

**Financial Strategy Summary**  
**Client and Partner Names**  
**Date**

**Purpose of Money**

What does money mean to you?    The purpose of money to us is to provide freedom of choice and security for my family

**Personal Goals**

<i><b>Goal</b></i>	<i><b>Amount</b></i>	<i><b>Timeframe</b></i>	<i><b>Comments</b></i>
1. Buy a new home or renovate your existing home at a net changeover cost of \$600,000	\$600,000	XXXX	
2. Provide private school education for children (cost of \$25,000 pa each)	\$25,000	XXXX	Amount is per child per year
3. Repay investment debt	\$300,000	XXXX	
4. Enjoy lifestyle including travel			Ongoing
5. Build an investment asset base to achieve financial independence to support living costs of \$120,000 pa (including travel) to maintain current lifestyle	\$2,200,000	XXXX	Age 55 then work part time for five years

## Personal Balance Sheet

Summary • Strong increase in asset base of \$180,000 since our last meeting

Meeting Notes

	Owner	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19
<b>Cash and Bank Accounts</b>								
Savings Account	Partner	\$5,000	\$6,000	\$15,000	\$17,000	\$21,000	\$25,000	\$30,000
Transactional Account	Joint	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>		<b>\$15,000</b>	<b>\$16,000</b>	<b>\$25,000</b>	<b>\$27,000</b>	<b>\$31,000</b>	<b>\$35,000</b>	<b>\$40,000</b>
<b>Investment Accounts</b>								
Geared Investment Portfolio	Client	\$0	\$300,000	\$337,000	\$370,000	\$393,000	\$417,000	\$447,000
Employee Shares	Client	\$37,000	\$43,000	\$113,000	\$87,000	\$73,000	\$123,000	\$218,000
<b>Total</b>		<b>\$37,000</b>	<b>\$343,000</b>	<b>\$450,000</b>	<b>\$457,000</b>	<b>\$466,000</b>	<b>\$540,000</b>	<b>\$665,000</b>
<b>Superannuation</b>								
ABC Superannuation	Client	\$186,000	\$201,000	\$235,000	\$272,000	\$298,000	\$337,000	\$368,000
XYZ Superannuation	Partner	\$97,000	\$103,000	\$127,000	\$139,000	\$154,000	\$173,000	\$193,000
<b>Total</b>		<b>\$283,000</b>	<b>\$304,000</b>	<b>\$362,000</b>	<b>\$411,000</b>	<b>\$452,000</b>	<b>\$510,000</b>	<b>\$561,000</b>
<b>Liability Accounts</b>								
Investment Loan	Client	\$0	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000
<b>Total</b>		<b>\$0</b>	<b>-\$300,000</b>	<b>-\$300,000</b>	<b>-\$300,000</b>	<b>-\$300,000</b>	<b>-\$300,000</b>	<b>-\$300,000</b>
<b>Lifestyle Expenses</b>								
Property Renovation/Upgrade	Joint	\$0	\$0	\$0	\$0	-\$600,000	-\$600,000	-\$600,000
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$600,000</b>	<b>-\$600,000</b>	<b>-\$600,000</b>
<b>Net Investment Assets</b>		<b>\$335,000</b>	<b>\$363,000</b>	<b>\$537,000</b>	<b>\$595,000</b>	<b>\$49,000</b>	<b>\$185,000</b>	<b>\$366,000</b>
<b>Lifestyle Assets</b>								
Home	Joint	\$1,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
<b>Total</b>		<b>\$1,400,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>Net Worth</b>		<b>\$1,735,000</b>	<b>\$1,863,000</b>	<b>\$2,037,000</b>	<b>\$2,095,000</b>	<b>\$1,549,000</b>	<b>\$1,685,000</b>	<b>\$1,866,000</b>

## Personal Projection

Summary	A big improvement has been achieved but based on your current income and assets, you cannot achieve all five goals stated above and priorities will have to be made.
Assumptions	In the projection below, the following assumptions have been made: <ul style="list-style-type: none"> <li>• Income for you both remains the same (potential annual bonus not included)</li> <li>• Living costs of \$120,000 pa (including travel)</li> <li>• School fees as above</li> <li>• Renovating or upgrading your home for \$600,000 in XXXX</li> <li>• Amounts shown are in today's dollars (discounted by inflation)</li> </ul>
Differences to the last projection	
Are any trade-offs required?	Assess whether to reduce the amount of the house changeover if you wish to provide your children with private school education, or to delay financial independence date
Meeting Notes	



Summarised below are the steps to implement the action items for your personal financial strategy.

Action	Reason	Status	Meeting Notes
<b>Cashflow</b>			
1. Use strong cashflow to build wealth and aim to save another \$1,500 per month for future home renovation/changeover	Your primary wealth driver is your strong cashflow and ensuring that you are making the most of this is the most important factor of your financial strategy	To be discussed	
2. Retain access to emergency funds	Maintain access to a certain level of cash in the event of emergency	\$30,000 retained for emergencies	
3. Any bonus paid to Mr. Client should be saved for your future renovation/home upgrade	As you do not need the after tax amount of a bonus to live on, the full amount should be added to your cash savings as a way of dramatically building wealth for the home renovations/upgrade and reducing the eventual mortgage balance and interest being paid	Bonus payable in September	
<b>Debt Management</b>			
4. Review shares held and assess whether to sell and use to fund future home changeover	To reduce the future mortgage on a house changeover and reduce the interest cost with no tax deduction, especially with school fees <i>Note: need to assess any capital gains tax implications</i>	To be implemented closer to the time of the changeover	
5. Transfer investment income from the geared investment portfolio to your cash savings	To build cash savings for your future renovation/home upgrade goal and remove non-geared wealth from Client's name as the higher rate taxpayer, into your savings account in Partner's name who is a lower rate taxpayer	\$10,000 transferred earlier this month	
<b>Tax Planning</b>			
6. Assess whether to prepay interest on investment loan or revert to month to month	The prepayment brings forward the tax deduction	Given shares were sold in March, we recommend prepaying the annual interest payable in June	

7. Review whether any investment portfolio capital gains can be offset against losses	To reduce the tax impact of any capital gains in your XXXX tax return	
8. Consider salary sacrifice to super to reduce tax, but cashflow more important	It is possible to save \$1,850 pa in tax, based on contributing more to superannuation, but this would mean giving up \$3,500 pa of after income which is needed for school fees and future mortgage repayments at this stage of your lives	To be discussed  Cashflow can be more important than tax savings at this stage
<b>Wealth Accumulation &amp; Superannuation</b>		
9. Maintain participation in the employee share plan, but balance this with realising vested shares each year for diversification	The employee share plan can be an efficient way of building wealth, but you want to balance this with having a diversified portfolio and reducing the risk of having a large part of your income and wealth tied up in the company.	Set a share price target if A\$ to diversify some holdings out of the company in the future
10. Use the geared portfolio to generate capital growth	The aim of the geared portfolio is to generate capital growth for your financial independence goal. Ultimate goal is that the portfolio is sold when Client reduces income (or markets become overvalued). The capital growth on the portfolio is available to generate a future income stream.	Interest-only repayments in place which are comfortably being met by the income generated from the portfolio
11. Review the most appropriate long term superannuation fund	Ensure that your superannuation fund is making the most of your savings.	No reason to change given fees and investment performance remain competitive, but will continue to monitor
12. Review Partner's eligibility for the co-contribution payment and make an after tax super contribution if worthwhile	As a 'low income earner', with part-time employment, Partner may qualify for the government co-contribution payment of \$500 if a \$1,000 'after tax' super contribution is made before 30 June	To be reviewed before 30 June based on your income

13. Assess eligibility for the spouse super contribution offset	Should Partner's income be less than \$37,000, Client can claim a tax rebate of \$540 for a \$3,000 contribution to Partner's superannuation.	
14. Consider superannuation splitting	Consider splitting some of Client's contributions each year to Partner's superannuation fund to help achieve a more equal super fund balance given the introduction of the \$1.6m pension balance cap.	To be implemented before 30 June
<b>Investment Risk</b>		
15. Discussion of risk profile results – review risk report	<ul style="list-style-type: none"> <li>• Do you think the results are accurate?</li> <li>• Differences between your results and your risk tolerance group</li> <li>• Difference between your original risk profile results and most recently completed profile</li> <li>• Are there any significant changes to your goals or personal circumstance since you last completed the report?</li> </ul>	<p>Original profile completed XXX Client: 49 Partner: 50</p> <p>Last profile completed XXXX Client: 56 Partner: 57</p>
16. Review Gap Analysis and current portfolios	Compare risk profile to projection Is there a gap? Is more or less risk needed? Alternatives to consider	<p>Agree on risk score for the portfolio More aggressive investment mix than your comfort levels given the geared portfolio, current valuation of markets, employment plans and your investment timeframe</p> <p>As you approach financial independence, or market valuations become</p>

fully/overpriced, we will consider reducing exposure

**Investment Management**

17. Review of investment portfolio to ensure it remains relevant to your situation	Review: <ul style="list-style-type: none"> <li>• individual investments</li> <li>• asset mix</li> <li>• performance</li> <li>• portfolio recommendations/suggestions for next 6-12 months</li> <li>• portfolios adjusted quarterly with dynamic asset allocation</li> </ul>	To be discussed - Refer to Wealth Management Review
18. The asset class investing philosophy implemented for clients and how this is different to other managed funds or shares	Not trying to 'beat the market' but implementing a disciplined investment strategy with lower costs and more consistent returns	As discussed

**Risk Management**

19. Ensure financial security for the family should either of you die or be unable to ever work again	In the event of either your deaths or permanent disablement, all future earnings would be lost and there are potential additional costs if either of you requires permanent care	Consider an adjustment to your life insurance - retain TPD cover
20. Have a replacement income if Client is unable to work for a short period of time, or ever again	Once all sick leave entitlements are used, it is important to have a replacement income to ensure that your family's standard of living is maintained.	Consider an increase to your income protection in light of recent pay increase
21. Provide for a lump sum to assist with medical expenses should you suffer a medical trauma, such as cancer	To cover medical and rehabilitation costs and potentially cover any time off work by either spouse or additional child car	Refer insurance summary

**Estate Planning**

22. Contact/action list in the event of death and location of the list	To ease the burden for managing your estate for your executor in the event of either or both your deaths.	Currently located with your solicitor
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23. Maintain up to date Wills	To ensure that your personal assets are distributed to your preferred beneficiaries with minimal administration and tax effectively.	To be updated as one of your children isn't listed in your Will
24. Ensure your super fund payments will be directed appropriately	Superannuation (and insurance) is not part of your estate (and not part of your Will). The trustee may have discretion as to where the benefit can be paid to.	Update relevant nomination forms and send to your existing superannuation provider
25. Implement Enduring Powers of Attorney	To ensure each spouse can manage your financial affairs if the other is incapacitated - also secondary attorney if you are both incapacitated	This should be done as part of the Wills
<b>Other Discussion Items</b>		
26. Review of platform administration fees	We regularly review platform administration fees to ensure that the most competitive fees are being obtained	Current still the most competitive
27. Personal Update		
28. Other issues or concerns to discuss?		
<b>Advice Service</b>		
29. Review of Advice Service	Reviewed every 12 months to assess whether to continue	To be reviewed in June XXXX
30. How can we ensure you are satisfied with the advice service?	Five years from now, what has to happen to call our relationship a success?	
<b>Summary of next steps</b>		
31. Next steps and documents required		

### Insurance Summary

Policies for Client						Life	TPD	Trauma	Income Protection	Business Expenses
Policy No:	0000	Policy Owner:	Client	Premium:	\$800					
Life Office:	Life insurer	Smoker:	Non-smoker	Premium Effective:	Date					
Policy Type:	Protection plan	In Super?	Life: No Trauma: No	Payment:	Yearly	\$150,000	Nil	\$150,000	Nil	Nil
Commenced:	Date			Payment By:						
				Premium Paid By:	Client					
Notes:										
Policy No:	0001	Policy Owner:	Client	Premium:	\$2,500				\$12,000 / Monthly	
Life Office:	Life insurer	Smoker:	Non-smoker	Premium Effective:	Date				Wait: 90 Days	
Policy Type:	Protection plan	In Super?	IP: No	Payment:	Yearly	Nil	Nil	Nil	Benefit: Age 65 / Age 65	Nil
Commenced:	Date			Payment By:	Credit Card				Contract Type: Agreed	
				Premium Paid By:	Client					
Notes:										
Policy No:	0002	Policy Owner:	Client	Premium:	\$2,000					
Life Office:	Life insurer	Smoker:	Non-smoker	Premium Effective:	Date		\$1,500,000			
Policy Type:	Protection plan	In Super?	Life: Yes TPD: Yes	Payment:	Yearly	\$1,500,000	Occupation Cover Type: Any Occupation	Nil	Nil	Nil
Commenced:	Date			Payment By:						
				Premium Paid By:	Client					
Notes:										
<b>Total Cover</b>						<b>\$1,650,000</b>	<b>\$1,500,000</b>	<b>\$150,000</b>	<b>\$14,000</b>	<b>\$0</b>

<b>Policies for Partner</b>				<b>DOB: 02/07/1973 ANB: 45</b>		<b>Life</b>	<b>TPD</b>	<b>Trauma</b>	<b>Income Protection</b>	<b>Business Expenses</b>
Policy No:	0004	Policy Owner:	Partner	Premium:	\$2,000					
Life Office:	Underwriter Unknown	Smoker:	Non-smoker	Premium Effective:			\$700,000			
Policy Type:	Superannuation	In Super?	Life: Yes TPD: Yes	Payment:	Yearly	\$800,000	Occupation Cover Type: Any Occupation	\$150,000	Nil	Nil
Commenced:				Payment By:						
				Premium Paid By:	Partner					
Notes:										
<b>Total Cover</b>						<b>\$800,000</b>	<b>\$700,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>