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.

|  |  |
| --- | --- |
|  | **Sue** |
| **Given Name** | Sue |
| **Family Name** | Surija |
| **Date of birth** | 12/5/1991 |
| **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 ($)** |
| **Total** |  | **0** |

|  |  |  |
| --- | --- | --- |
| **Expenses** | **Owner** | **Annual Amount ($)** |
| **Total** |  | **0** |

**Your personal assets**

|  |  |  |
| --- | --- | --- |
| **Description** | **Owner** | **Amount ($)** |
| **Total** |  | **0** |

**Your investment portfolio assets**

|  |  |
| --- | --- |
| **Sue Investments** | **Current Balance ($)** |
| **Grow Wrap Pension** |  |
| CFS W Global Credit Income Fund | 100 |
| **Sub Total** | **100** |
| **OP OneAnswer Frontier Pension** |  |
| OP Pen - OptiMix Australian Fixed Interest | 45,250 |
| OP Pen - OptiMix Global Shares | 45,250 |
| **Sub Total** | **90,500** |
| **AMP MyNorth Super** |  |
| AMP Capital Specialist Australian Share Fund | 5,000 |
| AMP PIMCO Advantage Diversified Fixed Interest Fund | 5,000 |
| **Sub Total** | **10,000** |
| **Total (Sue)** | **100,600** |

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** |
| **Sue** | Preservation |

|  |  |
| --- | --- |
| The investment objective of a **Preservation Investor** is to maintain the current value of your investments above all other considerations. Preservation investors seek security above all else or need most of their money within a short timeframe, and they are prepared to accept low overall returns in exchange for this security. A Preservation portfolio looks to invest the majority in liquid defensive assets (e.g. cash and fixed income). This is generally a 100% cash portfolio. Such a portfolio is suitable for investors with a short term investment time frame, typically less than 2 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 ($)** |
| **Surija , Sue** |  |  |  |
| **CFS FirstChoice W Personal Super** |  |  |  |
| CFS Sup - CFS W Diversified Fixed Interest | 100,000 | -100,000 | 0 |
| **Sub Total** | **$100,000** | **$-100,000** | **$0** |
| **OP OneAnswer Frontier Pension** |  |  |  |
| OP Pen - OptiMix Australian Fixed Interest | 10,000 | 0 | 10,000 |
| OP Pen - Vanguard Index Diversified Bond | 10,000 | 0 | 10,000 |
| **Sub Total** | **$20,000** | **$0** | **$20,000** |
| **Cash** |  |  |  |
| Cash | 500 | 0 | 500 |
| **Sub Total** | **$500** | **$0** | **$500** |
| **Grow Wrap Pension** |  |  |  |
| CFS W Global Credit Income Fund | 100 | 0 | 100 |
| **Sub Total** | **$100** | **$0** | **$100** |
| **OP OneAnswer Frontier Investment** |  |  |  |
| OP Inv - Greencape Broadcap | 400 | -400 | 0 |
| **Sub Total** | **$400** | **$-400** | **$0** |
| **AMP MyNorth Super** |  |  |  |
| AMP PIMCO Advantage Diversified Fixed Interest Fund | 10,000 | -5,000 | 5,000 |
| AMP Capital Equity Fund - Class A | 0 | 5,000 | 5,000 |
| **Sub Total** | **$10,000** | **$0** | **$10,000** |
| **AMP MyNorth Investment** |  |  |  |
| AMP Capital Specialist Australian Share Fund | 0 | 45,250 | 45,250 |
| AMP PIMCO Advantage Diversified Fixed Interest Fund | 0 | 45,250 | 45,250 |
| **Sub Total** | **$0** | **$90,500** | **$90,500** |
| **Total for Surija , Sue** | **$131,000** | **$-9,900** | **$121,100** |

**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% | 0.00% | 0.00% | 0.00% |
| Domestic Cash | 0.87% | 100.00% | 1.92% | -98.08% |
| Domestic Fixed Interest | 47.47% | 0.00% | 32.31% | 32.31% |
| International Cash | 0.00% | 0.00% | 0.00% | 0.00% |
| International Fixed Interest | 2.49% | 0.00% | 25.70% | 25.70% |
| **Total Defensive** | **50.83%** | **100.00%** | **59.93%** |  |
| **Growth Assets** |
| Growth Alternatives | 0.10% | 0.00% | 0.08% | 0.08% |
| Domestic Equity | 4.78% | 0.00% | 39.68% | 39.68% |
| Domestic Property | 0.00% | 0.00% | 0.31% | 0.31% |
| International Equity | 44.30% | 0.00% | 0.00% | 0.00% |
| International Property | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Growth | 0.00% | 0.00% | 0.00% | 0.00% |
| **Total Growth** | **49.18%** | **0.00%** | **40.07%** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Asset Class** | **Current Weight** | **Proposed Weight** | **Target Min** | **Target Max** |
| **Defensive Assets** |
| Defensive Alternatives | 0.00% | 0.00% | 0.00% | 0.00% |
| Domestic Cash | 0.87% | 1.92% | 80.00% | 100.00% |
| Domestic Fixed Interest | 47.47% | 32.31% | 0.00% | 0.00% |
| International Cash | 0.00% | 0.00% | 0.00% | 0.00% |
| International Fixed Interest | 2.49% | 25.70% | 0.00% | 0.00% |
| **Total Defensive** | **50.83%** | **59.93%** |  |  |
| **Growth Assets** |
| Growth Alternatives | 0.10% | 0.08% | 0.00% | 0.00% |
| Domestic Equity | 4.78% | 39.68% | 0.00% | 5.00% |
| Domestic Property | 0.00% | 0.31% | 0.00% | 5.00% |
| International Equity | 44.30% | 0.00% | 0.00% | 5.00% |
| International Property | 0.00% | 0.00% | 0.00% | 0.00% |
| Other Growth | 0.00% | 0.00% | 0.00% | 0.00% |
| **Total Growth** | **49.18%** | **40.07%** |  |  |

**Asset allocation commentary**

* The recommended portfolio has an overweight allocation to growth for your investor risk profile. This is due to your investment in the [recommended Name of Investment].
* Approximately 40% of the portfolio is allocated to **growth assets** (i.e. shares, property and growth alternatives ) which provide potential for capital gains over the long-term. The remaining 59% is held in **defensive assets** (i.e. cash and fixed interest). As a guide, a Preservation investment portfolio would typically hold a maximum of 0 % in growth assets and a minimum of 90% 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. Your allocation is [e.g. overweight in Domestic Fixed Interest, International Fixed Interest, Growth Alternatives, Domestic Equity, Total Growth while being underweight in Domestic Cash, Total Defensive [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.
* Alternative assets
* We note that your asset allocation shows an overweight allocation to ‘Global Fixed Income’ through your investments in [name of investments invested in global fixed income]. These funds provide exposure to an actively managed portfolio of fixed income and credit securities across Australian and global markets. This means that from time to time, your portfolio may have varying allocation to ‘Domestic Fixed Income’ and ‘Global Fixed Income’ depending on market opportunities and the allowable mandate for each fund. We believe the spread across security types and geographical locations provide enhanced diversification within your fixed income portfolio. Regardless of geographical allocation, these funds are typically managed with reference to a widely accepted traditional fixed interest market benchmark. Therefore, these funds are typically categorised as defensive fixed income funds. In light of this, we are comfortable with the overweight allocation to global fixed income within your portfolio.

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 Sue**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Existing** | **Existing** | **Existing** | **Proposed** | **Proposed** | **Proposed** | **Alternatives for AMP MyNorth Investment** | **Alternatives for AMP MyNorth Investment** |
| **Plan Costs** | **Grow Wrap Pension** | **OP OneAnswer Frontier Pension** | **AMP MyNorth Super** | **Grow Wrap Pension** | **AMP MyNorth Investment** | **AMP MyNorth Super** | **CFS FirstChoice W Personal Super** |
| **Account Balance** | 100 | 90,500 | 10,000 | 100 | 90,500 | 10,000 | 90,500 |
| **Administration Fees** | 0  0.43% | 115  Fixed Fee | 25  0.25% | 0  0.43% | 226  0.25% | 25  0.25% | 181  0.20% |
| **Expense Recovery Fee** | 0  0.02% | 72  0.08% | 0  0.00% | 0  0.02% | 0  0.00% | 0  0.00% | 0  0.00% |
| **Indirect Cost Ratio (ICR)** | 1  0.62% | 900  1.00% | 63  0.63% | 1  0.62% | 570  0.63% | 46  0.46% | 606  0.67% |
| **Account Fee** | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 91  Fixed Fee | 0  0.00% | 0  0.00% |
| **Investment Fee** | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 217  0.24% |
| **Regulatory Reform Fee** | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 0  0.00% | 40  Fixed Fee |
| *Less Total Rebates* | *0* | *0* | *0* | *0* | *0* | *0* | *0* |
| **Net Ongoing Costs (per annum)** | **1** | **1,314** | **127** | **1** | **1,240** | **110** | **1,226** |
| **Difference in ongoing costs** |  |  |  | **$0** | **Less $74** | **Less $17** | **Less $88** |

**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** | **Grow Wrap Pension** | **OP OneAnswer Frontier Pension** | **AMP MyNorth Super** | **Grow Wrap Pension** | **AMP MyNorth Investment** | **AMP MyNorth Super** |
| **Buy/Sell Costs** | 0 | 226 | 39 | 0 | 353 | 39 |

*\*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 Sue - AMP MyNorth Super**

|  |  |  |
| --- | --- | --- |
| **AMP MyNorth Super** | **Existing - AMP MyNorth Super** | **Proposed** |
| **Investment** | Refer to Recommended portfolio table above | Refer to Recommended portfolio table above |
| **Amount** | 10,000 | 10,000 |
| **Product Fees** |  |  |
| **Administration Fees** | 25  0.25% | 25  0.25% |
| **Indirect Cost Ratio (ICR)** | 63  0.63% | 46  0.46% |
| **Total Portfolio Fees** | **$127** | **$110** |
| **Total Portfolio Fees (%)** | 1.27% | 1.10% |
| **Difference in costs** |  | **Less $17** |

**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** | **AMP MyNorth Super** | **AMP MyNorth Super** |
| **Buy/Sell Costs** | 39 | 39 |

*\*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 ($)** |
| **OP OneAnswer Frontier Pension** |  |  |
| Administration Fees | Fixed Fee | 115 |
| Expense Recovery Fee | 0.08% | 16 |
| Indirect Cost Ratio (ICR) | 0.76% | 151 |
| **Grow Wrap Pension** |  |  |
| Administration Fees | 0.43% | 0 |
| Expense Recovery Fee | 0.02% | 0 |
| Indirect Cost Ratio (ICR) | 0.62% | 1 |
| **AMP MyNorth Investment** |  |  |
| Administration Fees | 0.25% | 226 |
| Account Fee | Fixed Fee | 91 |
| Indirect Cost Ratio (ICR) | 0.63% | 570 |
| **AMP MyNorth Super** |  |  |
| Administration Fees | 0.25% | 25 |
| Indirect Cost Ratio (ICR) | 0.46% | 46 |
| **Total** |  | **$1,241** |

**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.
* 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.