% | 0.00% | 20.00% |
| Domestic Fixed Interest | 5.82% | 13.41% | 0.00% | 35.00% |
| International Cash | 0.00% | 0.00% | 0.00% | 10.00% |
| International Fixed Interest | 11.71% | 10.30% | 0.00% | 35.00% |
| **Total Defensive** | **38.09%** | **39.84%** |  |  |
| **Growth Assets** |
| Growth Alternatives | 0.00% | 0.00% | 0.00% | 20.00% |
| Domestic Equity | 25.05% | 23.43% | 15.00% | 55.00% |
| Domestic Property | 0.00% | 0.00% | 0.00% | 30.00% |
| International Equity | 26.53% | 24.85% | 15.00% | 55.00% |
| International Property | 0.00% | 0.00% | 0.00% | 30.00% |
| Other Growth | 6.29% | 8.24% | 0.00% | 10.00% |
| **Total Growth** | **57.87%** | **56.52%** |  |  |

**Asset allocation commentary**

* The recommended portfolio has an overweight allocation to for your investor risk profile. This is due to your investment in the [recommended Name of Investment].
* Approximately 56% of the portfolio is allocated to **growth assets** (i.e. shares ) which provide potential for capital gains over the long-term. The remaining 39% is held in **defensive assets** (i.e. cash and fixed interest). As a guide, a Balanced investment portfolio would typically hold a maximum of 70 % in growth assets and a minimum of 20% in defensive assets.
* The proposed allocation of your investments does not align with some of our recommended minimum and maximum allocations; however, the overall growth vs defensive asset allocation is in line with your investor risk profile.while being underweight in Total Growth [state reason for deviation]
* The proposed allocation of your investments deviates from your long-term strategic asset allocation due to the inclusion of the [Name of fund] in your portfolio. The manager of this fund has the ability to increase and decrease the level of risk within their portfolio, effectively varying the exposure to cash and growth assets held by the Fund. Although this results in the short to medium term deviation away from your strategic asset allocation, we believe that over the long term the manager's ability to vary the risk profile will add value to your overall portfolio.
* Your portfolio currently has some exposure to ‘Other Growth’ which forms part of your overall growth allocation. The ‘Other Growth’ exposure relates to underlying securities that are outside of traditional growth assets such as shares and properties. The inclusion of other growth assets can enhance portfolio diversification and smooth out investment returns over market cycles, when used alongside a traditional allocation to bonds and equities. The use of growth assets can also reduce reliance on equities as the primary (or sole) driver of long term returns above inflation. As such, we are comfortable with your portfolio’s allocation to ‘Other Growth’ assets.

Replacement of product

We have recommended replacing your existing products. The tables below show the costs of your current products and what costs will apply in our recommended products, based on our research.

**Comparison costs for Jon**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Existing** | **Existing** | **Proposed** | **Proposed** | **Alternatives for AMP Growth Bond** | **Alternatives for AMP Growth Bond** |
| **Plan Costs** | **FirstChoice Employer - Jon** | **Bank Account - Jon** | **AMP Growth Bond - Jon** | **Grow Wrap Super - Jon** | **AMP Growth Bond - Joint** | **Grow Wrap Super - Joint** |
| **Account Balance** | 100,000 | 10,000 | 30,000 | 10,000 | 200 | 200 |
| **Administration Fees** | 507  Fixed Fee | 0  0.00% | 1,026  Fixed Fee | 0  0.00% | 1,026  Fixed Fee | 0  0.00% |
| **Insurance Premium** | 305  Fixed Fee | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% |
| **Indirect Cost Ratio (ICR)** | 1,285  1.28% | 104  1.04% | 309  1.03% | 102  1.01% | 2  1.03% | 2  1.03% |
| **ASX Share Trading** | 0  0.00% | 0  0.00% | 135  Fixed Fee | 0  0.00% | 135  Fixed Fee | 0  0.00% |
| **Expense Recovery Fee** | 0  0.00% | 0  0.00% | 68  Fixed Fee | 0  0.00% | 68  Fixed Fee | 0  0.00% |
| **Full Managed Investment Menu** | 0  0.00% | 0  0.00% | 189  Fixed Fee | 0  0.00% | 189  Fixed Fee | 0  0.00% |
| *Less Total Rebates* | *0* | *0* | *0* | *0* | *0* | *0* |
| **Net Ongoing Costs (per annum)** | **2,877** | **104** | **1,929** | **102** | **1,623** | **2** |
| **Difference in ongoing costs** |  |  | **Less $948** | **Less $2** | **Less $1,254** | **Less $2,875** |

**Transaction costs**

The following table shows the transaction costs that may apply to replace your existing products with the recommended products. All costs are estimates which may vary at the time of implementation.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Plan Costs** | **FirstChoice Employer** | **Bank Account** | **AMP Growth Bond** | **Grow Wrap Super** |
| **Brokerage Fee** | 0 | 0 | 90 | 0 |
| **Listed Securities Fees** | 0 | 0 | 31 | 0 |
| **Managed Funds Fee** | 0 | 0 | 82 | 0 |
| **Buy/Sell Costs** | 780 | 0 | 0 | 0 |

*\*The buy/sell spread is the full buy/sell spread on the recommended investment purchases. It doesn’t include the sell spread for the recommended investment sales as this is typically already reflected in your current investment balance.*

Please note, effective 1 October 2017, ASIC Regulatory Guide 97 (RG97) has come into effect. The aim of the legislation to which RG97 relates is to drive greater consistency in how financial product providers disclose their fees. For many products, some of these costs were previously included in the unit price, or disclosed as alternative fee types. Due to the magnitude of this industry wide change, at the time of production of this Statement of Advice, the new fee breakdown for your existing fund may not have been provided to our approved investment research platform. As such, there may be a fee variation between what has been disclosed above and the new fee disclosure breakdown in your Product Disclosure Statement. Based on ASIC’s own assessment, they have found the average increase across all reported superannuation data to be 0.24%. For clients who hold default super funds, the average increase was about 0.23%. They have identified some cases where the increase was more than 1.00%. Whilst fees are an important consideration, you should consider the totality of our recommendations and how they align to your objectives.

Replacement of investment product

We have recommended replacing your existing products. The tables below show the costs of your current products and what costs will apply in our recommended products, based on our research.

**Comparison costs for Jon - MyNorth**

|  |  |  |
| --- | --- | --- |
| **MyNorth** | **Existing** | **Proposed** |
| **Investment** | Refer to Recommended portfolio table above | North Professional High Growth |
| **Amount** | 200 | 200 |
| **Product Fees** |  |  |
| **Administration Fees** | 507  Fixed Fee | 507  Fixed Fee |
| **Membership Fee** | 52  Fixed Fee | 52  Fixed Fee |
| **Indirect Cost Ratio (ICR)** | 2  0.81% | 2  1.11% |
| **Total Portfolio Fees** | **$562** | **$563** |
| **Total Portfolio Fees (%)** | 281.00% | 281.50% |
| **Difference in costs** |  | **Additional $1** |

**Transaction costs**

The following table shows the transaction costs that may apply to replace your existing products with the recommended products. All costs are estimates which may vary at the time of implementation.

|  |  |  |
| --- | --- | --- |
| **Plan Costs** | **MyNorth** | **MyNorth** |
| **Brokerage Fee** | 0 | 0 |
| **Listed Securities Fees** | 0 | 0 |
| **Managed Funds Fee** | 0 | 0 |
| **Buy/Sell Costs** | 1 | 2 |

*\*The buy/sell spread is the full buy/sell spread on the recommended investment purchases. It doesn’t include the sell spread for the recommended investment sales as this is typically already reflected in your current investment balance.*

Please note, effective 1 October 2017, ASIC Regulatory Guide 97 (RG97) has come into effect. The aim of the legislation to which RG97 relates is to drive greater consistency in how financial product providers disclose their fees. For many products, some of these costs were previously included in the unit price, or disclosed as alternative fee types. Due to the magnitude of this industry wide change, at the time of production of this Statement of Advice, the new fee breakdown for your existing fund may not have been provided to our approved investment research platform. As such, there may be a fee variation between what has been disclosed above and the new fee disclosure breakdown in your Product Disclosure Statement. Based on ASIC’s own assessment, they have found the average increase across all reported superannuation data to be 0.24%. For clients who hold default super funds, the average increase was about 0.23%. They have identified some cases where the increase was more than 1.00%. Whilst fees are an important consideration, you should consider the totality of our recommendations and how they align to your objectives.

**Comparison costs for Jon - FirstChoice Employer**

|  |  |  |
| --- | --- | --- |
| **FirstChoice Employer** | **Existing** | **Proposed** |
| **Investment** | Refer to Recommended portfolio table above | CFS FC ESup - FirstChoice Balanced |
| **Amount** | 100,000 | 70,000 |
| **Product Fees** |  |  |
| **Administration Fees** | 507  Fixed Fee | 507  Fixed Fee |
| **Membership Fee** | 0  0.00% | 0  0.00% |
| **Indirect Cost Ratio (ICR)** | 1,285  1.28% | 924  1.32% |
| **Insurance Premium** | 305  Fixed Fee | 305  Fixed Fee |
| **Total Portfolio Fees** | **$2,877** | **$2,296** |
| **Total Portfolio Fees (%)** | 2.88% | 3.28% |
| **Difference in costs** |  | **Less $581** |

**Transaction costs**

The following table shows the transaction costs that may apply to replace your existing products with the recommended products. All costs are estimates which may vary at the time of implementation.

|  |  |  |
| --- | --- | --- |
| **Plan Costs** | **FirstChoice Employer** | **FirstChoice Employer** |
| **Brokerage Fee** | 0 | 0 |
| **Listed Securities Fees** | 0 | 0 |
| **Managed Funds Fee** | 0 | 0 |
| **Buy/Sell Costs** | 780 | 560 |

*\*The buy/sell spread is the full buy/sell spread on the recommended investment purchases. It doesn’t include the sell spread for the recommended investment sales as this is typically already reflected in your current investment balance.*

Please note, effective 1 October 2017, ASIC Regulatory Guide 97 (RG97) has come into effect. The aim of the legislation to which RG97 relates is to drive greater consistency in how financial product providers disclose their fees. For many products, some of these costs were previously included in the unit price, or disclosed as alternative fee types. Due to the magnitude of this industry wide change, at the time of production of this Statement of Advice, the new fee breakdown for your existing fund may not have been provided to our approved investment research platform. As such, there may be a fee variation between what has been disclosed above and the new fee disclosure breakdown in your Product Disclosure Statement. Based on ASIC’s own assessment, they have found the average increase across all reported superannuation data to be 0.24%. For clients who hold default super funds, the average increase was about 0.23%. They have identified some cases where the increase was more than 1.00%. Whilst fees are an important consideration, you should consider the totality of our recommendations and how they align to your objectives.

Product Costs

Various costs are also payable to product and service providers to cover expenses associated with buying and administering the product. These costs are shown in the tables below. Any costs based on a percentage may vary over time and, as such, the dollar amounts shown below should only be used as a guide.

We have provided an overview of the key product costs associated with our advice. It is important that you read the relevant Product Disclosure Statement to understand the full list of costs, how these costs are calculated and any special rules that apply.

|  |  |  |
| --- | --- | --- |
| **Ongoing Product Costs** | **Amount (%)** | **Amount ($)** |
| **AMP Growth Bond** |  |  |
| Administration Fees | Fixed Fee | 1,026 |
| ASX Share Trading | Fixed Fee | 135 |
| Expense Recovery Fee | Fixed Fee | 68 |
| Full Managed Investment Menu | Fixed Fee | 189 |
| Indirect Cost Ratio (ICR) | 1.03% | 309 |
| **MyNorth** |  |  |
| Administration Fees | Fixed Fee | 507 |
| Membership Fee | Fixed Fee | 52 |
| Indirect Cost Ratio (ICR) | 1.11% | 2 |
| **Cash** |  |  |
| Administration Fees | Fixed Fee | 1,013 |
| Membership Fee | Fixed Fee | 91 |
| **FirstChoice Employer** |  |  |
| Administration Fees | Fixed Fee | 507 |
| Insurance Premium | Fixed Fee | 305 |
| Indirect Cost Ratio (ICR) | 1.32% | 924 |
| **Grow Wrap Super** |  |  |
| Indirect Cost Ratio (ICR) | 1.01% | 102 |
| **FirstChoice Wholesale Investments** |  |  |
| Administration Fees | Fixed Fee | 507 |
| Insurance Premium | Fixed Fee | 305 |
| Membership Fee | 12.00% | 300 |
| Indirect Cost Ratio (ICR) | 1.03% | 26 |
| **Voyage Super** |  |  |
| Indirect Cost Ratio (ICR) | 0.82% | 8 |
| **Total** |  | **$6,376** |

**Please note the following:**

* The **Indirect Cost Ratio (ICR)** measures the total indirect costs of managing an investment fund. It is an estimated cost which is subject to change, and which varies for different investments. The figure shown in the table above is an aggregate of your investment ICRs which is intended to provide you with a standardised way to measure and compare costs. A full breakdown of the ICRs that applies to each of your investments is contained in the relevant PDS.
* In addition to the above costs, a **buy/sell spread** may apply when units in a managed fund are purchased or sold. Typically, the buy/sell spread is 0.2% to 0.5% (e.g. on a purchase of $10,000 this may range from $20 to $50). This fee is reflected in the unit price of your investment.
* A **brokerage fee** equal to xx% of the trade value or a minimum of $xx is applicable.
* **E\*TRADE Brokerage Brokerage costs** of 0.11% will be charged for transacting listed securities within the E\*TRADE platform. Please refer to the Product Disclosure Statement for more details on transaction fees.
* **Voyage platform Brokerage costs** of 0.10% (minimum charge of $29 per trade) will be charged for transacting listed securities within the Voyage platform. Please refer to the Product Disclosure Statement for more details on transaction fees.
* **Switching costs** apply for managed funds and term deposit transactions within the recommended Voyage platform. You can elect to pay an unlimited switching fee of $199.92 per annum, or to pay switching fees of $29 per transaction.
* **In-specie transfer fees** of $61.50 per asset is charged for managed investments and listed security transfers both when transferring assets into or out of the Voyage Investment Service. Please refer to the Product Disclosure Statement for more details.
* Depending on your balance and the funds you are invested in, you may be entitled to rebates which reduce your ongoing fees. Please refer to the PDS for more information.
* The Administration Fee above for Grow Wrap includes the 0.05% discount whilst you are a client of an RI Advice Group adviser. Please refer to the PDS for more information.
* We have recommended you both invest in the same product provider Grow Wrap which will enable you to receive the ‘family discount’, thereby reducing your ongoing administration fee.
* A listed securities transaction fee of $10.25 per transaction applies on buying and selling listed securities within the Grow Wrap platform.
* A managed fund/term deposit transaction fee of $20.50 per transaction applies on buying and selling managed funds/term deposits within the Grow Wrap platform.
* A brokerage fee equal to 0.12% will apply on all listed security transactions. Note, a minimum fee of $30 and a maximum fee of $100 applies on each transaction.