Statement of Advice

(Your Advice Record)

Property Portfolio Plan - Aslow

Bob Aslow and Judy Aslow

Age: 40 and 40

DOB: 1/01/1984 and 1/02/1984

Report Generated by Simon Simmons of Good Advice Financial Service

Simon Simmons

Good Advice

1 George Street, Sydney 2000. Phone 9999 999

Disclosure Statement

This software is intended for a **Licenced 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 Plan Objectives are to complete a $100,000 (PV) home renovation and repay the home loan.
- Purchase an Investment Property ($500,000 PV) in Year 3 with an Interest Only loan to sell at the end of Year 20 of the plan
- Starting in Year 5, purchase an investment property for $500,000 and repay using additional payments of $60,000 a year. This will be repeated in Year 10 and Year 15

Main Strategy

- Allocate 25% of Gross Salary to Savings from Salary
- Allocate $60,000 a year to make additional loan payments.
- In Year 2, Refinance the Home Loan to borrow $100,000 for a Home renovation. - Use the $60,000 to pay off the loans by Year 4.
- Purchase an Investment Property $500,000) with an Interest Only loan and sell the property at the end of Year 20
- In Year 5, purchase Investment Property 1 ($500,000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 9
- In Year 10, purchase Investment Property 2 ($500,000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 14
- In Year, 15, purchase Investment Property 3 ($500,0000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 19
- In the Savings Plan, allocated 80% of Savings from Salary (after loan payments) to the Managed Fund: ETF - with Franking Credits

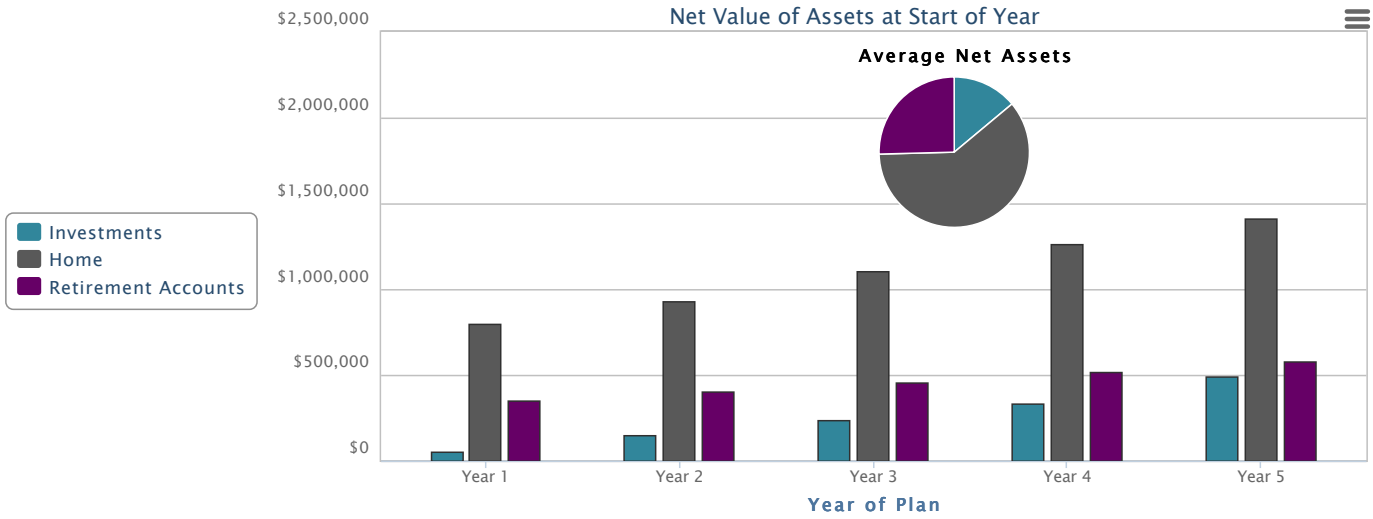
General Comments

No advice has been provided on Insurance or Superannuation. By the end of Year 19, you will be debt free and the remaining 8 years of your working life if you retire at Age 67, can be used to accumulate investments and increase to your Superannuation.

Milestones & Goals

The following milestones and goals are listed in the plan:

- **2025**: Renovate Home $100k (Joint)
- **2026**: Buying an investment property IO (Joint)
- **2028**: Buying an investment property 1 (Joint)
- **2033**: Buying an investment property 2 (Joint)
- **2038**: Buying Investment property 3 (Joint)
- **2043**: Sell IO Investment Property (Joint)



What You Own

Results are displayed in Present Value.

Asset	Value at Start of Plan	Value at End of Plan
Transaction (Bank) Account	$20,000	$1,930,198
Our House	$1,000,000	$3,660,772
ETF - with Franking Credits	$30,000	$793,630
Interest Only Property	$0	$0
Property 1	$0	$1,427,649
Property 2	$0	$1,200,202
Property 3	$0	$1,008,992
Bob's Super	$200,000	$1,297,787
Judy's Super	$150,000	$1,155,453

What You Owe

Results are displayed in Present Value.

Debt	Value at Start of Plan	Value at End of Plan
Property 1 [Loan]	$0	$0
Interest Only Property [Loan]	$0	$0
Our House [Loan]	$200,000	$0
Our House [Loan Refinance 1]	$0	$0
Property 2 [Loan]	$0	$0
Property 3 [Loan]	$0	$0

My Advice

Executive Summary

I am not a licensed Financial Adviser and therefore I am not licensed to give Financial Advice. As a mortgage broker with a Credit Licence, I am entitled to advise you on **Debt management**.

Please read the information provided in the section **Objectives** and read the **Debt Management Report**.

What you want

You want to renovate the home and build a portfolio of investment properties

General Information about Client and Partner

The couple are both aged 40 with two teenage children. All family members are in good health.

Estate Planning

Estate Planning was not discussed. The clients advised they have wills and enduring power of attorney.

Attitude towards Investing

The clients advised they have read extensively about savings, superannuation and investments, particularly Real Estate.

My Advice

My advice:

- Allocate 25% of Gross Salary to Savings from Salary
- Allocate $60,000 a year to make additional loan payments.
- In Year 2, Refinance the Home Loan to borrow $100,000 for a Home renovation. - Use the $60,000 to pay off the loans by Year 4.
- Purchase an Investment Property $500,000) with an Interest Only loan and sell the property at the end of Year 20
- In Year 5, purchase Investment Property 1 ($500,000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 9
- In Year 10, purchase Investment Property 2 ($500,000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 14
- In Year, 15, purchase Investment Property 3 ($500,0000) with a P&I loan for 20 years, but make additional payments to repay the loan by Year 19
- In the Savings Plan, allocate 80% of Savings from Salary (after loan payments) to the Managed Fund: ETF - with Franking Credits

Fees and Costs

My fees are based on an hourly rate of $xxx. Any commissions paid will be refunded.

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	✔	Your annual salary at the start of your plan is $400,000.
Savings Allocations	✔	In the first year you have planned to contribute $100,000 (25.00% of your salary) to an Investment Plan.
Cash Flow from Investments	✔	At the start of your plan you have annual income from investments of $8,057.
Wealth Now	✔	At the start of your plan you have $50,000 in investments (including investment loans), and $350,000 retirement funds.
Debt Now	✔	At the start of your plan you have debts of $200,000 (including personal loans).
Lifestyle Goals	✖	You have not included any specific lifestyle goals in your plan.
Risk Management (Bob)	✖	You have not completed the Report Insurance Needs Self Evaluation assessment. The Plan Risks Summary has been omitted from this report.
Risk Management (Judy)	✖	You have not completed the Report Insurance Needs Self Evaluation assessment. The Plan Risks Summary has been omitted from this report.

Home Ownership

Homes

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

Home: *Our House*

Our House is an existing home owned jointly with a value of $1,000,000 at the start of the plan. The purchase price including costs was $750,000.

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

You plan the following building improvements:

- **Year 2**: $120,000 (which is $123,000 in FV)

At the end of the plan, this home is worth $2,234,063 (which is $3,660,772 in FV).

Loans

The following loans are assigned to your homes. If the home is sold, the loan is paid out at the same time.

Home Loan: *Our House [Loan]*

This is an existing loan with a value at the start of the plan of $200,000.

Our House [Loan] is a Principal and Interest with Options loan with a term of 20 Years. It has an interest rate of 6.67% which is not fixed.

The loan is refinanced in Year 2, where the loan amount is increased by $100,000. The refinanced loan has a term of 10 Years and an interest rate of 6.67% which is not fixed.

You plan to make additional payments totalling the following amounts each year:

- **Years 1 to 3:** $60,000
- **Year 4:** $42,832

With these additional payments it is estimated you will save $90,056 (FV) in interest charges.

Home Loan: *Our House [Loan Refinance 1]*

This loan commences in Year 6 with a balance of $0. It is owned jointly.

Our House [Loan Refinance 1] is a Principal and Interest loan with a term of 10 Years. It has an interest rate of 6.67% which is not fixed.

You have not planned to make any additional payments.

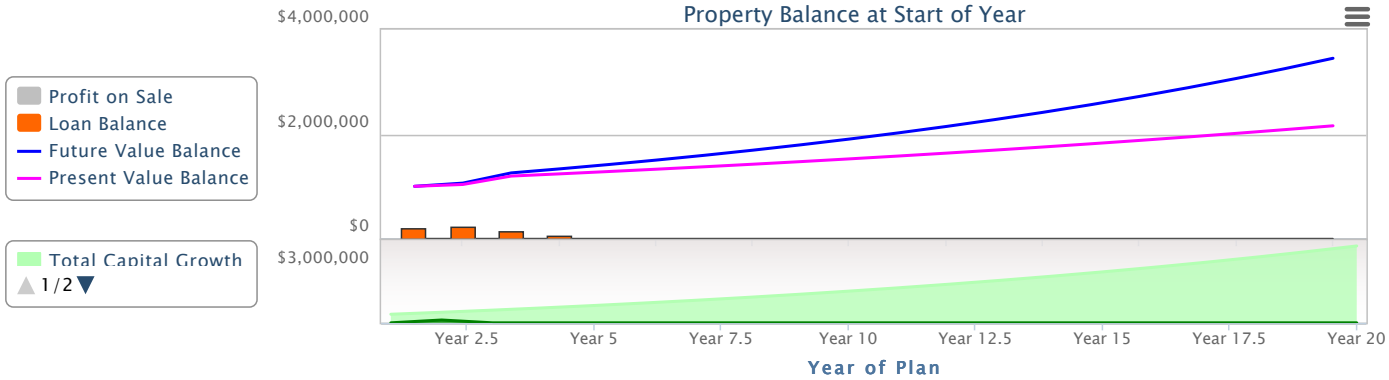
Notes

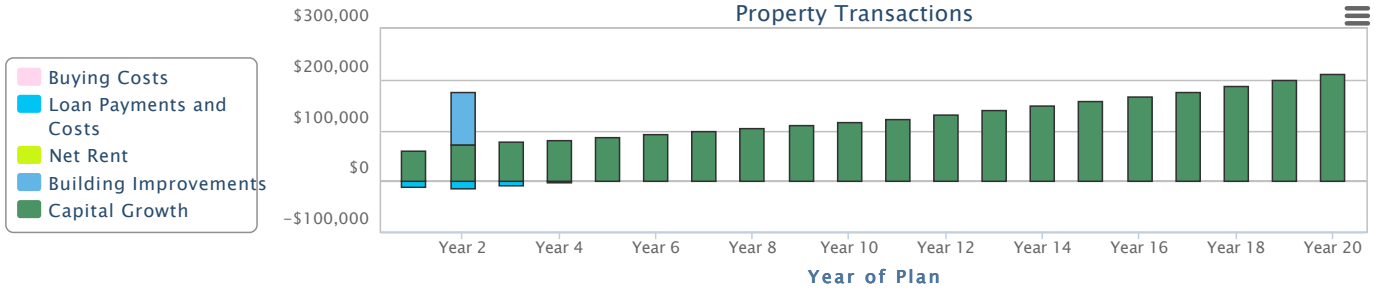
When using cash flow modelling software to estimate future changes in real estate prices, an average Capital Growth is selected. The value of each property will change year by year and no one can predict what these changes will be for a specific property or property in general.

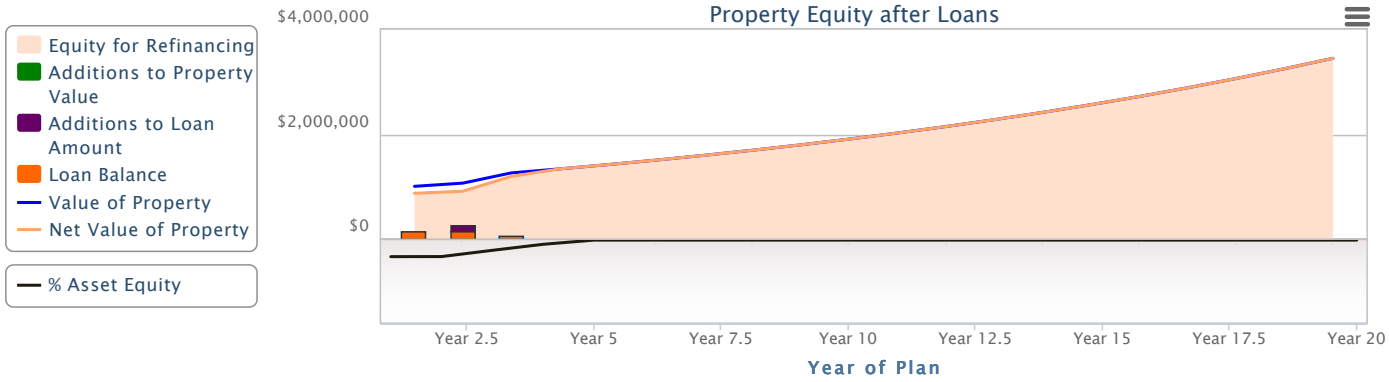
The Bureau of Statistics keeps an historical record of changes in property prices. They have estimated that the price rise of Established Houses for the 20-year period from 2001 was 6.46% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated the price rise was 3.13% with 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


Property Balance at Start of Year
$4,000,000
$2,000,000
$0
$3,000,000
Profit on Sale
Loan Balance
Future Value Balance
Present Value Balance
Total Capital Growth
1 / 2
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan


Property Transactions
$300,000
$200,000
$100,000
$0
-$100,000
Buying Costs
Loan Payments and Costs
Net Rent
Building Improvements
Capital Growth
Year 2
Year 4
Year 6
Year 8
Year 10
Year 12
Year 14
Year 16
Year 18
Year 20
Year of Plan


Property Equity after Loans
$4,000,000
$2,000,000
$0
Equity for Refinancing
Additions to Property Value
Additions to Loan Amount
Loan Balance
Value of Property
Net Value of Property
% Asset Equity
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

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.

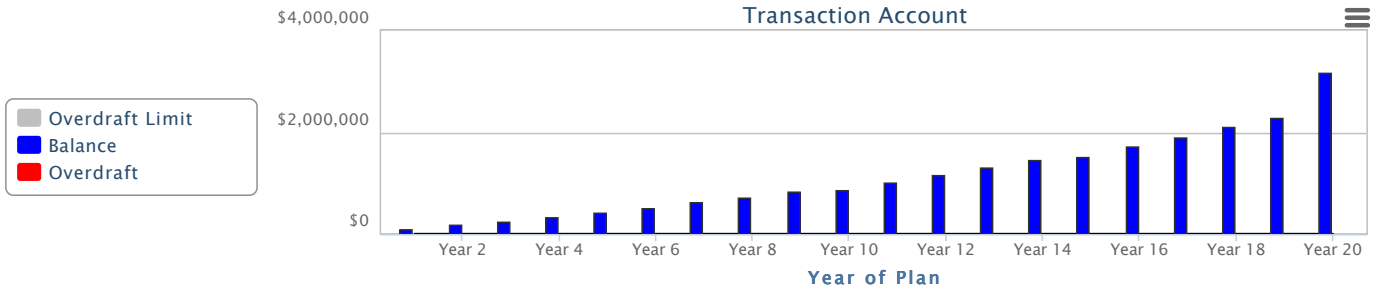
Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Transaction Account

The balance of the Transaction Account at the start of the plan is $20,000. 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 $1,930,198 (which is $3,162,854 in FV).

Bank Account - Balance at End of Year



Managed Funds

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

Managed Fund: *ETF - with Franking Credits*

ETF - with Franking Credits is an existing managed fund owned jointly with a value of $30,000 at the start of the plan.

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

Cash	10.00%
Domestic Fixed Interest	0.00%
Global Fixed Interest	0.00%
Defensive Assets	**10.00%**
Domestic Equities	90.00%

Global Equities	0.00%
Other Investments	0.00%
Property Trusts	0.00%
Growth Assets	**90.00%**

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:

- Reinvested during the Savings Phase.

The dividends are taxed as income.

This plan uses the automated Investment Plan which allocates salary savings by a percentage. This percentage is calculated from the total savings allocation less any loan expenses. The allocation in the Investment Plan is:

- **Years 1 to 20:** 80.00%

At the end of the plan, this managed fund is worth $484,329 (which is $793,630 in FV).

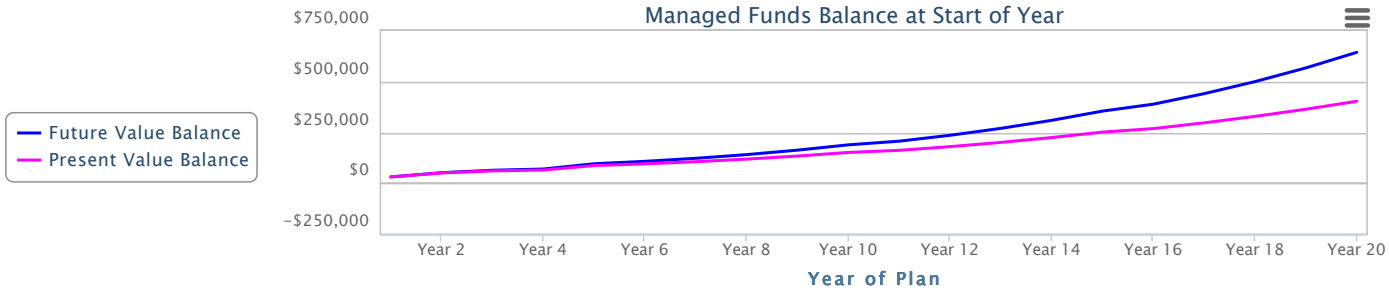
Notes

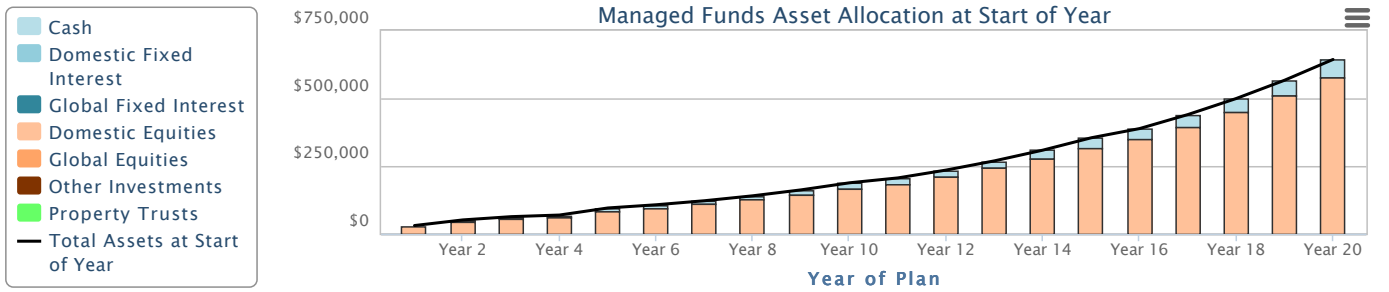
In this plan, it is assumed that dividends and capital growth remain the same. However, there may be considerable rise and falls of share prices for any specific share portfolio or the ASX200. It is estimated that the total return for the ASX200 for the 20-year period from the year 2001 was 9.38% with 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%.

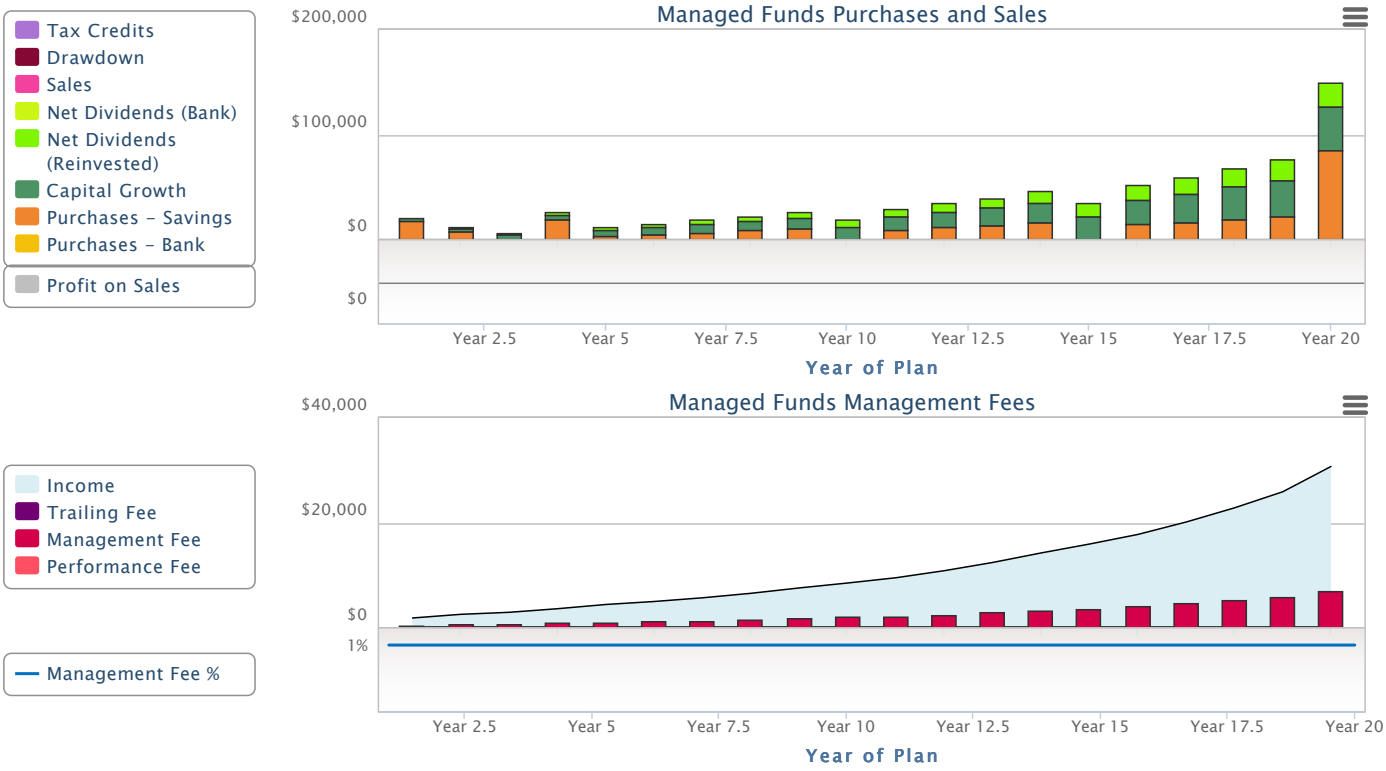
Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with 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.

ETF - with Franking Credits







Share Portfolios

This plan has no allocation to purchase Australian shares directly.

Investment Properties

This plan has 4 investment properties. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Investment Property: *Interest Only Property*

Interest Only Property is an investment property purchased jointly in Year 3 with a value of $500,000 and a deposit of $0.

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 have not included any capital purchases such as replacement of furnishings or carpets.

This investment property is sold at the end of Year 20. It is estimated that the profit after selling costs is $524,824 (which is $839,010 in FV).

Investment Property: *Property 1*

Property 1 is an investment property purchased jointly in Year 5 with a value of $500,000 and a deposit of $0.

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 have not included any capital purchases such as replacement of furnishings or carpets.

At the end of the plan, this investment property is worth $871,252 (which is $1,427,649 in FV).

Investment Property: *Property 2*

Property 2 is an investment property purchased jointly in Year 10 with a value of $500,000 and a deposit of $0.

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 have not included any capital purchases such as replacement of furnishings or carpets.

At the end of the plan, this investment property is worth $732,449 (which is $1,200,202 in FV).

Investment Property: *Property 3*

Property 3 is an investment property purchased jointly in Year 15 with a value of $500,000 and a deposit of $0.

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 have not included any capital purchases such as replacement of furnishings or carpets.

At the end of the plan, this investment property is worth $615,758 (which is $1,008,992 in FV).

Loans

The following loans are assigned to your investment properties. If the investment property is sold, the loan is paid out at the same time.

Investment Property Loan: *Interest Only Property [Loan]*

This loan commences in Year 3 with a balance of $500,000.

Interest Only Property [Loan] is an Interest Only loan with a term of 18 Years. It has an interest rate of 7.17% which is not fixed.

Investment Property Loan: *Property 1 [Loan]*

This loan commences in Year 5 with a balance of $500,000.

Property 1 [Loan] is a Principal and Interest loan with a term of 20 Years. It has an interest rate of 6.67% which is not fixed.

You plan to make additional payments totalling the following amounts each year:

- **Years 5 to 9:** $60,000
- **Year 10:** $30,920

With these additional payments it is estimated you will save $338,127 (FV) in interest charges.

Investment Property Loan: *Property 2 [Loan]*

This loan commences in Year 10 with a balance of $500,000.

Property 2 [Loan] is a Principal and Interest loan with a term of 20 Years. It has an interest rate of 6.67% which is not fixed.

You plan to make additional payments totalling the following amounts each year:

- **Years 10 to 14:** $60,000
- **Year 15:** $30,920

With these additional payments it is estimated you will save $382,560 (FV) in interest charges.

Investment Property Loan: *Property 3 [Loan]*

This loan commences in Year 15 with a balance of $500,000.

Property 3 [Loan] is a Principal and Interest loan with a term of 20 Years. It has an interest rate of 6.67% which is not fixed.

You plan to make additional payments totalling the following amounts each year:

- **Years 15 to 19:** $60,000
- **Year 20:** $30,920

With these additional payments it is estimated you will save $432,831 (FV) in interest charges.

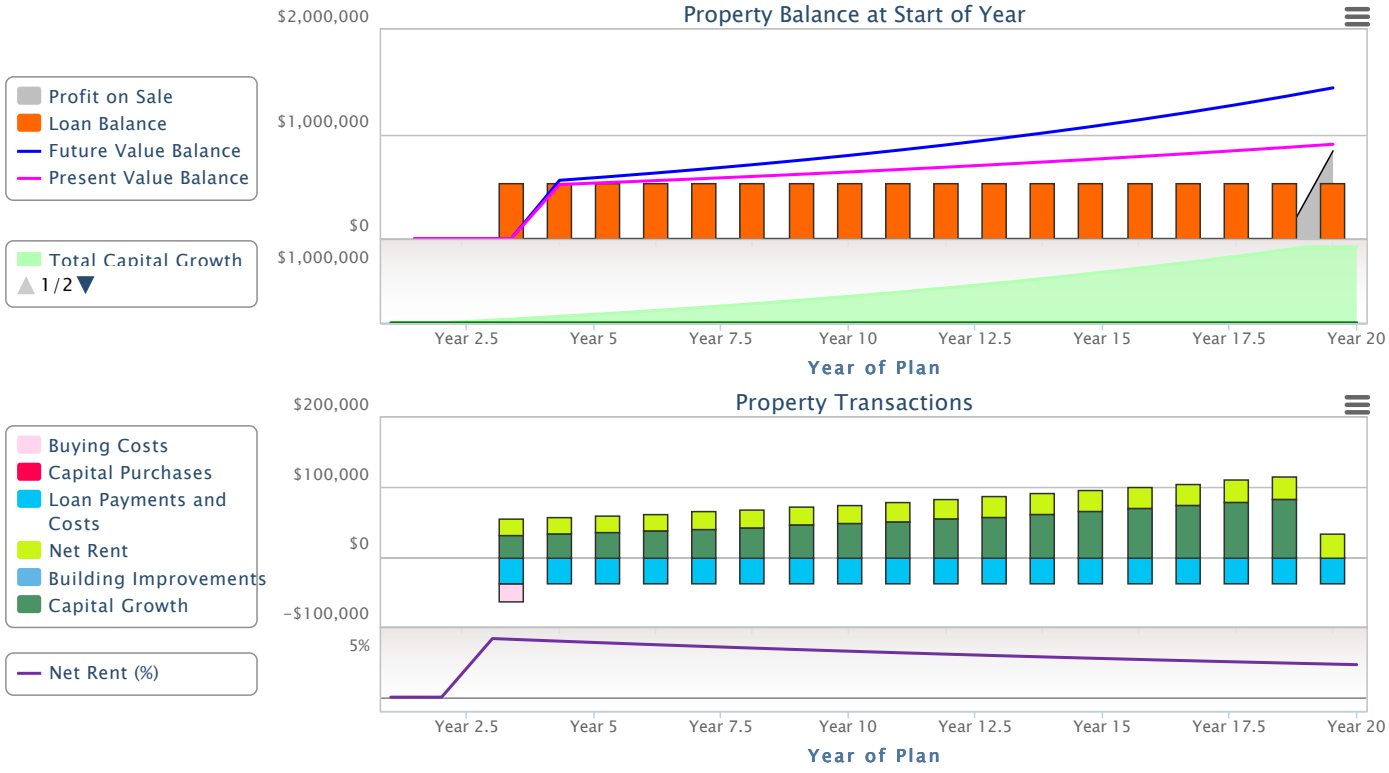
Notes

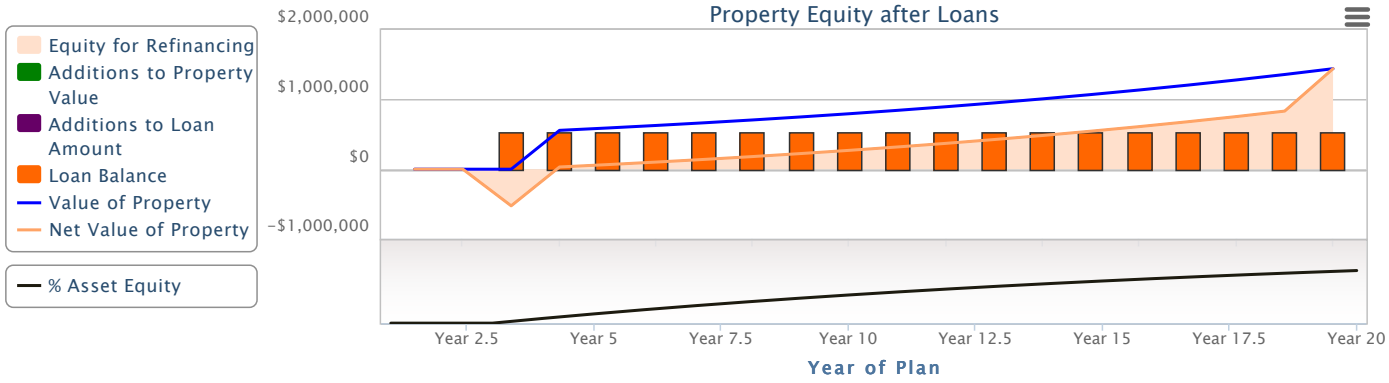
When using cash flow modelling software to estimate future changes in real estate prices, an average Capital Growth is selected. The value of each property will change year by year and no one can predict what these changes will be for a specific property or property in general.

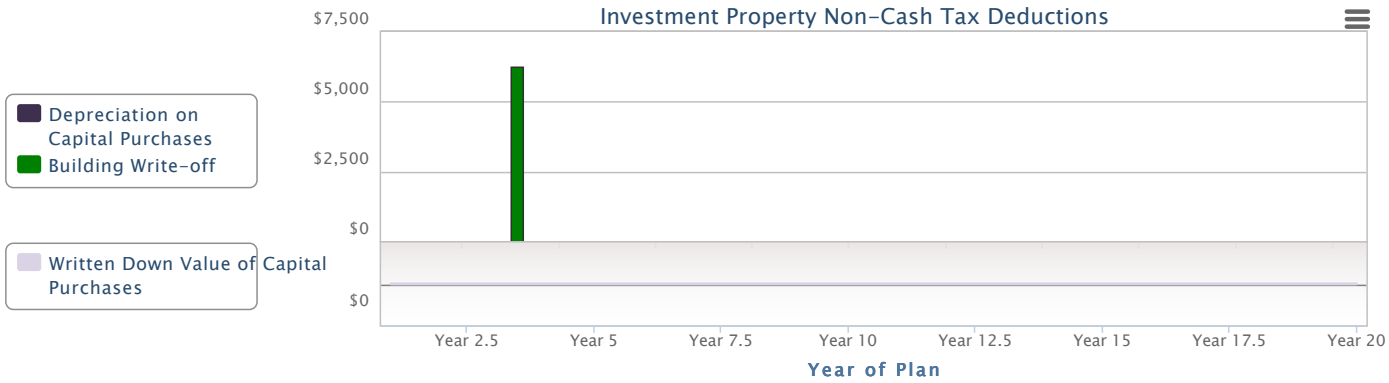
The Bureau of Statistics keeps an historical record of changes in property prices. They have estimated that the price rise of Established Houses for the 20-year period from 2001 was 6.46% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated the price rise was 3.13% with 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%.

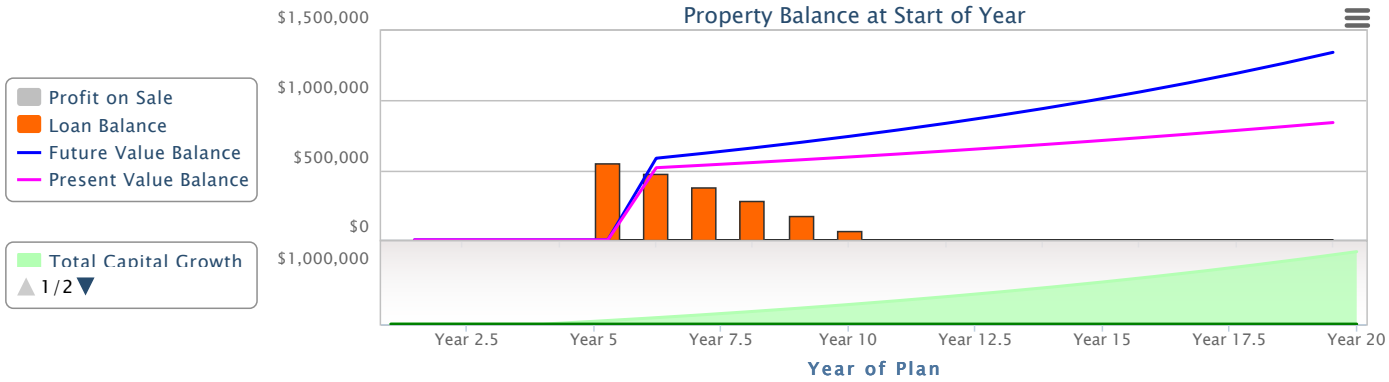
Interest Only Property

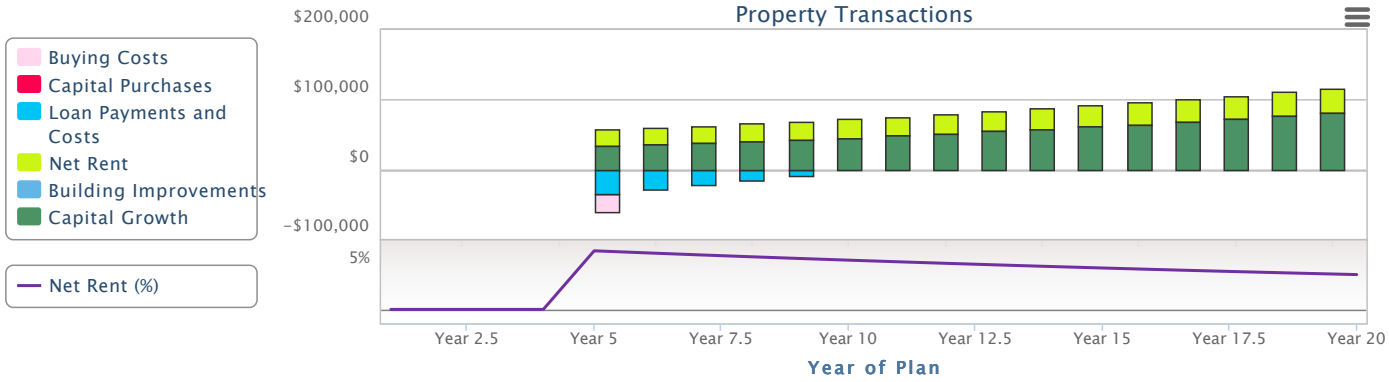


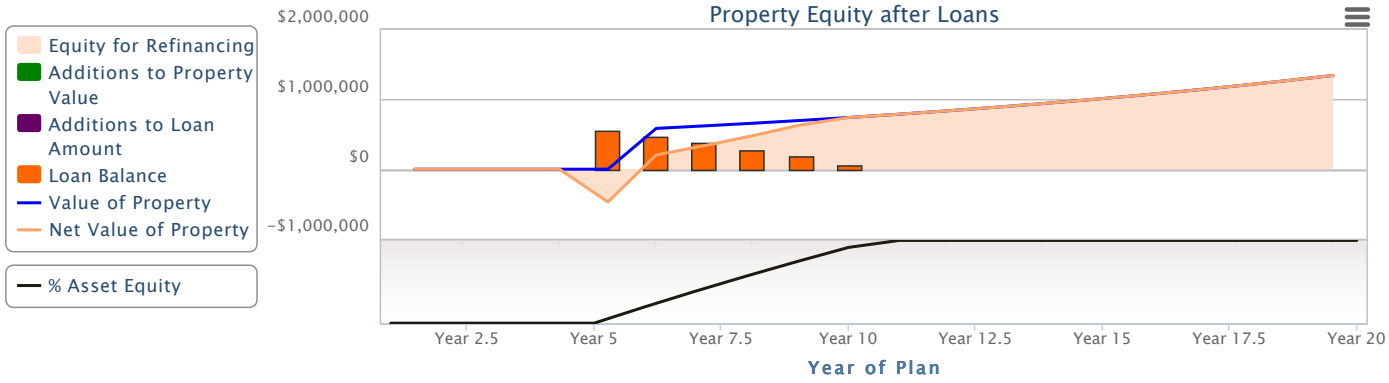

Property Equity after Loans
Equity for Refinancing
Additions to Property Value
Additions to Loan Amount
Loan Balance
Value of Property
Net Value of Property
% Asset Equity
$2,000,000
$1,000,000
$0
-$1,000,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

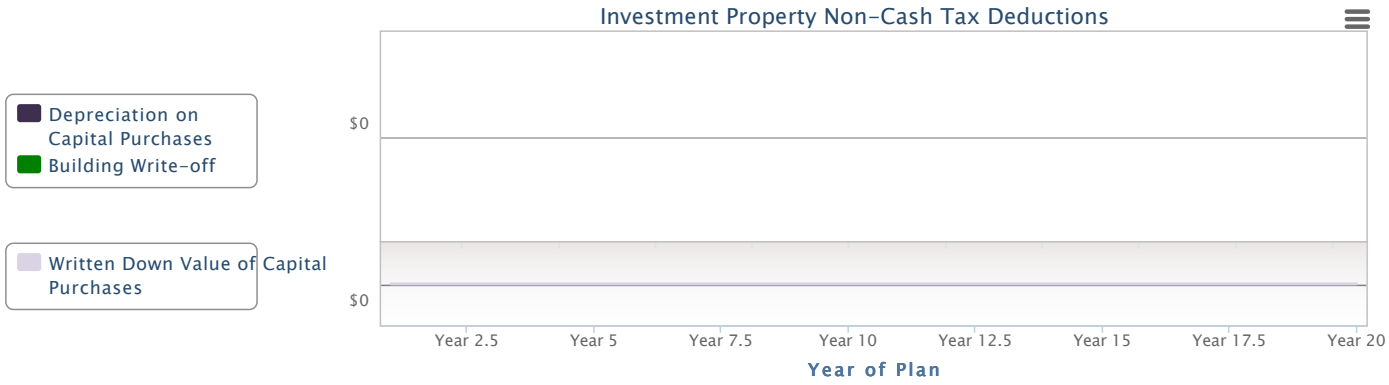

Investment Property Non-Cash Tax Deductions
Depreciation on Capital Purchases
Building Write-off
Written Down Value of Capital Purchases
$7,500
$5,000
$2,500
$0
$0
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

Property 1

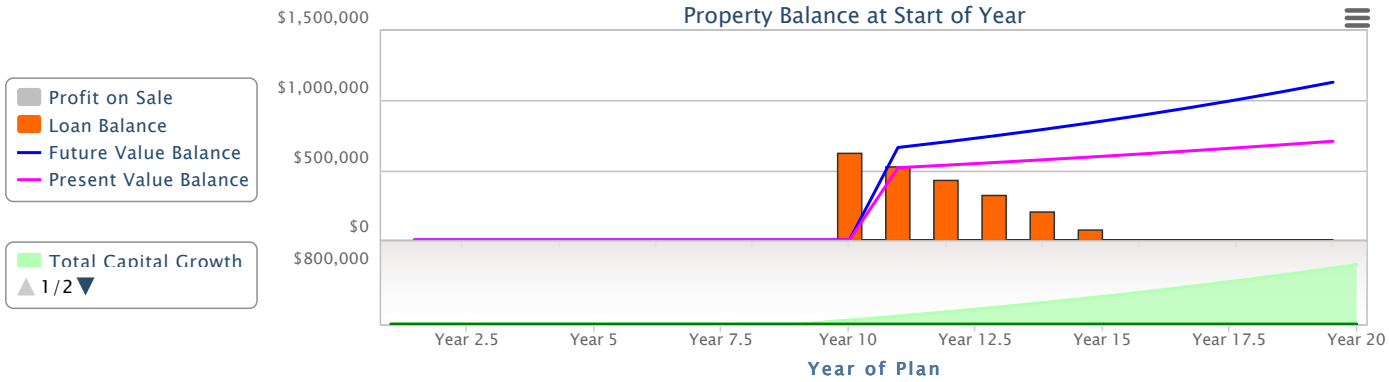

Property Balance at Start of Year
Profit on Sale
Loan Balance
Future Value Balance
Present Value Balance
Total Capital Growth
1/2
$1,500,000
$1,000,000
$500,000
$0
$1,000,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

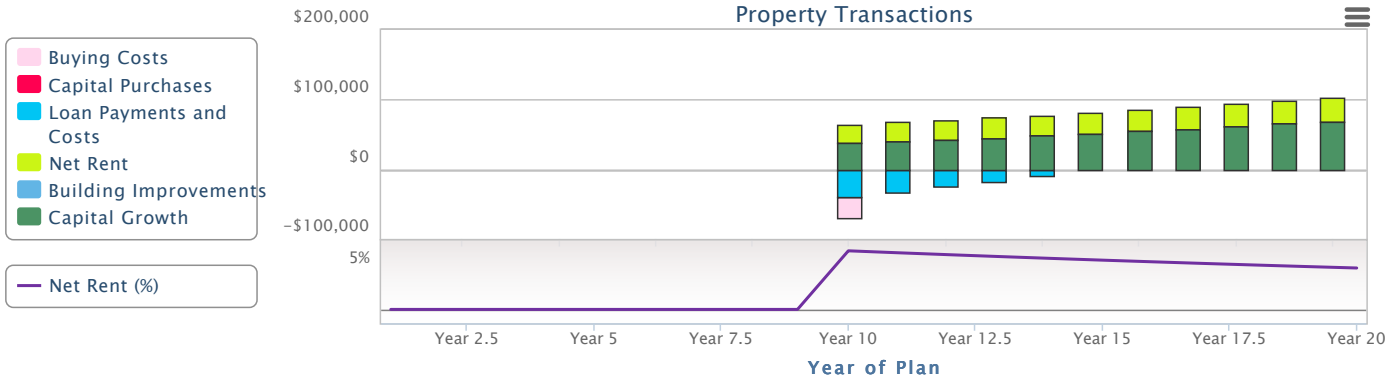

Property Transactions
Buying Costs
Capital Purchases
Loan Payments and Costs
Net Rent
Building Improvements
Capital Growth
Net Rent (%)
$200,000
$100,000
$0
-$100,000
5%
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

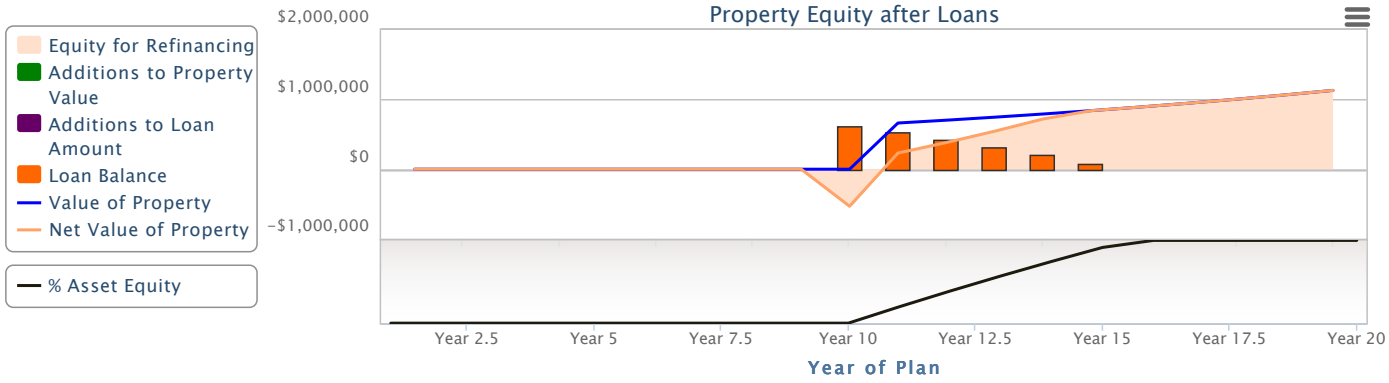

Property Equity after Loans
Equity for Refinancing
Additions to Property Value
Additions to Loan Amount
Loan Balance
Value of Property
Net Value of Property
% Asset Equity
$2,000,000
$1,000,000
$0
-$1,000,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

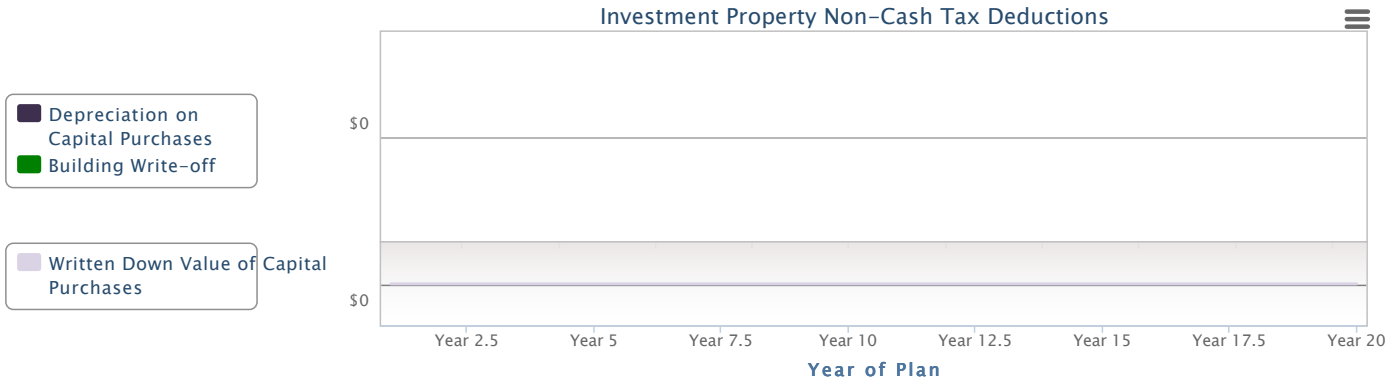

Investment Property Non-Cash Tax Deductions
Depreciation on Capital Purchases
Building Write-off
Written Down Value of Capital Purchases
$0
$0
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

Property 2

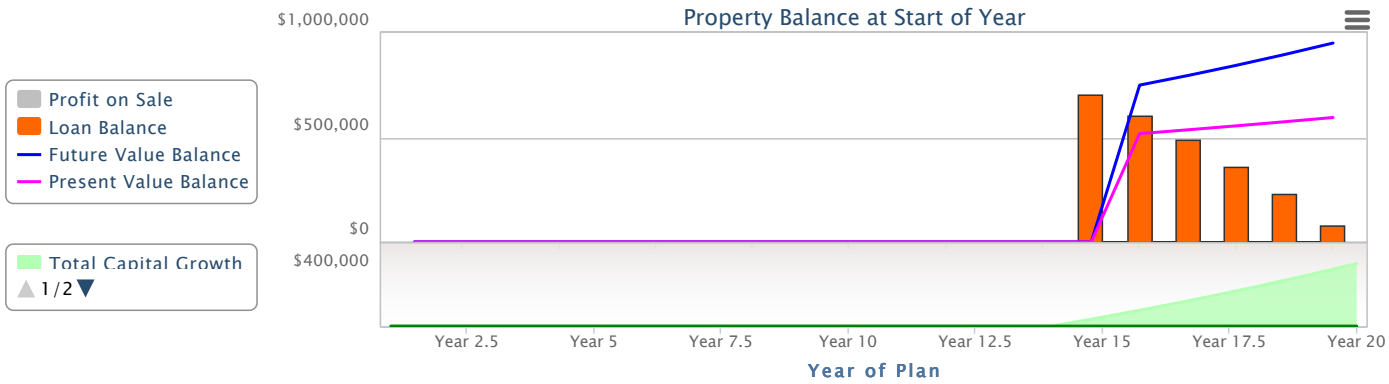

Property Balance at Start of Year
Profit on Sale
Loan Balance
Future Value Balance
Present Value Balance
Total Capital Growth
1/2
$1,500,000
$1,000,000
$500,000
$0
$800,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

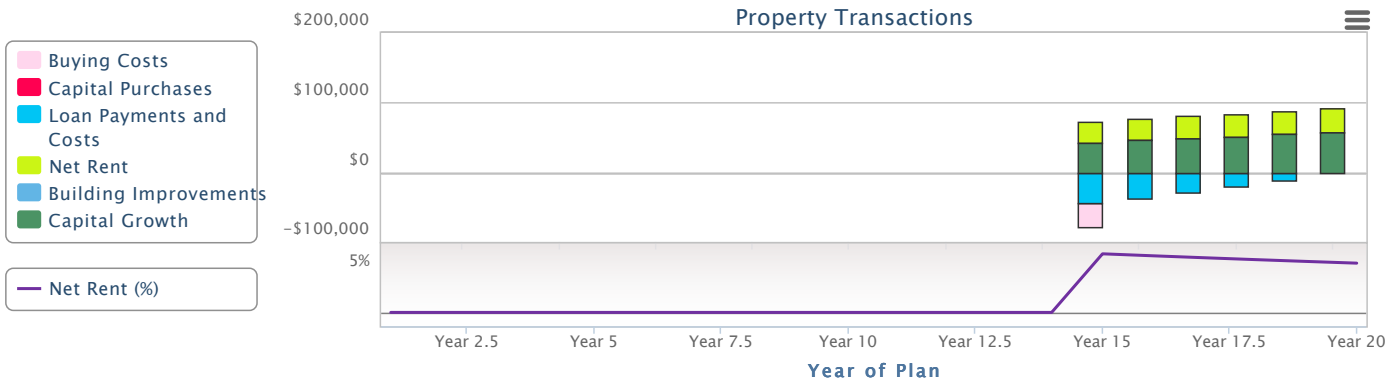

Property Transactions
Buying Costs
Capital Purchases
Loan Payments and Costs
Net Rent
Building Improvements
Capital Growth
Net Rent (%)
$200,000
$100,000
$0
-$100,000
5%
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

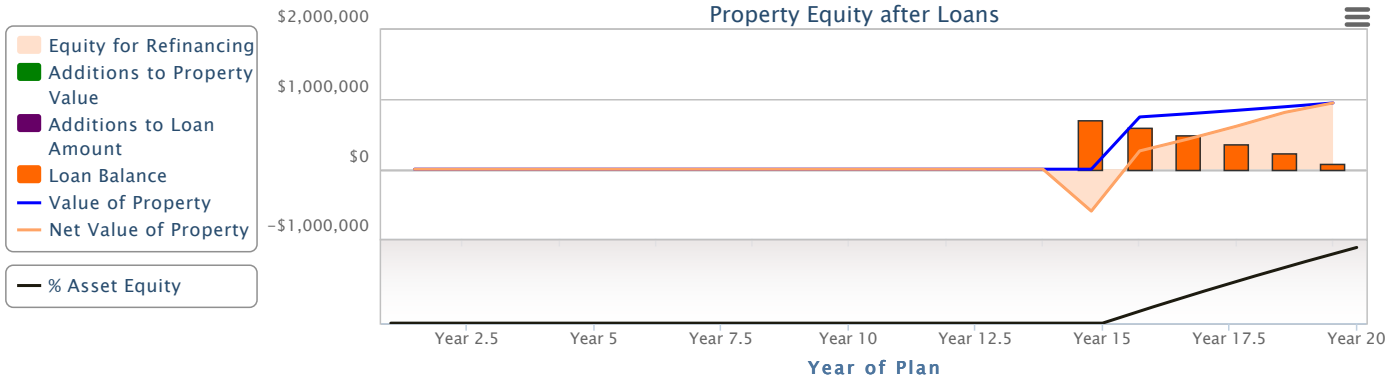

Property Equity after Loans
Equity for Refinancing
Additions to Property Value
Additions to Loan Amount
Loan Balance
Value of Property
Net Value of Property
% Asset Equity
$2,000,000
$1,000,000
$0
-$1,000,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

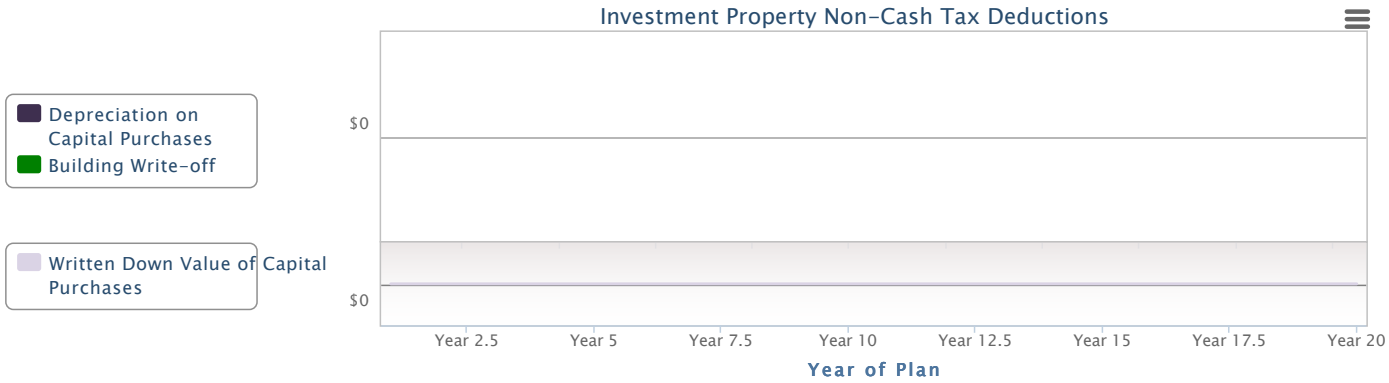

Investment Property Non-Cash Tax Deductions
Depreciation on Capital Purchases
Building Write-off
Written Down Value of Capital Purchases
$0
$0
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

Property 3


Property Balance at Start of Year
Profit on Sale
Loan Balance
Future Value Balance
Present Value Balance
Total Capital Growth
1/2
$1,000,000
$500,000
$0
$400,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan


Property Transactions
Buying Costs
Capital Purchases
Loan Payments and Costs
Net Rent
Building Improvements
Capital Growth
Net Rent (%)
$200,000
$100,000
$0
-$100,000
5%
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan


Property Equity after Loans
Equity for Refinancing
Additions to Property Value
Additions to Loan Amount
Loan Balance
Value of Property
Net Value of Property
% Asset Equity
$2,000,000
$1,000,000
$0
-$1,000,000
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan


Investment Property Non-Cash Tax Deductions
Depreciation on Capital Purchases
Building Write-off
Written Down Value of Capital Purchases
$0
$0
Year 2.5
Year 5
Year 7.5
Year 10
Year 12.5
Year 15
Year 17.5
Year 20
Year of Plan

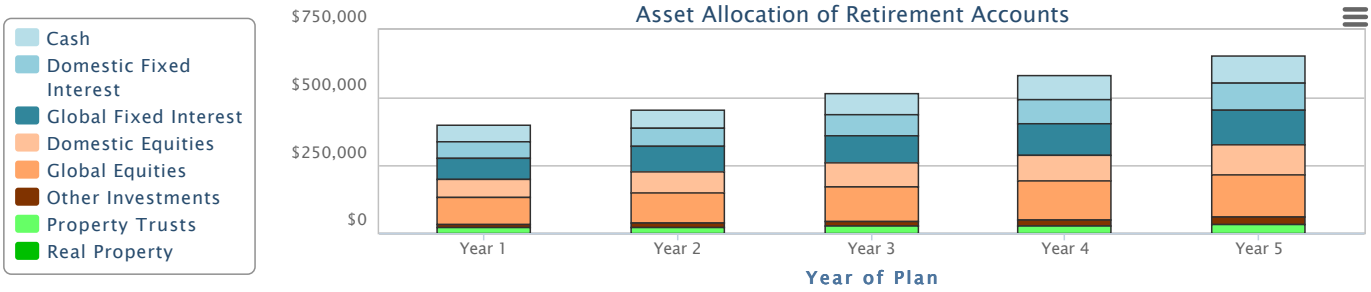
Superannuation

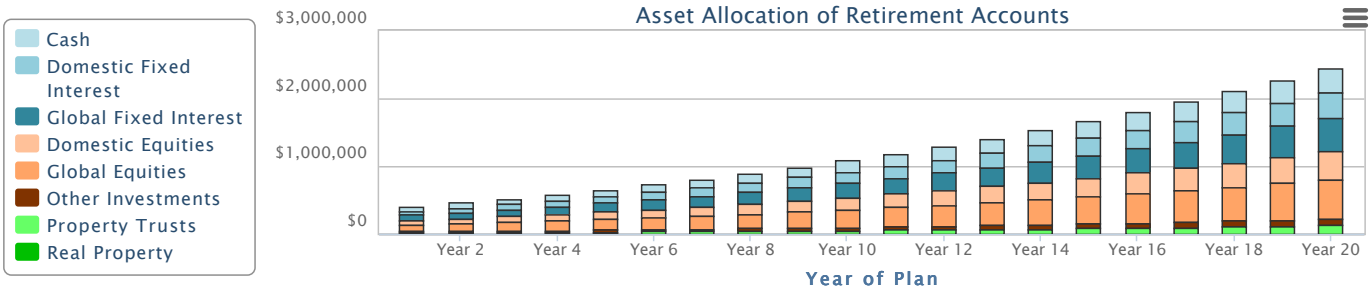
The combined value of all Superannuation Funds at the start of the Retirement Plan is $350,000.

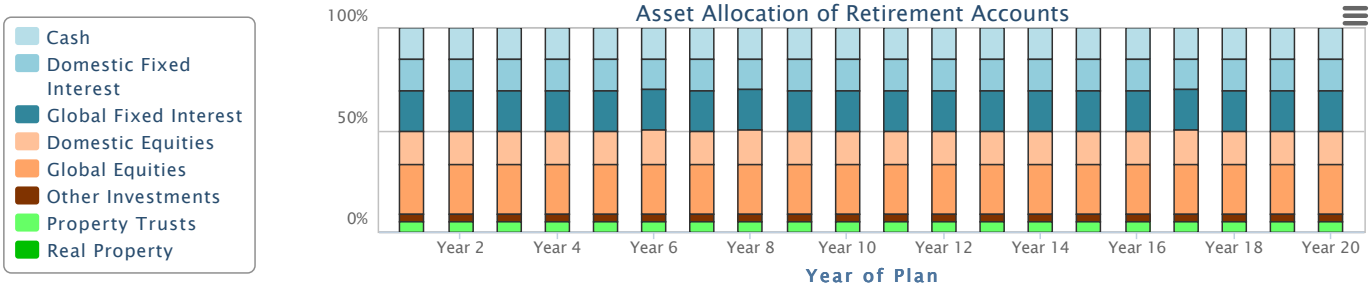
The combined value of all Superannuation Funds at the end of the Savings Plan is $2,453,240 >> which is a Present Value (or Today's Dollar Value) of $2,453,240 .

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: *Bob's Super*

Bob's Super is a fund for Bob. Employer contributions are paid to this superannuation account.

At the start of the plan, the total value of the fund is $200,000. The account balances are:

- Employer funded contributions: $200,000
- Personal pre-tax contributions: $0
- Personal after-tax contributions: $0

The following investment profiles are selected:

Start Year	Investment Profile	% pa Return
Year 1	Balanced	7.00%

At the end of the plan, this super/pension/KiwiSaver fund is worth $792,002 (which is $1,297,787 in FV).

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

Judy's Super is a fund for Judy. Employer contributions are paid to this superannuation account.

At the start of the plan, the total value of the fund is $150,000. The account balances are:

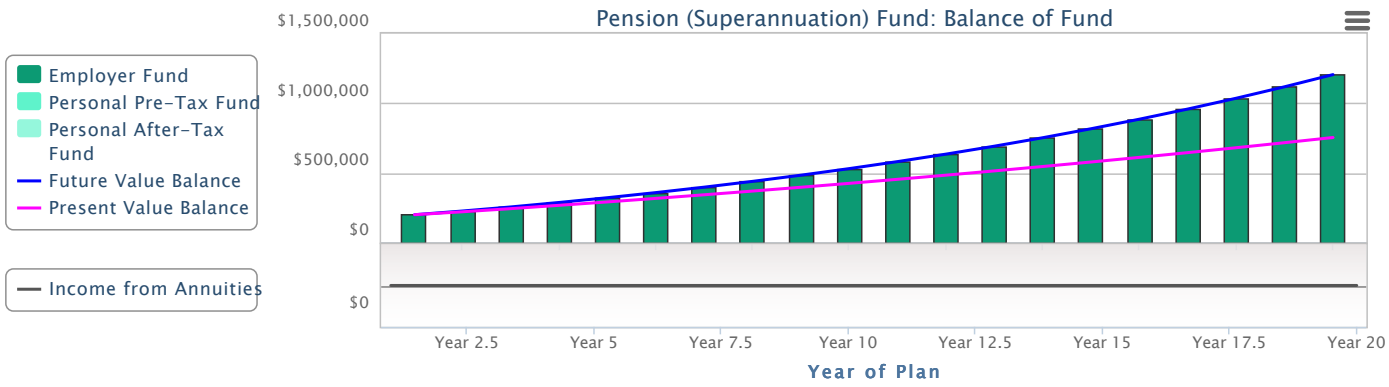
- Employer funded contributions: $150,000
- Personal pre-tax contributions: $0
- Personal after-tax contributions: $0

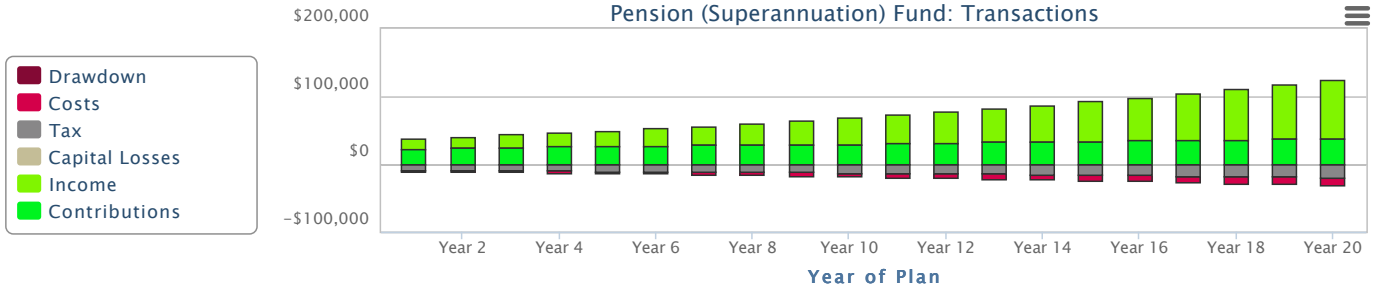
The following investment profiles are selected:

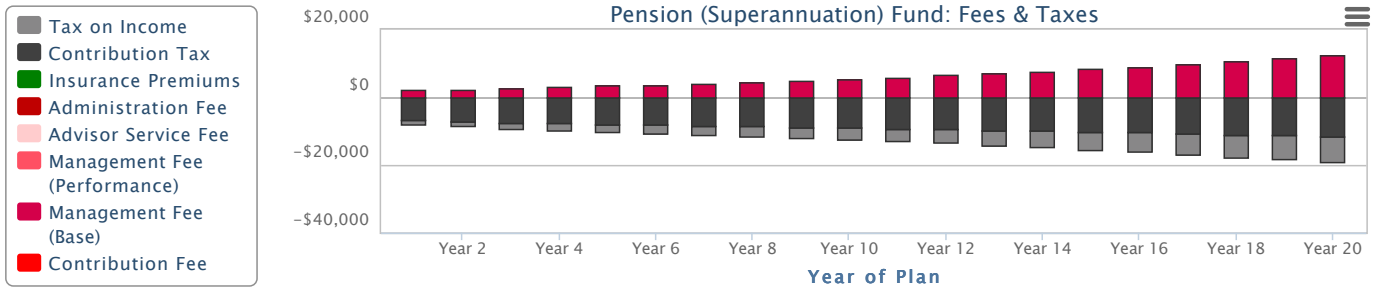
Start Year	Investment Profile	% pa Return
Year 1	Balanced	7.00%

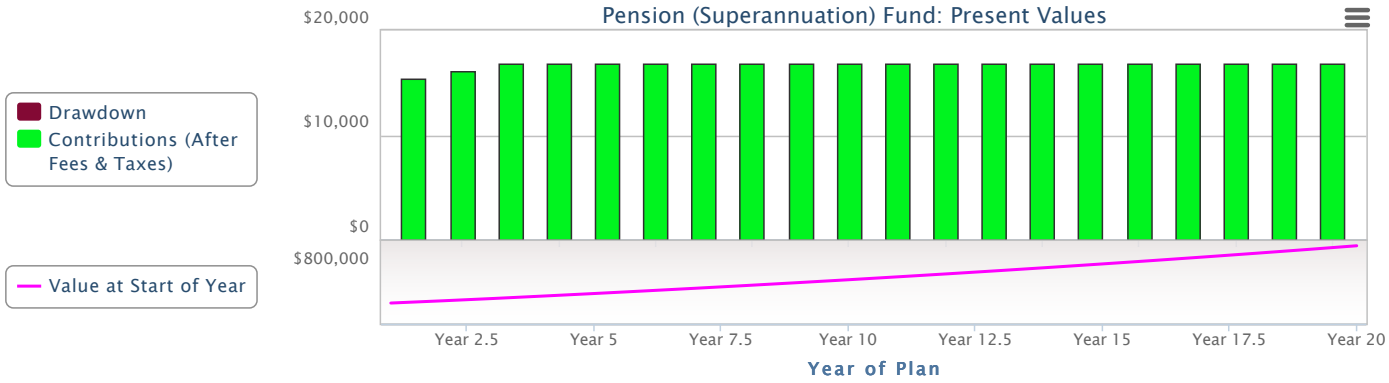
At the end of the plan, this super/pension/KiwiSaver fund is worth $705,139 (which is $1,155,453 in FV).

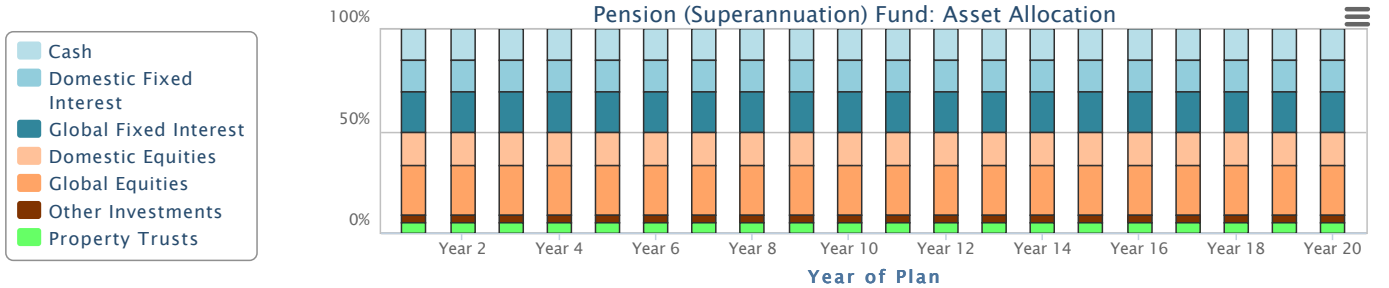
Bob's Super (Bob)

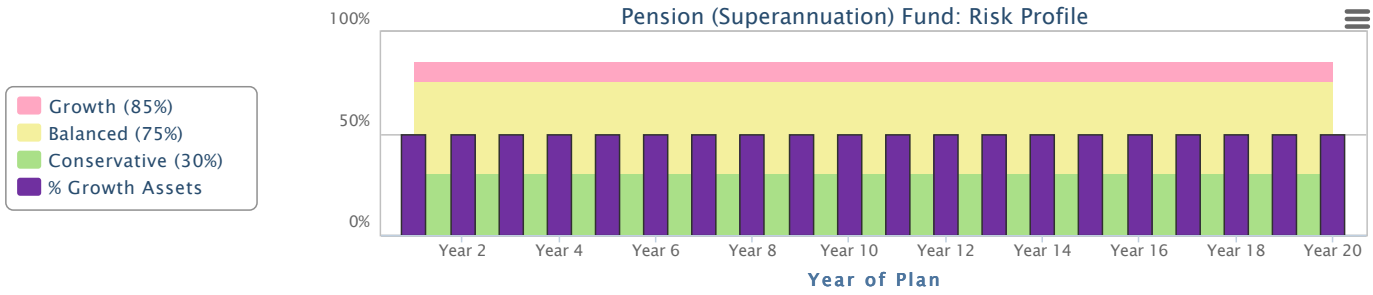




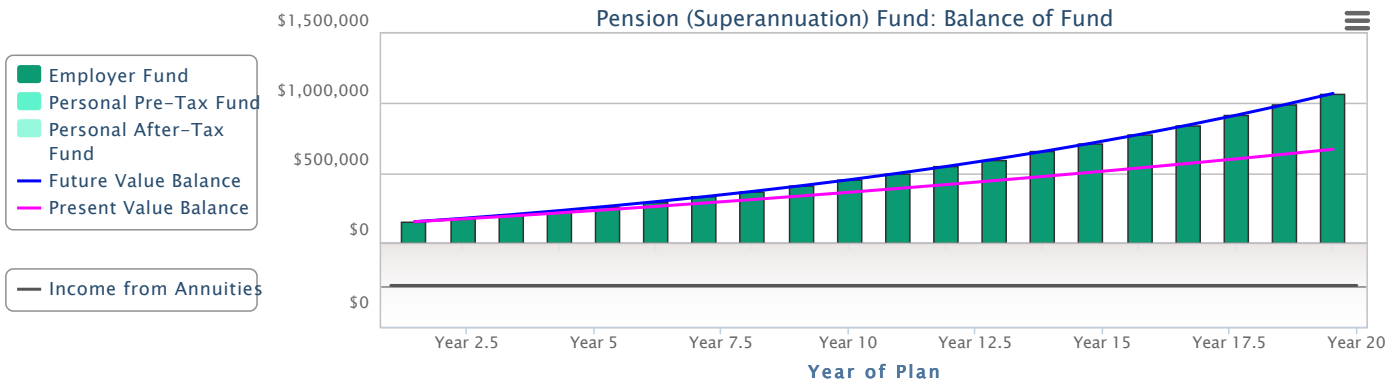


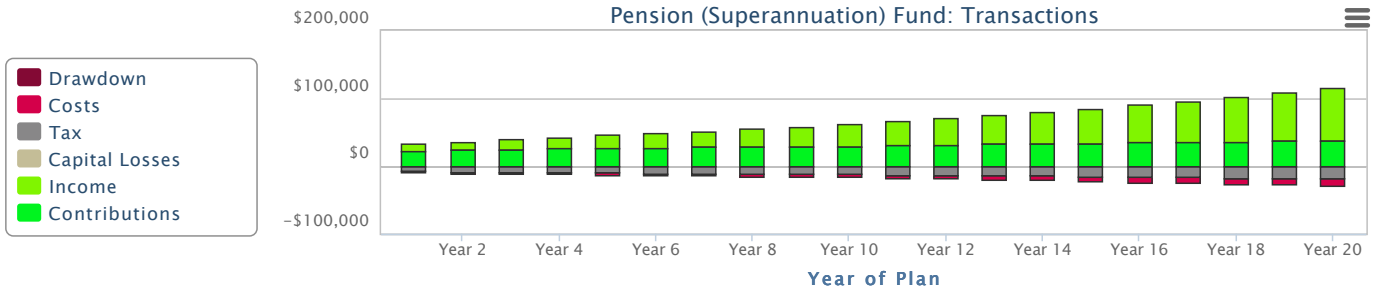


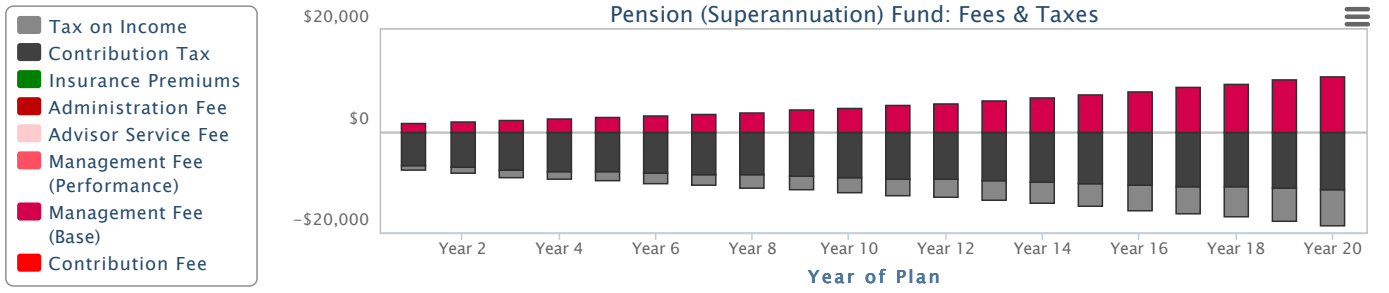


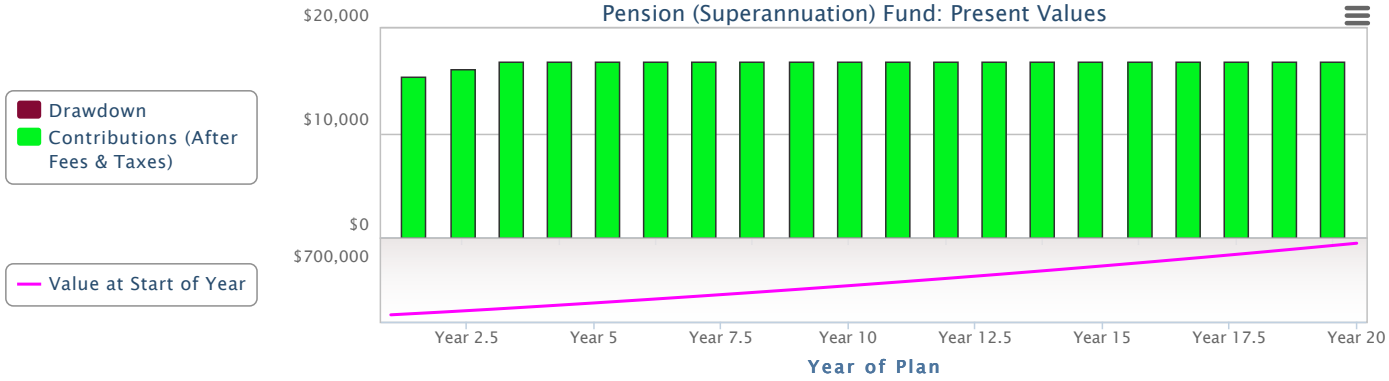

Growth (85%)
Balanced (75%)
Conservative (30%)
% Growth Assets
Pension (Superannuation) Fund: Risk Profile
100%
50%
0%
Year 2
Year 4
Year 6
Year 8
Year 10
Year 12
Year 14
Year 16
Year 18
Year 20
Year of Plan

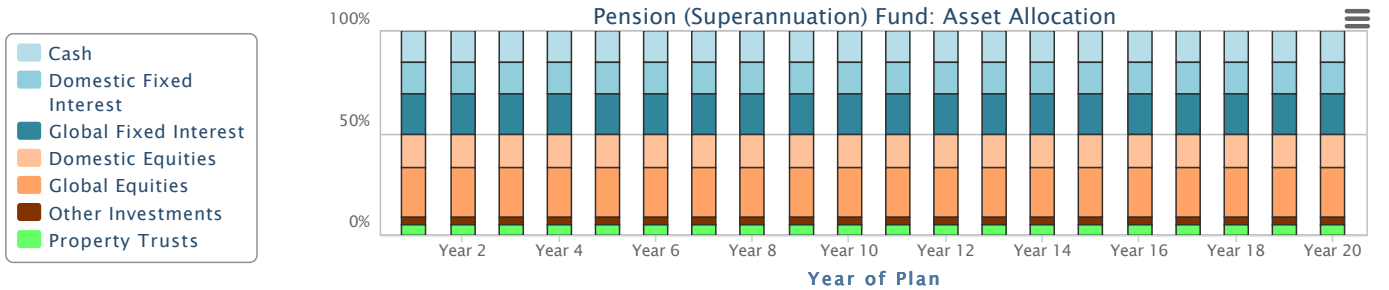
Judy's Super (Judy)

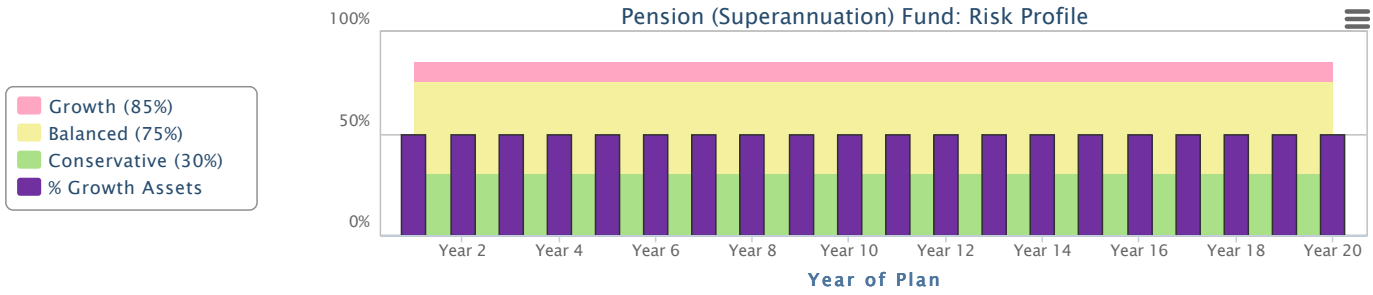











Growth (85%)
Balanced (75%)
Conservative (30%)
% Growth Assets
Pension (Superannuation) Fund: Risk Profile
100%
50%
0%
Year 2
Year 4
Year 6
Year 8
Year 10
Year 12
Year 14
Year 16
Year 18
Year 20
Year of Plan

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)	**2024**	**2025**	**2026**	**2027**	**2028**
Age (Bob, Judy)	**Age 40, 40**	**Age 41, 41**	**Age 42, 42**	**Age 43, 43**	**Age 44, 44**
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

We are both aged 40 (DOB 1984) and have two teenage children. Our home needs to be renovated so it is suitable for teenagers who are expected to live at home until they finish their university studies.

Employment

We both have highly paid secure income with incomes of $200,000 each.

Health

We and our children are in good health.

Estate Planning

We both have wills and enduring power of attorney.

Investment Experience

We have read extensively about savings, superannuation, and investments, particularly real estate.

Investment Risk Profile

We prefer to keep most of our investments in Real Estate.

Your Objectives for the Next 5 Years

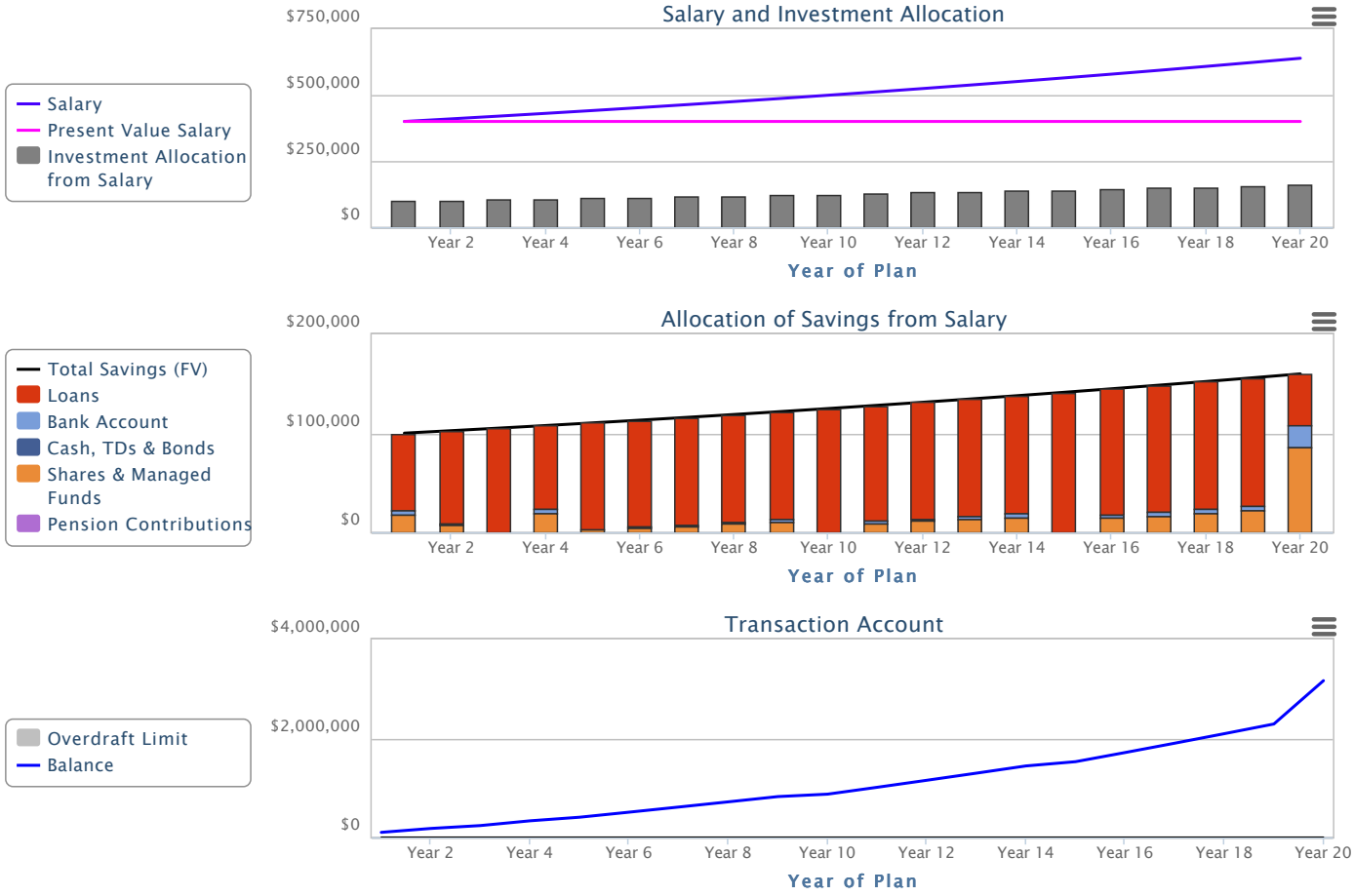
- Allocate $60,000 a year to making additional loan payments
- Refinance the Home Loan in Year 2 to allocate $100,000 PV to do Building Renovations
- In Year 3, purchase an Investment Property with an Interest Only Loan. It is intended to sell this property in Year 20 of this plan.
- In Year 5, purchase an investment property for $500,000 with no deposit and make additional payments of $60,000. Repeat the exercise in Years 10 and 15.

Advice You Require

Create a Debt Management strategy so that over the next 20 years we can renovate our home,, build a portfolio of three investment properties, and be debt-free by age 60..

Key Indicator Graphs

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



Salaries

Note all values are listed in "Today's Dollar Value" (PV).

Salary: *Bob's Salary* (Bob)

This salary is increased at the inflation rate.

The salary has been listed as:

- **Years 1 to 20:** $200,000

Following is the percentage of the gross salary that is allocated to savings from salary. This money is used to pay for home loans and home improvements, investment loans net of rent, investments, and personal contributions to retirement accounts.

- **Years 1 to 20:** 25.00%

Salary: *Judy's Salary* (Judy)

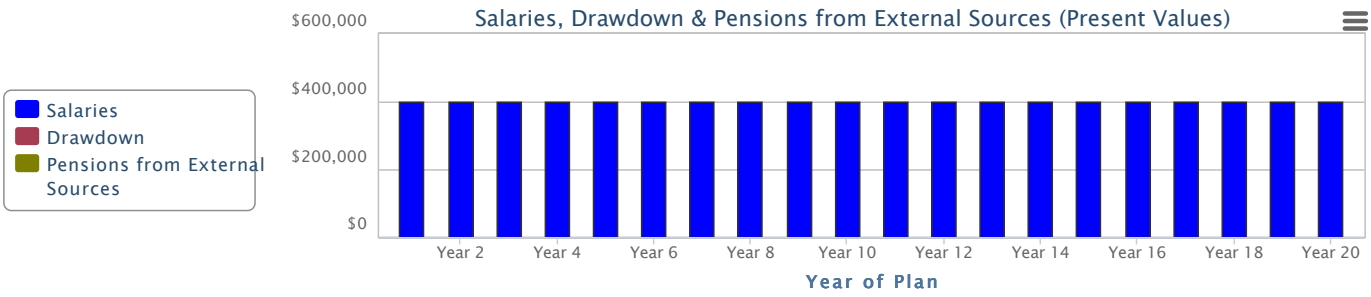
This salary is increased at the inflation rate.

The salary has been listed as:

- **Years 1 to 20:** $200,000

Following is the percentage of the gross salary that is allocated to savings from salary. This money is used to pay for home loans and home improvements, investment loans net of rent, investments, and personal contributions to retirement accounts.

- **Years 1 to 20:** 25.00%



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:	$118,520	$132,902	$174,592
Investment Income	✔	Your plan has annual investment income of:	$8,057	$12,848	$42,161
	⚠	Income less Expenses:	-$110,463	-$120,054	-$132,432

Liquid Assets

Item	Status		Year 1	Year 2	Year 3
Liquid Assets	✔	Your plan has liquid assets of:	$50,000	$148,609	$213,120

Insurance Cover - Bob Aslow

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 - Judy Aslow

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

Savings Phase

Final outcome of your Savings Plan in Present Value

At the end of your 20 year savings plan, you will be 59 (Bob) and 59 (Judy) years old.

It is estimated that, in Net Present Value, your home will be worth $2,234,063, your investments will be worth $4,633,986 and your retirement funds will be worth $1,497,141.

Your investments will be yielding a Real (After Inflation) Return of 3.60%.

Dear Bob and Judy,

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

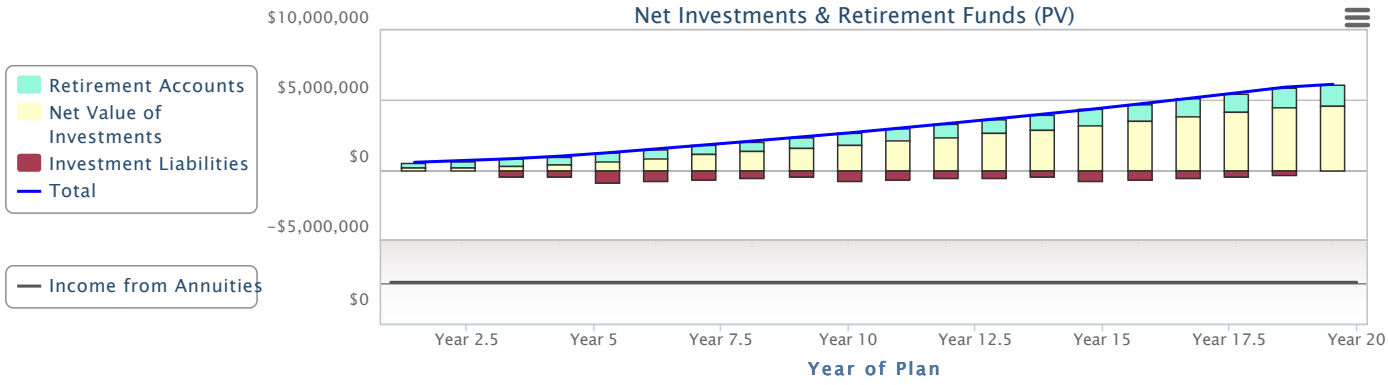
Listed below is a summary of your financial situation at the start and end (in brackets) of this Savings Plan in Present Value:

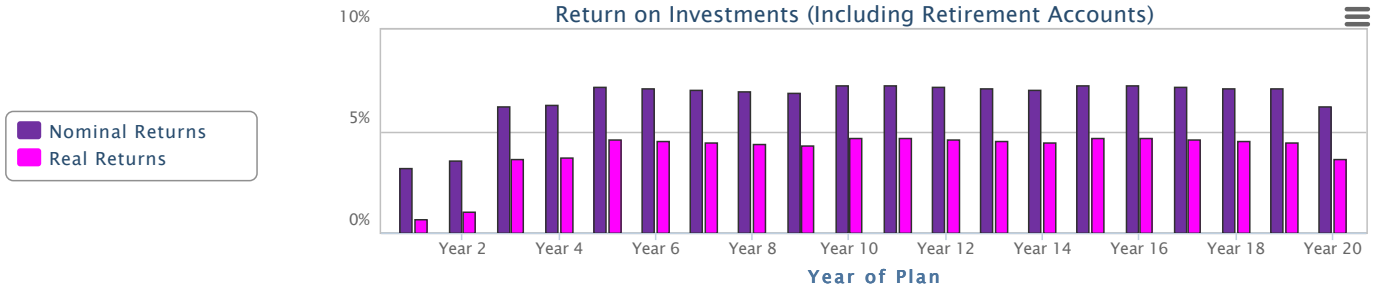
- Net Value of Home: $800,000, ($2,234,063)
- Net Value of Investments: $50,000, ($2,234,063)
- Retirement Funds: $350,000, ($1,497,141)

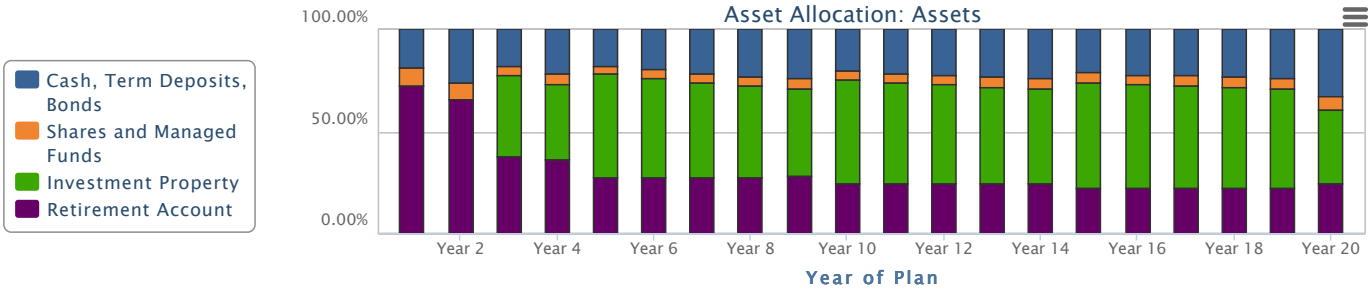
Please reach out if you have any questions.

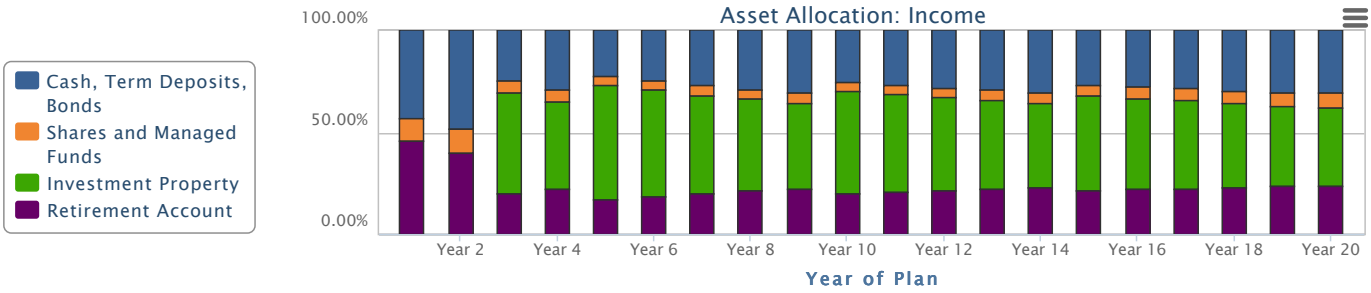
Simon Simmons

Good Advice Financial Service









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 Financial Service, applying on your behalf for the products recommended in this Advice Record.

Signed,

Bob Aslow	Judy Aslow	Date
Simon Simmons *Good Advice Financial Service*		Date