Meeting with your Financial Planner: Helpful Directions

EVENTUS
WEALTH
MANAGEMENT P/L

Please consider the following before our meeting.

Information we anticipate you will need to provide at our first consultation:

Part 1 -Your status

1. Your personal status
a) Whether you are currently single, married or living in a de facto relationship --and the income and assets of your partner.

I. If you have been married/ in a de facto relationship before,
II. and are currently resolving the divorce and property matters; and / or
III. you are paying maintenance for the former spouse and / or children;
IV. whether a "splitting order" has been applied to your superannuation account by your former partner;

b) Whether there are any outstanding payments (capital, or accrued maintenance arrears, school fees etc.) due to the former spouse or a business relationship with the former spouse is still in existence.
c) The number of children which each of you and your partner have, and which of these are dependant on each or both of you currently, and how long you anticipate that this dependency will continue.
d) How you currently intend your assets would pass in the event of your death — and how your liabilities would be paid out.

2. Personal details
Any information relayed to us is treated in accord with the privacy provisions specified in the Financial Services Guide provided to you.

Should it be considered later that the establishment of a self managed superannuation fund is an appropriate recommendation; we will need to know if you have a conviction for a criminal offence involving the element of dishonesty, or whether you have been subject to a civil penalty order – as this would prevent you from acting as trustee.

Therefore, please consider whether there is anything which might be relevant in this regard.

3. Personal assets
Your personal assets and the details of the liabilities which go with any of these assets (include details of any that might have insurance policies with you)..

4. Superannuation assets
Your superannuation assets (or bring your last annual member statement which you would have received for each fund of which you are a member).

5. Business assets
Your business assets and details of the liabilities which go with any of these assets. If you do operate a business, it will also be helpful if you could provide details of any insurance arrangements you have in place in relation to protection for business income or expenses.

6. Assets held in any other way
Such as through a trust or company, as well as details of any liabilities that go with those assets.

7. Estate matters
We will be in a better position to advise you if you inform us of whether you have up to date wills in place, and whether a power of attorney exists in case of future incapacity.

Part 2 - Your financial objectives

It would help us if you give a little thought to the following matters. Take some notes to record these thoughts in the space provided, and bring with them with you to our meeting (this will ensure that you don't forget to raise any matters which are particularly important to you!).

1) What would you like to achieve in your personal financial situation over the next 5 years?

2) What is it that currently concerns you about your financial position?

3) When do you anticipate that you and/ or your partner will retire?

4) What do you want to do when you retire, and where do you want to live?

5) How important is it to you to adjust your lifestyle in your retirement so that you can leave assets to your children, or do you prefer to achieve those personal goals which you have deferred until retirement in priority to worrying about the size of your estate?

6) How familiar do you really feel with investment issues, the terminology used by investment professionals, the type of products available – and how these products actually operate?

7) How familiar do you really feel with superannuation—how it is taxed, what you can contribute, the sorts of products which are available, and the terminology used?

8) Do you feel comfortable in your understanding of the choices available for superannuation savings and/or the retirement income options?

9) How much information you would like in order to understand more, in what areas, and how simple or more complex you would like that information to be?

10) How is that information best delivered to you?

11) How much risk are you prepared to accept when it comes to investing? Are you comfortable that you understand the types of risks that there are? If not, what would you like explained?

12) Things you would like to do now

13) Things you would like to do later

14) Additional notes

Part 3 - Your objectives

Please ensure to provide this section of the document to us at the interview

Please rate the following in order of importance to you, in the context of your reasons for seeking our services. There are 15 in total, but If you believe a particular issue does not apply at all to you, insert “N/A” (meaning “not applicable”) as a replacement in your ranking order.

Issue	Priority to You
1) Rationalise the debt situation firstly (e.g. the mortgage), and then look at a savings/investment strategy	
2) Investigate whether I am utilizing the tax concessions and other benefits available through superannuation to the best possible advantage	
3) Review my current superannuation and retirement strategy to see whether, or how, it will meet anticipated needs in retirement	
4) Investigate other superannuation or retirement income options available to me	
5) Review my current investment portfolio and its strategy	
6) Review how the value of assets and investments held can at least maintain their value against inflation	
7) Review of my overall financial position generally, including my level of expenses(personal or investment) and how these are currently managed	
8) Gain access to investment markets by borrowing funds to invest	
9) Ensure that in the event of my death my family and/or my asset position is protected, and not affected by such matters as the loss of income	
10) Ensure that if I became sick or suffered an accident, such that my income earning capacity was affected or there were significant medical or related expenses, my family or my asset position would not be affected, or affected as little as possible	
11) Investigate how entitlements to social security and related benefits can be maximized	
12) Implement a savings / investment strategy in the short term i.e. over the next 1-2 years	
13) Implement a savings / investment strategy over the medium term i.e. over the next 3-5years	
14) Implement a savings / investment strategy over a long term, i.e. over the next 5 or more years	
15) Other: Insert here any other issue not mentioned above, which is important to you and assign a rating opposite.	

Terminology

You may encounter the following words or terms in our discussions, so you may like to use the following as a reference:

1. Investment terms

Aggressive is a word which is used in many contexts, but usually to describe an investor's risk profile, or to describe a type of portfolio of investments held. In either of these situations it will mean that the person, or the person's investments, prefer to take above the average risk in the anticipation of receiving a higher than average return.

All Ordinaries Index is an expression referring to a number, and the number itself represents the share price index on the Australian Stock Exchange. It is calculated daily, and represents the market prices of the major stocks. It therefore is a broad guide to how the share market is moving.

Asset allocation describes the way assets are "allocated" across the different types of assets, such as shares, property, fixed interest, cash etc. It can also be used in the context of describing whether you have invested in assets in the domestic or the international markets.

Balanced fund describes a portfolio of investments where there is a diversification across a variety of the asset classes, so that there is not one particularly high exposure to an asset type.

Benchmark is the measure against which something is assessed, and in investments will be the index or other market measurement used to measure the risk and performance of a fund, or an asset class, for example.

Capital stable - This is a fund which is for those who don't want a great deal of exposure to risk, and don't want to see a great deal of fluctuation in the return of the investment. The fund usually has a higher exposure to fixed interest and cash investments than shares, and this ensures a smoother return.

Diversification refers to the spreading of your moneys across asset classes or across the domestic and international markets, in order to distribute and control risk.

Dividend yield refers to the return on an investment in shares.

Equity is used either to describe the net amount of ownership in an asset, or is used in another context as another name for a share.

Fixed interest refers to income which remains constant and does not have a great deal of fluctuation at all.

Forecast returns is an expression describing the anticipated return, in future periods, on the investment.

Gearing refers to a practice of increasing your exposure to the investment markets by borrowing funds, which are then used to invest.

Growth fund is fund in which the underlying investment portfolio is invested with the aim of producing an above average rate of after-tax income as well as capital growth. It is, however, understood that this return will not necessarily occur in the short term. It usually comprises an allocation across all of the major asset classes, but with a much higher allocation into shares.
Growth investor is a person who looks for capital gain from the growth in value of an investment. The focus is less on the income to be received, and more on a longer term view of how the value of the asset will increase.

Hedge is an expression to describe the taking of an investment position in order to counteract or balance the risks from another investment.

Index fund is a fund which invests in such a way that its investments follow a nominated index. For example, an equity index fund may have the same proportion of investments in particular companies as make up the All Ordinaries Index.

Liquidity refers to the ability to sell an investment or convert it into cash with little or no loss of capital and minimum delay.

Managed fund refers to a fund, managed by professional investment specialists, which pools the amounts contributed by its investors and invests those funds in underlying assets. These are a common form of investment now. When you invest you are allocated “units” in the pool of funds.

Portfolio is just a term for mix and composition of your holdings amongst different types of investment assets, such as property, shares and cash.

Quartile is the name for a statistical measure dividing a sample into 4 numerically equal groups. Therefore, the expression “top quartile” means in the top 25% of the sample.

Risk is an important concept for you to understand when investing, particularly as there are many types which are relevant to the decision on which investments to invest in. Put simply, if you are going to invest in a particular market/ investment class/ investment type which has more risk associated with it than the others, you should then expect to receive a greater return as compensation. Whilst there is no absolute way to measure the degree of risk when investing, there are ways of selecting the investments appropriate for you which can manage the amount of risk which you carry.

Risk profile is a means for identifying or measuring your individual rational and emotional response to the level of risk which you can live with when investing. This helps understand what types of investments are appropriate for you.

Risk averse describes a person who does not wish to be exposed to too much risk, and so will accept a lesser return on his or her investments in preference to investing in higher growth investments.

Risk-return trade off is merely an expression to explain that, when investing, the higher the anticipated return, the higher the incremental increases in risk

Volatility is a word used to describe the degree of fluctuation in price which occurs for an investment market/ investment class/ investment type. The higher the volatility then the greater the fluctuation, so an investor is less certain of the return which can be expected.
The term is therefore used in the context of describing the amount of risk that an investment market, or a class of investment or investment type has.

2. Specific superannuation terms

Accrued benefits are the benefits which the superannuation fund is obliged to pay you in the future.

Accumulation fund - There are 2 types of superannuation funds. The first is known as a defined benefits fund and is less common now. The second is known as an accumulation fund, as the benefit that you get at the end is determined by what you have accumulated in it over the years of membership, being the contributions in and the investment earnings on the account.

Allocated pension is a pension which is paid out of a personal account, for superannuation purposes. The amount is often variable, and payments are made until the death of the member, or the amount in the account is exhausted.

Annuitant is the person who receives the payments of an annuity.

Annuity is an arrangement by which you receive periodic payments in return for the capital which you pay over at the outset to purchase the payments.

Concessional component - The concessional component of an ETP is that part of any of the following payments made before 1 July 1994 - a bona fide redundancy payment, approved early retirement scheme payment, or invalidity payment before 1 July 1994. Any amount of this, which is taken in cash, is taxed at 5% in the year of income, and not taxed if rolled over.

Contributions tax is the tax on certain contributions made into the superannuation environment.

Deductible amount when used in the context of an allocated pension, is the portion of each income payment received by the member which is deemed to be a return of capital apportioned equally over the term for which the pension can reasonably be expected to be paid.

Deferred annuity is a type of annuity which commences payment of income at a later date.

Eligible service period is the period of time spent in the employment of a particular employer, or in the membership of a particular superannuation fund, and is taken into account when calculating the ETP components. The eligible service period of an ETP varies according to the type of payment involved, and its source.

Employer ETP includes a golden handshake and other severance payments such as redundancy, payment in lieu of notice and accrued sick leave (It does not include either long service leave or annual leave - these are concessionally taxed though).

A payment made after 1.7.1994 has a tax-free amount and this amount is not treated as part of the employer ETP.

Employer sponsored fund is a superannuation fund put in place by an employer for its employees.

ETP is an abbreviation for "eligible termination payment", and is a payment made to you on retirement, resignation, retrenchment. For example, a superannuation lump sums payment or a redundancy payment.

ETP CGT exempt amount refers to the benefits arising from the capital gains tax exempt component of the proceeds of sale of a small business which are rolled over into a regulated superannuation fund.

ETP Pre-Payment Statement is the Statement to be completed by the member before benefits transferred out of the fund. It is not required to be produced if it is a death benefit or the payer has received authority and sufficient instructions from the member to make the payment e.g. cooling off.

Industry fund is a term which describes a superannuation fund which is available within a particular type of industry or employment, or is union-based. E.g. REST is the retail employees' superannuation trust.

Lump sum is the term for a benefit payable in cash, rather than as a pension or annuity.

Mandated employer contributions refer to contributions made under an award or industrial agreement.

Minimum benefits are the total of: (a) the member-financed benefits, [the member contributions, including eligible spouse contributions, and member-financed benefits rolled over or transferred in]; and (b) mandated – employer financed benefits.

Preservation age is relevant as a retired member cannot access benefits until reaching the preservation age. Preservation age starts at 55 years for those born before 1 July 1960 & increases incrementally.

Preserved benefits simply refers to the dollar proportion of your superannuation account which you can only access under specified circumstances. The intent is that this amount has to stay in the fund generally until a condition of release is met, or retirement or attaining preservation age.
Preserved benefits generally include:

- member-financed benefits during the period when the member did not have employer support
- mandated employer contributions
- benefits from eligible spouse contributions
- benefits from CGT exempt rollover

All contributions after 1.7.1999 & all earnings accruing after this date are treated as preserved.
Earnings on allocated pensions are treated as preserved.

Public offer fund is just a general name for those superannuation funds which are marketed directly to the public.

Restricted non-preserved benefits ("RNPB") are benefits which may be cashed on the termination of employment with an employer who had contributed to the superannuation fund on behalf of the member.

Specified rollover amount is an amount which is sourced from the untaxed element of the post-June 1983 component, such as a golden handshake, unfunded retirement payment from an employer or a payment from a constitutionally protected fund.

Undeducted contribution refers to the component of an ETP which represents the superannuation contributions made into your superannuation savings for which you did not claim a tax deduction.