*Enjoy the peace of mind of knowing that you are on track to afford the retirement lifestyle you desire*


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# Let’s get started

Hi, I’m Jace Cosgrove. I help people who want to achieve financial success – people just like you – to take control of their financial future and create the life they desire.

The creation of the Your Wealth Your Way program came about due the blank faces that stared back at me from people when I asked them 3 simple questions:

- When you retire, how much income will you need to afford the retirement lifestyle you desire?
- How much wealth do you need to accumulate before you retire to comfortably generate this income?
- Are you on track to accumulate the wealth you desire?

I kid you not – no one knows. I don’t think I’d go as far as to say no one cares, but money and money stuff is not what people generally do well, so how are they going to know how much they will need to accumulate so they can live a happy and comfortable retirement.

# Your Wealth Your Way

The Your Wealth Your Way system is designed to achieve 2 goals:

- Help you clarify and create your ideal financial future, and;
- Partner with you on your journey to ensure your success

And that’s all we care about.

So… How do we achieve this? Well firstly, we need to stress test your current financial situation.

You see, it’s not enough to simply say, based on what you are doing, this is where you are going. Because chances are we can help you do things better. I am going to show you in this guide the value we can add over the long term.

It doesn’t matter what age you are. As the saying goes, the best time to get started on this journey was yesterday. The second best time to start is today.

If you need convincing of this, let me offer you a 1c coin. This 1c coin is pretty special, as it doubles in value every day, but only for 30 days. It will go from 1c, to 2c, to 4c, etc etc etc. After 5 days it’s worth 0.32c, 10 days only $10.24. After 20 days it’s hit $10k, 25 days $335k and at day 30 it’s well over $10m.

The thing is, if you waited 3 days to take the coin, you don’t miss out on earning 1c to 2c to 4c – you miss out on the earnings at the end, when compounding is firing on all cylinders. Instead of reaching $10.7m, you drop back through $5.36m to $2.68m.

If that hasn’t convinced you that you should have taken action yesterday, I don’t know what will.

So, welcome to Your Wealth Your Way.  We will be beside you on your journey to understand where you're at, find out what you want to achieve, explore every facet of your current and potential financial situation, resulting in clarity and confidence greater then you've ever had that you truly can achieve the financial success you desire.

When we say ‘explore every facet of your financial world’, we don’t simply mean we want to find out what is going on regarding your assets and liabilities.

We want to know everything about you.  We’ll find out how much your house is worth, when you bought it, how much you owe and what the monthly repayments are.  We’ll find out how much you have in super, what your fund charges, how much insurance you have within the fund and if there are any fees or penalties should we advise you to rollout of that fund to a more appropriate one.

And we’ll find out everything in between.

Why?

Because we can’t do our job, and add a cent of value to your life if we don’t know everything about where you’re at.

Then, we’ll find out what you want to achieve.  How much you want to live off in retirement.  At what age you want to retire.  We’ll find out if you want to put money aside for your children’s education, or their wedding, or if you are saving for a once in a lifetime holiday.

The Your Wealth Your Way program is a 9 step process.  It is not single focussed, as it takes into consideration all aspects of your financial world.

It allows us to look into each area of your financial world, whether it be your debt, your super, or financial strategies that are available to you, to determine a wholistic plan of attack.

The program is not here to sell a product – and it should give you comfort to know that any product we recommend is the least important aspect of all.

You see, we first need to understand your objectives – when you want to retire, on how much, etc.

We then need to look at strategies available that we can use to get you there – debt consolidation, salary sacrifice, etc.

Then, and only then, do we look at products.  Investment Products do what investment products do.  We are not here to sell you a specific investment.  We will advise what we deem most appropriate, but only with what will ultimately help you to achieve your financial goals.

Less talk, more action, let’s take a deeper look into the Your Wealth Your Way program.

The following table identifies the 9 steps we go through in exploring every facet of your financial world.

| | What we can help you do | Why this is beneficial |
|---|---|---|
| 1 | **Consolidate your debts** into a single, low interest loan (such as your home mortgage) | • Simplify your situation<br>• Save interest<br>• Pay off your debts quicker |
| 2 | **Restructure your debts** by linking an offset account to your mortgage, or switching to a line of credit loan | • Save interest<br>• Pay off your debts quicker |
| 3 | **Get your Super sorted** by finding lost Super, consolidating multiple accounts (if necessary), and/or switching to a low cost fund appropriate to your needs | • Simplify your situation<br>• Reclaim lost Super<br>• Less administration fees<br>• Check the insurance inside your Super funds<br>• Pay financial advice fees using before tax dollars, and without impacting your household budget |
| 4 | **Invest appropriately** in a diversified portfolio of low cost, passively managed investment funds, consistent with your investment risk profile | • Grow your wealth over time<br>• Minimise long term volatility<br>• Benefit from tax effective investments<br>• Lower investment fees |
| 5 | **Protect your family's financial future** by ensuring you have adequate insurance to mitigate the financial harm that the loss of your income would have on your family | • Adequate insurance will ensure that your family is not devastated financially by the sudden loss of your income, due to illness, injury or death<br>• Money will be available to pay for medical, rehabilitation and home modification expenses |
| 6 | **Prepare a realistic budget**, which takes into consideration your income and all your expenses | • The most important step in any wealth creation plan is to ensure that you spend less than you earn. A budget can help you achieve this |
| 7 | **Implement wealth creation & tax minimisation strategies** to accelerate you to your financial goals | • Increase your wealth over time by making your money work for you<br>• Reduce the amount of tax you have to pay |
| 8 | **Project** where you are likely to end up financially if you follow the long-term plan that I will recommend in a Statement of Advice document | • Having a specific financial goal allows us to design strategies to get you there<br>• Keeping that target in mind can help you stay focussed and motivated to achieve your goal |
| 9 | **Track your financial progress** on a monthly basis to make sure you reach your financial goal | • Knowing that you are on track to afford a comfortable retirement can provide you with security and peace of mind today<br>• If you do start to wander off track, the monthly report will draw that to your attention and allow you to make any small adjustments needed to get back on track. |

Let's look at each in a bit more depth…

# Consolidate your debts…

I once went to a seminar run by a relatively successful businessman – he dropped a one liner at that seminar that I have used and shared 1000's of times since.  It was:

***The numbers tell the story, the story doesn't tell the story***

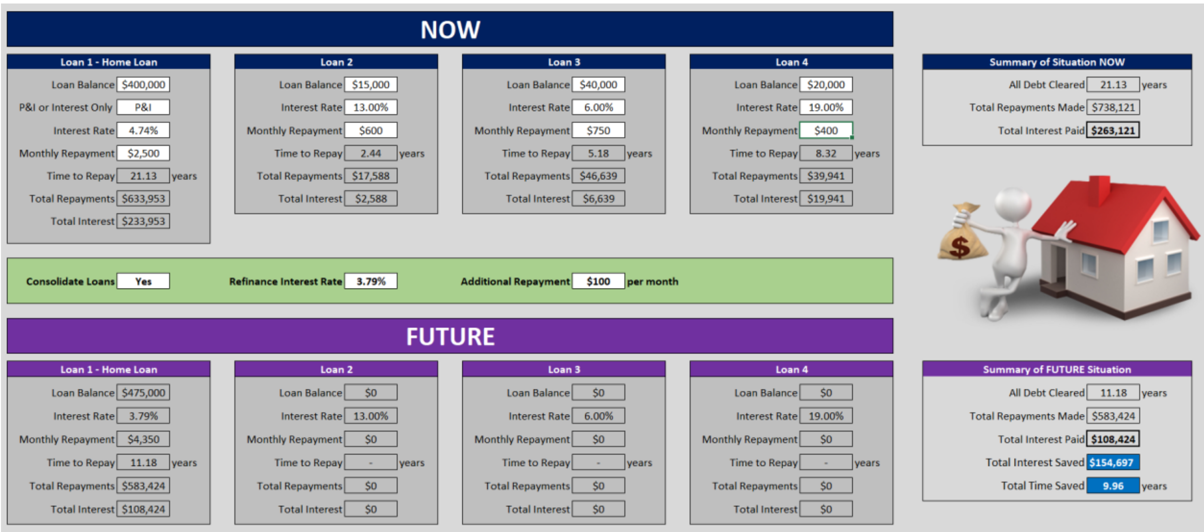
His example to explain it was as follows… Imagine Matthew Hayden at a press conference after he was bowled out for 4 runs that day in a test match, the conversation might go as follows.  Reporter: Matt, you only scored 4 runs, what's up?   Matthew: Well, I've been feeling great, practicing heaps, lots of confidence, feeling good at the wicket but got this ball that bounced low and it bowled me.

He's telling a story…

Now, imagine the conversation in the next innings after Matt finished the day 174 not out.  Reporter:  Matt, 174 not out, how are you feeling?  Matthew: I'm 174 not out, how do you think I'm feeling?

You see, the numbers tell the story, the story doesn't tell the story.

What's my point?  Well, the easiest way to explain the benefit of consolidating your debts is to simply show you the numbers!




$154,697 and 9.96 years saved by consolidating debt, sourcing a lower interest rate and allocating a small amount of surplus funds to debt reduction.  No story needed 😊

# Restructure your debts…

Back in the old days, you went to the bank and borrowed money to buy a house. You got your loan, which allowed you to buy your house, and each month the bank charged you interest. You slowly reduced the loan balance (over 25 years) by making principal repayments in addition to the interest the bank charged you. The banks loved you and got fat off the money they made from the interest and fees they charged.

Fast forward to the present day, and there is a lot more information available, and more products available to help you chip away at your debt at a faster pace.

Restructuring your debt, and using an offset account is one of those things.

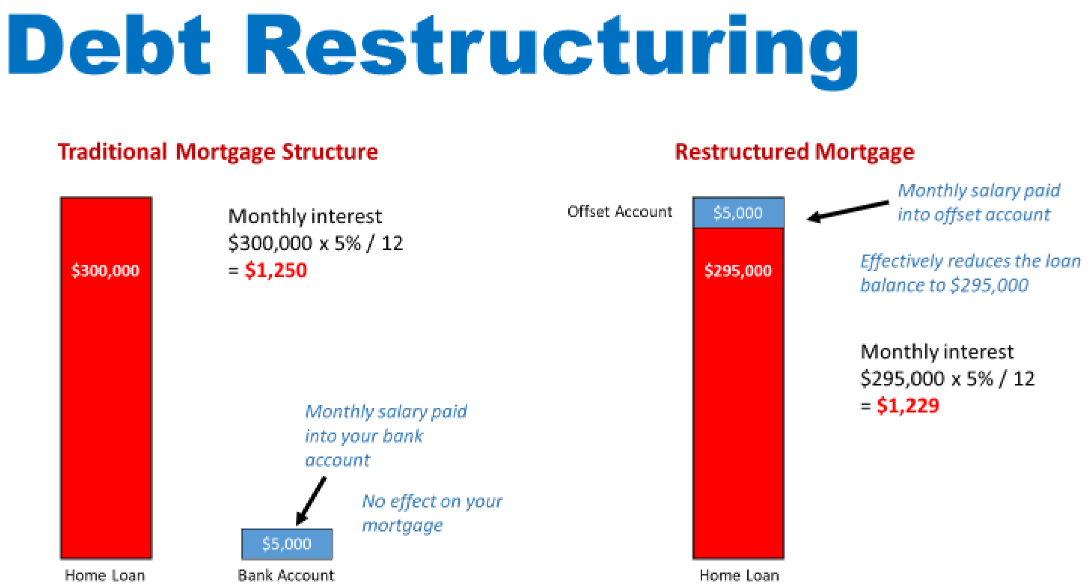
Effectively, what you are doing, is putting your available cash to work in a better way.

**What's the best use of your money?**

Is it 1 – leaving it in the bank earning 1.4% and being charged tax on what you earn, or 2 - offsetting your 4% Interest charged loan tax free?

Pretty obvious it's 2, right?

The below illustration shows the very simple effect of depositing your monthly salary into an offset account over a bank account.



# Get your super sorted…

At 30 June 2017, over 14.8 million Australians had a Super account. About 40% of these people have more than one Super account and 15% have three or more Super accounts. There are also about 6.3 million "lost" or ATO held Super accounts, with a total value of just under $18 billion.

Consolidating your Super funds (including any "lost" funds) will simplify your situation and can reduce the Super administration fees you pay. It can also help you avoid paying for insurance that you don't need and might never be able to successful claim on.

For most people, their Super balance will be their second largest asset they own, after their family home. Let us help you get your Super situation tidied up, and if any of that $18 billion is yours, we'll make sure you get it back.

# Invest Appropriately…

Objectives, Strategies, Numbers.

Didn't see emotion there did you?

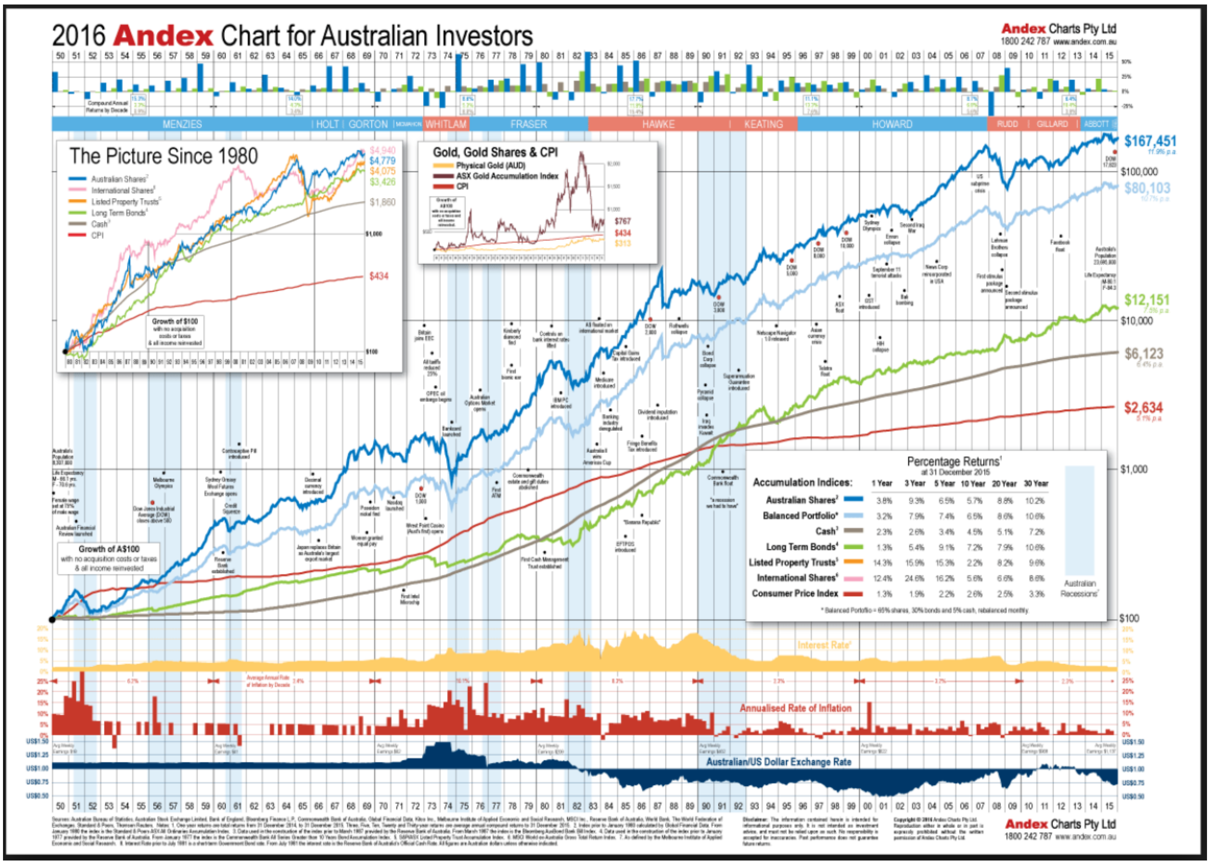
You're emotional, and it's doing you no favours.  I'll be no help if I'm emotional also.

I'm just here to put you in a better position.  I look at your objectives, strategies, and the numbers.

Why are numbers important?  I told you earlier, the numbers tell the story.  No better way to convince you then with some numbers.

The below chart shows the accumulation of $100 from 1950 to 2016.  Earning 11.9%, which is what the Australian Share Market averaged over that period, the $100 becomes $167,451.  An earning of 10.7%, the average return of a balanced portfolio, $100 becomes $80,103.  Invested in cash, and earning 6.4%, $100 becomes $6,123.

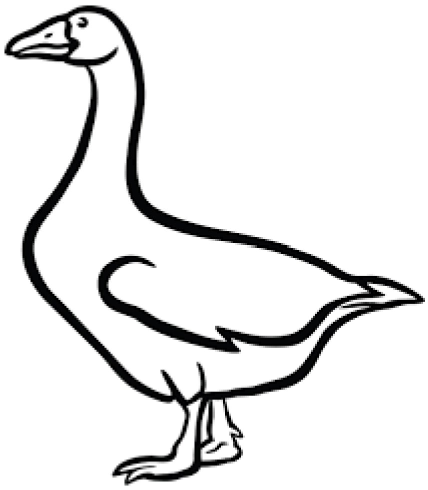
Hopefully you get my point – it is so important to ensure you have your money invested appropriately.  As shown below, a minimal decrease in return can result in a significant reduction in performance, particularly over the long term.



# Protect your Families Financial Future…

Insurance – you can't afford to have it, but you certainly can't afford not to.

Please don't be offended when I tell you that you're a Goose! You see, you're a special kind of Goose. Let me explain what I mean before the hole I dig for myself is too big for me to climb out of 😉



You're a Goose, and you lay golden eggs. You then use these golden eggs to buy things – and because you're not a stupid Goose, you insure them.

These things you buy are cars, houses, boats, more cars, motorbikes, jetskis and whatever else you can get your hands on. And for the most part, you insure them.

What you don't insure, is the Goose itself - i.e., yourself.

Let me ask you a couple of questions.

- what would be the financial impact to your family if you died yesterday?
- what would be the financial impact to your family if you had an accident yesterday, and were unable to work for 18 months?

You see, most people are more than happy to insure the things that they buy with the golden eggs, but most people don't see it appropriate to insure the thing that lays the golden eggs (that's you!).

And they have a very good reason – it's simply not going to happen to them.

But if it does - How are you going to pay for all that stuff – who's going to make the repayments on your home, or your car, or your other car, or your boat? I'm a very generous person, but please don't come knocking on my door.

Actually, yes, do come knocking on my door – I will get you appropriately insured so you don't have to worry about the financial commitments of your family if something does in fact happen to you.

Please, not for your sake, but your families, protect your financial future.

# Prepare a Realistic Budget…

"The problem is there is always more month at the end of the money"

Let's not joke about it, working on your budget is not the easiest thing to do. From an emotional point of view anyway… You've got yourself in a pattern where you are literally spending everything you earn. To think about adjusting your budget to find surplus cash flow just rubs against the grain. And I get that.

But let me ask you one question – How is that going for you?

If you are like most people, not great. And like most people, you understand the benefit of directing a few extra $$$ to debt reduction and wealth creation.

If I'm right, you're reading this thinking what difference will it make? And that's fair enough, because in the short term, not much, you'll hardly notice any difference. What you will notice is the pain of having to be disciplined with your cashflow so that you do have the extra money to allocate to long term wealth creation.

Now do me a favour, read those last four words again. Long term wealth creation. We're not in it for the short term.

The only thing we can do in the short term is build a solid foundation. But the better the foundation, the higher we can go.

The more you can allocate towards debt reduction and wealth creation, the better off you will be.

**You either pay the price of discipline, or you pay the price of regret – but you will pay a price**

One final point I really need to make here. When I talk about long term, some of you may think there's not enough time, it's already too late. Let me encourage you. I know of numerous people who have turned their financial lives around and are today living the lives they desired – who didn't start taking control of their financial future until they were well into their 60's.

As I've said previously, the best time to start is today.

# Implement Wealth Creation & Tax Minimisation Strategies…

Depending on your circumstances, there are various financial strategies that you may be able to implement that can help you save money, grow your wealth and legally reduce your tax, sometimes by thousands of dollars every year.

Let me briefly mention just three of the many strategies that we could recommend. Remember, these strategies may not be suitable for you.

- **Debt Recycling** – this strategy involves a person borrowing against the equity in their home for investment purposes, and then directing the investment earnings from that investment into their mortgage. This allows them to repay their mortgage more quickly while also accumulating wealth outside of Super. This is an aggressive strategy that is definitely not suitable for everyone.

- **Salary Sacrifice** – by simply having their employer pay some of their pre-tax salary into their Super account, rather than pay it to them as salary, a person can grow their Super account more quickly and save tax. This strategy is traditionally popular with people approaching retirement, but can be used by others. It is important that any salary sacrifice arrangement is set up properly to ensure concessional superannuation contribution caps are not breached.

- **Transition to Retirement (TTR)** – recent rule changes mean that this strategy is now only suitable for people aged 60 or over. This strategy involves converting your Super account into a TTR pension account, and then drawing an income stream from it. This is done in conjunction with salary sacrifice to allow you to receive the same take home pay as you do now, while saving tax.

# Project…

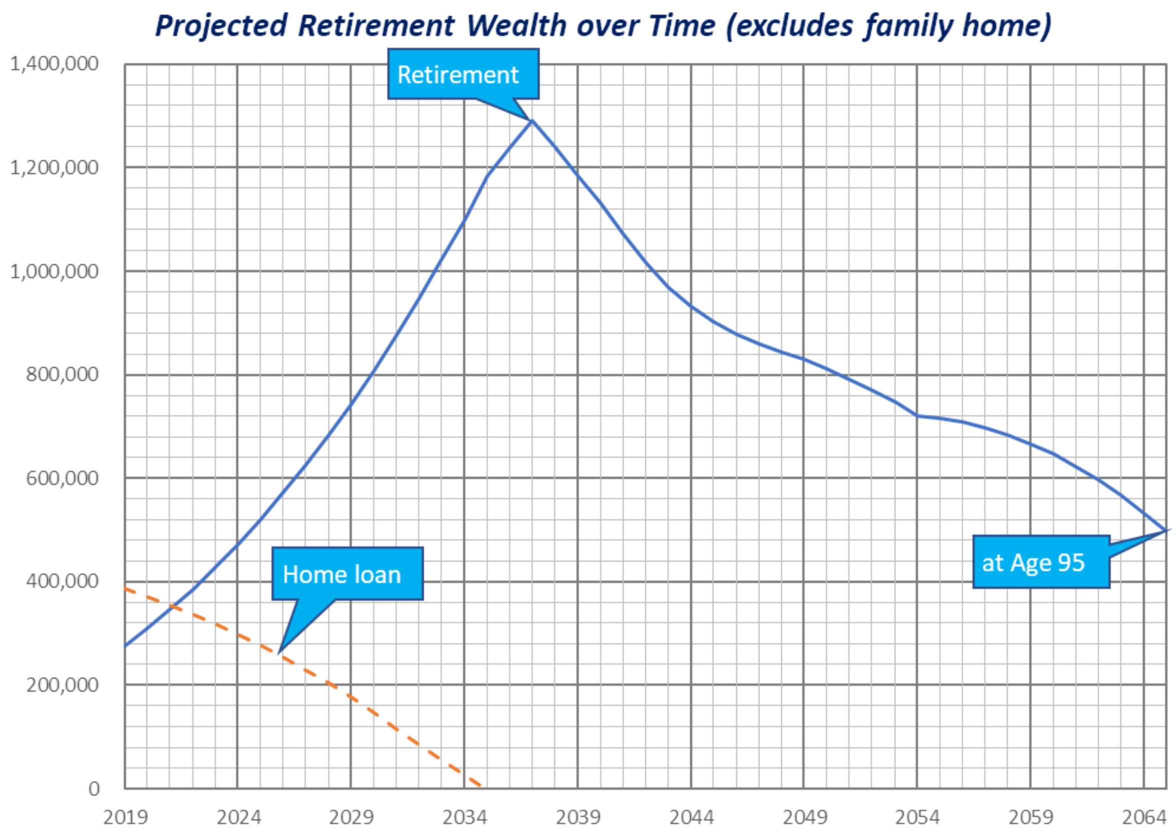
If you fail to plan, you plan to fail

Now that we've gone through all that, it is time for two of the most critical components of the Your Wealth Your Way process.

I mentioned at the very beginning of the guide that Your Wealth Your Way came about due to the blank looks on the faces of people when I asked them:

- When you retire, how much income will you need to afford the retirement lifestyle you desire?
- How much wealth do you need to accumulate before you retire to comfortably generate this income?
- Are you on track to accumulating the wealth you desire?

Once you know how much income you want in retirement (Question 1), we can model your financial future to work out if you will have sufficient wealth to afford that retirement (Question 2). Most people are pleasantly surprised to learn that the modelling shows they will indeed be able to afford the retirement they want.  Below is an example of the graph produced by our modelling software.



# Track Your Financial Progress…

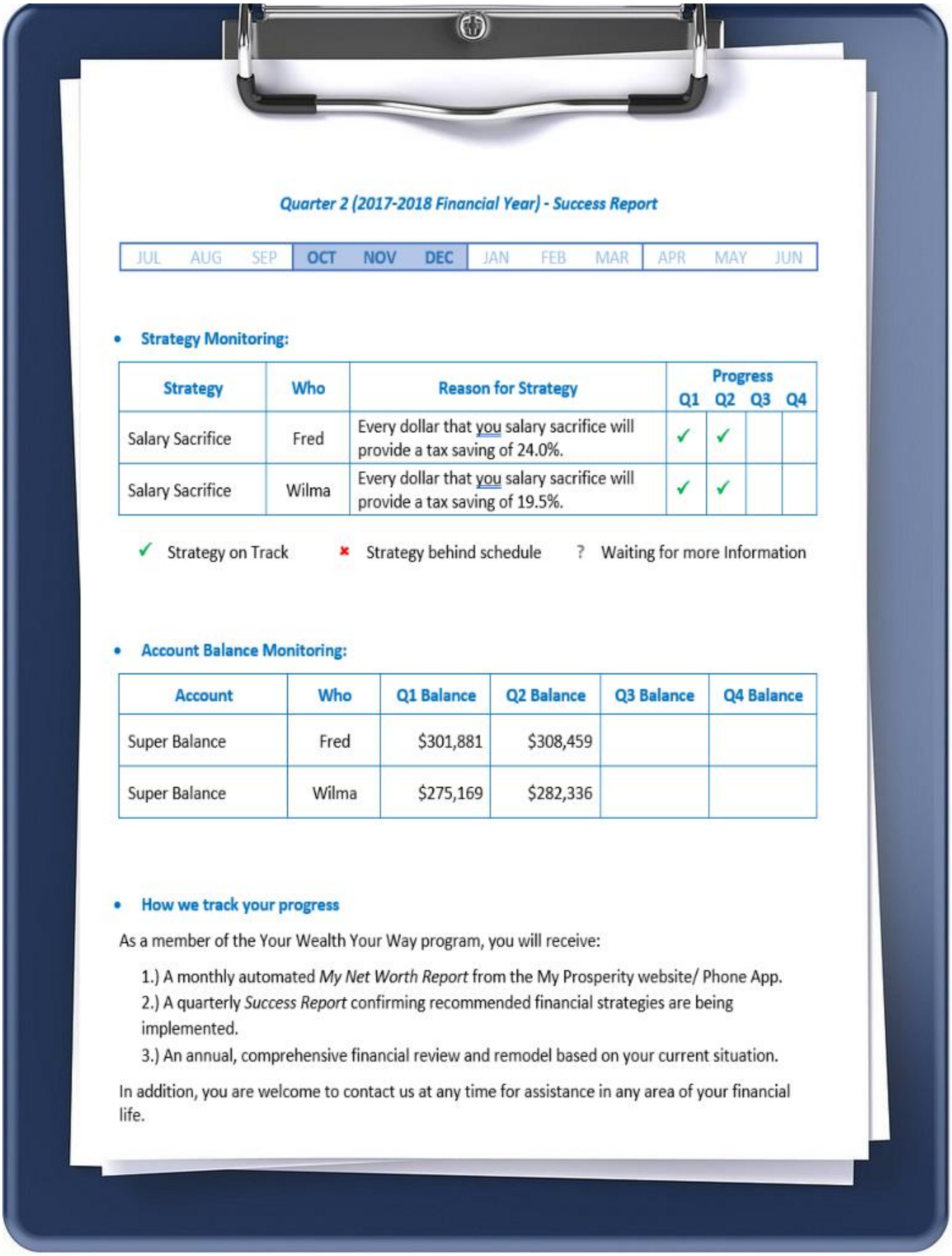
With our regular tracking and reporting to you, you will be able to answer the Question 3 with a confident “Yes!”. Being constantly reminded that you are on track for a comfortable retirement can provide great peace of mind. Let me explain how our tracking program works.

Imagine you’re a keen runner, and you enter yourself into your first marathon.  You’ve spent months training for the big day and now it is here, you are ready and keen to go. From your training, you’re confident you can maintain five-minute kilometres for the race. After 20 minutes, you should be at the 4 km mark and after an hour, you expect to be 12 km into the race. Provided you can maintain the pace, the full 42 km should take you just over 3½ hours.


Similarly, we track your financial progress over time. For example, if we recommended that you salary sacrifice $500 per month into your Super account, in three months time, there should be an extra $1,500 contributed into your Super. After a full year, there should be an extra $6,000 in your Super account. In addition to the tracking, we also report to you so you know how you are going.

To track your financial progress, we obtain all relevant data from a report from the MyProsperity app. Every quarter, we will send you our “Success Report” which monitors the progress of the financial strategies we have recommended. You can see an example of one of our quarterly “Success Reports” on the following page. Every year, you will receive a comprehensive financial review of your entire financial situation. This will also usually involve fully remodelling your situation to ensure it accurately reflects your current situation.

# Example "Success" Report



*Quarter 2 (2017-2018 Financial Year) - Success Report*

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |

- **Strategy Monitoring:**

| Strategy | Who | Reason for Strategy | Progress | | | |
|---|---|---|---|---|---|---|
| | | | Q1 | Q2 | Q3 | Q4 |
| Salary Sacrifice | Fred | Every dollar that you salary sacrifice will provide a tax saving of 24.0%. | ✓ | ✓ | | |
| Salary Sacrifice | Wilma | Every dollar that you salary sacrifice will provide a tax saving of 19.5%. | ✓ | ✓ | | |

✓ Strategy on Track ✖ Strategy behind schedule ? Waiting for more Information

- **Account Balance Monitoring:**

| Account | Who | Q1 Balance | Q2 Balance | Q3 Balance | Q4 Balance |
|---|---|---|---|---|---|
| Super Balance | Fred | $301,881 | $308,459 | | |
| Super Balance | Wilma | $275,169 | $282,336 | | |

- **How we track your progress**

As a member of the Your Wealth Your Way program, you will receive:

1.) A monthly automated *My Net Worth Report* from the My Prosperity website/ Phone App.
2.) A quarterly *Success Report* confirming recommended financial strategies are being implemented.
3.) An annual, comprehensive financial review and remodel based on your current situation.

In addition, you are welcome to contact us at any time for assistance in any area of your financial life.

## Why We Do What We Do

According to the Association of Superannuation Funds of Australia (ASFA), a retired couple who own their own home will need an annual income of about $60,000 for a "comfortable retirement". We understand of course that different people may have very different opinions of what a "comfortable" retirement is. That is why we ask you what income you would like in retirement. For a detailed explanation of how the ASFA derived their figure of $60,000, please visit:

https://www.superannuation.asn.au/resources/retirement-standard

Superannuation statistics reveal that most Australian's will not be able to afford a comfortable retirement – but this need not be the case. If they developed a plan to accumulate the wealth they need to fund a comfortable retirement and were disciplined to stick to that plan over the long term, they COULD enjoy a comfortable retirement rather than a modest or basic retirement.

With an aging population, resulting in fewer tax payers per retiree, it is difficult to imagine how age pensions could ever be increased (above the current normal indexation). Some have even questioned the affordability of the current age pension system considering the countries ageing population. Minimising (or better yet eliminating) dependence on the age pension in retirement means that you simply do not have to worry about whether the age pension increases or not.

It is our genuine desire to convince you that a comfortable retirement is achievable, provided you put a plan in place, have the discipline to stick to it and finally, give it enough time to work.

We look forward to partnering with you in your journey towards the comfortable retirement you deserve.

The Your Wealth Team