

Welcome to your Financial Plan









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Statement of Advice

Prepared for
John Citizen & Mary Citizen
25 May 2017

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INTRODUCTION



Hi John & Mary,

It's a pleasure to work with you.

The document you hold in your hands (or virtual hands) is not your typical financial plan. Most financial advisers think that financial plans should be 50 or more pages. Their belief is that the longer the plan, the more they can charge.

At **Plenty**, we take the opposite view. We believe that the shorter the plan, the easier it will be to understand and therefore you are more likely to proceed with its recommendations and derive some benefit from it.



What is the purpose of this financial plan?

Our financial plan contains a series of recommendations. These recommendations have 3 primary objectives:

1. **Increase your wealth** so you can achieve you goals. This is done through a combination of smarter planning, tax savings, higher returns and lower interest.
2. Putting the right insurances in place to **protect you and your family**.
3. **Keeping you on track** by providing accurate forecasting.

A plan should not be a static document. It should be something that can be revised on a regular basis as your circumstances change. We would like to work with you over the coming years to help you keep this plan up-to-date which in turn will help you stay on track to meet your goals.



Scope of Advice

This financial plan will provide advice on:

	Cash Flow Management		Investment
	Insurance		Superannuation



Benefits of the advice

If you follow the advice in this document, we estimate that the benefit to you will be \$264,963 over 10 years. The make-up of these benefits are discussed within this plan. These benefits are significant and we strongly advise you to take advantage of the oppurtunities that present themselves to you.

We hope you enjoy reading this document as much as we enjoyed putting it together.

Thanks,

The Team at Plenty



SUMMARY OF FINANCIALS

	John	Mary
A) INCOME		
Salary	\$ 100,000	\$ 60,000
Super	\$ 9,500	\$ 5,700
Other income	\$ 0	\$ 0
Total	\$ 109,500	\$ 65,700
B) EXPENSES		
Deductible Expenses	\$ 186	\$ 0
Non Deductible Expenses	\$ 71,800	\$ 71,800
Total	\$ 71,986	\$ 71,800
B) INVESTMENT ASSETS		
Home	\$ 900,000	\$ 900,000
Investment Properties	\$ 0	\$ 0
Shares	\$ 0	\$ 0
Bank	\$ 9,561	\$ 7,232
Super Assets	\$ 110,000	\$ 65,000
Other Assets	\$ 0	\$ 0
Total Assets	\$ 1,019,561	\$ 972,232
B) LIABILITIES		
Mortgage	\$ 455,225	\$ 455,225
Investment Loan	\$ 0	\$ 0
Other	\$ 1,435	\$ 0
Total liabilities	\$ 456,659	\$ 455,225
Net Assets	\$ 562,902	\$ 517,007




SUMMARY OF FINANCIALS

Your Goals


These are your goals:




Investment Property
in
2023



Buy Home
in
2021



Your children's
education
in
2028



Retirement
in
2043(John)

Other information you have provided

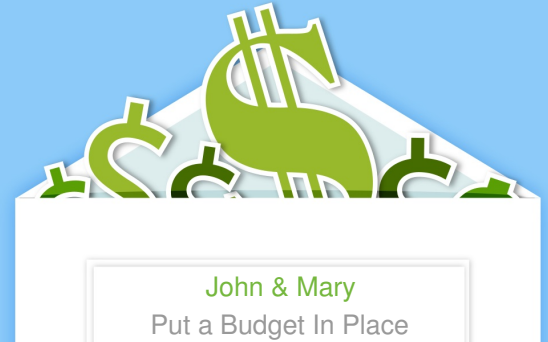
Who	Age	Partner	Occupation	Employment Status
John	38	Yes	Account Executive - no degree, average earnings \geq \$100K for last 3 yrs	Employed - full time
Mary	35	Yes	Mortgage Broker	Employed - full time



RECOMMENDATIONS

RECOMMENDATION 1

Put a Budget In Place



Applies to:
John & Mary

Timing:
Now

What is a budget and why do we recommend it?

A budget ensures you have a plan for what you will spend and that you only spend in accordance with that plan.

A budget is important as it will allow you to:

1. Reach the goals you told us you would like to achieve
2. Save more in the future due to the effects of compound interest
3. Build that "rainy day" fund - you never know what is around the corner
4. Monitor whether you are on track

What is your budget?

We recommend that you reduce your expenses (excluding your mortgage, investment property expenses, taxes, super contributions and attainment of goals) from \$ 5,999 per month to \$5,316.

Our budget tools will help you with reducing your expenses. However if you believe this reduction is unachievable then the alternative is to re-set your goals and get a new plan. There is always a trade-off between your goals and your current spending. The less you spend now, the more ambitious your goals can be. Similarly, the more aggressive your goals, the less you can spend now.

What are the estimated financial benefits?

\$8,192 p.a. in the first year and increasing over time.

Are there any risks or disadvantages to this recommendation?

You will have to make some spending sacrifices in the short term.

How do I implement this recommendation?

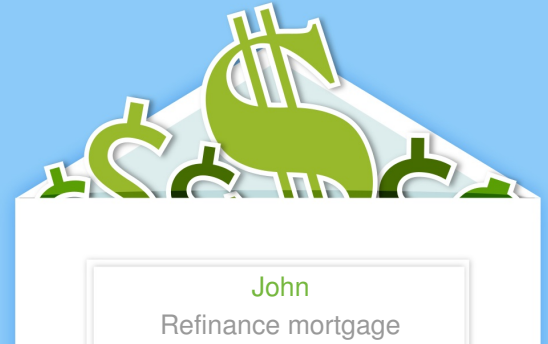
To implement this recommendation login to your dashboard at www.plenty.com.au Once there go to the Money Hub and make sure you have no uncategorised transactions. You can then go to the budgeting section to see when you spend most of your money and set a budget for each category making sure you do not exceed our recommended budget.



RECOMMENDATIONS

RECOMMENDATION 2

Refinance mortgage



John
Refinance mortgage

Applies to:

John

Timing:

Now

What is a mortgage refinance and why do we recommend it?

A mortgage refinance involves changing your mortgage from one institution to another reducing your repayments in the process. We have observed that on average, reductions in interest of 0.3% p.a or more can be achieved. The actual savings available will depend on the details of your loan.

How much should I refinance?

\$455,225

What are the estimated financial benefits?

2,718 p.a.

Are there any risks or disadvantages to this recommendation?

Not to our knowledge

How do I implement this recommendation?

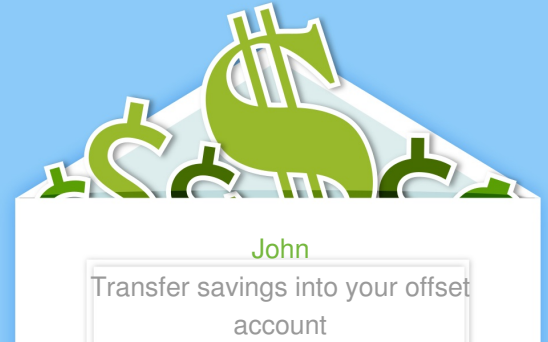
The first step in implementing this recommendation is speaking to a qualified mortgage broker. We know - there are lots of mortgage brokers out there. None of them has the insights into your personal situation that we have here at Plenty. This means we can do a better job of finding the right loan for you. What's more, we can help you complete the banks application form based on the information you have already provided to us which will save you time. To book in a meeting with Plenty's in house broker [click here](#) or go to <http://bit.ly/mortgagebroking>



RECOMMENDATIONS

RECOMMENDATION 3

Transfer savings into your offset account



Applies to:

John

Timing:

Now

Why do we recommend that you transfer savings in your offset account?

The interest rate you are paying on your mortgage is higher than you are earning on your savings accounts. This means you would be better off transferring the cash in your bank accounts into your offset account as you would effectively be earning the interest rate on your mortgage (tax free). This gives you the flexibility to redraw and also reduces the interest you pay each month.

How much should I transfer to my offset account?

\$16,793

What are the estimated financial benefits?

762 p.a.

Are there any risks or disadvantages to this recommendation?

You should ensure you have sufficient funds for any automated direct debits. Better still - you can set up direct debits from your offset account which should have a larger cash balance.

How do I implement this recommendation?

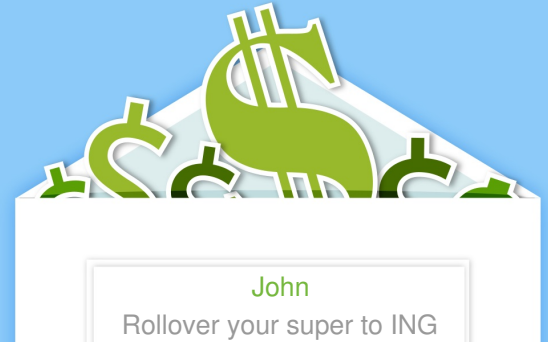
Transfer funds from your savings account to your offset account



RECOMMENDATIONS

RECOMMENDATION 4

Rollover your super to ING



Applies to:
John

Timing:
NOW

What is a rollover and why do we recommend it?

A rollover involves moving superannuation from one fund to another. We recommend a rollover to ING Direct Living Super (The PDS can be found [here](#)) as it provides a low cost superannuation service with flexible investment options, good service and a simple online user interface so you can track your super at any time. The move to ING will result in significantly lower fees and potentially higher investment earnings. ING Living Super includes insurance (for which you are required to pay a premium). We do not believe this insurance is in your best interests based on the amount of cover provided, the types of cover available and some unfriendly terms in the contract that could restrict your ability to claim. We therefore recommend that you don't take up ING's life insurance.

How much should you rollover?

\$ 110,000

What are the estimated financial benefits?

\$1,647 p.a and increasing over time

Are there any risks or disadvantages to this recommendation?

Not to our knowledge

How do I implement this recommendation?

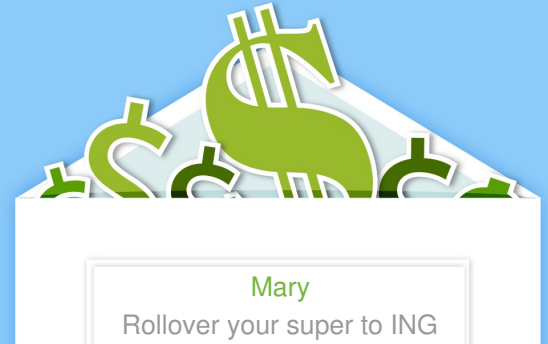
Superannuation is a complex area, prone to mistakes. Plenty can manage every aspect of your super for just 0.025% per month - simply [click here](#) or go to <http://cognito-web.xminds.com/plan/view>



RECOMMENDATIONS

RECOMMENDATION 5

Rollover your super to ING



Applies to:

Mary

Timing:

NOW

What is a rollover and why do we recommend it?

A rollover involves moving superannuation from one fund to another. We recommend a rollover to ING Direct Living Super (The PDS can be found [here](#)) as it provides a low cost superannuation service with flexible investment options, good service and a simple online user interface so you can track your super at any time. The move to ING will result in significantly lower fees and potentially higher investment earnings. ING Living Super includes insurance (for which you are required to pay a premium). We do not believe this insurance is in your best interests based on the amount of cover provided, the types of cover available and some unfriendly terms in the contract that could restrict your ability to claim. We therefore recommend that you don't take up ING's life insurance.

How much should you rollover?

\$ 65,000

What are the estimated financial benefits?

\$252 p.a and increasing over time

Are there any risks or disadvantages to this recommendation?

Not to our knowledge

How do I implement this recommendation?

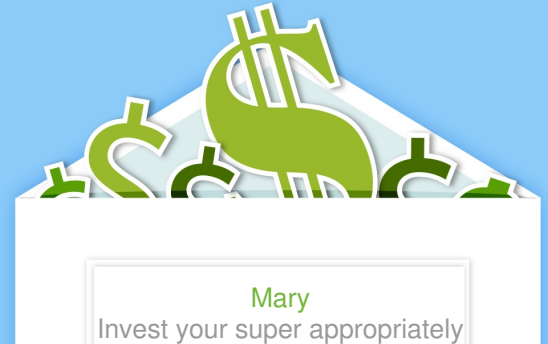
Superannuation is a complex area, prone to mistakes. Plenty can manage every aspect of your super for just 0.025% per month - simply [click here](#) or go to <http://cognito-web.xminds.com/plan/view>



RECOMMENDATIONS

RECOMMENDATION 6

Invest your super appropriately



Applies to:
Mary

Timing:
Now

What do we mean by "Invest your super" appropriately?

Investing your super wisely will ensure that you achieve good long term returns within your risk profile. The investments we have listed below will provide you with diversified exposure to a range of investments at a much lower cost than using an active fund manager. This will save you a significant amount in fees.

How much should you invest?

\$ 65,000

We have recommended these investments because they give you diversified exposure to a range of asset classes, consistent with your risk profile, at the lowest possible cost.

Are there any risks or disadvantages to this recommendation?

Investment markets can go up and down. However in the long term (given you are investing for the remainder of your life including your retirement years), the investments we have recommended are likely to increase in value and deliver good returns.

What are the estimated financial benefits?

The benefit is incorporated within other recommendations.

How do I implement this recommendation?

Getting a low cost, high quality investment mix in your super is very important but difficult to achieve. Plenty can manage every aspect of your super simply [click here](#) or go to <http://cognito-web.xminds.com/plan/view>

Where do we recommend you invest your super?

The specific funds we recommend are shown below. These funds are all listed on the Australian Securities Exchange (except the Cash hub).



RECOMMENDATIONS

Accumulation

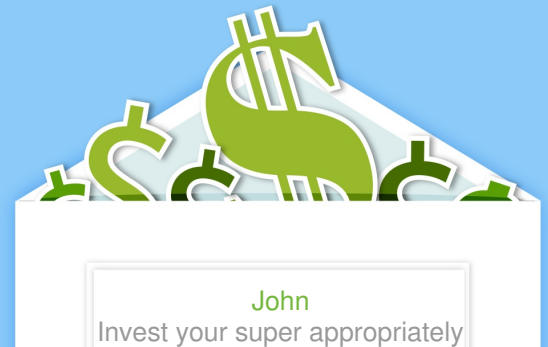
Fund name	Code	Sector	Current	Recommended	Change
ING Cash Hub		Cash	\$ 0	\$ 1,950	\$ 1,950
ING Cash Option		Cash	\$ 0	\$ 6,500	\$ 6,500
Vanguard Australian Property ETF	VAP	Property	\$ 0	\$ 7,150	\$ 7,150
Vanguard International Share ETF	VGS	International Shares	\$ 0	\$ 7,150	\$ 7,150
Vanguard Aust Fixed Income ETF	WZOZ	Fixed Income	\$ 0	\$ 14,300	\$ 14,300
Vanguard Australian Shares Index	VAS	Australian Shares	\$ 0	\$ 27,950	\$ 27,950
Total ING Direct Living Super			\$ 0	\$ 65,000	\$ 65,000
Other Super Funds			\$ 65,000	\$ 0	\$ -65,000
Total Accumulation			\$ 65,000	\$ 65,000	\$ 0



RECOMMENDATIONS

RECOMMENDATION 7

Invest your super appropriately



Applies to:
John

Timing:
Now

What do we mean by "Invest your super" appropriately?

Investing your super wisely will ensure that you achieve good long term returns within your risk profile. The investments we have listed below will provide you with diversified exposure to a range of investments at a much lower cost than using an active fund manager. This will save you a significant amount in fees.

How much should you invest?

\$ 110,000

We have recommended these investments because they give you diversified exposure to a range of asset classes, consistent with your risk profile, at the lowest possible cost.

Are there any risks or disadvantages to this recommendation?

Investment markets can go up and down. However in the long term (given you are investing for the remainder of your life including your retirement years), the investments we have recommended are likely to increase in value and deliver good returns.

What are the estimated financial benefits?

The benefit is incorporated within other recommendations.

How do I implement this recommendation?

Getting a low cost, high quality investment mix in your super is very important but difficult to achieve. Plenty can manage every aspect of your super simply [click here](#) or go to <http://cognito-web.xminds.com/plan/view>

Where do we recommend you invest your super?

The specific funds we recommend are shown below. These funds are all listed on the Australian Securities Exchange (except the Cash hub).



RECOMMENDATIONS

Accumulation

Fund name	Code	Sector	Current	Recommended	Change
ING Cash Hub		Cash	\$ 0	\$ 3,300	\$ 3,300
Vanguard Australian Property ETF	VAP	Property	\$ 0	\$ 14,300	\$ 14,300
Vanguard International Share ETF	VGS	International Shares	\$ 0	\$ 14,300	\$ 14,300
Vanguard Aust Fixed Income ETF	WZOZ	Fixed Income	\$ 0	\$ 24,200	\$ 24,200
Vanguard Australian Shares Index	VAS	Australian Shares	\$ 0	\$ 53,900	\$ 53,900
Total ING Direct Living Super			\$ 0	\$ 110,000	\$ 110,000
Other Super Funds			\$ 110,000	\$ 0	\$ -110,000
Total Accumulation			\$ 110,000	\$ 110,000	\$ 0



RECOMMENDATIONS

RECOMMENDATION 8

Put appropriate insurances in place



Applies to:

John

Timing:

Now

What is life insurance and why do we recommend it?

Insurance provides the peace of mind that if something happens to you, your family will be looked after financially.

1. What would be the financial impact on my family if I passed away?
2. What would be the financial impact on my family if I was sick and couldn't work?
3. What would be the financial impact on my family if I was sick and incurred significant medical costs over and above those covered by health insurance?

As a rule of thumb, many people spend around 2-3% of their annual salary on life insurance.

What are the different types of life insurance?

There are 4 major types of life insurance:

1. Life Cover - pays lump sum upon your death
2. Total Permanent Disability (TPD) - pays a lump sum if you are permanently disabled and unable to work again.
3. Critical illness - pays a lump sum if you are diagnosed with a serious medical condition. Medical conditions are pre-determined by the policy and include certain cancers, heart attacks etc.
4. Income protection - pays a monthly benefit if you are unable to work due to illness or injury.

How much life insurance do you need and what will it cost?

Ideally we would like to recommend very high sums insured so that you would be in a strong financial position if you ever had the need to claim on your insurance. However if that was the case then the premiums would be unaffordable. The sums insured we have recommended below provide a good balance between the affordability of your premiums and the benefit you would receive:



RECOMMENDATIONS

The table below shows the recommended sum insured, and the premiums charged by 3 of Australia's leading insurers

Insurance Type	Sum Insured (\$)	Insurer and Premiums p.a. (\$)		
		ClearView	MLC Insurance	AMP Life
Life Cover*	\$ 1,304,256	\$ 494	\$ 527	\$ 651
Income Protection	\$ 3,750 per month	\$ 356	\$ 402	\$ 682
Critical Illness	\$ 150,000	\$ 340	\$ 427	\$ 350
Total		\$ 1,190	\$ 1,356	\$ 1,684

*Your life policy will be held inside of super as this provides a better tax outcome.

We recommend you proceed with ClearView because they provide the best value cover based on your requirements. Here is a link to the [Product Disclosure Statement](#) which contains further details about the product we are recommending

How do I implement this recommendation?

Implementing insurance can be a tricky process requiring a lot of back and forward with the insurance company. Plenty can assist with getting these insurances in place; to make a meeting with our life insurance specialist simply go to <http://bit.ly/capulife>.



RECOMMENDATIONS

RECOMMENDATION 9

Put appropriate insurances in place



Applies to:
Mary

Timing:
Now

What is life insurance and why do we recommend it?

Insurance provides the peace of mind that if something happens to you, your family will be looked after financially.

1. What would be the financial impact on my family if I passed away?
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Insurance Type	Sum Insured (\$)	Insurer and Premiums p.a. (\$)		
		ClearView	MLC Insurance	AMP Life
Life Cover*	\$ 1,633,367	\$ 618	\$ 660	\$ 792
Income Protection	\$ 4,062 per month	\$ 340	\$ 415	\$ 671
Critical Illness	\$ 150,000	\$ 340	\$ 427	\$ 350
Total		\$ 1,298	\$ 1,502	\$ 1,813

*Your life policy will be held inside of super as this provides a better tax outcome.

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Capacity in which advice is provided

Lime FS Pty Ltd ABN 67 611 398 666 is the holder of an Australian Financial Services License, AFSL 485923. Plenty Wealth Pty Ltd ABN 84 615 920 093 (trading as Plenty Wealth) is a corporate authorised representative of Lime FS Pty Ltd.

Financial product advice is provided by Plenty Wealth Pty Ltd in its capacity as authorised representative of Lime FS Pty Ltd and not in any other capacity.

Greg Einfeld is director and majority shareholder of Plenty Wealth Pty Ltd and is also an individual authorised representative of Lime FS Pty Ltd. Greg is authorised to provide advice in the following areas:

1. Financial Planning
2. Deposit and Payment Products - Basic Deposit
3. Deposit and Payment Products - Non-basic Deposit
4. Government Debentures, Stocks and Bonds
5. Life Products - Investment Life Insurance Products
6. Life Products - Life Risk Insurance Products
7. Managed Investment Schemes including IDPS
8. Retirement Saving Account Products
9. Securities
10. Superannuation
11. Tax

Risks in our advice

We are not aware of any risks in our advice that have not been described elsewhere in this document.

Does our advice have any disadvantages?

We are not aware of any significant disadvantages connected to our advice that have not been described elsewhere in this document.

Taxation Advice

Your adviser is a registered Tax (Financial) Adviser and is allowed to provide Tax (Financial) Advice service in this Statement of Advice.

Other matters

Your adviser may be paid a salary by the Corporate Authorised Representative.



Product disclosure statements

You should read all product disclosure statements provided to you and ask questions if you do not understand the information contained in them or require further information regarding the recommended products.

Product disclosure statements are available at <http://bit.ly/1oaTh2M>

Consequence of replacing or switching one financial product with another

We have recommended that you change your investments. This is called switching.

The advantages and disadvantages of these switches are disclosed and discussed above. In recommending the switches:

1. We have considered your existing products
2. There are switching costs which are small relative to the ongoing fee savings and higher expected returns
3. We are not aware of any benefits that might be lost
4. We are not aware of any other significant adverse consequences of these switches.

Ongoing fees	Existing Products (\$)	Recommended Products (\$)
Superannuation	\$ 3,174	\$ 1,275
Trail Commissions	N/A	N/A
Insurance Premiums	\$ 0	\$ 1,190

One-off fees to make recommended changes	One-off fees (\$)
Exit fees- Superannuation	\$ 169



What are our fees?

Our fees are summarized in the following table:

Description	Amount (inc. GST)	Tax deductible?
Preparation of SOA	Nil	N/A
Subscription Fee p.a (optional)	Nil	No
Implementation Fee p.a (optional)	Nil	Yes

Why our advice is appropriate to you and why it is in your best interests

I believe this advice is appropriate for you because it is likely to put you in a better position in the eyes of a reasonable financial adviser. If for any reason you are concerned that this advice is not in your best interests or is not appropriate to your circumstances and goals, then you should not act on the advice and you should inform me of your concerns in writing immediately.



Supplementary Advice Information

The Corporations Act and "good practice principles" require us to disclose matters that may impact your decision to act on our advice and your understanding of our advice. Paragraph 163 of ASIC's Regulatory Guide 175 (RG 175.163) allows us to incorporate these matters into this SOA by reference, in this case through this link:
[Supplementary Advice Information document](#)

These additional materials form part of this SOA and form part of our contract with you, and include our promises to you as your adviser and our ethical obligations as responsible financial planners. We recommend you read these materials and let us know in writing if anything is not clear.



DISCLOSURE

Do you need more information?

Please do not hesitate to contact us if more detailed explanations and expansions are needed. This can be done by meeting, teleconference or e-mail, and we recommend this happen if for any reason you are unsure of what we are recommending or what you need to do to adopt our recommendations.

It is also important that you get a new plan if you experience major changes in your circumstances as it might be necessary to make adjustments to the recommended strategy.

Our financial services guide is available at <https://www.plenty.com.au/guide>

Yours sincerely

Greg Einfeld

Director

Plenty Wealth Pty Ltd ABN 84 615 920 093

Corporate Authorised Representative of Lime FS Pty Ltd

AFSL 485923 ABN 67 611 398 666

GPO Box 5311 Sydney NSW 2001