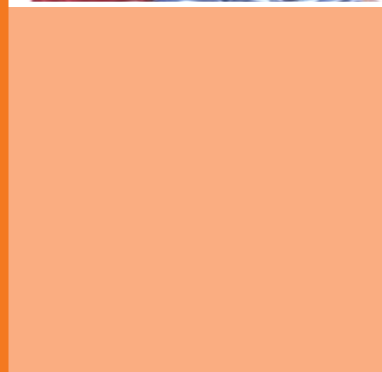


Risk and Investment Advisors Australia Pty Ltd



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Corporate Profile

Partnership for Profit

Risk and Investment Advisors Australia (RIAA) is a privately owned and operated Australian Financial Services Licensee whose mission is to partner with Advisers to produce excellent results for clients. Our Advisers come from all walks of life but they do share one thing in common, a desire to provide a high quality service to their clients without any particular bias towards a major shareholder or product manufacturer. It is a true partnership for profit for all concerned.

Introducing our services



The History of RIAA

RIAA began life as a Master Agent for several Life Companies and Investment Houses many years ago. With the advent of the Australian Financial Services Reform the business was transformed into a modern, dynamic organisation and was granted an Australian Financial Services License in March 2004.

The owner and managers of the business have always been at the “coal face” of our great industry and that experience and hands on style is still evident today. The people making the decisions that affect our Advisers run their own Financial Planning Practice so they understand what is required in today’s ever changing and challenging environment.

Who Owns RIAA?

RIAA is owned by Grant Scalmer. Grant has been involved in the Financial Services industry for over 30 years and owns and manages his own financial planning practice CU Benefit Planners. Grant is passionate about providing quality advice and advises clients on a daily basis. He is also Managing Director of RIAA and he employs a team of professionals to manage the business with him.

Management Team – Experienced Professionals

The management team at RIAA is headed up by Les Mace as Chief Executive Officer. Les has over 30 years experience and has held senior management positions within financial services institutions and several Board positions. For the past three years Les has managed a large financial planning practice so his experience at both ends of the scale is put to good use in the development of the RIAA business.

RIAA also employs two of the most experienced Regional Managers in the country. Dan Rodrigues looks after Queensland and northern NSW while Sam Tarascio works in the southern and western states. The combined experience of this team exceeds 100 years and they are very well positioned to support Advisers and Strategic Partners through whatever future turns our industry takes.

The management team is very well supported by experienced staff in Sydney and Adelaide and they pride themselves on being extremely efficient, responsive, flexible and professional. You will not find any “institutional attitude” at RIAA.

Why Join RIAA?

For all the reasons mentioned above! We are a business that is dedicated to partnering with our Advisers not dominating them. We encourage you to run your business in a way that best suits you and your style rather than ram our model or product down your throat.

Provided you operate in a compliant manner and work within our guidelines and license conditions we will support you and help you build your business. In summary the advantages of partnering with RIAA are:

- Non-institutional in attitude and approach
- Excellent culture that encourages and respects the individual
- Highly experienced and hands on management team working with you
- National business with offices in Sydney, Brisbane, Melbourne and Adelaide
- Broad based Approved Products List
- Group of like minded individuals with regular networking opportunities
- Generous revenue sharing arrangements
- Compliant and professional environment



Am I locked in after joining RIAA?

No you are not locked in. We get very few requests to transfer but if we do we have what is commonly known as a walk in walk out agreement. If you choose to change Licensees in the future we will help you move your clients, no strings attached.

What does the RIAA License cover?

We have a full license to provide financial product advice and deal in the following products:

- basic deposit products;
- deposit products other than basic deposit products;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- life products including:
 - (1) investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
 - (2) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
- managed investment schemes including investor directed portfolio services
- retirement savings accounts ("RSA") products
- securities; and
- superannuation.

What software does RIAA support?

Our main provider is Xplan but we also support Proplanner. The cost of the base products is covered in your standard fees and we strongly recommend them but should you wish to use another package you are free to do so at your expense, the flexibility is there.

How broad is the RIAA Approved Products List?

It is broad enough to offer access to number of investment platforms and all major insurers. We allow our Advisers who are qualified to access margin lending and tax effective vehicles. Further more, we have a flexible approach to product approval in that any of our Advisers can request products for inclusion on the APL. The request is subject to a rigorous internal research process and business case analysis but once approved for use it will be added to our list.


Do you run conferences for Advisers?

Yes we do and we believe it is one of the most important things we do. Our conferences are always informative, informal and enjoyable. They are an opportunity for our Advisers to network with their colleagues and we know that many good ideas are shared around. We also know that the type of work we do can sometimes be lonely so we address that by creating a friendly team environment. If however you prefer to go it alone we respect that too.

We run four conferences a year. Three of them are one day events and are state based then once a year we all come together for a National Conference at either a top class Australian venue or in alternate years an exotic offshore location. Our next offshore conference will be in 2009.

How will you communicate with me?

We have built an extranet for communication with our Advisers. A sample of what is available appears below.

 <small>RISK AND INVESTMENT ADVISORS AUSTRALIA PTY LTD</small>	
<ul style="list-style-type: none"> Extranet Home Approved Product List Commission Details Contact Numbers Fact Finders Generic Forms Life Office Comm Rates Organisational Structure PO Dates & Resources PI Certificate of Currency Privacy Policy Registers Statements of Advice Xplan Documents Website Disclaimer 	<p style="text-align: center;">Welcome to the Adviser Extranet</p> <hr/> <p style="text-align: center;"><=== Please Select one of the links to the left</p>

Do you have comprehensive PI Insurance coverage?

Again the answer is yes. We are insured through AIG for \$7.5m in aggregate with one reinstatement. Our broker is MegaCapital one of the best in the business and we are experienced in successfully managing claims for Advisers. Yes, claims do happen and when they do the quality of the support you get from your Licensee is critical. We have recently witnessed an example where a certain institutionally owned Licensee abandoned the Adviser when a "potential" claim arose which left him high and dry. They were too concerned about trying to protect their brand so the Adviser was disposable. That does not happen at RIAA.

Do you have a buyer of last resort facility?

Our preference is always to assist our Advisers to sell their businesses within our network of Advisers. That way we can provide continuity to the clients and help the adviser maximize value. We can assist Advisers in arranging finance through our corporate bankers at normal commercial terms and we can call on a financial institution to guarantee the loan if needed.

If we can't find a buyer either inside or outside of our network which is very rare, we do offer a buyer of last resort. Full details are provided in our Adviser agreement.

Does RIAA share revenue from products?

Yes we do, we pass on 50% of revenue we receive in the form of marketing allowances from product providers. This applies to certain products on our APL where we have a close working arrangement with the company concerned. It is one of our partnership rewards.

Does RIAA have access to technical advice and education?

We provide access to a technical advice solutions team that provides advisers with direct access to highly qualified technical experts and a range of presentation tools, information resources and regular technical updates. You will be extended an invitation to attend monthly technical strategy seminars and workshops and be provided with a quarterly technical newsletter. We can also provide articles for client newsletters and presentations.

We use Kaplan for ongoing education and you will be provided with their online CPD accredited training.

Does RIAA provide access to a paraplanning service?

Again the answer is yes. You can access a team of paraplanners at subsidised rates.

What about helping me grow my business, what can RIAA do for me?

RIAA has a comprehensive business growth program. It encompasses four key areas including:

- Benchmarking the performance of your business
- Business Assessment – where does your revenue come from, at what cost, what is your client concentration and what are the opportunities for growth
- Business Growth – who are your clients, what are the segments, what level of service do you provide and what should you charge
- Strategic Marketing and Communications – understanding the value of your business, creating a marketing plan and the implementation of the plan

Dealer Group Costs Comparison

The following tables show a comparison between the average costs charged by Dealer Groups in the Australian market and the charges for Advisers of RIAA.

Financial Planners

Annual Revenue	Average Cost for Planners	%	RIAA Cost for Planners	%
100,000	25,100	25.1%	25,000	25.0%
200,001	32,000	16.0%	29,000	14.5%
300,001	37,200	12.4%	30,000	10.0%
750,001	63,000	8.4%	36,000	4.8%

Risk Advisers

Annual Revenue	Average Cost for Planners	%	RIAA Cost for Planners	%
100,000	21,700	21.7%	25,000	20.8%
200,001	27,800*	13.9%	24,800	12.4%
300,001	33,000*	11.0%	25,800	8.6%
750,001	58,500	7.8%	31,800	4.2%

Notes:

1. The figures above are inclusive of software, PI and all Adviser fees.
2. The data on average costs was compiled by research firm Dealer Group Advisers and published in IFA Magazine issue 406, May 2008.
3. * Indicative numbers (not published by IFA) based on cost differential for Planners.