18th February 2020

Our wealth report

Mary & Bob Jane

Report date: 18/2/2020
Last saved: 18/2/2020

Our wealth summary

Welcome to your Wealth Report. The purpose of this report is to provide relevant information that is personalised for you. It is designed to give you a snapshot of where you stand today as a basis for achieving your future financial and lifestyle goals.

This report is purely educational. It is not advice.

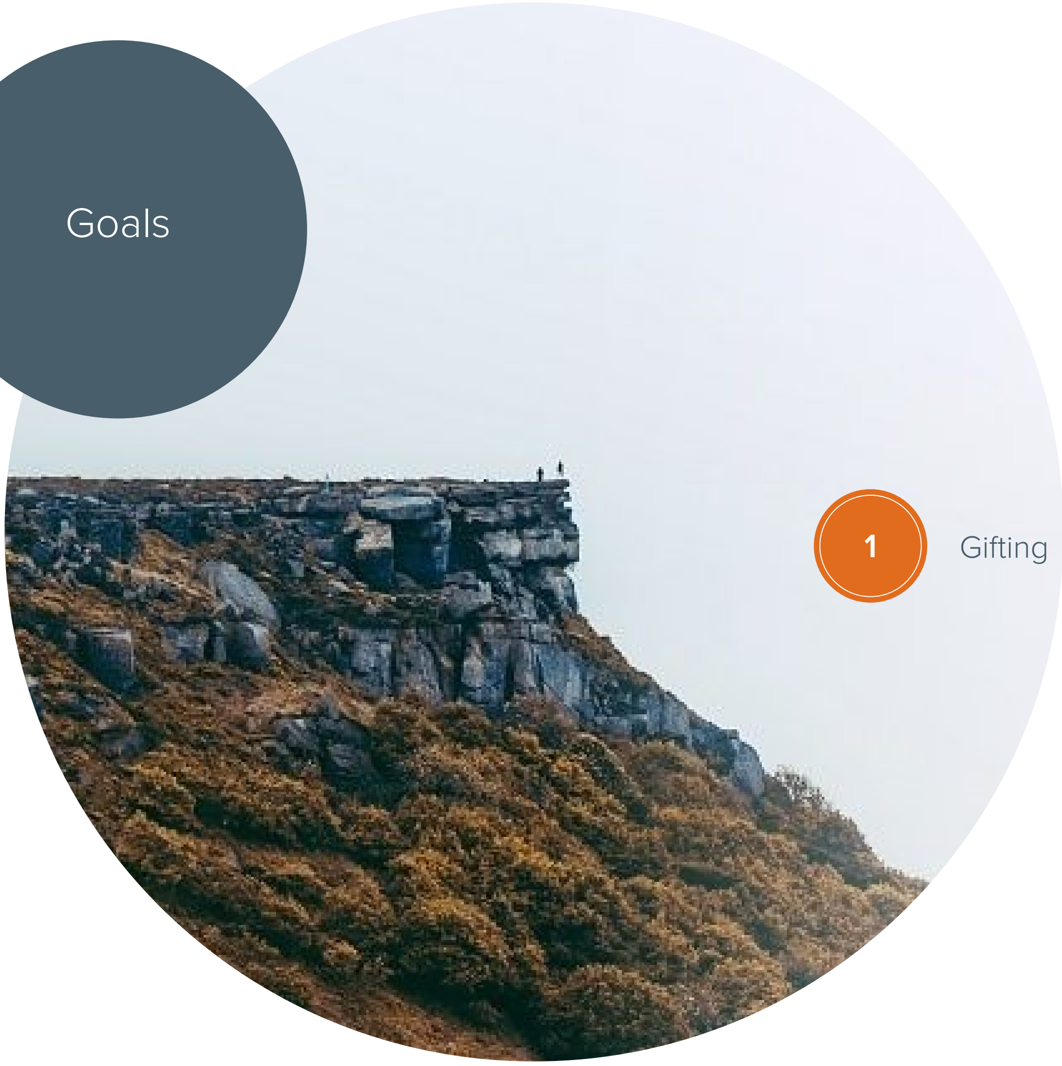
All assumptions in this report are shown in the Assumptions section starting page 27.

Contents

Our Adviser

Name	Mr Smith
Adviser Business	Smith Financial Planning
Address	Sample Street Sydney NSW 2000
Phone	Sample
E-mail	Sample
Website	Sample

Our personal details & goals



Goals

1 Gifting

Name	Mary
Gender	Female
Age	33
E-mail	bv@a.com

Name	Bob
Gender	Male
Age	33
E-mail	

These are the details you have provided. Please ensure they are accurate, as the education this report provides is largely based on these details.

The data above has been supplied by you, with the last update being 18/2/2020.

Our Home

Address	35 Gueudecourt Avenue Earlwood NSW

Our Income

Mary's Salary (p.a.)	$100,000

Our Assets

35 Gueudecourt Avenue (residence)	$1,440,000
Mary's Super (Balanced)	$110,000
Total	$1,550,000

Our Liabilities

Mortgage	$200,000

Our Expenses

Total living/luxury budget (per month)	$3,282
Financing expenses (per month)	$667
Total (per month)	$3,949

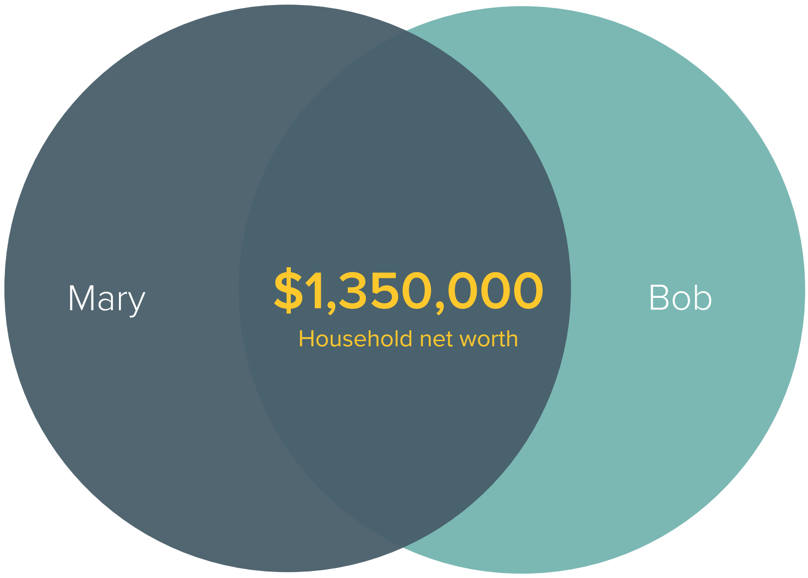
Our Protection

Mary's Life/TPD Insurance	$1,000,000

The data above has been supplied by you, with the last update being 18/2/2020.

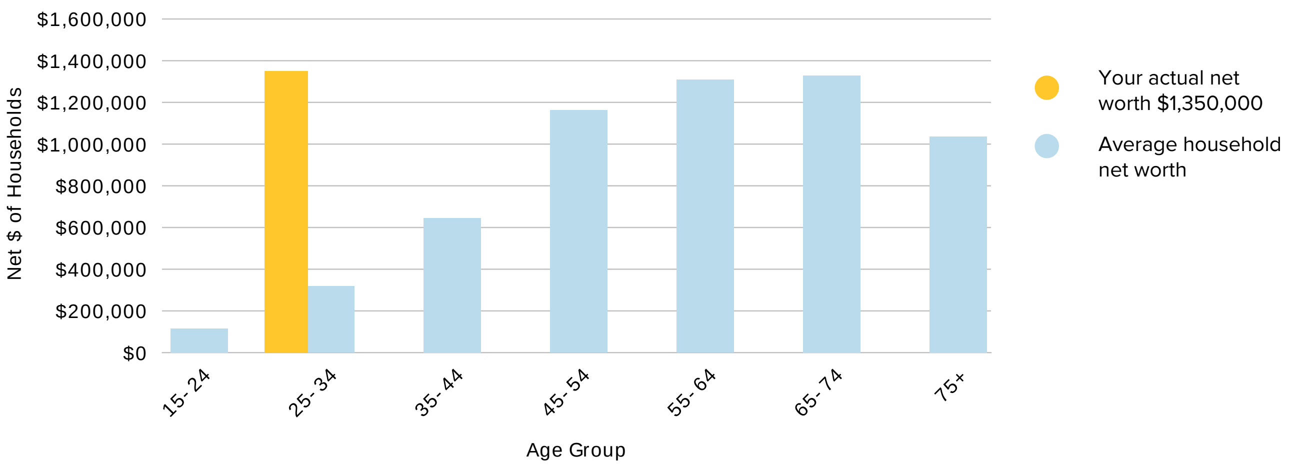
Our net worth

Mary & Bob, your net worth is a measure of your 'dollar value'. This is done by working out your total assets minus your liabilities.



Your net worth is based on the values of the assets and liabilities that you have provided or have been calculated.

How do you stack up?



The graph above shows the average household net worth across various age groups in Australia (source: ABS 2015-2016).

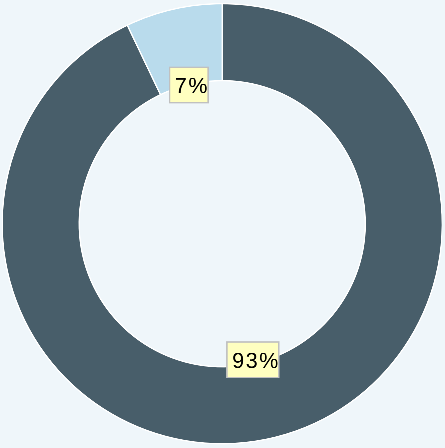
Refer to page 27 for further details around how we calculate your Net Worth.

Total Household Net Worth

$1,350,000

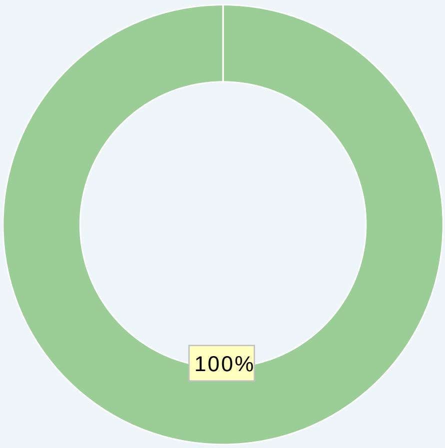
Your net worth is a guide only, because the true market value of some assets (such as houses) can be difficult to estimate, but it gives you something to think about.

Breakdown of your assets



●	35 Gueudecourt Avenue (residence)	$1,440,000
●	Mary's Super (Balanced)	$110,000
	Total Assets	**$1,550,000**

Breakdown of your liabilities



●	Mortgage	$200,000
	Total Liabilities	**$200,000**

Trivia

Current life expectancy tables show that Mary may statistically live to 86 years of age, the average for a 33 year old female.

Trivia are some light-hearted snippets of information found throught this report to really put your age into prespective!

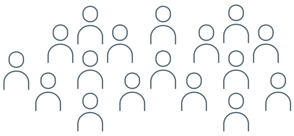
Our home

Sample Street, Sampletown

Purchase Price	Purchase Year	Current Value	Outstanding Mortgage	Repayment	Interest (4% p.a.)
$1,000,000	2013	$1,440,000	$200,000	$667 /mo.	$667 /mo.

Estimated values based on computer generated models provided by RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic). They are not a professional appraisal of the subject property and should not be relied upon as such. Wherever the estimated property value is displayed further in this document the same information applies.

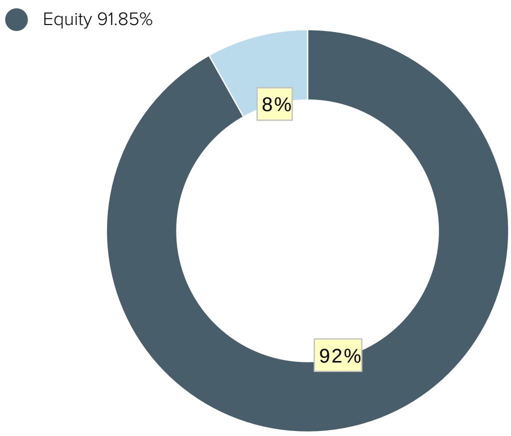
A Snapshot of Earlwood



Median price for a house sold in 2018:	Houses sold last year:	Households in your mortgage repayment bracket ($600-$799 per month):
$1,350,000	143 (146 so far this year)	2% of households
Households with higher mortgage interest repayments in 2016:	Total population in 2016:	Residents in your age bracket (30-39) in 2016:
89% of households	17,734 people	12% of residents
Top countries of birth in 2016:	Majority of households (38%) have:	Australians that rent, rather than own:
Australia (58%) and Greece (7%)	One car	30%

Estimated Equity

You have an estimated $1,240,000 of equity* in your home. This represents 91.85% of your total household net worth.



Property, like any asset class, can fluctuate in value. It is important to consider a 'diversified' approach to managing wealth. Remember, we are here to help!

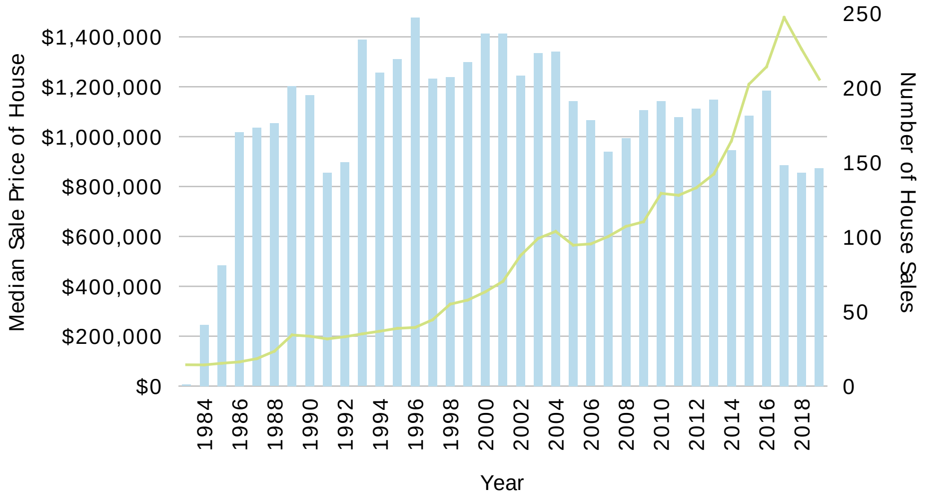
Current life expectancy tables show that Bob may statistically live to 82 years of age, the average for a 33 year old male.

* Equity is the current estimated value of your home, less any outstanding mortgage amounts.

Suburb snippets provided by RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic) and the Australian Bureau of Statistics. See page 27 for details.

Estimated Value of 35 Gueudecourt Avenue, Earlwood, NSW

$1,440,000



Your property has grown by 44% since you purchased it in 2013.

For the period 1982-2019 Earlwood houses grew an average of 7.29% per year. Taking this trend into account and current market expectations, your current value of $1,440,000 could grow by $7,200 per month. Based on the growth projections (and taking repayments into account), this means your home may be increasing your total net worth by $6,533 every month.

Current value of $1,440,000 could grow by $7,200 per month.

Estimated values based on computer generated models provided by RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic). They are not a professional appraisal of the subject property and should not be relied upon as such.

Our family

Your family situation underpins a lot of the decisions you'll make in terms of generating short or long-term wealth. Your outlook (and priorities) are most likely to be different to a person who has dependants.

Mary
age: 33

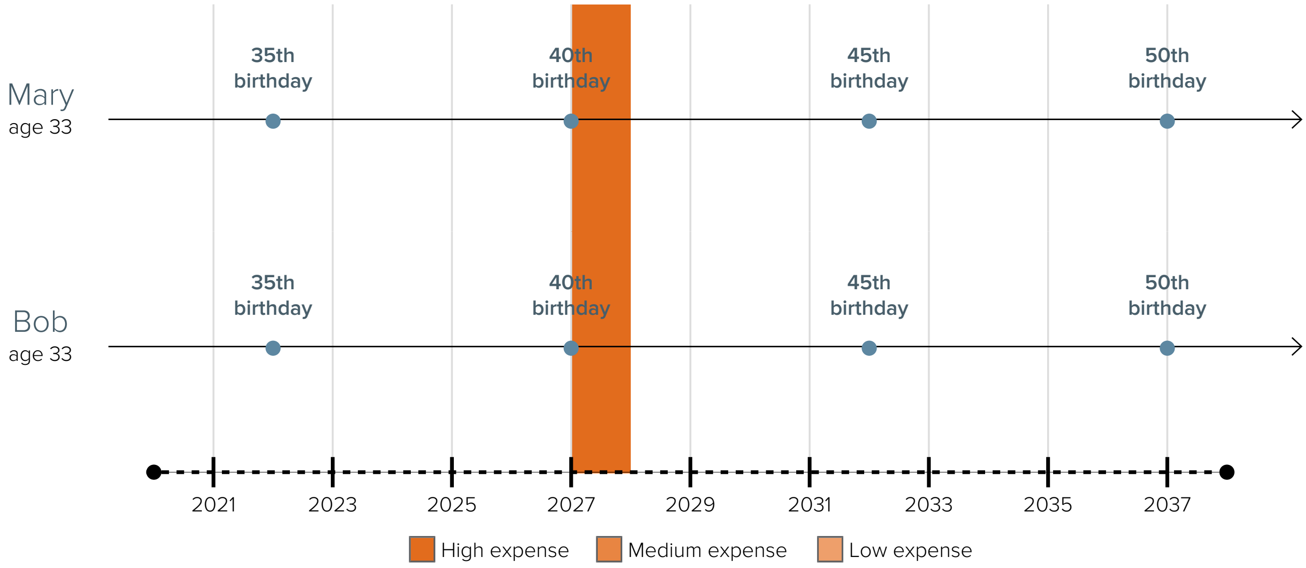
Bob
age: 33

Checklist

There are a range of issues to consider regarding your family:

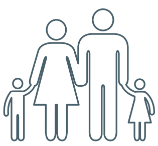
- Are all of your insurances in order?
- Do you have a will and powers of attorney?
- What is the ideal work/life balance?
- Where do you aspire to live (short and long term)?
- Do you have a savings plan to meet your family related goals?
- What legacy would you like to leave behind?
- Do you have parents or family that require assistance with aged care options?

You need to plan for short, medium and long-term expenses. Below is a timeline that helps look at when certain financial obligations may arise. The highlighted columns represent your years of potential highest expense:

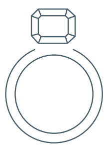


Mary & Bob, the year 2027 is a big one! Mary may be wanting a 40th birthday party and Bob may be wanting a 40th birthday party. This is worth planning for.

Important Expense Milestones	When?	Time from now
Mary may be wanting a 40th birthday party and Bob may be wanting a 40th birthday party	2027	7 years



In Earlwood, there are 31% of couples without children



In Earlwood 55% of people are married

Your family situation underpins a lot of the decisions you'll make in terms of generating short or long-term wealth. Your outlook (and priorities) are most likely to be different to a person who doesn't have a family.

The highlighted columns on the timeline are a guide to the estimated expense years based on the ages entered. They only consider schooling years, average marriage ages (source: ABS 2015), milestone birthdays, and retirement ages.

Our income

Mary's gross income

$100,000

Mary's super contributions

$9,500

Mary's income tax

$23,717

Our total income

$100,000

Take-home pay (estimate)	Mary's net salary
Annually	$74,283
Monthly	$6,190
Weekly	$1,429

Gross income amounts do not include annual employer super contributions ($9,500).

When it comes to paying tax, your responsibility is to pay as much as you are legally required to pay - certainly no less, but definitely no more!

Mary pays around $23,717 in income tax and $2,000 Medicare levy.

Your income tax

$23,717

Trivia

When Mary was 18, the big movie was Harry Potter and the Goblet of Fire. It cost $150,000,000 to make and grossed over $896,911,078.

In Earlwood, the majority of households (59%) gross at least $1,500 per week

The tax calculations above are based on the total annual salary entered and the standard tax rates from ATO Tax Tables. Super contributions are proportional to 9.5% of the gross salary. We do not take into consideration any other special benefits or circumstances.

Income Projection

Assuming 3.5% growth to your salary each year, you may earn an estimated gross total of $4,009,000 from now until age 67 (in today's dollars).

The continuity of this income is critical to your lifestyle, both before and after you retire.

Mary
Age 33

$2,690,000
Age 57

$4,009,000
Age 67

Bob
Age 33

The estimated household monthly spend of a couple without children is $6,812.

Therefore your household currently spends $2,863 a month less than average.

Our aim as advisers is to improve your tax efficiency and protect your income.

Our expenses

My Cashflow

From the information you've provided, your monthly cashflow position is as follows:

This calculation shows that you're earning more than you're spending, which means you have capacity to keep your debt under control and put money aside for other things.

Net Income	-	Expenses	=	Cashflow
$6,190		$3,949		$2,241

Expenses per month break down

$667	Fixed expenses	Includes repayments on mortgage interest, other loans, HECS.
$2,496.48	Lifestyle budget	Includes groceries, utilities, repairs/ maintenance, phone, credit card debt, laundry, medical, transportation and similar necessary expenses that vary from one month to the next.
$786.85	Luxury budget	Includes gifts, recreation, entertainment, eating out, movies, holidays, furniture, gym membership, charitable donations and other expenses that aren't strictly necessary for survival.
$0	Insurance premiums	You have not specified any insurance premiums.
$0	Related expenses	You have not specified any related expenses.

Where does all this money go? Bianca Financial Planning can help you set and maintain a budget.

Sources: ABS Household Expenditure Survey, 2015-16; ASFA Retirement Standard March Quarter 2019

Our goals

1

Gifting

Provide Gift in:	2020	Value of gift:	$10,000

Try setting some goals, and we'll incorporate them into your projections. Goals give your plan meaning. Without them, you don't have a plan.

Our super

Mary
$110,000
Balanced 7%

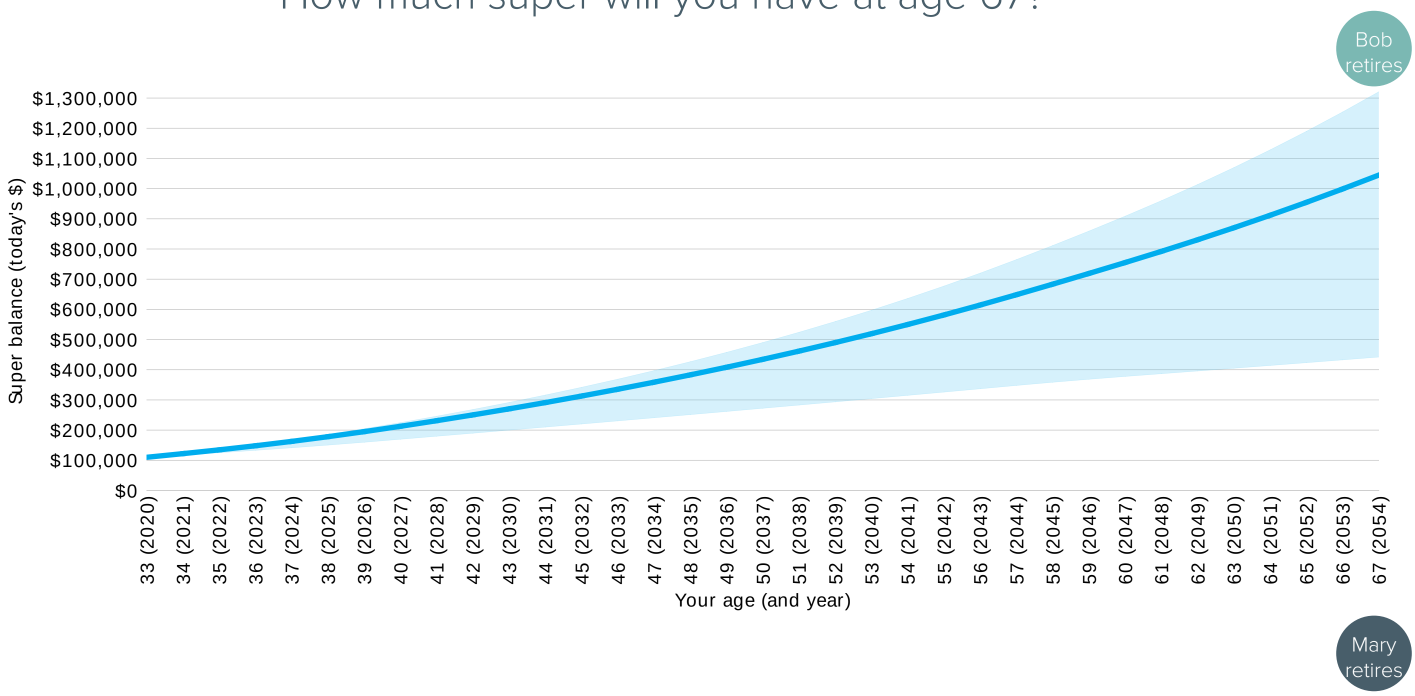
Bob

Combined
super balance
$110,000

Mary has 34 years until she turns 67, and Bob has 34 years until 67. It's important to make this work for you. Below is a simple projection or estimate showing how much you may have at age 67 based on Mary's current age (33), your combined account balance ($110,000), combined gross salary ($100,000), statistical estimates and other assumptions. Please see assumptions pages.

The line on the graph projects your chosen approach to investing (Balanced, an estimated return of 7% p.a.). The shaded area shows an estimate based on a projection of the most aggressive and least aggressive statistical returns. Please read the assumptions starting page 27 for further details.

How much super will you have at age 67?



As legislation changes and investment markets fluctuate, it is important to review your super on an ongoing basis.

Our retirement

Retirement is a key milestone and financial security during retirement is of utmost importance for most Australians. The below summary looks to demonstrate how you may be positioned in retirement and whether you have enough money to fund your retirement.

Mary
Super balance
in retirement
$1,045,000
Age 67 (2054)

National lifestyle expenditure standards p.a.

Modest
$34,118

Comfortable
$51,198

You currently
$39,400

The Association of Superannuation Funds of Australia (ASFA) estimate how much money most Australians will need in order to live a 'modest' or 'comfortable' lifestyle in retirement.

These estimates are based on a couple using the ASFA March Quarter 2019 amounts, less insurance premiums.

Will your Super balance last?

Current lifestyle	Balance will last more than 24 year(s) (Mary 91, Bob 87)
Modest lifestyle	Balance will last more than 24 year(s) (Mary 91, Bob 87)
Comfortable lifestyle	Balance will last more than 24 year(s) (Mary 91, Bob 87)

Trivia

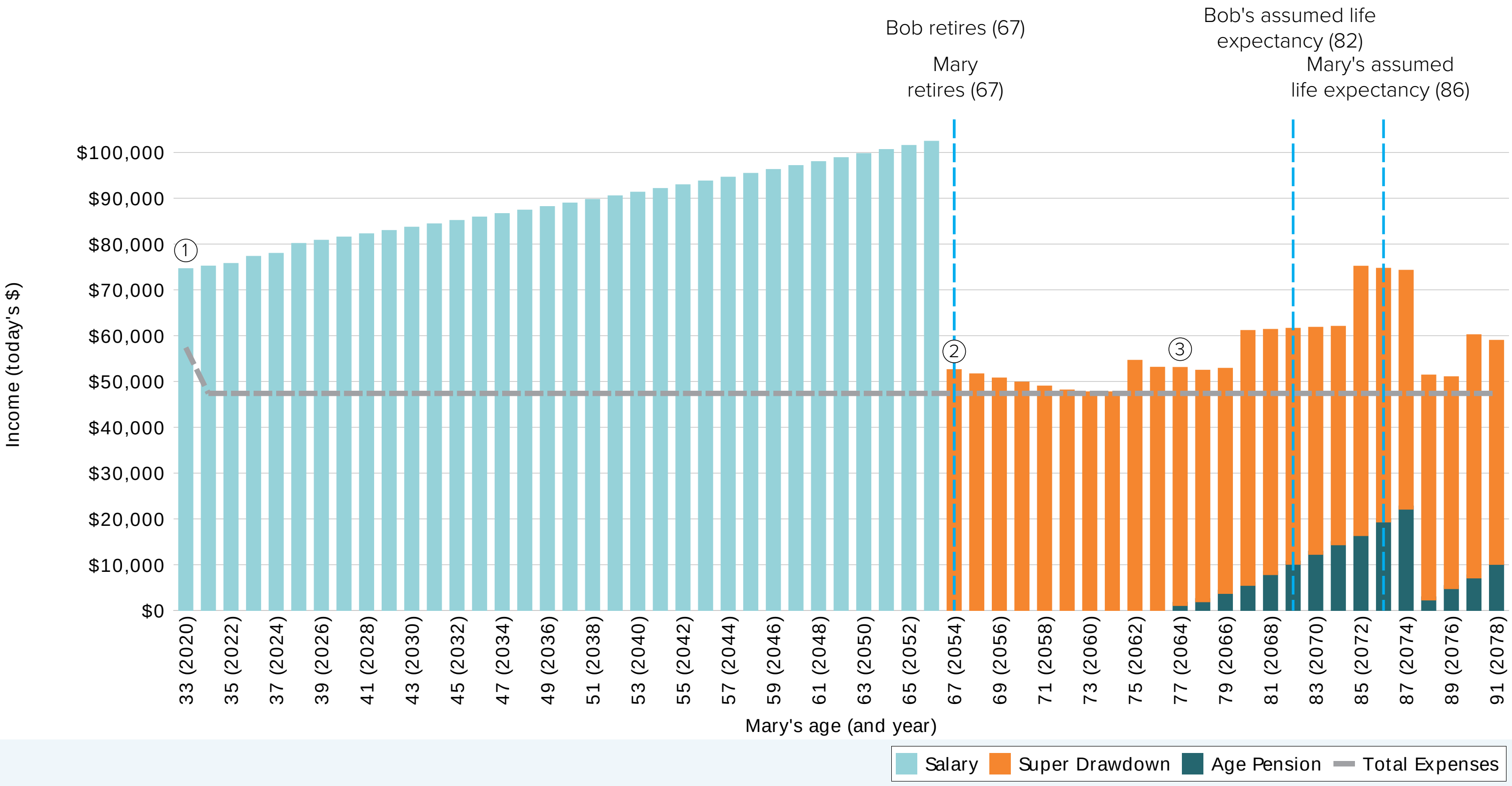
The hit song when Mary was 18 was "Here We Go Again" by Ray Charles and Norah Jones.

Our future

Mary & Bob, let's look forward and see where you could be in the future.

Cashflow

We can use your stated income, expenses and goals, plus assumptions (see page 28), to project spending. Unless specified, any surplus cashflow is assumed spent.



Your cashflow is projected over the next 58 years. The dotted grey line represents annual expenses. The blue bars represent income. The red bars represent years when you may not be able to afford your expenses.

1. From age 33 onwards, you're projected to have excess income (bar goes above dotted grey line) that could be put towards new goals.
2. From age 67 onwards, we've simulated drawing down $1,264,900 from your combined super (orange bar).
3. From 2064, you will start receiving an age pension of $1,440 per annum, based on the Asset and Income Test.

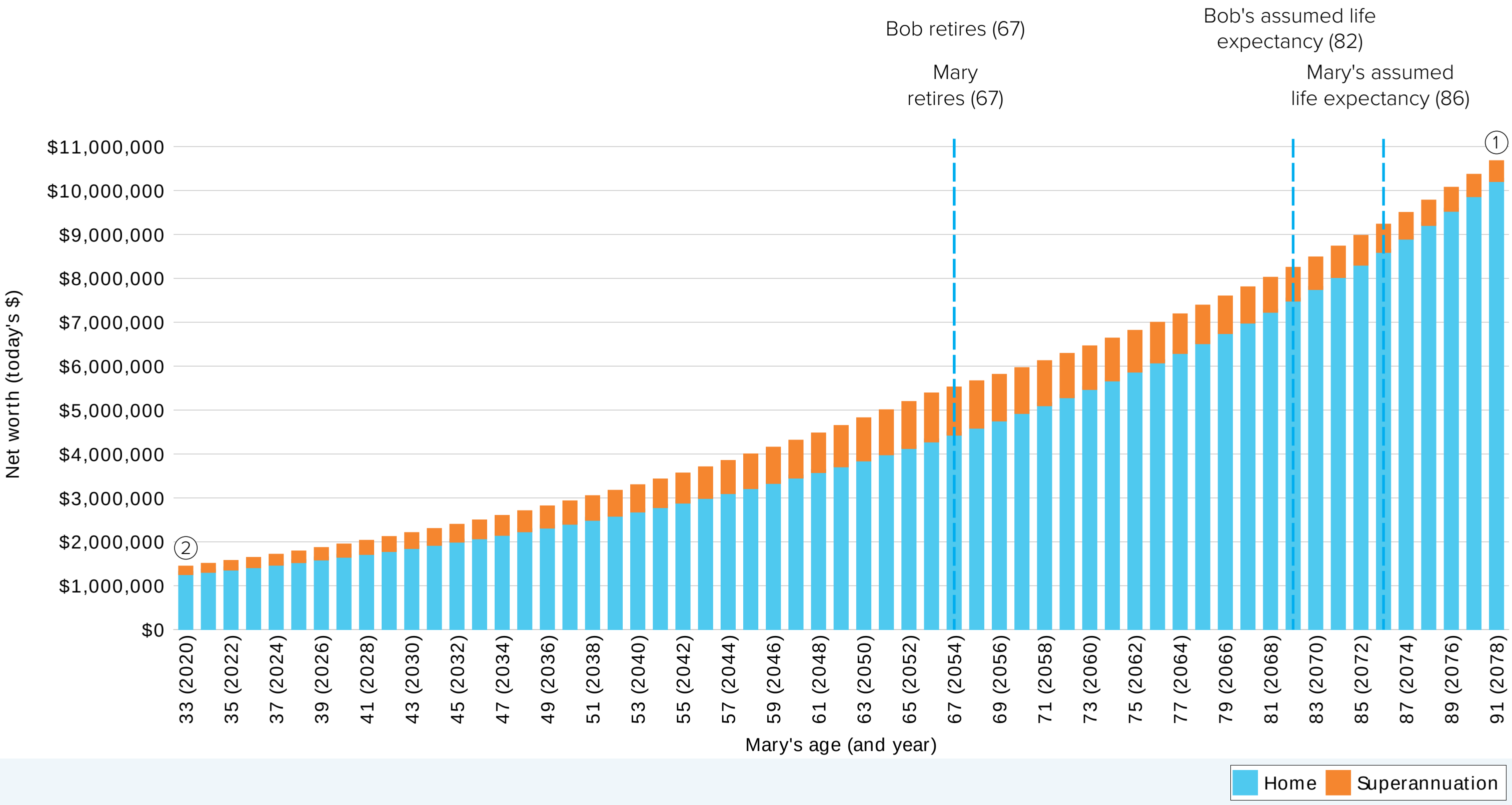
- Your goals (gifting worth $10,000) may cause your expenses to vary over time (dotted grey line).

Trivia

Current life expectancy tables show that Bob may statistically live to 82 years of age, the average for a 33 year old male.

Net Worth Growth

We can project total net worth over the same period:



Your net worth is also projected over the same period. In any year the top graph contains an orange bar (super drawdown) or red bar (savings redraw), your net worth is being depleted.

1. By the end of 2078 (which is 5 years past life expectancy for a couple currently aged 33 and 33), you are projected to have **equity of $10,643,000** ($403,000 of it in super).

2. We've sourced the current estimated value of your house (blue bar) to be $1,440,000 (houses in Earlwood have grown at 5.35% p.a. since you bought in 2013) and to grow in the future at 6% p.a. In reality this is likely to fluctuate over time. Note past growth rates are not a reliable indicator of future growth rates.

- You are projected to have enough savings to fund your desired lifestyle well past assumed life expectancy. This can change if your circumstances change, or due to changes in the market.

This is not advice. It represents a projection of your current circumstances which includes goals you may have outlined.

Our health

"Health is a state of complete physical, mental and social well being, and not merely the absence of disease or infirmity"

- World Health Organization

Mary is 33 years of age. Bob is 33. Given your ages, it's worth looking at the statistics below. Keep in mind they are not designed to spook you but rather highlight the absolute importance of looking after yourself and having a health plan.

Mary has a 28% chance of dying, becoming totally and permanently disabled or suffering a critical illness before age 65. Bob has a 36% chance of the above happening, and there is a 54% chance it will happen to one of you.

Mary & Bob, it is important to both maintain a healthy lifestyle and have the appropriate insurance cover.

Cause of death	Rank	Persons
Ischaemic heart diseases	1	20,046
Cerebrovascular diseases	2	10,779
Dementia and Alzheimer disease	3	10,369
Trachea, bronchus and lung cancer	4	8,137
Chronic lower respiratory diseases	5	6,649
Diabetes	6	4,239
Colon, sigmoid, rectum and anus cancer	7	4,051
Blood and lymph cancer (including leukaemia)	8	4,001
Diseases of the urinary system	9	3,711
Heart failure	10	3,489

Trivia

When Bob 18, the racing world was abuzz with talk of Makybe Diva winning the Melbourne Cup.

Mary has a 28% chance of dying, becoming totally and permanently disabled or suffering a critical illness before age 65.

Bob has a 36% chance of the above happening, and there is a 54% chance it will happen to one of you.

Refer to page 27 for sources of information used in this report.

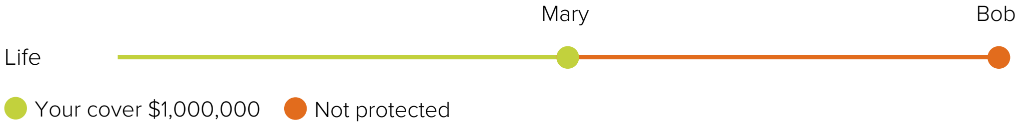
Our protection

Having insurance to protect what is important to you is a pillar of financial wellness.

Your ability to take out cover will need to consider factors such as eligibility and cost.

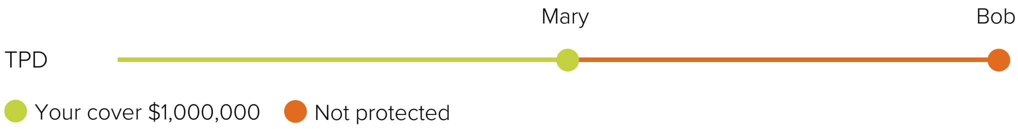
Life Insurance

You have told us that Mary has $1,000,000 in Life insurance. You may wish to consider whether Bob also needs this type of insurance.



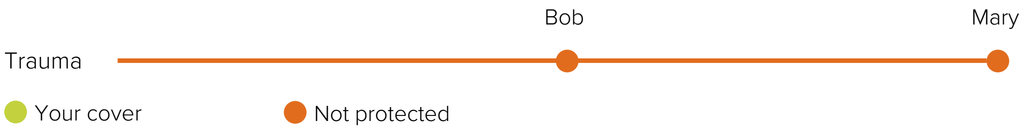
TPD Insurance

You have told us that Mary has $1,000,000 in Total Permanent Disability (TPD) insurance. You may wish to consider whether Bob also needs this type of insurance.



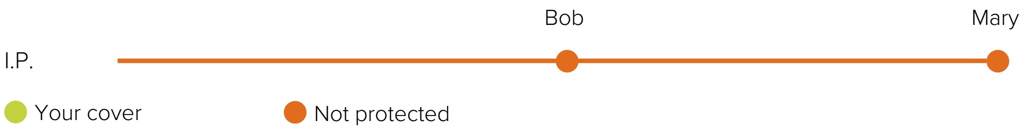
Trauma Insurance

Trauma Insurance may help cover you in the event of a critical illness.



Income Protection

Based on current salary, and assuming 3.5% growth each year, Mary may earn a total of $4,009,000 (in today's dollars) from now until age 67. You may wish to consider whether you want to protect this.



Home Insurance

35 Gueudecourt Avenue is home to Mary and Bob. So you'll want to feel reassured that the building and its contents are adequately protected against unforeseen events.

Our wealth summary

we pride ourselves on helping clients live the life they want. Seeking financial advice is all about staying in control. Now that you've outlined what's important to you, go out and live it!

You can update your report any time:

Login: bv@a.com

Password: ******
(if you've forgotten, you can reset it).

Adviser Name	Mr Smith
Adviser Business	Smith Financial Planning
Address	Sample Street Sydney NSW 2000
Phone	Sample
E-mail	Sample
Website	Sample

Our Super

- Mary is 33 years of age and has an estimated investment timeframe of 34 years until she turns 67. Bob is 33 years of age and has an estimated investment timeframe of 34 years until he turns 67. Reviewing your risk profile could impact your long-term investment strategy.
- You are projected to have an estimated $1,045,000 of combined superannuation by age 67.

Our Cashflow

- Assuming 3.5% growth to your salary each year, you may earn an estimated gross total of $4,009,000 from now until age 67 (in today's dollars).
- Well done! Based on what you have told us, you are spending less than you earn. You should proactively consider your cashflow position on a regular basis and ensure you have a plan for this surplus to maximise your financial wellness over time.

Our Home

- Based on sourced data your home is estimated to be worth $1,440,000
- Your home equity is estimated to be $1,240,000

Our Net Worth

- Your current net worth is $1,350,000. What do you aspire to grow this to, and by when?
- By the end of 2078 (which is 5 years past life expectancy for a couple currently aged 33 and 33), you are projected to have equity of $10,643,000 ($403,000 of it in super).
- You may look to accumulate assets outside of your principle residence as ultimately investments assets will be the key to funding your future cashflow requirements.

Our Protection

- You have a combined 54% chance of encountering death, temporary or permanent disablement or a critical illness.
- You have told us you have $1,000,000 in Life and TPD insurance. Would this cover your debts and future earnings if something happened to you?

Our Family

- Do you have a Will and if so, how confident are you that your wishes will be achieved in the event it's contested?
- What legacy do you want to leave behind?
- If you become incapacitated, have you established powers of attorney?
- You may have family members who find it difficult to manage day-to-day living activities. There are many different types of aged care services available to support you, whatever your needs

Our Goals

You have included the below goal(s) that are important to you and your family:

- Gifting

There are certain assumptions we have used throughout this report to present projections and scenarios.

These are outlined over the next few pages.

Assumptions

General Disclaimer

This Wealth Report does not consider your complete personal circumstances. You should not act on it without first obtaining professional financial advice specific to your circumstances. IOOF Ltd ABN 21 087 649 625, AFSL 230522. All projections have been calculated on the assumption that the projection is run on the first day of the financial year and that you are your current age for the entire financial year. The calculations have been made based on whole numbers of years. All projected values are expressed in today's dollars using the rate of inflation. Default assumptions were approved by an actuary as reasonable for the purpose of projections.

All calculations are based on taxation and superannuation laws as at July 2019. These assumptions should only be considered current until 30 June 2020.

Our Net Worth

Net worth calculation based on value of assets and liabilities entered by you. Property valuations provided by RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic). The 'how do you stack up' section shows a comparison of your situation and average household net worth sourced through Australian Bureau of Statistic (ABS) as at 2015.

Our Home

Maps and photos courtesy of a license arrangement with Google Limited. Snippets and suburb growth rates provided by RP Data Pty Ltd trading as CoreLogic Asia Pacific (CoreLogic) and the Australian Bureau of Statistics (ABS) Census of Population and Housing (tables T01, T02, T06, T09 and T10). Past growth rates are not a reliable indicator of future growth rates. Future expected growth rates are subject to minimum of 2.5% p.a. and maximum of 6.0% p.a. Equity assumed to be current value of property minus mortgage.

Our Family

Timelines and graphs based on the ages entered by you. They are intended to provide a guide around upcoming milestones. School information based on 2014 ACARA list.

Our Health

Chances of dying, becoming totally and permanently disabled or suffering a critical illness based on Australian Life Tables 2016-18 with a major insurance provider's TPD and CI experience. 'Cause of death' sourced through ABS as at 2012.

Our Income/Expenses

Calculations based on gross annual salary and other income provided by you. Standard personal tax rates from 2019/20 ATO Tax Tables have been applied. Medicare levy assumed to be 2% of taxable income subject to family and low income reductions. Low Income Tax Offset (LITO) and Low And Middle Income Tax Offset (LAMITO) have been allowed for. Calculations do not take into account any other tax offsets or rebates you may be entitled to. Medicare Surcharge Levy has not been taken into account. Living and luxury expense templates based on the ASFA Retirement Standard (March Quarter 2019), but may be modified by you.

Our Protection

The insurances shown are based on the information you have provided. This is not advice. We are stating the insurances that could be considered based on the individual's situation.

Our Future

Age based life expectancies are based on ABS Life Tables 2016-2018.

Our Super

You have provided your current superannuation balance and Bob's current superannuation balance (page 5). Fees have been deducted from the projection at the start of each year. We are assuming a 1% management fee and $50 member fee (indexed by 2.5%) per annum. Source: Rice Warner Superannuation Fees Financial System Inquiry July 2014. Please note for insurance inside super, the cost of insurance premiums was not specified. If it was, the results would be lower than the figures shown.

Your super is increased at the end of each year with a compound rate of return (net of earnings tax and investment-related expenses) which is based on your selected risk profile. The annual rates of return for each risk profile are: High Growth (8%) Growth (7.5%) Balanced/Default (7%) Moderate (5.9%) Defensive (4.9%) Preservation (3%) or you can select a custom rate.

Projections are calculated on the basis you retire at age 67 (and Bob retires at age 67). You have provided your salary and Bob's salary (page 5). They are assumed to be the salaries for superannuation purposes, with no interruptions in earning of annual contributions (unless otherwise specified).

Inflation is 2.5% p.a. Salary growth rate is 3.5% p.a. Your employer contributions (including Superannuation Guarantee (SG) contributions) are projected annual contributions of 9.5%. Rates of 9.5% increase to 12% over the period to 1 July 2025 as legislated by the Federal Government and remain at that rate until retirement. SG contributions are only required to be paid on a maximum salary of $221,080 per year (indexed at 3.5% p.a. and capped as legislated). Your salary sacrifice contributions, expressed as a dollar amount, were advised by you. Any part of your concessional contribution (salary sacrifice + employer contributions) that is in excess of the Government's Concessional Contribution Limit (CCL) of $25,000 p.a. (indexed by 3.5% p.a. scaled to today's dollars) is assumed to be taxed at 47%. Your additional non-concessional (personal) contributions, expressed as a dollar amount, are as advised by you, subject to available net income. Any part of your non-concessional contribution that is in excess of the non-concessional contribution limit (NCCL) of $100,000 p.a. (indexed by 3.5% p.a.) is assumed to be taxed at 47%. If your super balance at the beginning of the year exceeds the Transfer Balance Cap ($1,600,000 for the 2019/20 year and indexed by 2.5% p.a.) your non-concessional contribution limit for that year is nil. Your contribution amounts are indexed by 3.5% p.a. All contributions are added at start of year. Government co-contributions are added at end of year. 15% contributions tax (or 30% for high income earners or tax on excess contributions) is deducted at time made.

The results displayed are in today's dollars and are rounded to the nearest $1,000.

Assumptions

Our Future

The estimated Cashflow and Net Worth Growth projections are provided as a general guide only and based on information you provided through the Wealth Report and various underlying assumptions. Inflation is 2.5% p.a. Salary growth rate is 3.5% p.a. Results are in today's dollars.

Income and Taxes

Your salary is increased with the relevant salary growth rate each year as per the previous assumption. Share income is increased as a percentage of the original investment. Positively geared investment property income and expenses are increased as a percentage of the original investment. Other income are assumed to increase at the inflation rate.

The 2019/20 ATO Tax Tables and Medicare levy have been assumed to apply for all future years. The personal income tax brackets (and Medicare levy thresholds) are assumed to increase at the inflation rate. Medicare Surcharge Levy has not been taken into account. Your salary sacrifice amounts have been taken into consideration. HECs repayments have been taken into consideration, but without including reportable fringe benefits or exempt foreign income. Other factors which may affect the amount of tax deducted are not considered.

Assets

All assets are shown in today's dollars. Your residential and investment properties are increased at the end of each year using the relevant long term capital growth rates. Your other assets are increased at the end of each year with a compound rate of return as follows: Investment Platforms (2.9% p.a.), Managed Funds (2.9% p.a.), Shares (4.6% p.a.), Lifestyle assets (2.5% p.a.), Businesses (2.5% p.a.). Vehicles depreciate at 12.5% p.a. Cash, Term Deposits and Government Bonds are assumed to have no capital growth. Investments are assumed to earn income as follows: Government Bonds (3.25% p.a.), Investment Platforms (0.85% p.a.), Managed Funds (0.85% p.a.), Shares (0.9% p.a.), Term Deposits (3.25% p.a.). Reinvested income is assumed to be net of marginal income tax.

Managed funds are increased at the end of each year with a compound rate of return (net of earnings tax and investment-related expenses). Where a particular investment approach is selected, the annual rates of return for each investment approach are: High Growth (8%) Growth (7.5%) Balanced/ Default (7%) Moderate (5.9%) Defensive (4.9%) Preservation (3%)

Pension assets are increased at the end of each year with a compound rate of return (gross of earnings tax and but net of investment-related expenses) which is based on your selected risk profile. The annual rates of return for each risk profile are: High Growth (8%) Growth (7.5%) Balanced (7%) Moderate (5.9%) Defensive (4.9%) Preservation (3%) or you can select a custom rate. Fees have been deducted from the projection at the start of each year. We are assuming a 1% management fee and $50 member fee (indexed by 2.5%) per annum. Source: Rice Warner Superannuation Fees Financial System Inquiry July 2014.

In the event of shortfall, projections will attempt to compensate in the following order: draw into cash; draw into super (if eligible); draw into investments; draw into home mortgage (up to 50% of equity); draw into trusts; sell investment properties; sell assets; sell businesses.

Expenses

Regular expenses are assumed to increase at the inflation rate (but shown in today's dollars). Your goal expenses have been allowed for. By default loans are increased at end of each year with rates of interest as follows: Mortgages (4% p.a.), Margin Loans (7.25% p.a.), Business Loans (5.5% p.a.). HECS loans are increased at the end of each year in line with inflation (2.5% p.a.). They are assumed to already be at least 11 months old. HECS brackets are increased at the end of each year by salary growth (3.5% p.a.). In the event of death, any outstanding HECS debt is written off. Credit cards are increased at end of each month at 17.0% p.a. with minimum monthly repayments of greater of 2.5% of outstanding balance and $20.

Goals

Goals are expected to occur at beginning of year. Expense amounts that occur more than once are indexed to inflation. Funding via personal loan is at 8.5% p.a. over 5 years. Funding via home equity limited to max equity redraw of 80%.

Change job: you (or your partner) are assumed to cease your current salaries and will earn the salary amounts for the period you stated.

Retire: you (or your partner) are assumed to retire at the age you stated.

Reduce working hours: you (or your partner) are assumed to reduce your working hours for the period you stated.

Buy a new home/downsize home: rent is assumed to stop, and existing homes sold, at the time of a new home purchase. Costs associated with selling existing homes have not been taken into account. Stamp duty (and incidental costs) on properties is assumed to be 4% and is in addition to the purchase price. Actual stamp duty paid will depend on the location of the property and its value. No rebates or concessions were allowed for. Deposits on properties are assumed to be at least 20%. Where there is sufficient cash, this is put towards the home purchase. If not, a mortgage (at 4% p.a.) is taken out. Future expected growth rate is 6% p.a.

Buy/sell assets: if cash is required to purchase new assets, savings such as shares/managed funds which do not have an associated loan/income are assumed to be liquidated incrementally. Savings that do have a loan/income, as well as businesses/investment properties, are assumed to be liquidated as a lump sum with remaining equity converted to cash. Costs associated with purchase/liquidation have not been taken into account. Where applicable, CGT on liquidated assets assumed to be 45% on half capital gains or accumulated interest on liquidated assets is taxed at marginal tax rate. If purchase price and year not specified for an asset, CGT is not calculated. Future assets are increased at end of each year with a compound rate of return as listed above. On selling an asset with an associated loan/income, loan is assumed to be paid off and associated income stopped. If sale of assets chosen to contribute to super, it will be included as a non-concessional contribution up to NCCL. Any excess proceeds will be saved as cash.

Buy vehicle: purchase of new vehicle will not trade-in existing vehicles. Unless frequency specified for new vehicle, in which case same vehicle will be traded-in in subsequent years and deducted from purchase price of new vehicle. Vehicle loans are taken at 6.5% p.a. over 5 years.

Buy new investment property: stamp duty (and incidental costs) on properties assumed to be 4% in addition to purchase price. Stamp duty depends on location of property and its value. No rebates or concessions were allowed for. Deposits on properties assumed to be 20% (30% if purchased through an SMSF). An interest-only mortgage (at 4% p.a.) is taken on the remaining purchase value. Future expected growth rate is 6% p.a. Expenses on the property assumed to be $5,000 p.a. (indexed to inflation) plus 1.5% of property value.

Assumptions

Our Future

Allocate excess income: by default, system allocates excess to credit card debt only.

Pension Withdrawals

You and Bob are assumed to commence an account-based pension with your superannuation at the time of full retirement (subject to preservation rules) and is capped at the Transfer Balance Cap ($1,600,000 for the 2019/20 year and indexed by 2.5% p.a.). Any excess amount on retirement remains in the superannuation balance (subject to superannuation earnings rates) and is drawn on first where required. Regular pension payments are assumed to be paid annually in advance. Pension payments are made at the required drawdown amounts (or minimum drawdown rate, whichever is higher). It is assumed you will not make other lump sum withdrawals. Pension withdrawals from age 60 are assumed to be tax-free. Allocated pension withdrawals only apply for as long as their associated account has sufficient funds.

Centrelink

Date of Birth	Qualify for Age Pension at
1 July 1952 to 31 December 1953	65 years and 6 months
1 January 1954 to 30 June 1955	66 years
1 July 1955 to 31 December 1956	66 years and 6 months
From 1 January 1957	67 years

You are assumed to be a couple for age pension purposes (where appropriate). Your pension is assumed to range between $55.40 and $1,396.20 pf. Your age pension amount is calculated subject to the income test and asset test. Effective 1 July 2019, this is:

Asset Test	Full Pension	Part Pension
Single non-homeowners	$473,750	$782,500
Couple non-homeowners	$605,000	$1,070,500
Single homeowners	$263,250	$572,000
Couple homeowners	$394,500	$860,000

Pension reduces by $3 pf for each $1,000 over the minimum threshold.

Income Test	Full Pension	Part Pension
Single	$174	$2,026.40
Couple	$308	$3,100.40

Pension reduces by 50c pf for each $1 over the minimum threshold (no work bonus or transitional rules are included).

It is assumed you have no assets or income, other than the amounts you inputted, which affect your age pension payment. The age pension payment is assumed to be included in your assessable income for taxation purposes.

Your salary income and other income (allowing for the Work Bonus) are assumed to be included in the income test. Relevant assets, after deducting any relevant debt, have been included in the asset test. The income test and assets test thresholds are assumed to be indexed at the inflation rate.

Assumptions

Property Data Disclaimer

This report does not use CoreLogic's AVM Estimated Value. Estimated values are based solely on purchase price, purchase year and suburb growth rates.

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Median Sale Price and Number of Sales statistics are calculated over a rolling 12 month period.

Property Data in New South Wales

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