

Statement of Advice

(Your Advice Record)

Retirement Plan

Joe White and Beth White

Age: 67 and 67

DOB: 1/01/1956 and 1/02/1956

Report Generated by Simon Simmons of Good Advice



Simon Simmons

Good Advice

1 George Street, Sydney 2000. Phone 9999 999

Disclosure Statement

This software is intended for a **Licensed Financial Adviser** to create a financial plan, based on the information provided in the **Fact Find**, that has been completed by the client. This information is imported into a *Financial Plan* and is optimized by the Financial Adviser generating this report, based on the objectives of the client. Its purpose is to provide a dynamic mathematical model that shows the cause and effect of various financial transactions which are based on the information provided by you and assumptions about future values.

The software provides a number of Reports for you to view, that show the attributes of the Plan. In addition, the Financial Adviser will write an Advice Document.

The person writing this **Report** will have taken into consideration the most appropriate advice for your personal financial situation.

Default assumptions used for returns on investments and interest rates on loans will be based on the approximate average investment returns, with the time period being selected by the adviser.

All assumptions made and forecasts produced using this software are based on past performance.

Past performance is not a reliable indicator of future performance.

Please ensure the information that you provide is complete and accurate, otherwise, the projections may not reflect accurate future estimations. Before acting on the information consider the appropriateness of it having regard to your objectives, financial situation,

and needs.

If you have any concerns, discuss these with your adviser.

Plan Objectives

Plan Objectives

The objective is to have a retirement income ranging from \$90,000 to \$85,000 over the 15 years. You have indicated you would like to maintain the \$200,000 you expect to receive next year as an inheritance to be passed on to your grandchildren. You would like sufficient investments to maintain a retirement income of \$85,000 should you live into your late nineties. you have indicated you want to downsize in 10 years.

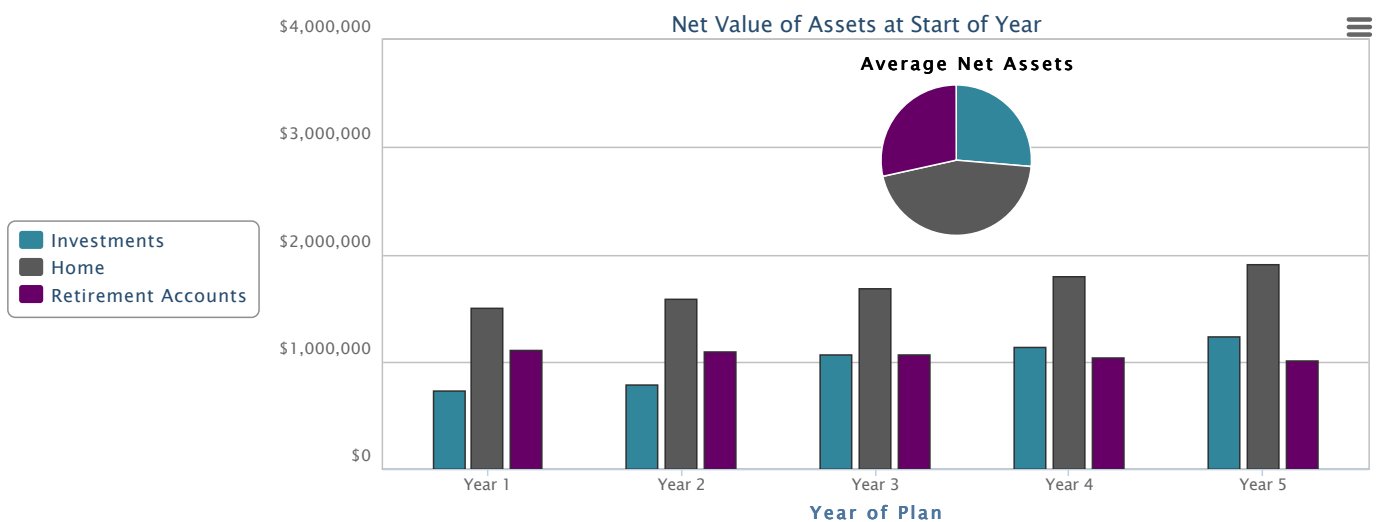
Main Strategy

The strategy will be keep the investment property, but drawdown the Shares in the earlier part of retirement and commence a drawdown of the Managed Funds in Year 11.

John's Super will be drawn down over 25 years, with an extra \$20,000 drawdown in Year 7 to help fund the purchase of a new car.

Milestones & Goals

There are no milestones and goals listed in the plan.



What You Own

Results are displayed in Present Value.

Asset	Value at Start of Plan	Value at End of Plan
Transaction (Bank) Account	\$100,000	\$801,141
Shares 1	\$50,000	\$0
Our House	\$1,500,000	\$0
Sydney Property	\$500,000	\$1,218,789
Emergency Cash	\$20,000	\$42,661
MF 1	\$60,000	\$1,074,334
Inheritance	\$0	\$865,968
New House	\$0	\$1,722,760
Joe's Super	\$570,000	\$358,060
Beth's Super	\$545,000	\$0

What You Owe

Results are displayed in Present Value.

Debt	Value at Start of Plan	Value at End of Plan
------	------------------------	----------------------

My Advice

Executive Summary

While you indicated you require a retirement income range of \$90,000 to \$85,000, I believe you should consider a higher income, say \$100,000 in the first five years. I have recommended that when you downsize from the current home in Year 11, invest \$800,000 in the Managed Fund account and keep the balance in cash. The details of all these transactions are included in the Advice Record in the sections Home Ownership, Investments, and Superannuation. If you follow my advice, I am confident you will remain financially independent of any social security.

Estate Planning

I recommend you talk to your lawyer about updating your Last Will and Testament. You should also discuss drawing up an Advance Health Care Directive for each of you.

Attitude towards Investing

You have always kept your investment style very simple with Joe investing in real estate and Beth in shares and managed funds. I have recommended that you draw down the Share portfolio before the Managed funds, as this will reduce the work involved as you get older. I have taken this into account when making my recommendations for this Advice document.

-1




-1







-1

Financial Performance Snapshot

Figures are displayed in Future Value, except where indicated as Present Value (PV).

Legend

-  You have completed this element of the plan
-  There may be elements you should review
-  This element was not completed

Area	Status	
Salary		You have not set your salary.
Cash Flow from Investments		At the start of your plan you have annual income from investments of \$35,938.
Wealth Now		At the start of your plan you have \$730,000 in investments (including investment loans), and \$1,115,000 retirement funds.
Debt Now		You have no debts at the start of your plan.
Lifestyle Goals		You have not included any specific lifestyle goals in your plan.
Retirement Goal		Your retirement income in the first year of retirement is \$100,000 (Present Value)

Home Ownership

Homes

This plan has 2 homes. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Home: *New House*

New House is a home purchased jointly in Year 11 with a value of \$1,000,000 and a deposit of \$1,000,000.

It is estimated that the value of the home will rise at 6.12% p.a.

There are no building improvements planned for this home.

At the end of the plan, this home is worth \$1,189,507 (which is \$1,722,760 in FV).

Home: *Our House*

Our House is an existing home owned jointly with a value of \$1,500,000 at the start of the plan. The purchase price including costs was \$1,000,000.

It is estimated that the value of the home will rise at 6.12% p.a.

There are no building improvements planned for this home.

This home is sold at the end of Year 10. It is estimated that the profit after selling costs is \$1,167,262 (which is \$1,457,750 in FV).

Loans

You have no home loans.

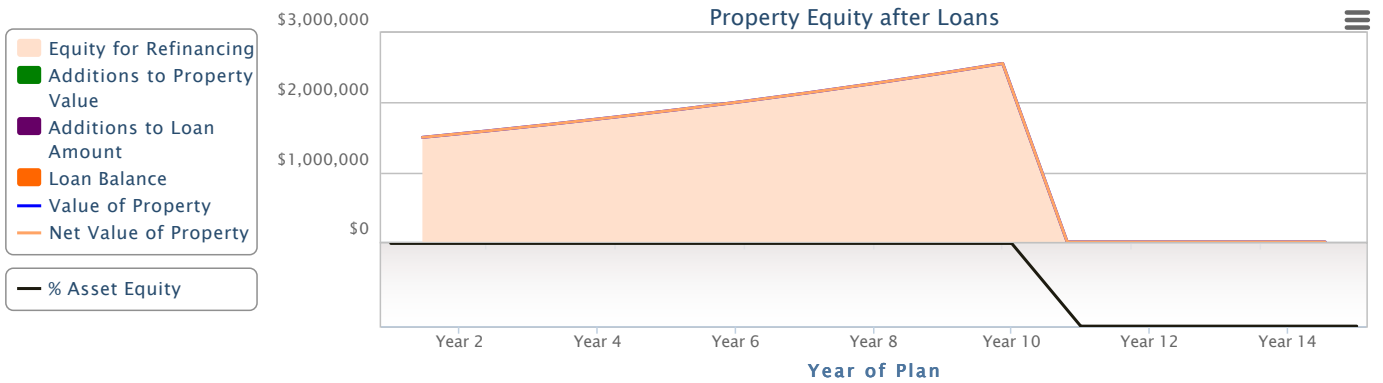
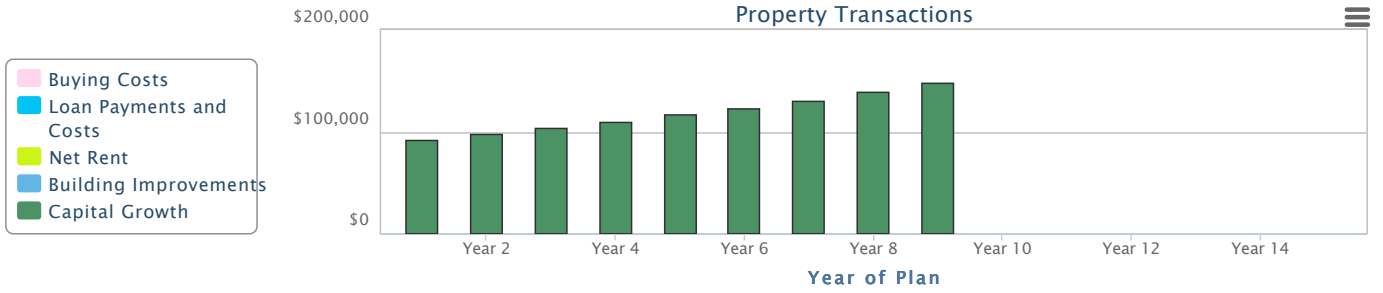
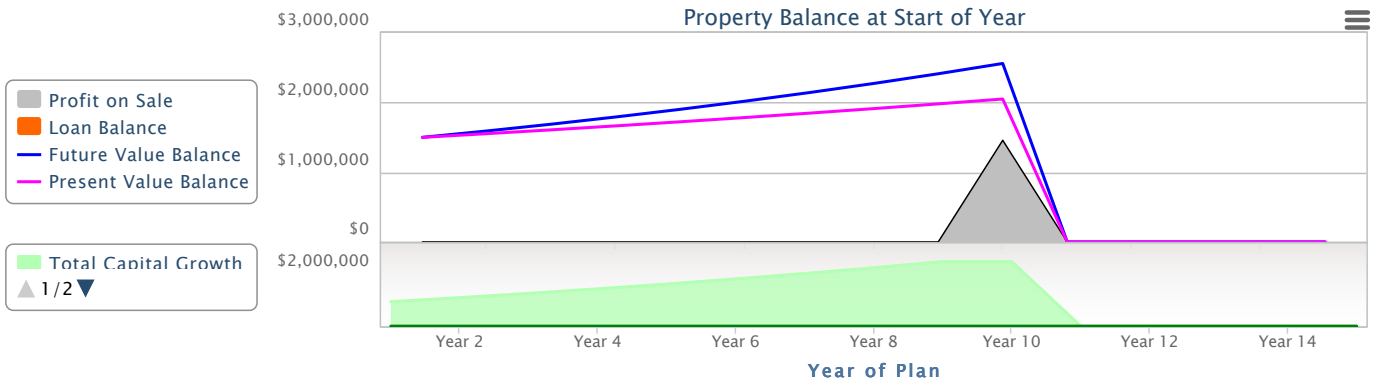
Notes

When using cash flow modelling software to estimate future changes in real estate prices, an average Capital Growth is selected. The value of each property will change year by year and no one can predict what these changes will be for a specific property or property in general.

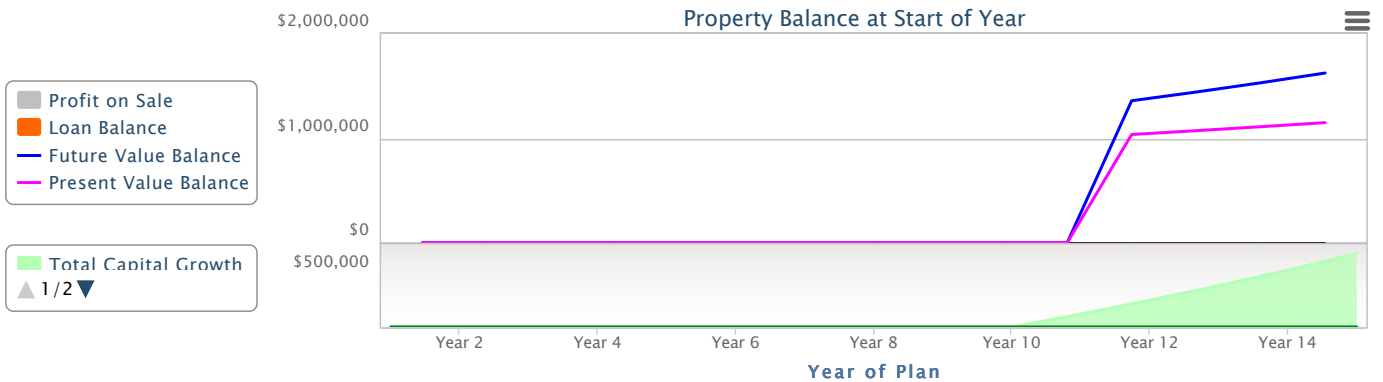
The Bureau of Statistics keeps an historical record of changes in property prices. They have estimated that the price rise of Established Houses for the 20-year period from 2001 was 6.46% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated the price rise was 3.13% with an Inflation Rate of 1.57%. The Real (after-inflation) Capital Growth Rates were 3.99% for the 20-year period and 1.53% for the 5-year period.

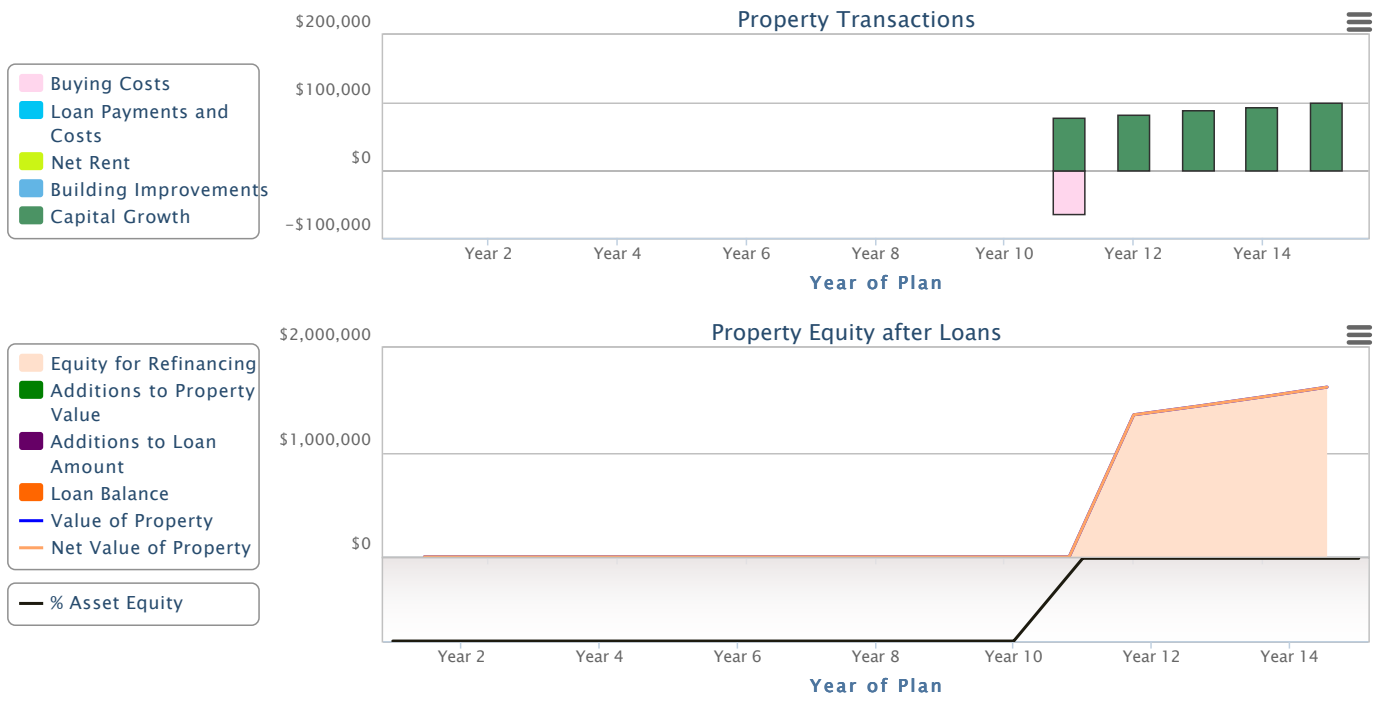
Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated rate was 5.16% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 4.33% and 3.57%.

Our House



New House





Investments

Interest Earning Accounts

In the cash flow modelling software, money invested in interest earning accounts are of four types.

- Transaction (Bank) Account
- Cash Accounts such as savings or cash management accounts
- Term Deposits
- Bonds

The Transaction Account is the account through which all transactions occur.

Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Transaction Account

The balance of the Transaction Account at the start of the plan is \$100,000. The investment return is 5.18%. During the plan, the account is not overdrawn at the end of any years.

At the end of the plan, the balance is \$801,141 (which is \$1,160,291 in FV).

The following One Off Receipts are received:

- **Year 2:** \$200,000

The following One Off Expenses are paid from the Transaction Account:

- **Years 1 to 15:** \$1,000

Cash Account: *Emergency Cash*

Emergency Cash is an existing cash account owned jointly with a value of \$20,000 at the start of the plan.

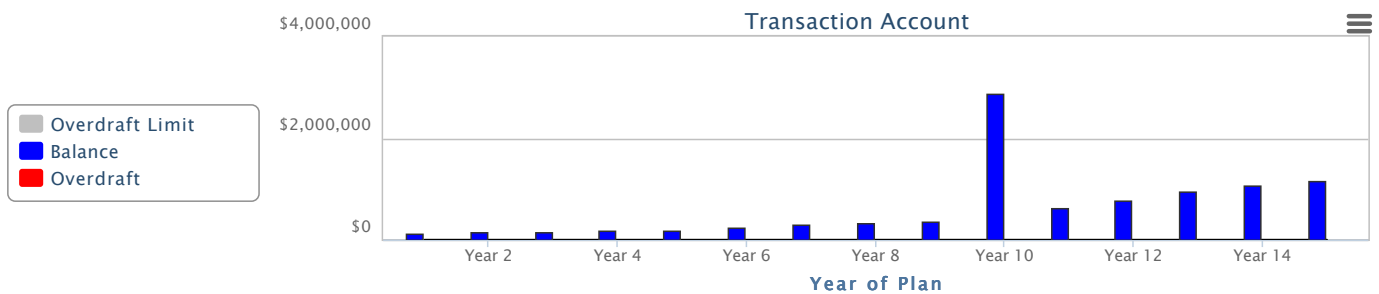
The investment return is 5.18% and interest is reinvested. The interest is taxed as income.

This plan does not use the automated Investment Plan which allocates salary savings by a percentage.

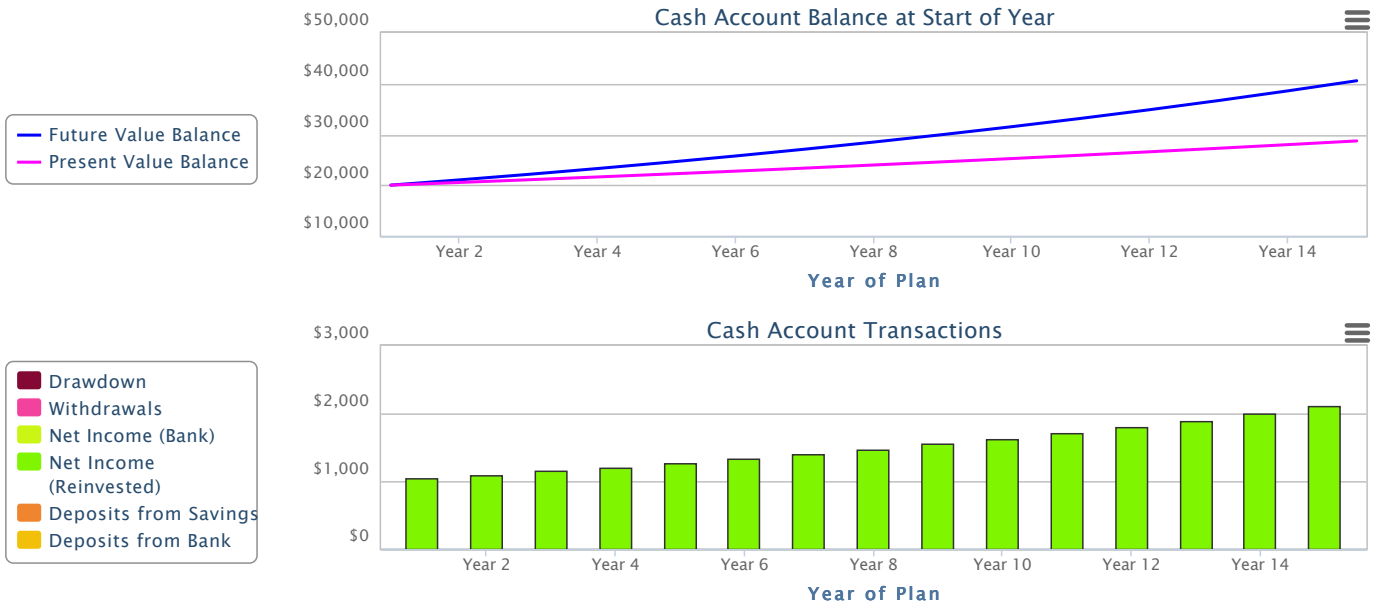
The Retirement Drawdown has not been activated.

At the end of the plan, this cash account is worth \$29,456 (which is \$42,661 in FV).

Bank Account – Balance at End of Year



Emergency Cash



Managed Funds

This plan has 2 managed funds. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Managed Fund: *Inheritance*

Inheritance is an existing managed fund owned jointly with a value of \$0 at the start of the plan.

The managed fund's asset allocation is described as **High Growth**. Following is the breakdown.

Cash	5.00%
Domestic Fixed Interest	15.00%
Global Fixed Interest	10.00%
Defensive Assets	30.00%
Domestic Equities	35.00%
Global Equities	30.00%
Other Investments	0.00%
Property Trusts	5.00%
Growth Assets	70.00%

The estimated income from dividends is 5.00% and the estimated capital growth rate is 7.00%, a total return of 12.00%.

Dividends from this portfolio are:

- Reinvested during the Retirement Phase.

The dividends are taxed as income.

Imputation credits for Australia have been activated and it is estimated that 20.00% of the fund will be eligible for these tax credits.

This plan does not use the automated Investment Plan which allocates salary savings by a percentage.

These purchases are made directly from the Transaction Account:

- **Year 2:** \$196,000

The Retirement Drawdown has not been activated.

At the end of the plan, this managed fund is worth \$597,921 (which is \$865,968 in FV).

Managed Fund: *MF 1*

MF 1 is an existing managed fund owned by Beth with a value of \$60,000 at the start of the plan.

The managed fund's asset allocation is described as **Balanced**. Following is the breakdown.

Cash	15.00%
Domestic Fixed Interest	15.00%
Global Fixed Interest	20.00%
Defensive Assets	50.00%
Domestic Equities	17.00%
Global Equities	24.00%
Other Investments	4.00%
Property Trusts	5.00%
Growth Assets	50.00%

The estimated income from dividends is 4.48% and the estimated capital growth rate is 6.12%, a total return of 10.60%.

Dividends from this portfolio are:

- Paid to the Transaction Account during the Retirement Phase.

The dividends are taxed as income.

Imputation credits for Australia have been activated and it is estimated that 20.00% of the fund will be eligible for these tax credits.

This plan does not use the automated Investment Plan which allocates salary savings by a percentage.

These purchases are made directly from the Transaction Account:

- **Year 11:** \$784,000

The Retirement Drawdown commences in Year 11 of the Retirement Phase and the funds are drawn down over 25 Years.

At the end of the plan, this managed fund is worth \$741,791 (which is \$1,074,334 in FV).

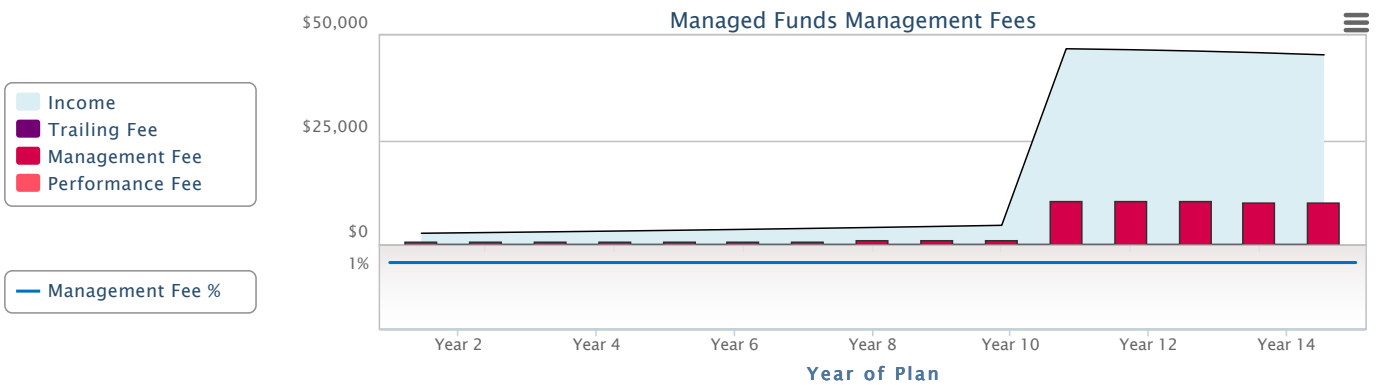
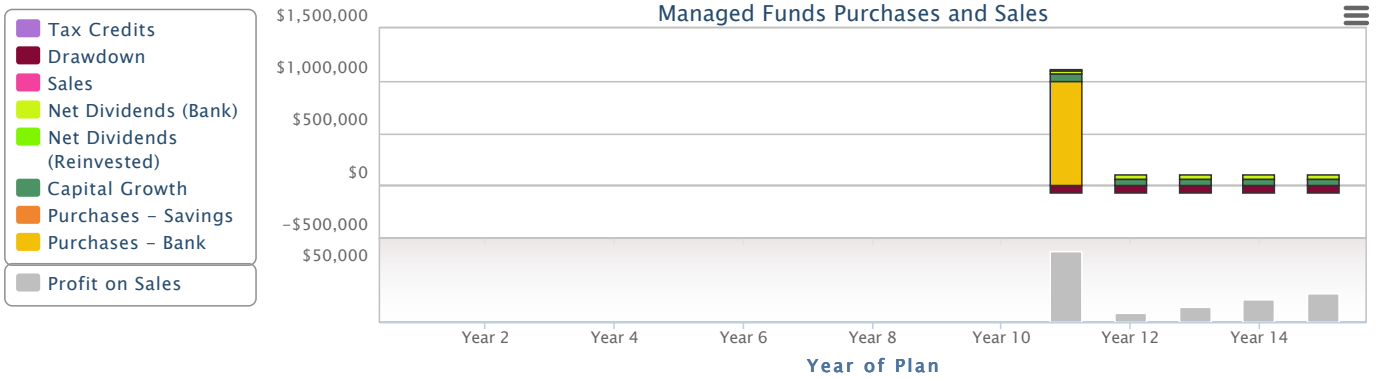
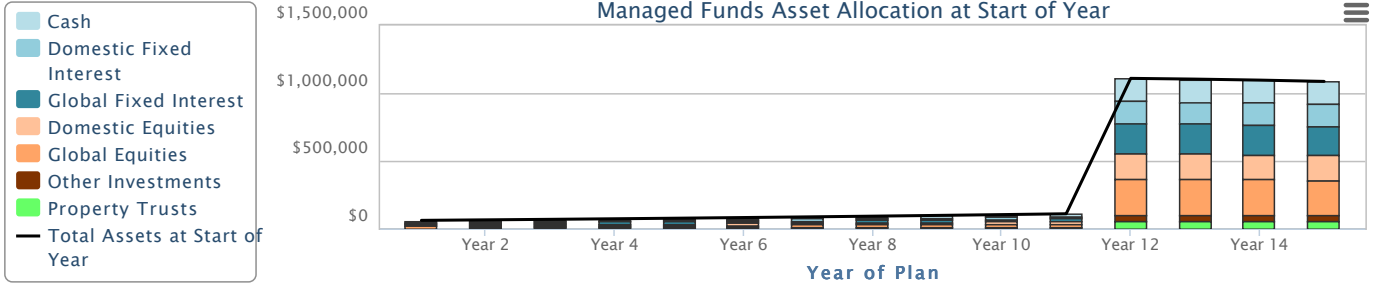
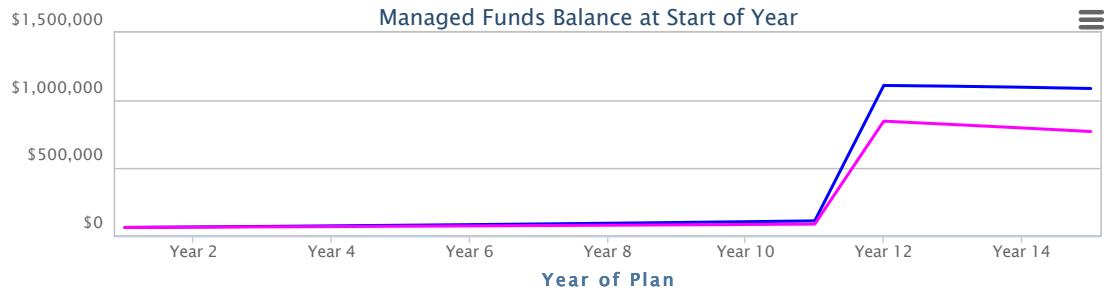
Notes

In this plan, it is assumed that dividends and capital growth remain the same. However, there may be considerable rise and falls of share prices for any specific share portfolio or the ASX200. It is estimated that the total return for the ASX200 for the 20-year period from the year 2001 was 9.38% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated total return was 9.29% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 6.82% and 7.60%.

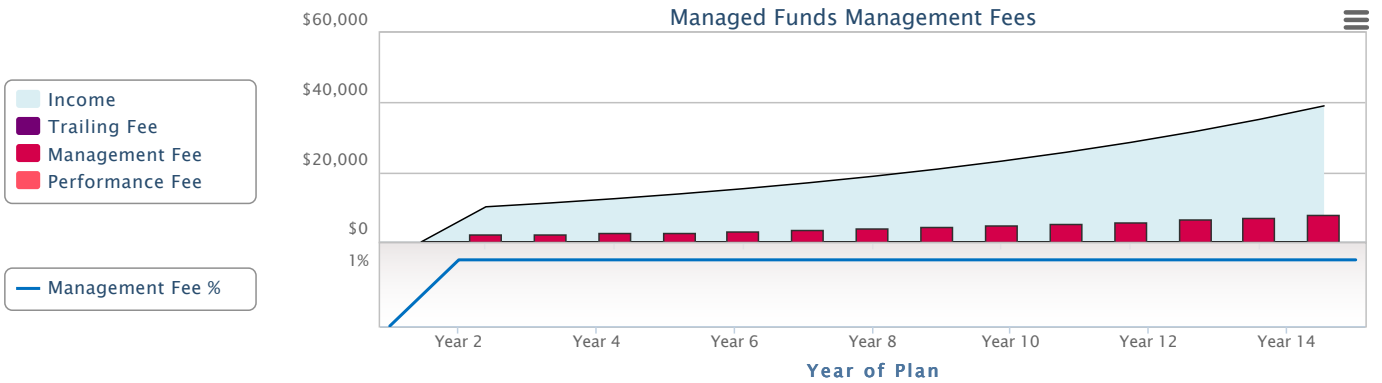
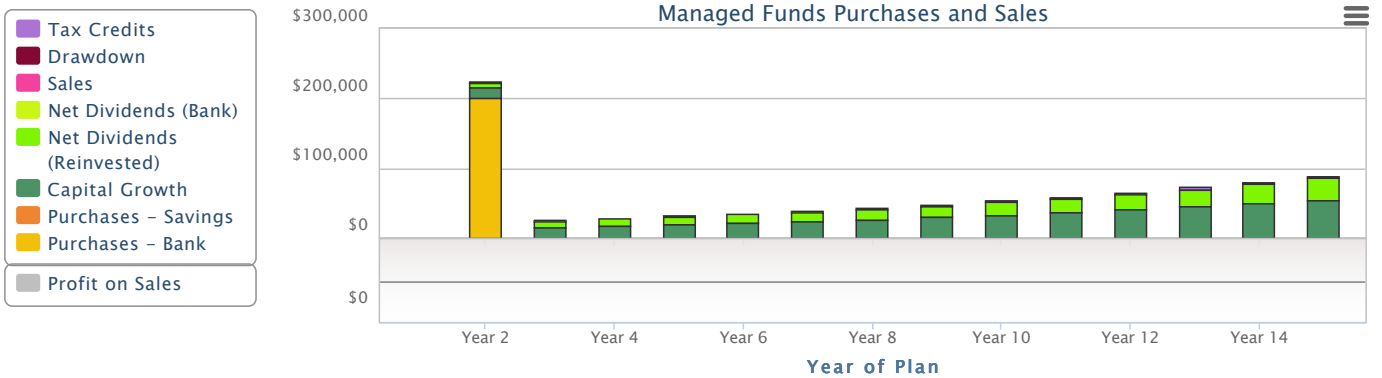
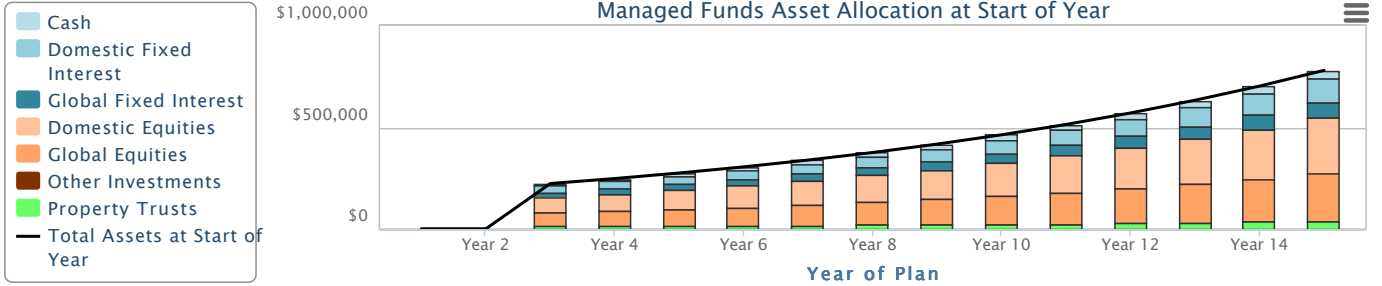
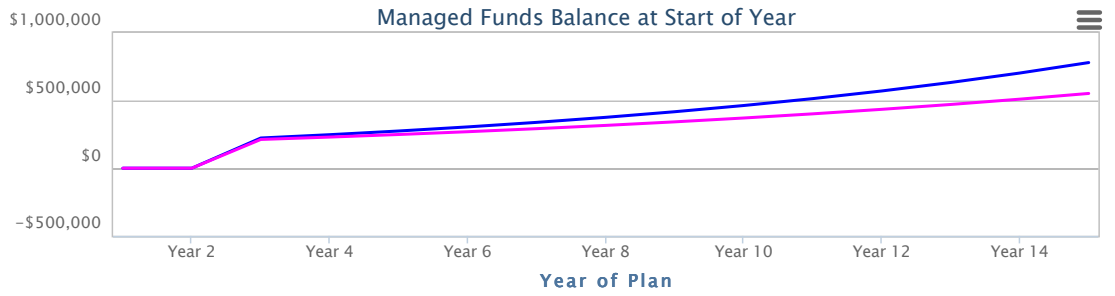
Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated rate was 5.16% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 4.33% and 3.57%.

Margin loans, where the shares are the only security, are likely to attract a higher interest rate than the standard home loan.

MF 1



Inheritance



Share Portfolios

This plan has 1 share portfolio. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Share Portfolio: *Shares 1*

Shares 1 is an existing share portfolio owned by Beth with a value of \$50,000 at the start of the plan.

The estimated income from dividends is 4.25% and the estimated capital growth rate is 6.12%, a total return of 10.37%.

This portfolio has a linked loan.

Dividends from this portfolio are:

- Paid to the Transaction Account during the loan period.
- Paid to the Transaction Account during the Retirement Phase.

The dividends are taxed as income.

Imputation credits for Australia have been activated and it is estimated that 60.00% of the fund will be eligible for these tax credits.

This plan does not use the automated Investment Plan which allocates salary savings by a percentage.

The Retirement Drawdown commences in Year 1 of the Retirement Phase and the funds are drawn down over 10 Years.

At the end of the plan, this share portfolio is worth \$0.

Loans

You have no share portfolio loans.

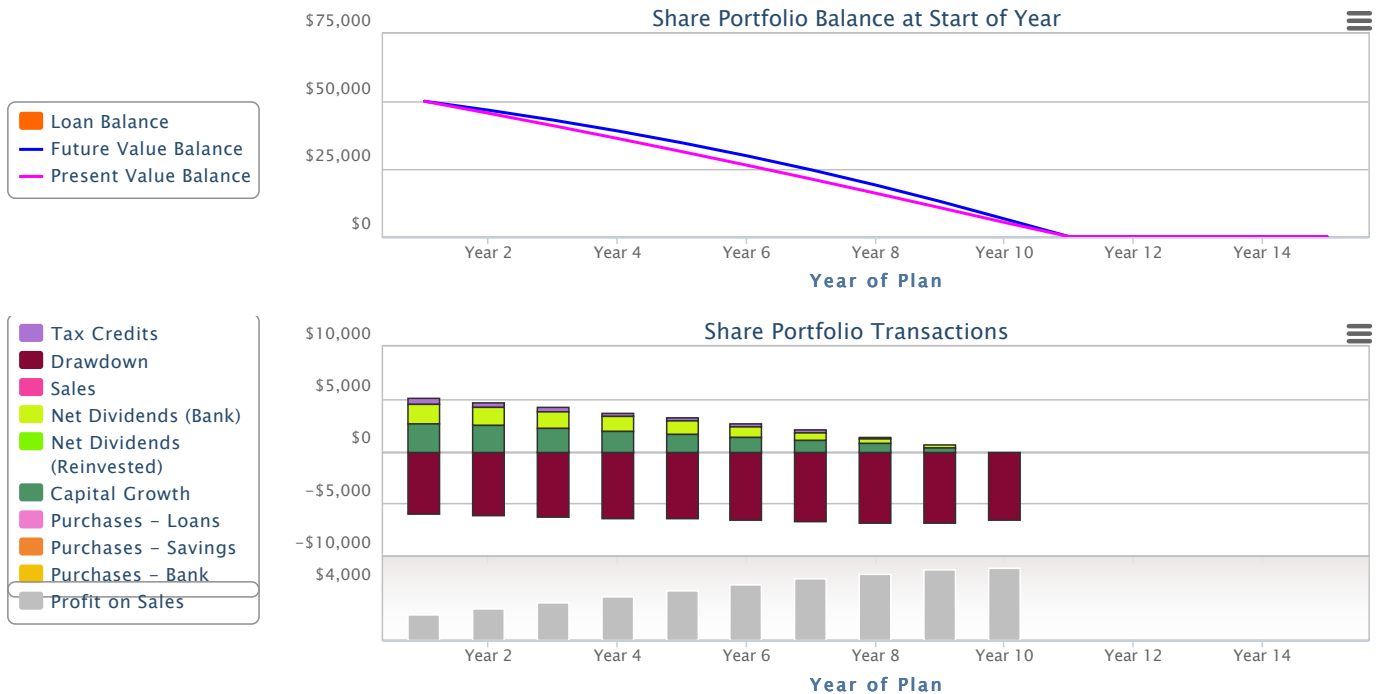
Notes

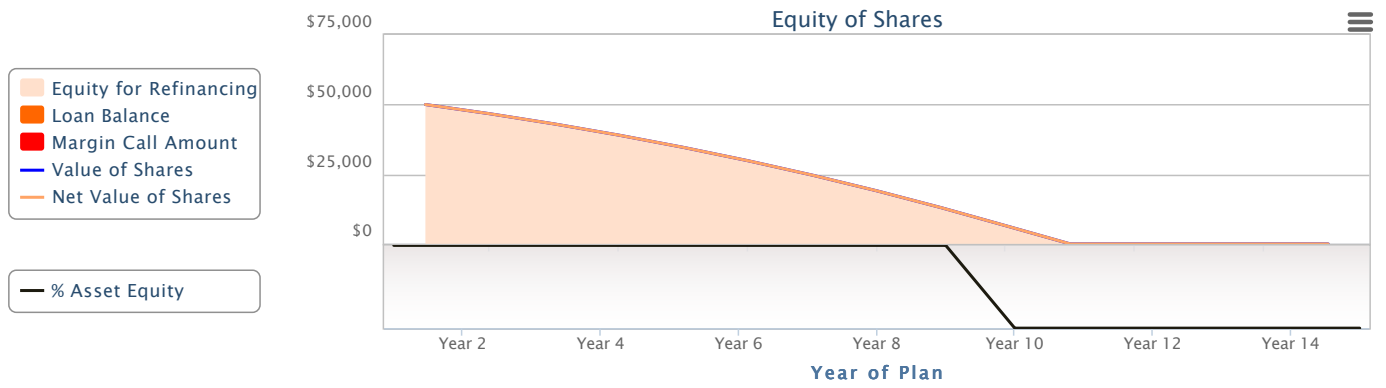
In this plan, it is assumed that dividends and capital growth remain the same. However, there may be considerable rise and falls of share prices for any specific share portfolio or the ASX200. It is estimated that the total return for the ASX200 for the 20-year period from the year 2001 was 9.38% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated total return was 9.29% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 6.82% and 7.60%.

Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated rate was 5.16% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 4.33% and 3.57%.

Margin loans, where the shares are the only security, are likely to attract a higher interest rate than the standard home loan.

Shares 1





Investment Properties

This plan has 1 investment property. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Investment Property: Sydney Property

Sydney Property is an existing investment property owned by Joe with a value of \$500,000 at the start of the plan. The purchase price including costs was \$350,000.

The estimated gross income is 5.00% p.a. with recurrent costs of 15.00% p.a. of the gross income. It is estimated that the value of the investment property will rise at 6.12% p.a.

There are no building improvements planned for this investment property.

You plan the following capital purchases:

- Year 5: \$20,000 (which is \$22,076 in FV)

At the end of the plan, this investment property is worth \$841,532 (which is \$1,218,789 in FV).

Loans

You have no investment property loans.

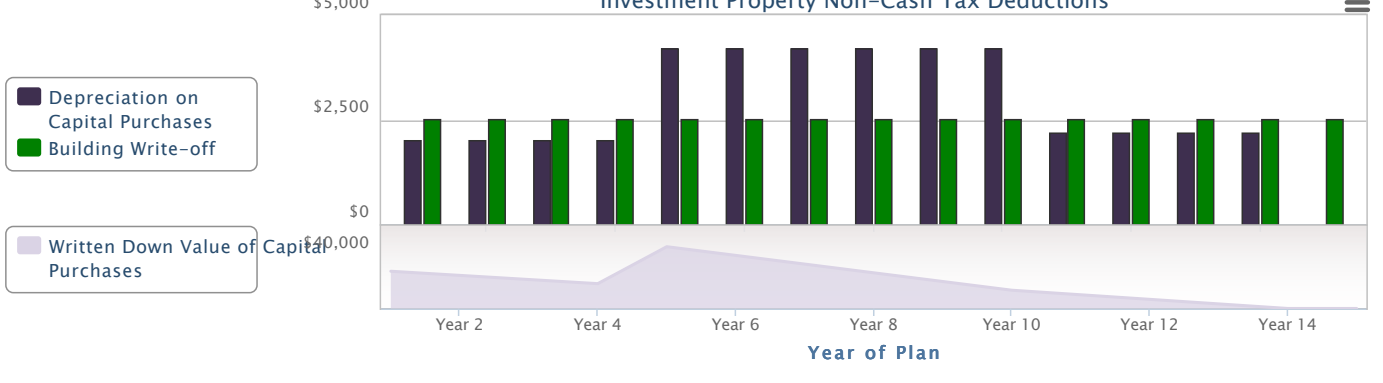
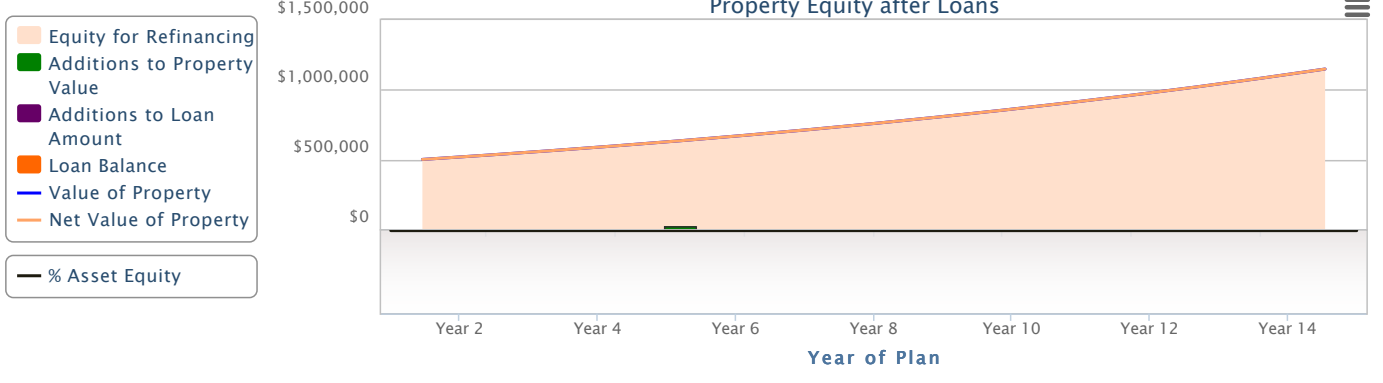
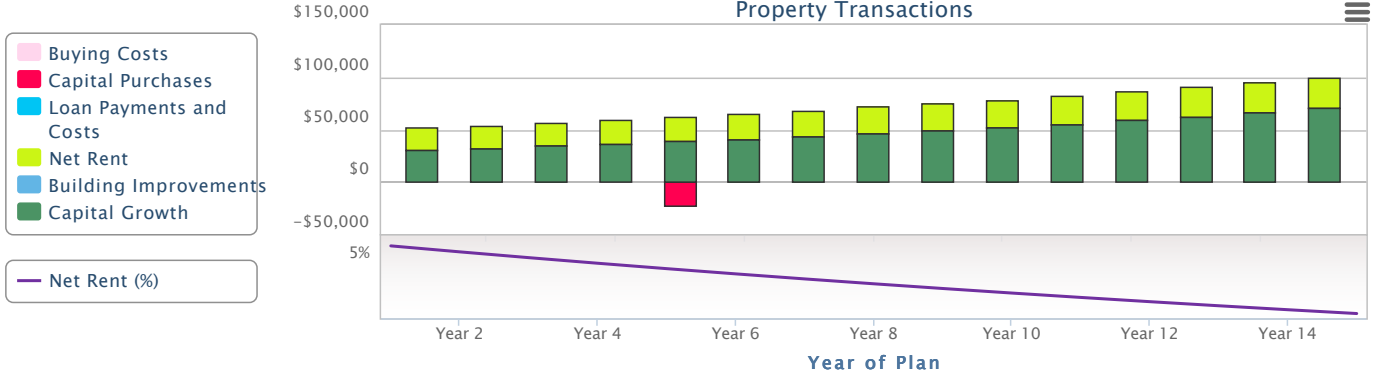
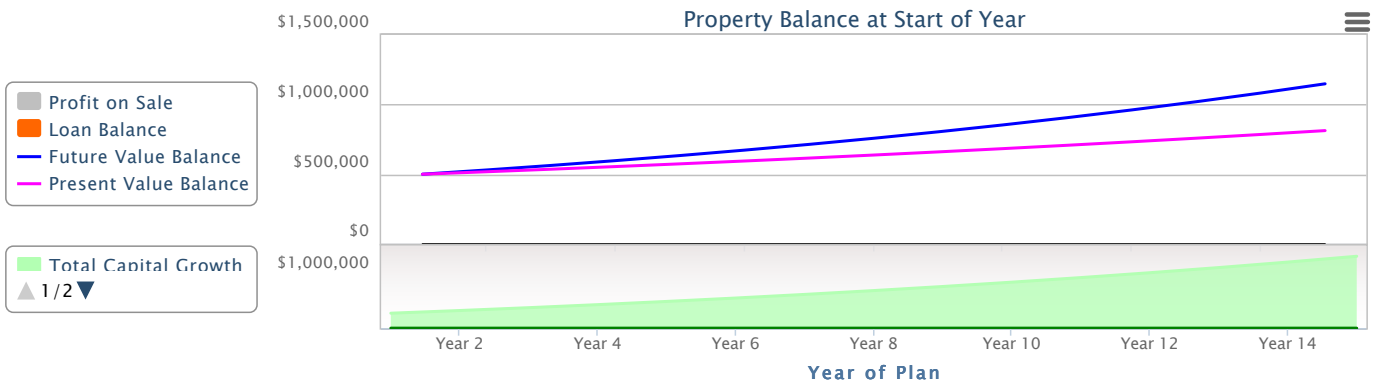
Notes

When using cash flow modelling software to estimate future changes in real estate prices, an average Capital Growth is selected. The value of each property will change year by year and no one can predict what these changes will be for a specific property or property in general.

The Bureau of Statistics keeps an historical record of changes in property prices. They have estimated that the price rise of Established Houses for the 20-year period from 2001 was 6.46% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated price rise was 3.13% with an Inflation Rate of 1.57%. The Real (after-inflation) Capital Growth Rates were 3.99% for the 20-year period and 1.53% for the 5-year period.

Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated rate was 5.16% with an average Inflation Rate of 1.53%. These are Real (after-inflation) rates of 4.33% and 3.57%.

Sydney Property



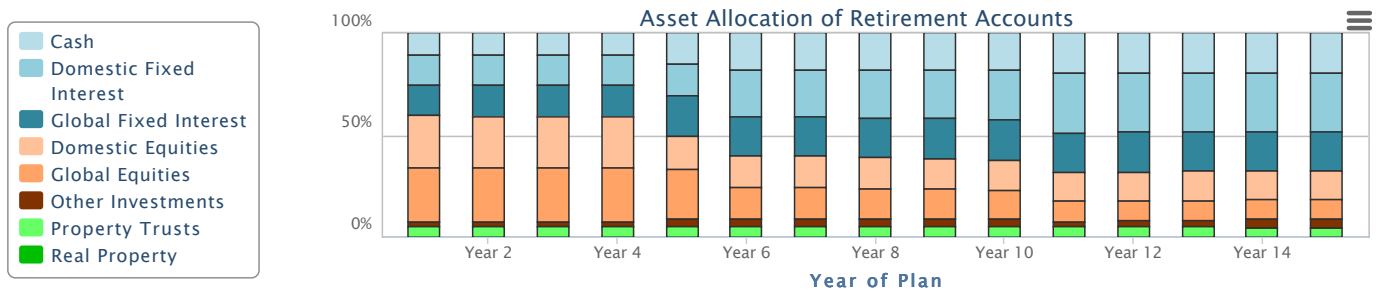
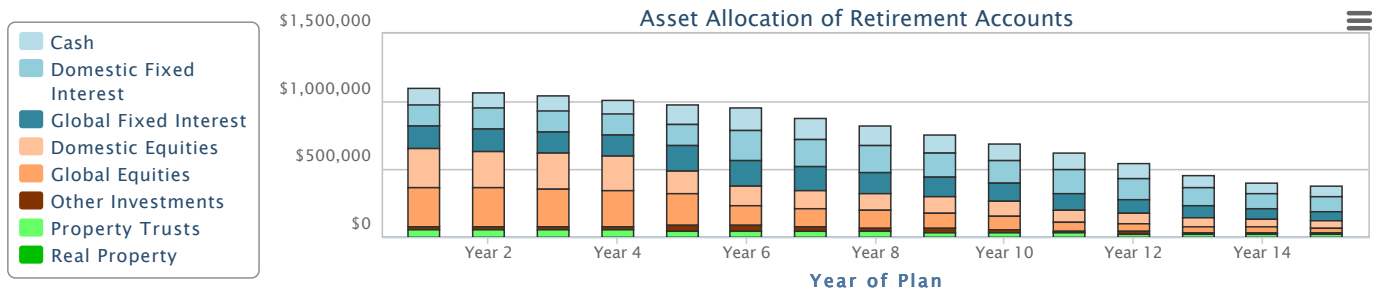
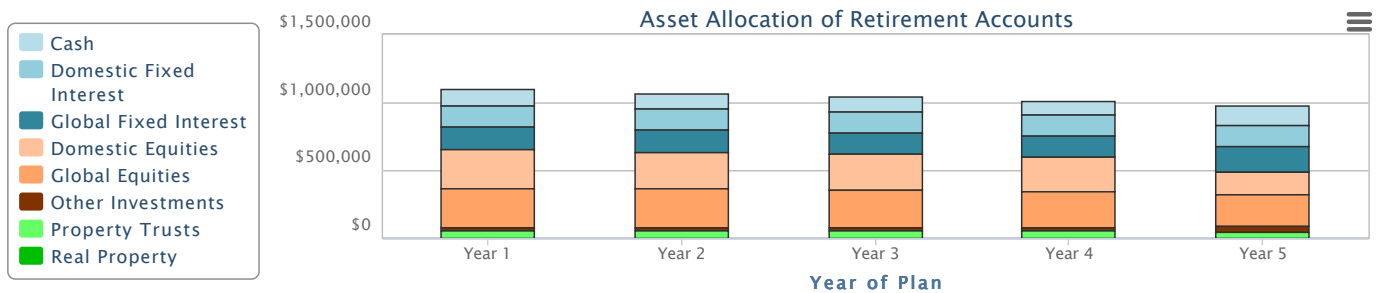
Superannuation

The combined value of all Superannuation Funds at the start of the **plan** is \$1,115,000.

The combined value of all Superannuation Funds at the **end of the Plan** is \$358,060, which is a Present Value (or Today's Dollar Value) of \$247,228.

The graphs represent:

- Dollar value for the first 5 years – including Asset Allocation
- Dollar value for the length of the plan - including Asset Allocation
- Asset Allocation for the length of the plan



Superannuation/Pension Funds

This plan has 2 superannuation/pension funds that are employer sponsored and are defined contribution funds. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Super/Pension/KiwiSaver Fund: *Beth's Super*

Beth's Super is a fund for Beth. Employer contributions are not paid to this superannuation account.

At the start of the plan, the total value of the fund is \$545,000. The account balances are:

- Employer funded contributions: \$450,000

- Personal pre-tax contributions: \$45,000
- Personal after-tax contributions: \$50,000

The following investment profiles are selected:

Start Year	Investment Profile	% pa Return
Year 1	High Growth	7.50%
Year 5	Balanced	7.00%
Year 11	Conservative	6.50%

At the start of your drawdown at Age 67, the balance of this super/pension/KiwiSaver fund is \$545,000.

The drawdown amount has been calculated to be drawn down as specified amounts:

- **Years 1 to 14:** \$50,000

The value of this super/pension/KiwiSaver fund reaches zero at the end of Year 14 at Age 80.

Super/Pension/KiwiSaver Fund: *Joe's Super*

Joe's Super is a fund for Joe. Employer contributions are not paid to this superannuation account.

At the start of the plan, the total value of the fund is \$570,000. The account balances are:

- Employer funded contributions: \$500,000
- Personal pre-tax contributions: \$40,000
- Personal after-tax contributions: \$30,000

The following investment profiles are selected:

Start Year	Investment Profile	% pa Return
Year 1	Balanced	7.00%
Year 6	Conservative	6.50%

At the start of your drawdown at Age 67, the balance of this super/pension/KiwiSaver fund is \$570,000.

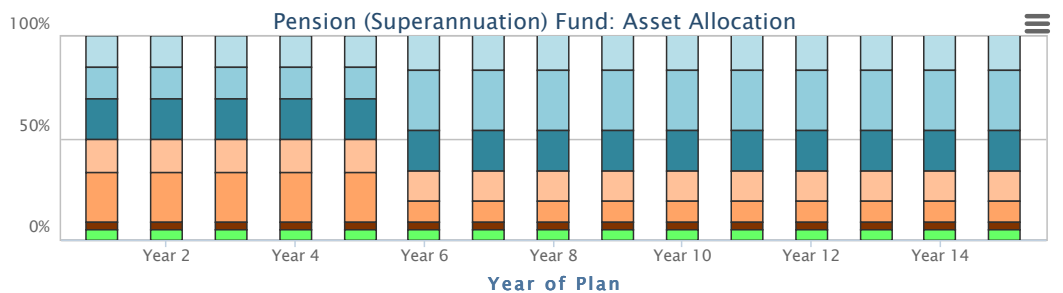
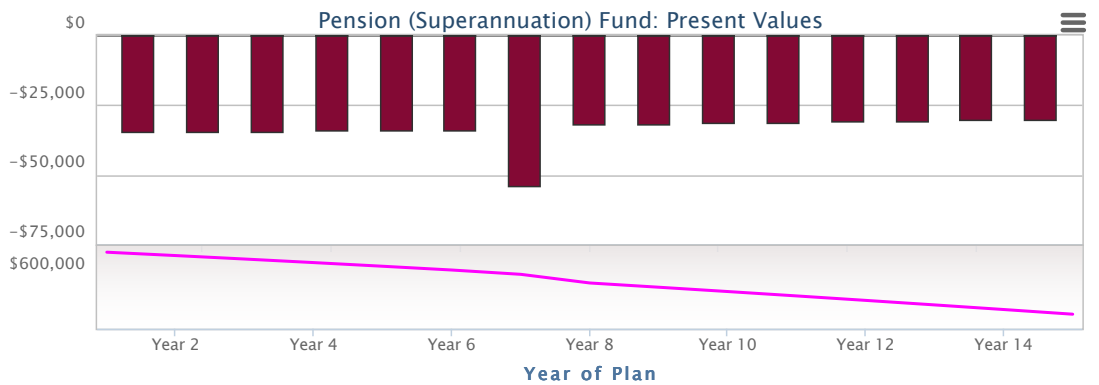
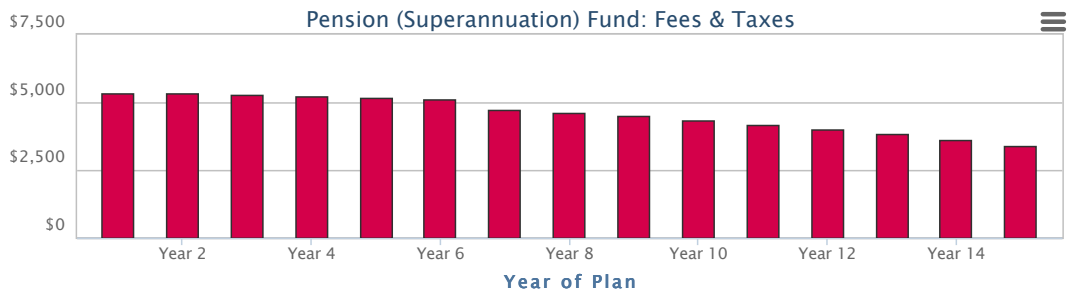
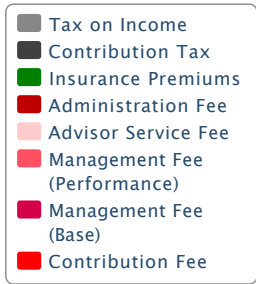
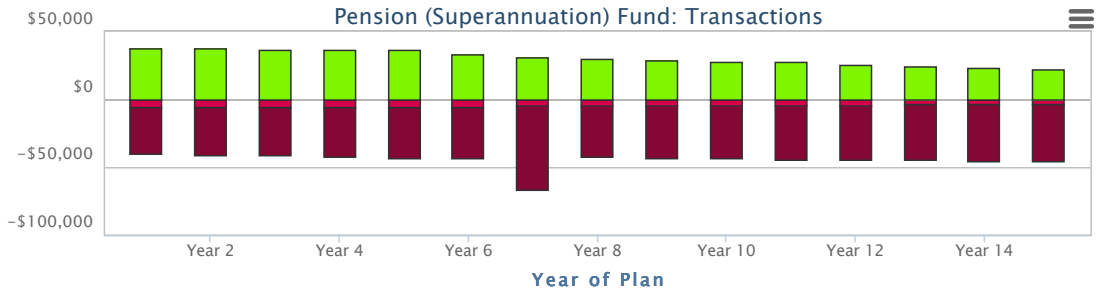
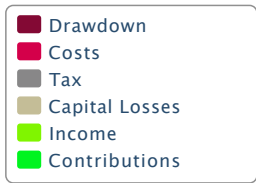
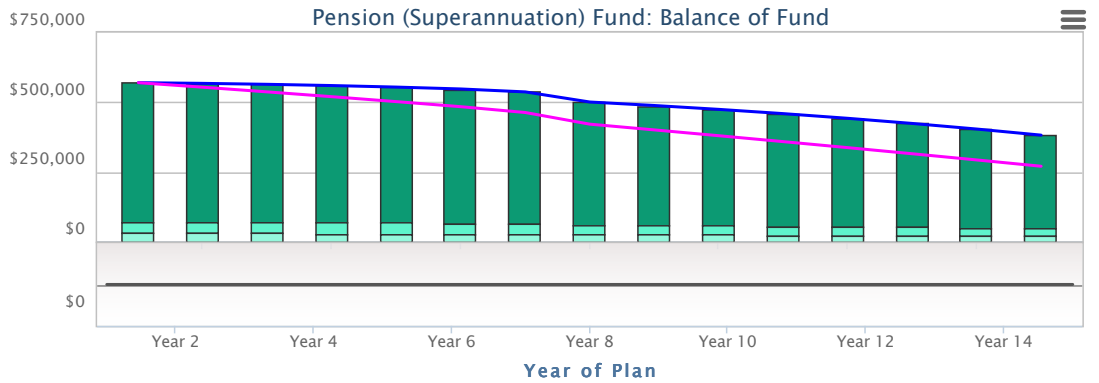
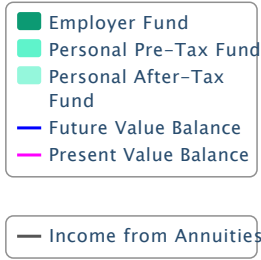
The drawdown amount has been calculated to be drawn down over 25 Years.

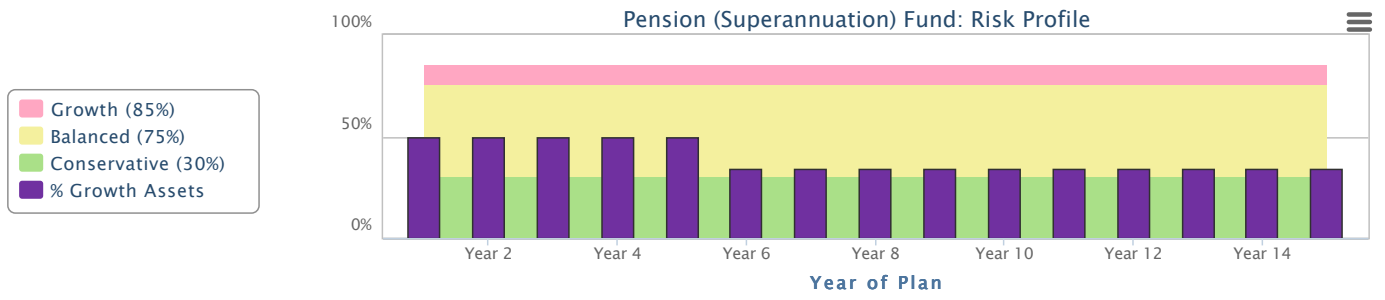
Additional drawdown amounts are planned as follows:

- **Year 7:** \$20,000

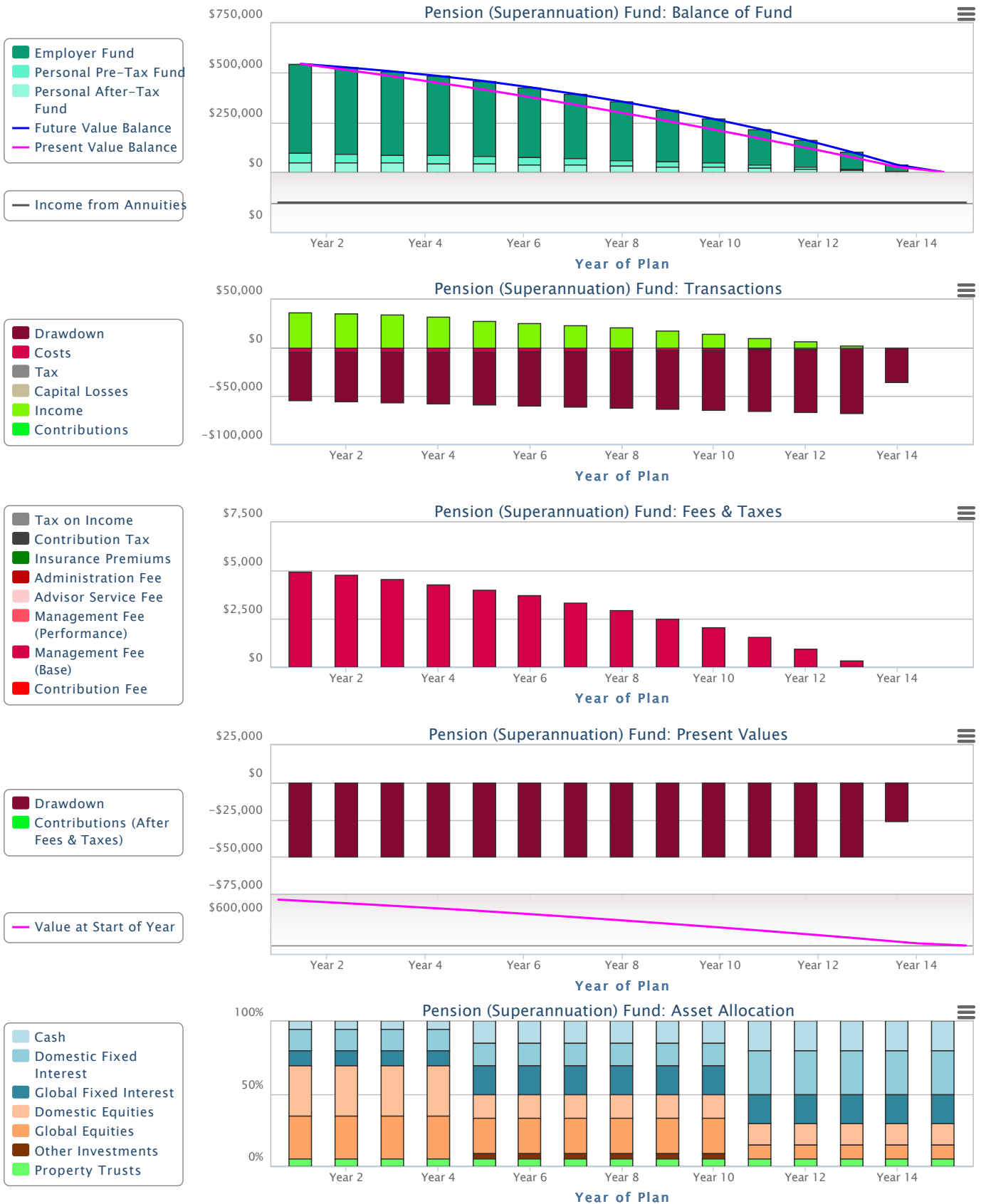
At the end of the plan, this super/pension/KiwiSaver fund is worth \$247,228 (which is \$358,060 in FV).

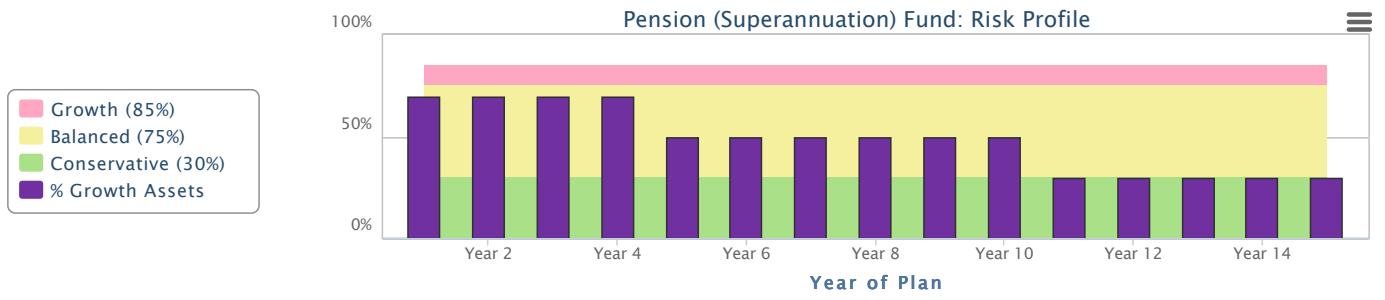
Joe's Super (Joe)





Beth's Super (Beth)





Credit Cards, Personal Loans & Personal Savings

Credit Cards

This plan has no credit cards.

Personal Loans

This plan has no personal loans.

Lifestyle Goals

Lifestyle Goals are savings for personal expenses which are deducted from the budget. This plan has no lifestyle goals.

Lifestyle Goals (PV)	2023	2024	2025	2026	2027
Age (Joe, Beth)	Age 67, 67	Age 68, 68	Age 69, 69	Age 70, 70	Age 71, 71
Balance at Start of Year	\$0	\$0	\$0	\$0	\$0
Savings	\$0	\$0	\$0	\$0	\$0
Purchases	\$0	\$0	\$0	\$0	\$0
Balance at End of Year	\$0	\$0	\$0	\$0	\$0

Additional Information

When preparing this document, I have taken into consideration the personal information you provided.

Family

My wife and I are aged 67 and about to commence retirement. We have three adult children and 5 grandchildren. We are expecting an inheritance of \$200,000 next year. All our adult children are financially secure and will not require assistance from us.

Employment

We do not intend to have any part-time work

Health

We are both in good health and both our parents lived into their late eighties.

Estate Planning

We have wills and power of attorney.

Investment Experience

We are experienced investors who have managed a rental property and share portfolio and we also own managed funds.

Investment Risk Profile

We prefer to keep a diversified portfolio of assets.

Your Objectives for the Next 5 Years

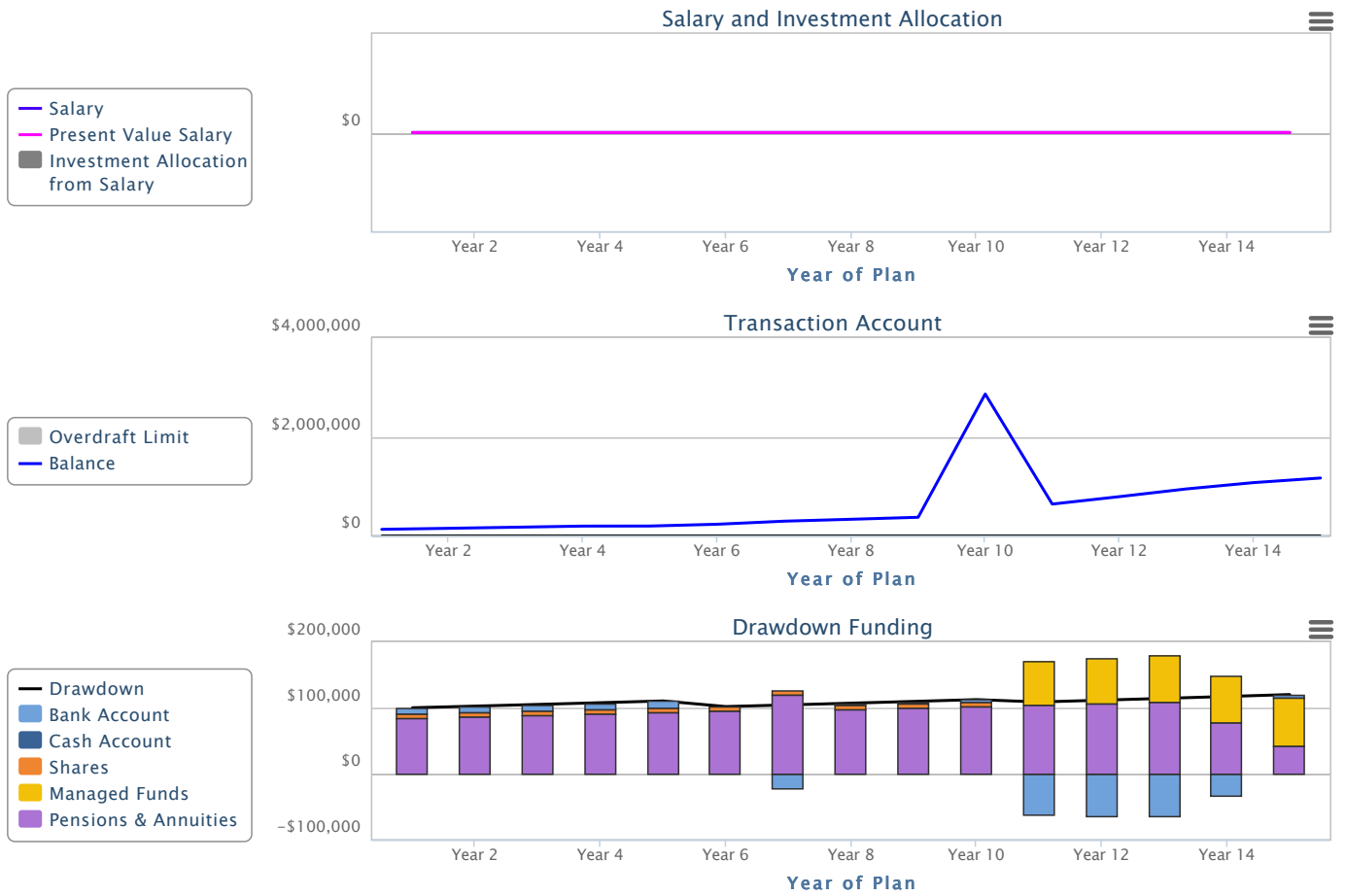
Have a retirement income of \$100,000 for the next 5 years and thereafter, \$90,000 for the next 5 years followed by \$80,000 and we expect to have sufficient funds should we live to 100.

Advice You Require

We would like to know how to manage the drawdown of our assets in retirement so that we have sufficient funds should we live into our nineties. We would like to pass on the inheritance to our grandchildren if we don't need to access the money.

Key Indicator Graphs

The following three graphs give an overview of the most important aspects of your plan.



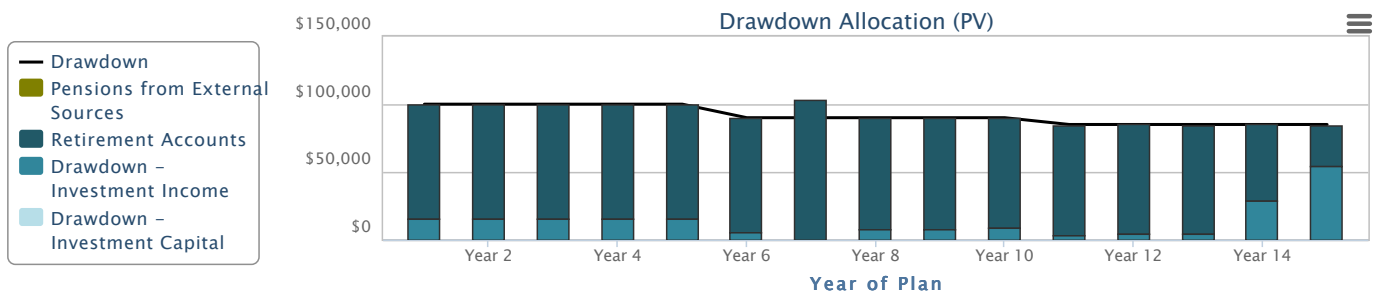
Retirement Income

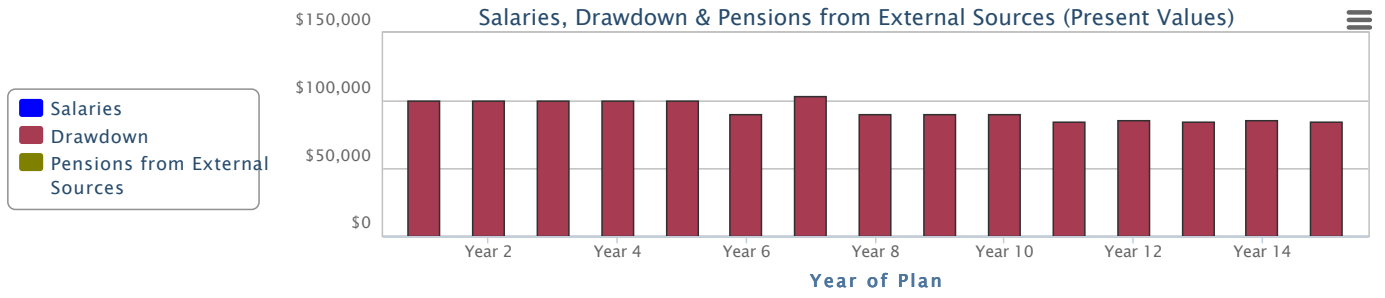
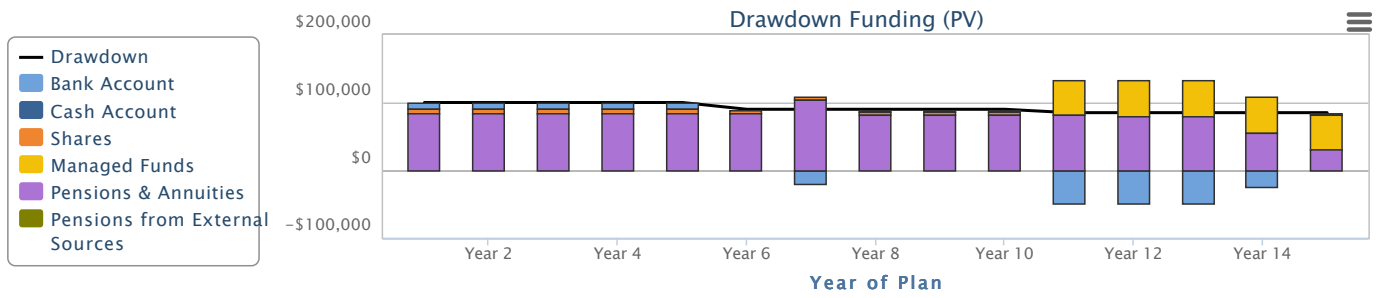
The drawdown for retirement income commences when Joe is Age 67 and Beth is Age 67. Pensions from external sources are not included in the retirement income.

Retirement income is transferred from the Transaction Account to the Budget to cover any tax due on this income and your living expenses in retirement.

The plan has allocated the following retirement income:

- **Years 1 to 5:** \$100,000
- **Years 6 to 10:** \$90,000
- **Years 11 to 15:** \$85,000





Insurance

You have no insurance listed in this plan.

Insurance Cover and Cash Flows

This information should be read in conjunction with the detailed *Insurance Needs Evaluation Report*. This summary shows the results for the first three years of your plan. The results are displayed in Future Value.

Expenses and Investment Income

Item	Status		Year 1	Year 2	Year 3
Total Expenses	✓	Your plan has annual expenses of:	\$4,350	\$6,489	\$6,846
Investment Income	✓	Your plan has annual investment income of:	\$35,938	\$47,712	\$50,602
	✓	Income less Expenses:	\$31,588	\$41,223	\$43,757

Liquid Assets

Item	Status		Year 1	Year 2	Year 3
Liquid Assets	✓	Your plan has liquid assets of:	\$214,557	\$436,395	\$480,180

Insurance Cover - Joe White

Item	Status		Year 1	Year 2	Year 3
Life	✗	Your plan has no life insurance.	\$0	\$0	\$0
Total & Permanent Disability	✗	Your plan has no total & permanent disability insurance.	\$0	\$0	\$0
Trauma	✗	Your plan has no trauma insurance.	\$0	\$0	\$0
Income Protection	✗	Your plan has no income protection insurance.	\$0	\$0	\$0

Insurance Cover - Beth White

Item	Status		Year 1	Year 2	Year 3
Life	✗	Your plan has no life insurance.	\$0	\$0	\$0
Total & Permanent Disability	✗	Your plan has no total & permanent disability insurance.	\$0	\$0	\$0
Trauma	✗	Your plan has no trauma insurance.	\$0	\$0	\$0
Income Protection	✗	Your plan has no income protection insurance.	\$0	\$0	\$0

Summary

Retirement Phase

Final outcome of your Retirement Plan in Present Value

At the end of your 15 year retirement plan, you will be 81 (Joe) and 81 (Beth) years old.

It is estimated that, in Net Present Value, your home will be worth \$1,189,507, your investments will be worth \$3,011,840 and your retirement funds will be worth \$247,228.

Your investments will be yielding a Real (After Inflation) Return of 5.53%.

Dear Joe and Beth,

I believe my recommendations to help you secure a better financial future will benefit you greatly.

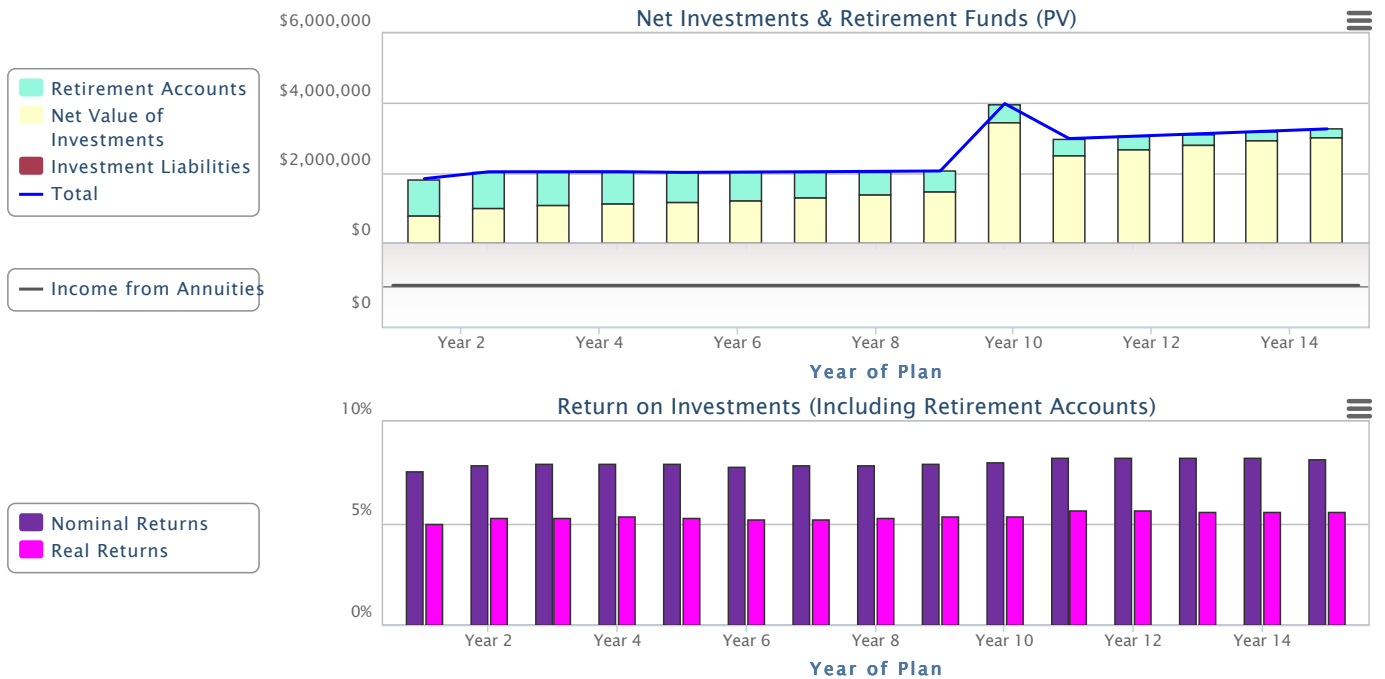
Listed below is a summary of your financial situation at the start and end (in brackets) of this Savings Plan in Present Value:

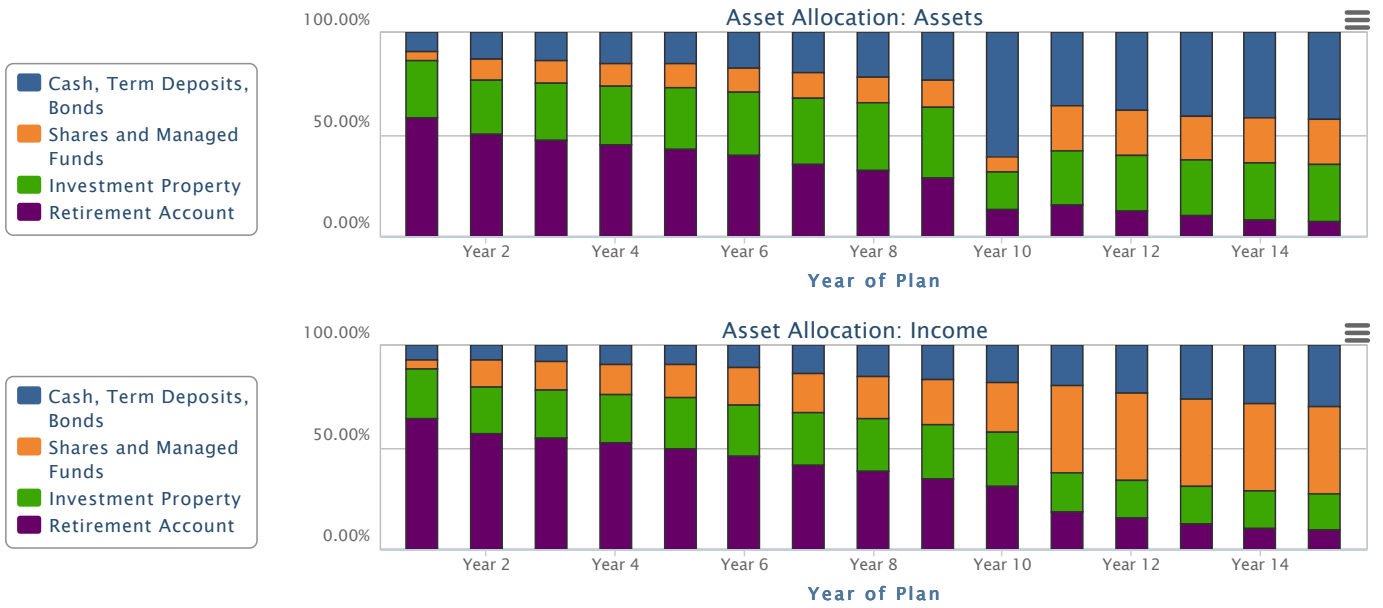
- Net Value of Home: \$1,500,000, (\$1,189,507)
- Net Value of Investments: \$730,000, (\$1,189,507)
- Retirement Funds: \$1,115,000, (\$247,228)

Please reach out if you have any questions.

Simon Simmons

Good Advice





Before you sign this authority to proceed, I would like you to check that I have:

- Given you my Financial Services Guide (FSG).
- Given you a Product Disclosure Statement (PDS) for each financial product I have recommended.
- Talked to you about your personal circumstances, insurance needs, and financial goals in a way you understand and answered your and discussed any commissions I will receive.

If I haven't done all these things, do not sign the authority to proceed.

Before you sign this authority to proceed, please make sure that you have:

- Read all the documents I have given you.
- Checked that your personal information in this document is accurate.
- Asked me questions about anything you want to be clarified.

By signing below, you agree to representatives of Good Advice, applying on your behalf for the products recommended in this Advice Record.

Signed,

Joe White

Beth White

Date

Simon Simmons
Good Advice

Date