

The logo for K&L GATES, featuring the text in white on an orange rectangular background. The background of the slide is a colorful, abstract pattern of diagonal lines in shades of red, orange, yellow, green, blue, and purple.

K&L GATES

ASIC Regtech Financial Advice Symposium

Giro by K&L Gates

Daniel Knight, Partner

WHO IS K&L GATES?

- Global law firm
- Commercial and regulatory expertise
- Focus on innovation



WHAT IS GIRO?

- 18 months in the making
- Key needs



**Broader
SOA audit
process**



**Better
adviser
feedback
loop**



**Better
pre-vet**

WHAT IS GIRO? (CONT)

- Built around regulatory content requirements



Corporations Act 2001

No. 50, 2001



Corporations Regulations 2001

Statutory Rules No. 193, 2001

made under the

Corporations Act 2001



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 175

**Licensing: Financial product
advisers—Conduct and
disclosure**

WHAT IS GIRO? (CONT)

- Near instant review
 - Pre-vet
 - Audit
- SOAs, ROAs, File Notes, Fact Finds

HOW DOES GIRO WORK

- Machine learning
 - Kira Systems
 - Training data - 150 real world SOAs
- UX
 - Document Portal (HighQ)

The screenshot displays the K&L GATES GIRO Document Portal interface. At the top, there is a navigation bar with the K&L GATES logo and a breadcrumb trail: Home > Project Giro > Upload / View SOAs > Create / View Reports > People > Admin. Below the navigation bar, there are search and action controls: 'Save search' and 'Actions'. The main content area shows a table of documents under the path 'Project Giro > SOA'. The table has columns for 'Created date', 'Created by', 'File', 'Status', 'Pre vet report', and a page indicator '1 - 20 of 20'. The table contains five rows of data, each representing a processed document with its file name, status, and a pre-vet report link.

| | Created date | Created by | File | Status | Pre vet report |
|--------------------------|-------------------|------------|--|-----------|--|
| <input type="checkbox"/> | 13 Aug 2019 01:32 | Wendy Li | Client 13 - Ygritte Snow & John Snow SOA.pdf | PROCESSED | Pre vet report 13-Aug-2019 at 01.48.09.pdf |
| <input type="checkbox"/> | 13 Aug 2019 01:32 | Wendy Li | Client 06 - Grace Codd - SOA.docx | PROCESSED | Pre vet report 13-Aug-2019 at 01.46.20.pdf |
| <input type="checkbox"/> | 13 Aug 2019 01:32 | Wendy Li | Client 11 - Cruella De Ville - SoA.pdf | PROCESSED | Pre vet report 13-Aug-2019 at 01.45.56.pdf |
| <input type="checkbox"/> | 13 Aug 2019 01:32 | Wendy Li | Client 12 - Dr Stephen Strange - SoA.docx | PROCESSED | Pre vet report 13-Aug-2019 at 01.48.47.pdf |
| <input type="checkbox"/> | 13 Aug 2019 01:32 | Wendy Li | Client 09 - John and Jane Wick ATF Parabellum SMSF - SoA.pdf | PROCESSED | Pre vet report 13-Aug-2019 at 01.49.00.pdf |



GIRO OUTPUT

SOA Pre-Vet

Licensee: Project Giro
 Client: Pierce & Paula Brown
 Date: 13 Aug 2019 01:32

| General content | | K R I |
|-----------------|-------------------------------|-------------|
| 5 | Period of currency | |
| 8 | Licensee's AFSL number | |
| 16 | Client personal circumstances | 2 |
| 17 | Client personal circumstances | 2 |
| 18 | Client attitude to risk | |
| 34 | Decline to provide advice | 4 |

| Remuneration and conflicts | | K R I |
|----------------------------|--|-------------|
| 75 | Adviser remuneration capable of influencing advice | 7 |
| 76 | Summary of remuneration and other benefits | 7 |
| 77 | Other remuneration capable of influencing advice | 7 |
| 78 | Conflicted remuneration carved out | 7 |
| 79 | Referral remuneration | 7 |
| 80 | Back office payments | 7 |
| 81 | Interests capable of influencing advice | 7 |
| 82 | Relationships capable of influencing advice | 7 |

| | | |
|----|--|---|
| 28 | Basis of better position | |
| 29 | Why advice is appropriate in light of alternative options | 6 |
| 30 | Advantages and disadvantages of advice | |
| 31 | Client instructions about objectives and financial situation | 2 |
| 32 | Scope of advice revision | 3 |
| 33 | Expertise of adviser | 4 |

| Safe harbour steps and associated obligations | | K R I |
|---|---|-------------|
| 22 | Identified client | 3 |
| 23 | Reasonable enquiries about incomplete or inaccurate information | |
| 24 | Subject matter of advice | 3 |
| 25 | Range of products considered | 6 |
| 26 | Best interests considered | |
| 27 | Considered relevant circumstances | 5 |

| Switching | | K R I |
|-----------|----------------------|-------------|
| 49 | Costs of switching | 1 |
| 50 | Loss of benefits | 1 |
| 51 | Unknown consequences | 1 |

GIRO OUTPUT

SOA Audit



Licensee: 2
Date of report: ASIC Sample SOAs
13 August 2019

| SOA | Safe harbour steps and associated obligations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Switching | | | | Platforms | | | | | | | | | | Remuneration and conflicts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 | 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 | 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 | 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 | 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 | 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 | 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 | 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 | 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 | 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 | 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 | 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 | 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 | 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 | 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 | 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 | 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 | 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 | 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 | 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 | 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 | 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 | 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 | 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 | 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 | 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 | 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 | 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 | 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 | 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 | 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 | 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530 | 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540 | 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550 | 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560 | 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570 | 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580 | 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590 | 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600 | 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610 | 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620 | 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630 | 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640 | 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650 | 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660 | 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670 | 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680 | 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690 | 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700 | 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710 | 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720 | 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730 | 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740 | 741 | 742 | 743 | 744 | 745 | 746 | 747 | 748 | 749 | 750 | 751 | 752 | 753 | 754 | 755 | 756 | 757 | 758 | 759 | 760 | 761 | 762 | 763 | 764 | 765 | 766 | 767 | 768 | 769 | 770 | 771 | 772 | 773 | 774 | 775 | 776 | 777 | 778 | 779 | 780 | 781 | 782 | 783 | 784 | 785 | 786 | 787 | 788 | 789 | 790 | 791 | 792 | 793 | 794 | 795 | 796 | 797 | 798 | 799 | 800 | 801 | 802 | 803 | 804 | 805 | 806 | 807 | 808 | 809 | 810 | 811 | 812 | 813 | 814 | 815 | 816 | 817 | 818 | 819 | 820 | 821 | 822 | 823 | 824 | 825 | 826 | 827 | 828 | 829 | 830 | 831 | 832 | 833 | 834 | 835 | 836 | 837 | 838 | 839 | 840 | 841 | 842 | 843 | 844 | 845 | 846 | 847 | 848 | 849 | 850 | 851 | 852 | 853 | 854 | 855 | 856 | 857 | 858 | 859 | 860 | 861 | 862 | 863 | 864 | 865 | 866 | 867 | 868 | 869 | 870 | 871 | 872 | 873 | 874 | 875 | 876 | 877 | 878 | 879 | 880 | 881 | 882 | 883 | 884 | 885 | 886 | 887 | 888 | 889 | 890 | 891 | 892 | 893 | 894 | 895 | 896 | 897 | 898 | 899 | 900 | 901 | 902 | 903 | 904 | 905 | 906 | 907 | 908 | 909 | 910 | 911 | 912 | 913 | 914 | 915 | 916 | 917 | 918 | 919 | 920 | 921 | 922 | 923 | 924 | 925 | 926 | 927 | 928 | 929 | 930 | 931 | 932 | 933 | 934 | 935 | 936 | 937 | 938 | 939 | 940 | 941 | 942 | 943 | 944 | 945 | 946 | 947 | 948 | 949 | 950 | 951 | 952 | 953 | 954 | 955 | 956 | 957 | 958 | 959 | 960 | 961 | 962 | 963 | 964 | 965 | 966 | 967 | 968 | 969 | 970 | 971 | 972 | 973 | 974 | 975 | 976 | 977 | 978 | 979 | 980 | 981 | 982 | 983 | 984 | 985 | 986 | 987 | 988 | 989 | 990 | 991 | 992 | 993 | 994 | 995 | 996 | 997 | 998 | 999 | 1000 | 1001 | 1002 | 1003 | 1004 | 1005 | 1006 | 1007 | 1008 | 1009 | 1010 | 1011 | 1012 | 1013 | 1014 | 1015 | 1016 | 1017 | 1018 | 1019 | 1020 | 1021 | 1022 | 1023 | 1024 | 1025 | 1026 | 1027 | 1028 | 1029 | 1030 | 1031 | 1032 | 1033 | 1034 | 1035 | 1036 | 1037 | 1038 | 1039 | 1040 | 1041 | 1042 | 1043 | 1044 | 1045 | 1046 | 1047 | 1048 | 1049 | 1050 | 1051 | 1052 | 1053 | 1054 | 1055 | 1056 | 1057 | 1058 | 1059 | 1060 | 1061 | 1062 | 1063 | 1064 | 1065 | 1066 | 1067 | 1068 | 1069 | 1070 | 1071 | 1072 | 1073 | 1074 | 1075 | 1076 | 1077 | 1078 | 1079 | 1080 | 1081 | 1082 | 1083 | 1084 | 1085 | 1086 | 1087 | 1088 | 1089 | 1090 | 1091 | 1092 | 1093 | 1094 | 1095 | 1096 | 1097 | 1098 | 1099 | 1100 | 1101 | 1102 | 1103 | 1104 | 1105 | 1106 | 1107 | 1108 | 1109 | 1110 | 1111 | 1112 | 1113 | 1114 | 1115 | 1116 | 1117 | 1118 | 1119 | 1120 | 1121 | 1122 | 1123 | 1124 | 1125 | 1126 | 1127 | 1128 | 1129 | 1130 | 1131 | 1132 | 1133 | 1134 | 1135 | 1136 | 1137 | 1138 | 1139 | 1140 | 1141 | 1142 | 1143 | 1144 | 1145 | 1146 | 1147 | 1148 | 1149 | 1150 | 1151 | 1152 | 1153 | 1154 | 1155 | 1156 | 1157 | 1158 | 1159 | 1160 | 1161 | 1162 | 1163 | 1164 | 1165 | 1166 | 1167 | 1168 | 1169 | 1170 | 1171 | 1172 | 1173 | 1174 | 1175 | 1176 | 1177 | 1178 | 1179 | 1180 | 1181 | 1182 | 1183 | 1184 | 1185 | 1186 | 1187 | 1188 | 1189 | 1190 | 1191 | 1192 | 1193 | 1194 | 1195 | 1196 | 1197 | 1198 | 1199 | 1200 | 1201 | 1202 | 1203 | 1204 | 1205 | 1206 | 1207 | 1208 | 1209 | 1210 | 1211 | 1212 | 1213 | 1214 | 1215 | 1216 | 1217 | 1218 | 1219 | 1220 | 1221 | 1222 | 1223 | 1224 | 1225 | 1226 | 1227 | 1228 | 1229 | 1230 | 1231 | 1232 | 1233 | 1234 | 1235 | 1236 | 1237 | 1238 | 1239 | 1240 | 1241 | 1242 | 1243 | 1244 | 1245 | 1246 | 1247 | 1248 | 1249 | 1250 | 1251 | 1252 | 1253 | 1254 | 1255 | 1256 | 1257 | 1258 | 1259 | 1260 | 1261 | 1262 | 1263 | 1264 | 1265 | 1266 | 1267 | 1268 | 1269 | 1270 | 1271 | 1272 | 1273 | 1274 | 1275 | 1276 | 1277 | 1278 | 1279 | 1280 | 1281 | 1282 | 1283 | 1284 | 1285 | 1286 | 1287 | 1288 | 1289 | 1290 | 1291 | 1292 | 1293 | 1294 | 1295 | 1296 | 1297 | 1298 | 1299 | 1300 | 1301 | 1302 | 1303 | 1304 | 1305 | 1306 | 1307 | 1308 | 1309 | 1310 | 1311 | 1312 | 1313 | 1314 | 1315 | 1316 | 1317 | 1318 | 1319 | 1320 | 1321 | 1322 | 1323 | 1324 | 1325 | 1326 | 1327 | 1328 | 1329 | 1330 | 1331 | 1332 | 1333 | 1334 | 1335 | 1336 | 1337 | 1338 | 1339 | 1340 | 1341 | 1342 | 1343 | 1344 | 1345 | 1346 | 1347 | 1348 | 1349 | 1350 | 1351 | 1352 | 1353 | 1354 | 1355 | 1356 | 1357 | 1358 | 1359 | 1360 | 1361 | 1362 | 1363 | 1364 | 1365 | 1366 | 1367 | 1368 | 1369 | 1370 | 1371 | 1372 | 1373 | 1374 | 1375 | 1376 | 1377 | 1378 | 1379 | 1380 | 1381 | 1382 | 1383 | 1384 | 1385 | 1386 | 1387 | 1388 | 1389 | 1390 | 1391 | 1392 | 1393 | 1394 | 1395 | 1396 | 1397 | 1398 | 1399 | 1400 | 1401 | 1402 | 1403 | 1404 | 1405 | 1406 | 1407 | 1408 | 1409 | 1410 | 1411 | 1412 | 1413 | 1414 | 1415 | 1416 | 1417 | 1418 | 1419 | 1420 | 1421 | 1422 | 1423 | 1424 | 1425 | 1426 | 1427 | 1428 | 1429 | 1430 | 1431 | 1432 | 1433 | 1434 | 1435 | 1436 | 1437 | 1438 | 1439 | 1440 | 1441 | 1442 | 1443 | 1444 | 1445 | 1446 | 1447 | 1448 | 1449 | 1450 | 1451 | 1452 | 1453 | 1454 | 1455 |

GIRO OUTPUT

Risk profile - SOA and Fact Find comparison



| Client | Fact Find | SOA |
|------------------------------|---|--|
| | Risk profile | Risk profile |
| Client 01 - Wilma Flintstone | <p>Total Score Risk Profile Client 119 Balanced Client 2</p> <p>Adviser comments (document whether there is any conflict in the client's assessed risk profile and income/investment objectives):</p> <p>There is no conflict between Wilma's risk profile and goals</p> | <p>YOUR RISK PROFILE</p> <p>A risk profile is a tool that is used to help us identify strategies and investments that will help you achieve your goals. It is developed by analysing your risk capacity, tolerance and appetite.</p> <p>Your 'risk tolerance' is your ability to tolerate volatility (movements up and down) in the value of your investments in the short term. These swings in the value of your assets are one type of investment risk that investors take in the trade-off of short-term stability for the possibility of higher investment return in the long term. It is essentially the amount of risk you are prepared to take and the degree of uncertainty or volatility you are willing to accept when investing to achieve your goals.</p> <p>YOUR RISK PROFILE</p> <p>Balanced – 50% Defensive / 50% Growth</p> <p>This risk profile may be suitable for investors with an investment horizon of at least 4 years and a moderate risk tolerance, seeking more growth than income over the investment timeframe. This strategy suits investors aiming for a return higher than what is likely from a more defensive portfolio but who want lower volatility than what a portfolio exclusively made up of shares would likely generate. This risk profile has the following target asset allocation:</p> |

ASIC CHALLENGE

- ASIC's key risk indicators
- File notes
 - Structured
 - Unstructured
- Qualitative judgements

ASIC CHALLENGE (CONT)

| ASIC KRI 1: product replacement advice - requisite information | | | | | |
|--|---------------------------------|----------------|---------------|------------|-------------|
| Item No. | Item Name | Law/Regulation | Precision (1) | Recall (2) | F-score (3) |
| 49 | Switching: Costs | S 947D(2)(a) | 0.83 | 0.84 | 0.84 |
| 50 | Switching: Loss of benefits | S 947D(2)(a) | 0.7 | 0.47 | 0.56 |
| 51 | Switching: Unknown consequences | S 947D(3)(b) | N/A (1) | N/A | N/A |

| ASIC KRI 2: goals and objectives not clearly stated | | | | | |
|---|---|----------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 16 | Client goals and objectives | RG 90.40 | 0.94 | 0.84 | 0.89 |
| 17 | Client personal circumstance | RG 90.40 | 0.83 | 0.8 | 0.81 |
| 31 | Safe Harbour: client instructions about objectives and financial situations | S 961B(2)(a) | 0.87 | 0.93 | 0.9 |
| 40 | Setting and prioritising goals and objectives | REP 279.111 | N/A | N/A | N/A |

| ASIC KRI 3: scope of scaled advice not appropriate to client's relevant circumstances | | | | | |
|---|--|------------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 22 | Safe Harbour: identified client's relevant circumstances | S 961B(2)(b)(ii) | 0.94 | 0.85 | 0.89 |
| 24 | Safe Harbour: subject matter of advice | S 961B(2)(b)(i) | 0.96 | 0.96 | 0.96 |
| 32 | Scope of advice revision | RG 175.306 | N/A | N/A | N/A |

| ASIC KRI 4: warning are not included | | | | | |
|--------------------------------------|--|------------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 33 | Expertise of advisor | S 961B(2)(d) | 0.89 | 0.87 | 0.88 |
| 34 | Decline to provide advice due to lack of expertise | \$ 961B(2)(d) RG | 0.84 | 0.95 | 0.89 |
| 47 | Incomplete information warning | S 961H | 0.91 | 0.8 | 0.85 |
| 48 | Consider appropriateness of advice based on incomplete information | S 961H | 0.91 | 0.91 | 0.91 |

| ASIC KRI 5: for combined super and insurance, not reflecting client's relevant circumstance | | | | | |
|---|---|----------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 27 | Safe Harbour: advice based on client's relevant circumstances | S 961B(2)(f) | 0.65 | 0.84 | 0.73 |
| 41 | How will the strategy be achieved by the product recommended | RG 175.239 | 0.82 | 0.91 | 0.86 |

| ASIC KRI 6: alternative strategy not being considered | | | | | |
|---|---|------------------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 25 | Safe Harbour: Range of product considered | RG 175.182(c)(iv) | 0.9 | 0.98 | 0.94 |
| 29 | Why advice is appropriate in light of alternative options | RG 175.182(c)(v) | 0.82 | 0.81 | 0.82 |
| 42 | Disclosure of API, restriction and consequences | RG 175.183 RG 90.46 | 0.96 | 0.86 | 0.91 |

| ASIC KRI 7: risks related to fees and costs, inadequate disclosure of premiums | | | | | |
|--|--|----------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 75 | Adviser remuneration capable of influencing advice | S 947B(2)(a) | 0.6 | 0.92 | 0.73 |
| 76 | Summary of remuneration and other benefits | RG 175.198 | 0.79 | 0.93 | 0.85 |
| 77 | Other remuneration capable of influencing advice | S 947B(2)(e) | 0.85 | 0.97 | 0.9 |
| 78 | Conflicted remuneration waived out | Reg 7.13(1) | N/A | N/A | N/A |
| 79 | Referral remuneration | RG 175.202 | N/A | N/A | N/A |
| 80 | Back office payment | RG 175.193 | N/A | N/A | N/A |
| 81 | Interest capable of influencing advice | S 947B(2)(a) | 0.99 | 0.93 | 0.96 |
| 82 | Relationships capable of influencing advice | S 947B(2)(e) | 0.93 | 0.94 | 0.93 |

| ASIC KRI 8: clear and concise projections are not included | | | | | |
|--|-----------|----------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| Giro does not currently identify investment projections | | | | | |

| Considerations other than ASIC KRIs | | | | | |
|-------------------------------------|---|-------------------------|-----------|--------|---------|
| Item No. | Item Name | Law/Regulation | Precision | Recall | F-score |
| 18 | Client attitude to risk | RG 90.40 | 0.76 | 0.86 | 0.81 |
| 19 | Clear and unambiguous advice | RG 175.182(a) | 0.56 | 0.74 | 0.63 |
| 23 | Safe harbour: reasonable enquiries about incomplete or inaccurate information | S 961B(2)(c) | N/A | N/A | N/A |
| 26 | How client's best interests considered | RG 175.182(c) | 0.93 | 0.93 | 0.93 |
| 28 | Safe Harbour - Basis of offer/Position | RG 175.365(b) | 0.96 | 0.88 | 0.92 |
| 30 | Advantages and disadvantages of advice | RG 175.182(c)(v) | N/A | N/A | N/A |
| 35 | Referral to another advice provider | RG 175.321 | 0.9 | 0.86 | 0.88 |
| 36 | Explanation of service provided or not provided | RG 175.358(a) | 0.89 | 0.85 | 0.91 |
| 37 | Related product or strategic recommendations | RG 175.358(b) | 0.85 | 0.85 | 0.85 |
| 38 | Periodical review | RG 175.358(c) | 0.81 | 0.68 | 0.74 |
| 39 | Further advice on key issues | RG 175.358(d) | 0.94 | 0.75 | 0.84 |
| 43 | Disclosure of tax considerations | RG 175.184(b) | 0.82 | 0.91 | 0.87 |
| 44 | Significant risks of acquiring specific products | RG 175.184(b) | 0.91 | 0.81 | 0.86 |
| 45 | Significant risks of acquiring class of products | RG 175.184(b) | 0.81 | 0.7 | 0.75 |
| 46 | Risk of advice not satisfying critical client circumstances | Note 1 to RG 185.182(c) | 0.88 | 0.7 | 0.78 |
| 73 | Document of authority | RG 90.50 | 0.94 | 0.99 | 0.96 |
| 74 | Checklist of important changes | RG 90.50 | 0.97 | 0.97 | 0.97 |
| 83 | Ongoing services offered | Not applicable | 0.84 | 0.96 | 0.96 |

OUR APPROACH

- Focus on regulatory content
- Real world SOAs

GIRO 2.0 – FURTHER DEVELOPMENT



MORE INFORMATION

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