

Financial Strategy Summary

Client and Partner Names

Date

This summary has been prepared based on the information you provided in your Personal Profile which was entered online using your unique login and password. We were advised that there were no significant changes to your personal circumstances and as a result, there is no significant change to the advice, previously provided in your Statement of Advice.

Purpose of Money

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

Personal Goals

Goal	Amount	Timeframe	Comments
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

6. Buy a new home or renovate your existing home at a net changeover cost of \$600,000	\$600,000	XXXX
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Personal Balance Sheet

Summary

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

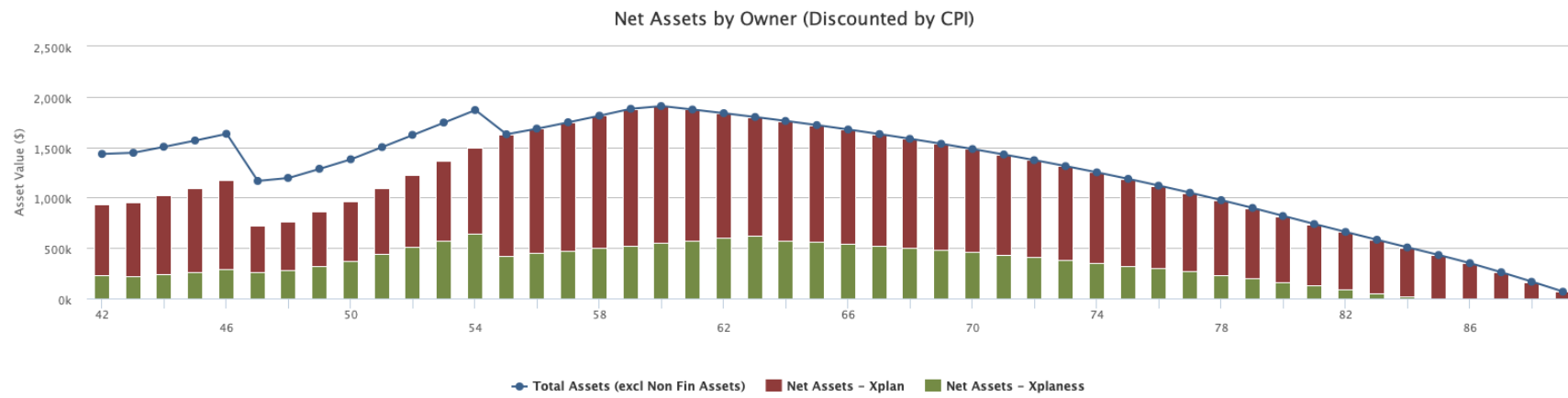
Meeting notes

	Owner	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19
Cash and Bank Accounts								
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
Total		\$15,000	\$16,000	\$25,000	\$27,000	\$31,000	\$35,000	\$40,000
Investment Accounts								
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
Total		\$37,000	\$343,000	\$450,000	\$457,000	\$466,000	\$540,000	\$665,000
Superannuation								
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
Total		\$283,000	\$304,000	\$362,000	\$411,000	\$452,000	\$510,000	\$561,000
Liability Accounts								
Investment Loan	Client	\$0	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000
Total		\$0	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000	-\$300,000
Lifestyle Expenses								
Property Renovation/Upgrade	Joint	\$0	\$0	\$0	\$0	-\$600,000	-\$600,000	-\$600,000
Total		\$0	\$0	\$0	\$0	-\$600,000	-\$600,000	-\$600,000
Net Investment Assets		\$335,000	\$363,000	\$537,000	\$595,000	\$49,000	\$185,000	\$366,000
Lifestyle Assets								
Home	Joint	\$1,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Total		\$1,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Net Worth		\$1,735,000	\$1,863,000	\$2,037,000	\$2,095,000	\$1,549,000	\$1,685,000	\$1,866,000

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	<p>In the projection below, the following assumptions have been made:</p> <ul style="list-style-type: none">• Income for you both remains the same (potential annual bonus not included)• Living costs of \$120,000 pa (including travel)• School fees as above• Renovating or upgrading your home for \$600,000 in XXXX• Amounts shown are in today's dollars (discounted by inflation)
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	

Yield and growth forecasts are not guaranteed and subject to change. Forecasts should be used as an indicative guide only.



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

Action	Reason	Status	Meeting Notes
Cashflow			
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	
Debt Management			

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
Tax Planning		
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

Wealth Accumulation & Superannuation

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

Interest-only repayments in place which are comfortably being met by the income generated from the portfolio

	is available to generate a future income stream.	
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	To be implemented before 30 June

achieve a more equal super fund balance given the introduction of the \$1.6m pension balance cap.

Investment Risk

15. Discussion of risk profile results (refer Risk Profile Results Discussion Table below)

- Do you think the results are accurate?
- Differences between your results and the recommended portfolio allocation
- Difference between your original risk profile portfolio and most recently completed profile portfolio
- Are there any significant changes to your goals or personal circumstance since you last completed the report?

Original profile completed XXX

Client: 49

Partner: 50

Last profile completed XXXX

Client: 56

Partner: 57

16. Review Gap Analysis and current portfolios

Compare risk profile to projection
Is there a gap?
Is more or less risk needed?

Agree on risk score for the portfolio
More aggressive investment mix than

Alternatives to consider

your comfort levels
given the geared
portfolio, current
valuation of markets,
employment plans and
your investment
timeframe

As you approach
financial independence,
or market valuations
become
fully/overpriced, we will
consider reducing
exposure

Investment Management

17. Review of investment
portfolio to ensure it
remains relevant to
your situation

Review:

- individual investments
- asset mix
- performance
- portfolio recommendations/
suggestions for next 6-12
months

To be discussed - Refer
to Wealth Management
Review

- portfolios adjusted quarterly with dynamic asset allocation

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

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

This should be done as part of the Wills

attorney if you are both
incapacitated

Other Discussion Items

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?

Advice Service

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?

Summary of next steps

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	\$150,000	Nil	\$150,000	Nil	Nil
Life Office:	Life Insurer	Smoker:	Non-smoker	Premium Effective:	Date					
Policy Type:	Protection plan	In Super?	Life: No Trauma: No	Payment:	Yearly					
Commenced:	Date			Payment By:	Client					
				Premium Paid By:						

Notes:

Policy No:	0001	Policy Owner:	Client	Premium:	\$2,500	Nil	Nil	Nil	\$12,000 / Monthly	Nil
Life Office:	Life Insurer	Smoker:	Non-smoker	Premium Effective:	Date					
Policy Type:	Protection plan	In Super?	IP: No	Payment:	Yearly				Wait: 90 Days	
Commenced:	Date			Payment By:	Credit Card				Benefit: Age 65 / Age 65	
				Premium Paid By:	Client				Contract Type: Agreed	

Notes:

Policy No:	0002	Policy Owner:	Client	Premium:	\$2,000	\$1,500,000	\$1,500,000	Nil	Nil	Nil
Life Office:	Life Insurer	Smoker:	Non-smoker	Premium Effective:	Date					
Policy Type:	Protection plan	In Super?	Life: Yes	Payment:	Yearly		Occupation			
Commenced:	Date		TPD: Yes	Payment By:	Client		Cover Type:			
				Premium Paid By:			Any Occupation			

Notes:

				Total Cover	\$1,650,000	\$1,500,000	\$150,000	\$14,000	\$0	

Policies for Partner					Life	TPD	Trauma	Income Protection	Business Expenses	
Policy No:	0004	Policy Owner:	Partner	Premium:	\$2,000	\$800,000	\$700,000	\$150,000	Nil	Nil
Life Office:	Life Insurer	Smoker:	Non-smoker	Premium Effective:	Date					
Policy Type:	Superannuation	In Super?	Life: Yes	Payment:	Yearly		Occupation			
Commenced:	Date		Trauma: Yes	Payment By:			Cover Type:			
							Any Occupation			



				Premium Paid By:	Partner					
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Notes:

					Total Cover	\$800,000	\$700,000	\$150,000	\$0	\$0
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Risk Profile Results Discussion Table

The table below is a discussion tool for any comments, feedback or thoughts with regard to the risk profile questionnaire undertaken.

Question	Response	Client Comments	Partner Comments
<p>How long is your expected investment timeframe?</p> <ol style="list-style-type: none"> 1. More than 7 years 2. 5 to 7 years 3. 3 to 5 years 4. Less than 3 years 			
<p>Which of the following best describes what you would like to achieve through your investments?</p> <ol style="list-style-type: none"> 1. I want a regular source of income – I am not worried if the investment doesn't increase in value over time 2. Generating income would be my priority, but I would also like to see some increase in value over time 3. I want the investment to grow in value overall. I would like some income from it, but is less important to me than investment growth 			

Question	Response	Client Comments	Partner Comments
4. I want solid growth of the investment – I am not interested in getting an income from the investment			
What level of returns do you expect your investments to achieve? <ol style="list-style-type: none"> 1. A steady return without losing any of my capital 2. 1 – 2% above inflation 3. 3 – 4% above inflation 4. 5% or more above inflation 			
When considering taking financial risks, how do you view yourself? <ol style="list-style-type: none"> 1. A very low risk taker 2. A low risk taker 3. A moderately low risk taker 4. An average risk taker 5. A moderately high risk taker 6. A high risk taker 7. A very high risk taker 			

Question	Response	Client Comments	Partner Comments
<p>Which of the following statements best describes your investment knowledge and understanding when considering investment?</p> <ol style="list-style-type: none"> 1. I have profited from investing in shares and managed funds based on my own research and knowledge 2. I have invested in shares and managed funds and I have gained a significant amount of knowledge through this experience 3. I have invested in shares and managed funds in the past and I have gained some knowledge through this experience 4. I have had investments in shares and managed funds without gaining much knowledge in this area 5. I have never invested in shares or managed funds and I have virtually no knowledge in this area 			
<p>I am more comfortable putting my money in a bank account than in the share market.</p> <ol style="list-style-type: none"> 1. Strongly agree 2. Tend to agree 3. Neither agree nor disagree 4. Tend to disagree 			

Question	Response	Client Comments	Partner Comments
5. Strongly disagree			
<p>Many types of investments can fluctuate up and down in value. Financial services professionals state that you should be able to endure downturns in the value of your investments over short-term periods. Based on the answers below, by how much could your investment fall in value over a short-term period before you feel uncomfortable?</p> <ol style="list-style-type: none"> 1. I would be uncomfortable with any fall in the value of my investments 2. Up to a 5% fall in value 3. Up to a 10% fall in value 4. Up to a 25% fall in value 5. Up to a 35% fall in value 6. Up to a 50% fall in value 7. A fall in value of more than 50% 			
<p>If you were confronted with a significant financial decision in relation to an investment, would you be more concerned about the potential losses or the potential gains?</p> <ol style="list-style-type: none"> 1. Always the potential losses 2. Usually the potential losses 			

Question	Response	Client Comments	Partner Comments
<ul style="list-style-type: none"> 3. Equally concerned about the losses and gains 4. Usually the potential gains 5. Always the potential gains 			
<p>If you have ever invested a significant amount of money into an investment that fluctuates up and down in value, how did it make you feel when the investment fell in value?</p> <ul style="list-style-type: none"> 1. Highly anxious 2. Moderately anxious 3. Slightly anxious 4. Not worried at all 5. I have never invested in this type of investment 			
<p>Suppose you unexpectedly inherited a large sum of money, you are debt free and wanted to invest the money for your future. Which of the following investments would you consider most appropriate?</p> <ul style="list-style-type: none"> 1. Invest the majority in cash and term deposits 2. Invest the majority in real estate 3. Invest the majority in shares 4. A mix of two or more of the above 			

Question	Response	Client Comments	Partner Comments
5. Spend it all			
<p>Suppose that two years ago you purchased shares in a company that was recommended to you by experts due to the future business prospects of that company. After a two year period of the share market being in a downward trend (a bear market) the shares of the company were trading at a lower price than what you paid for them.</p> <p>You subsequently receive expert advice that confirms that even though the share price is lower due to the share market conditions over the last two years, the future prospects of the company are even stronger than previously advised. Given that your shares in this company are already trading at a loss, would you buy more shares in this company based on the latest expert advice?</p> <ol style="list-style-type: none"> 1. Definitely not 2. Probably not 3. Not sure 4. Probably 5. Definitely 			
Investment gearing is the process of borrowing money to invest, although gearing can increase the potential return			

Question	Response	Client Comments	Partner Comments
<p>significantly and often provide taxation benefits; it also significantly increases the level of risk.</p> <p>Suppose a financial planner recommended that you borrow money to invest in a portfolio of managed funds and shares, which of the following would best describe your reaction</p> <ol style="list-style-type: none"> 1. I would see this as an opportunity to significantly increase my wealth and would not be concerned about the increased risk 2. I would consider the opportunity but would feel uneasy about the increased risk 3. I would never agree to borrow money to invest as I consider the risk too high 			