



## *ISSUES & ANSWERS*

### **FINANCIAL PLANNING**

Careful selection of investments can achieve desired goals. The key to accumulation of capital is regular contribution, whether it be for retirement, a holiday, to acquire an asset or to provide for education. There is always considerable choices where funds can be placed from managed investments, property, local shares, fixed interest, international shares, superannuation, cash management and so on.

Personal financial planning is a systematic process to determine the present financial position, and required future financial position, by developing objectives and creating strategy. The process also includes monitoring on a regular basis the actual financial and personal position to adjust the plan if circumstances alter.

Financial requirements vary according to our age.

Up to 30 years of age buy cars, holidays, undertake education and buy a house

30 – 40 Marriage, family, mortgage and education are high priority

40 – 50 Generally these are peak earnings and saving years

50 – 60 Superannuation becomes a priority and overseas holidays. Health issues develop

65 Retirement. Health issues become paramount.

Financial plans include:

- (a) Money management - living costs, available surplus
- (b) Investment strategy - selection of categories and funds managers
- (c) Retirement plan - annuities, pensions, lifestyle maintenance
- (d) Estate plan - accumulated wealth and distribution to family members
- (e) During the course of our working life the impact of taxation is critical to the nature and nett returns of investments and establish company, trust and superannuation structure to maximize returns and protect assets from creditors.

The use of a company trust and a superannuation fund can assist in protection of assets, reduced taxation and the ability to benefit from Social Security benefits in certain circumstances.

Investments can be placed in managed funds where moves are pooled and invested in a broad range of companies both in Australia and overseas. Direct share investments can provide franked dividends, capital growth and access to shareholder discount benefits.

Ask us how!