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CBC Financial Advisers – Our Advice Kit

Who are we?

CBC Financial Advisers has been providing professional Financial Advice since 1994. We are a member of **Count Wealth Accountants (Count)**, Australia's largest independently owned network of financial planning Accountants and Advisers. Our **Financial Services Guide** contains further information on Count and our relationship with them plus more information on CBC and our services.

Our Philosophy

CBC Financial Advisers cares about your financial future and we will ensure that you:

- Receive quality advice tailored to your individual financial needs and objectives
- Understand the financial planning process and how it can benefit you
- Know exactly how much your initial financial plan and ongoing services will cost
- Receive cost effective advice with no entry or implementation fees payable on any financial products that we may recommend to you

How can we help?

CBC Financial Advisers can help you with:

- Building your wealth via products such as direct shares and managed investment funds
- Retirement Planning utilising superannuation, transition to retirement and Centrelink strategies
- Saving for a specific purpose (e.g. holiday, car or children's education)
- Wealth Protection, ie Life, Disability, Trauma and Income Protection insurance
- Home Loans and Leasing
- Managing your tax liability and ensuring you hold assets in the most tax effective structures

The following two pages outline the **Financial Planning process** at CBC and also the **benefits and value of seeking advice**.

Essentially we do three things. We help you plan. We help you implement the financial part of your plan. Then through an ongoing relationship we help you stay on track to help you achieve your plan, and make adjustments where necessary.

We operate on a 'Fee for Service' basis and **rebate all commissions** on any investment or superannuation/pension products we may recommend to you.



Looking after your financial life

Count and Count Wealth Accountants® are trading names of Count Financial Limited, ABN 19 001 974 625. Australian Financial Services Licence Holder Number 227232.

Principal Member of Financial Planning Association of Australia Limited.

CBC's step-by-step Guide to Comprehensive Financial Planning

1. Prepare

Think about your financial goals, such as:

- Saving money for a specific purpose e.g. car, holiday or new home
- Your preferred retirement date and income needs
- Minimising your taxation liabilities
- Maximising your Centrelink benefits
- Protection of your income
- Security for your family
- Wanting more control and a better understanding of your investments

Come prepared with your financial documents, including:

- Superannuation statements
- Share certificates
- Managed fund statements
- Current insurances statements e.g. Life, TPD, Trauma, Income Protection
- Current Centrelink statements
- Information on your Will and Powers of Attorney
- Our Financial Needs Analyser (FNA) questionnaire

2. Your First Appointment

Your initial appointment is at our expense and with no obligation. This meeting will usually take 60-90 minutes or so and will allow us to explore how we can help you going forward.

During this meeting we can work through your financial goals and will determine the type of advice appropriate for you. We will also explain our **Financial Services Guide** and assist you to complete the enclosed **Financial Needs Analyser (FNA)** questionnaire. We need this questionnaire in a similar way that a doctor needs a medical history before they can prescribe anything for you. We need to know your 'financial history' and importantly, where you would like to be in the future. Please feel free to add information about yourself in the FNA prior to our meeting, paying particular attention to Section 2 Pages 10-12 "Income and Expenses Analysis".

3. Review and Accept Quote

After the first appointment, we will provide you with a **Quote** itemising the cost of our initial advice. We will ask you to sign a **Terms of Engagement** at this time. Once you are happy to proceed we will prepare a financial plan, known as a **Statement of Advice (SoA)**,

4. Preparation of Plan

Once we have a complete picture of your circumstances (from the FNA and our discussions with you), we will develop your detailed personalised financial plan. This will usually take up to 4 – 6 weeks to prepare depending on the complexity of your situation.

5. Second appointment/presentation of Plan

We will arrange a time to present your financial plan to you (this can also be posted to you prior). We can also email this document to you using an encrypted PDF file and we can also meet with you via Skype and webcams if desired. During this meeting we will discuss our advice in detail and explain how it will assist you to achieve your financial goals and objectives.

6. Implementation of Recommendations

Once you are satisfied with your Plan, we will ask you to sign an **Authority to Proceed** document. After that we will assist you to implement and put all of our recommendations into place.

7. Ongoing advice

Regular reviews of your situation are essential to ensure you stay on track to reach your goals. The cost and terms of this service will be established by mutual agreement. In most cases this fee is tax deductible. **This part of our advice is the most important** as circumstances do change over time. Just like a car needs a regular service or it will break down, a review of your original plan will ensure all is in order financially and that strategies remain appropriate for your changing circumstances.

What is the Value of Advice?

Unlike when you buy a new home or car, it can be difficult to see what you are actually getting when you seek financial advice.

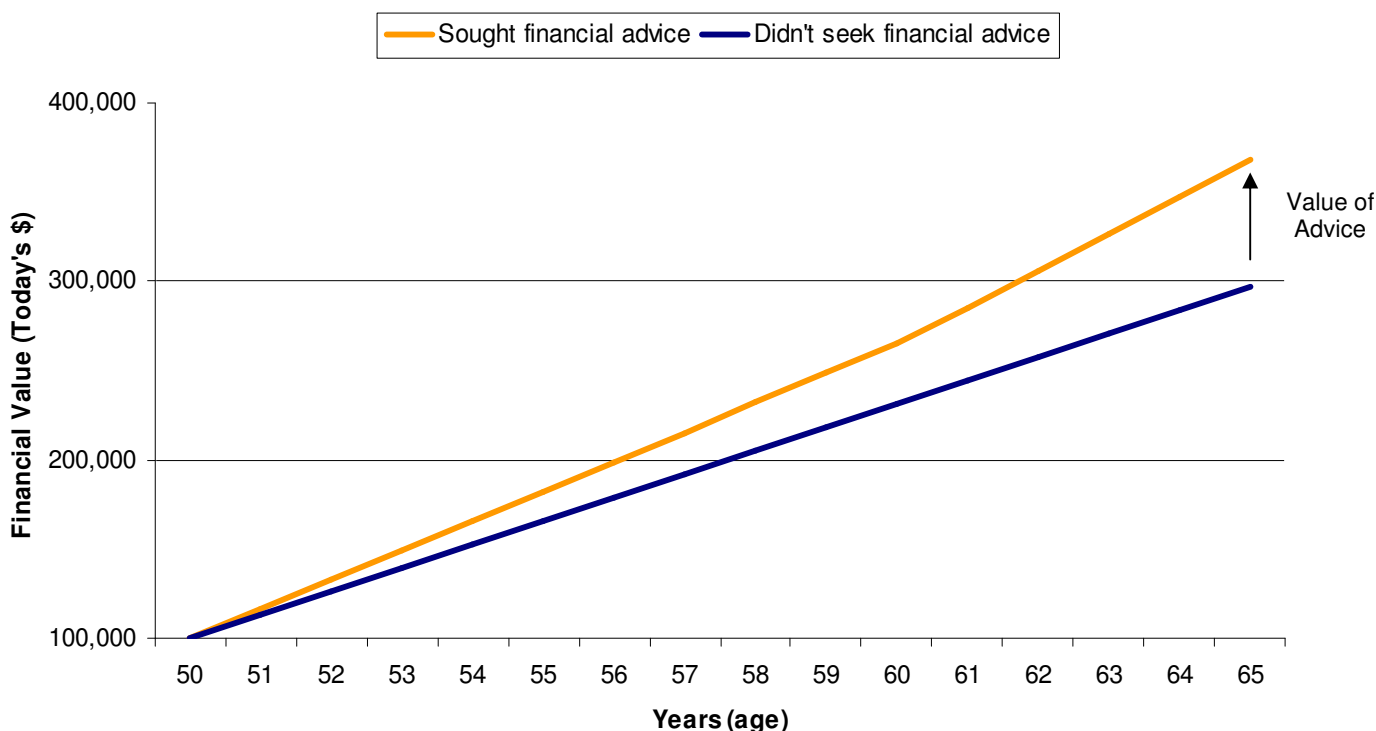
To really appreciate what you are paying for, you need to look at the longer term to see the full benefits.

The graph below highlights the difference financial planning can make to your situation and illustrates the value of advice. It shows two situations.

Situation 1 – the blue line represents how much money you could have on retirement at age 65 if you do not seek financial advice.

Situation 2 – the orange line shows how much extra money you could have for your retirement if you seek financial advice and implement the recommended strategies.

Seeking financial advice could result in over \$70,000 extra for your retirement.



Data and assumptions

Where financial advice is sought – A financial plan is implemented with salary sacrifice to superannuation of \$7,200 p.a. until age 55.

At age 55, a TTR pension is commenced with \$190,000 from superannuation (\$163,900 in today's dollars). Salary sacrifice is increased to \$20,000 p.a. until age 65 and the minimum pension of 4% p.a. is selected. Surplus cash flow is placed in a bank account and interest is reinvested.

Other assumptions

- Salary \$50,000 p.a. – no indexation
- Living costs \$35,000 p.a.
- Inflation 3% p.a.
- Bank Interest 4% p.a.
- Super/Pension: 6.9% p.a. net of fees (based on growth risk profile of 80% growth and 20% defensive assets)
- The cost of advice is not included in the calculations
- Marginal tax rates for 2009/10 have been used

Fees, taxes and government regulations may change over time and such will change the projections.

Planning that lasts a lifetime

CBC Financial Advisers wants you to understand that a financial planner is really a life coach and just like any other coach our role is to change habits and get better outcomes for the person or people we are coaching.

The only difference is that the value a financial planner adds can't be witnessed in just six weeks after following a fitness regime – the rewards pay off over a number of years. It takes discipline and it takes time.

It is not a financial planner's main task to beat the market or to select the next best share to invest in. The value and strength of the relationship between a financial planner and a client is somewhat intangible, but by seeking and taking a planner's advice, a family can be set up for life.

What does a planner actually do to add value?

As documented above, very early in the process we will sit with you to work out what goals or dreams you want to achieve in life. Now for many this can be a challenge, especially in a situation where a husband and wife can't reach an agreement on what the future looks like!

Quite often, we will take on the guise of a counsellor or mediator in situations such as this. How do you put a value on this? We can't think of another profession that actually asks you to think ahead about your life and plan your goals.

After identifying your goals and reviewing your current financial circumstances, we will set a path to assist you to achieve those goals while articulating the risks involved in such a plan, including making sure appropriate contingencies are put in place. We will also help manage your cash flow, minimise your tax and facilitate the asset ownership of assets for you.

It is true that for many, visiting a planner can be an emotional and confronting experience. Imagine being told you have to curb your spending and work to a budget – this isn't always a message a mature adult likes or wants to hear. It is this financial discipline that is missing in the lives of many Australians and it often takes hearing the harsh reality of the situation to make people realise the trouble they are in or what they need to do to achieve their dreams. How can you put a value on that?

We often hear about fees, charges and investment returns as being the key inhibitors for people who retire with too few dollars – the truth is that Australians need to contribute more than the compulsory employer superannuation contribution of 9 per cent for a comfortable retirement. But they often take action in this area too late in life.

Our financial planners will help you plan for your retirement by forecasting exactly how much you will need to achieve a comfortable lifestyle in retirement. We will then help you meet that objective.

If you have any questions on any of this information or would like to make an appointment please contact us on FreeCall **1800 622 892** or cbc@cbc.com.au

With Compliments

CBC Financial Adviser Team

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Financial Advisers of CBC Financial Advisers
Authorised Representatives of Count Wealth Accountants®

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