ONEFINANCIAL WEALTHGROUP

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Financial Planning

A Brief Summary

ONEGROWTH IS A CORPORATE AUTHORIZED REPRESENTATIVE 1262134 OF

FUTURO FINANCIAL SERVICES PTY LTD

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SIMPLICITY, HONESY, RELEVANCE AND ACCESSABILITY.

The Why

Why do I need a Financial Planner? Three quick questions to answer your query.

In order to build your wealth, you will want to invest your money. Investing allows you to put your money in vehicles that have the potential to earn strong rates of return. If you don’t invest, you are missing out on opportunities to increase your financial worth.

Of course, you have the potential to lose your money in investments, but if you invest wisely, the potential to gain money is higher than if you never invest.

For most of us, our first exposure to investing is a best-selling book, which is great, its promotional tool to get you enthusiastic about finance and investing. But let me ask you three question that should put the question of Financial Planning into perspective.

1.Would you choose to electrically wire your house if you’re not an electrician?

2. Would you read “electrical wiring for dummies” then confidently wire your house?

3. Would you get your neighbor or friend, a smart fellow and successful chef to advise you?

OR

Would you simply hire an electrician to do it for you, allowing him to access bulk buying power, use tools you don’t have and access knowledge and information you don’t have time to learn?

Yes, it costs money. Yes, there are bad planners. Yes, there are horror stories

That is why you should choose the OneFinancial Wealth Group, trusted advisors that live and work by the philosophy of:

SIMPLICITY, HONESY, RELEVANCE AND ACCESSABILITY.

What you can expect

You have decided to take hold of your financial future and make an appointment, what can you expect? The process is heavily regulated and requires a lot of documentation, however we have tried to simplify the process to 4 steps.

Goals

Firstly, you outline your goals and expectations. Do you what to save for your children's education, a yearly vacation, a family home, retirement or estate planning.

We then move on to the planning phase RISK, INVESTMENT and PROTECTION. First, we access your risk appetite, then we find a product to match or create a hybrid investment plan. Finally, we protect you, your income, your assets and your family.

These phases are explained in more detail below, but because no-one wants to talk about the negative first, lets cover off some investments and the strategy.

Investment Strategy

Investment strategy is the benchmark that a fund or portfolio manager is/has set as their target. It is measured as the Inflation rate or the time value of money (CPI) plus a return on capital or Investment (ROI). *Below are some examples of Investments in this strategy.*

Cash: *Includes bank deposits, cheque accounts and cash management trusts.*

Fixed Interest: *Government bonds, fixed term deposits and mortgage trusts.*

High Yield and Hybrid Securities: Corporate bonds, convertible notes, options and derivatives.

Property: *Residential, industrial, commercial. Can be direct or as part of a wrap.*

Shares (or Equities): *Can be Australian or International. This can also include corporate bonds.*

There are a myriad of investments out there, too many to name in a brief document. There are no bad investment types all have merit and risk, the important thing is to ensure the investment is right for your timeframe, tax strategy and risk profile.

Risk

Investment is fun, but really the first major step (discounting pages of data and talking) is a ***Risk Profile***, this tool allows us to measure your risk appetite and match you to a complimentary product.

Investment risk is measured as how many times (x) will the fund return a negative profit in 20 years. It is not accurate to say that this represents the likelihood of losing your capital.

eg: Sample (real data) fund returns for Cash Defensive, Balanced and High Growth (Aggressive) asset classes over last 20 years. *

	Cash Defensive	Balanced	High Growth (Agg)
1997	No Data	17.30%	18.30%
1998	No Data	8.25%	9.61%
1999	No Data	10.53%	11.87%
2000	No Data	12.71%	14.71%
2001	5.06%	6.27%	4.21%
2002	3.65%	-1.45%	-4.78%
2003	3.95%	2.91%	0.19%
2004	4.31%	13.91%	16.16%
2005	4.56%	14.39%	14.45%
2006	5.34%	17.52%	19.84%
2007	5.64%	17.80%	19.19%
2008	5.12%	-5.78%	-8.36%
2009	6.00%	-13.30%	-17.37%
2010	4.22%	10.06%	9.74%
2011	4.39%	10.27%	11.28%
2012	4.33%	0.98%	-0.67%
2013	3.19%	15.63%	17.27%
2014	2.56%	13.88%	16.23%
2015	2.45%	10.86%	12.68%
2016	2.20%	4.54%	3.69%
2017	1.93%	12.44%	13.76%
AVG	**4.05%**	**8.56%**	**8.67%**

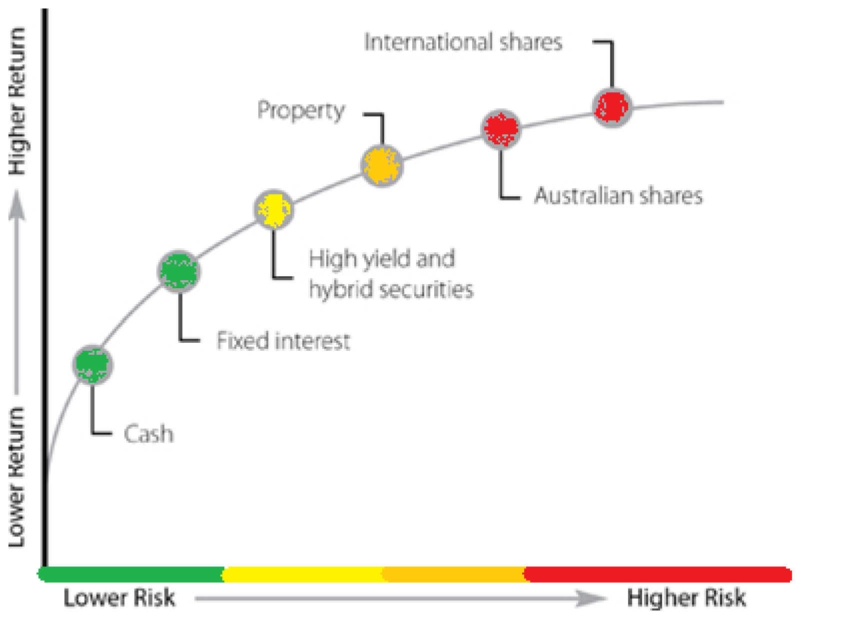
* *Data obtained from a real fund website fact sheet.*

*It's important to note, a person that held their investment capital in "high growth" during the GFC would have lost **25.73%** of their capital during 2008/9 however, the portfolio had growth of 123.75% over the previous ten (10) years and grew another 83.98% over the next seven (7) years for an average of 8.67% per annum over 20 years or total growth of 182% over 20 years.*

There are 5 possible risk profile outcomes, ***DEFENSIVE, CONSERVATIVE, BALANCED, GROWTH AND AGGRESSIVE*** (high growth) each with a benchmarked strategic return estimates outlined below;

	DEFENSIVE	CONSERVATIVE	BALANCED	GROWTH	AGGRESSIVE
RISK EXPECTATION	LOW	LOW	MEDIUM	HIGH	VERY HIGH
RETURN EXPECTATION	LOW	LOW	MEDIUM	HIGH	VERY HIGH
STRATEGIC TARGET	CPI+ .75%	CPI+ 1-2%	CPI+ 3-4%	CPI+ 5%	CPI+ >5%
NEGATIVE RETURNS (20Y)	0	0	3	5	5+

Risk vs Return – What assets match your risk profile



This would be followed by the disclaimers (5 pages long) that should read….

RETURNS ARE NOT GUARRENTEED, BUT RISKS ARE

Protection

Finally, what's the point of investing to loss all the money due to accident, nature or just bad luck in your life?

Insurance products are not just "rip off's" and "fees for brokers" they are an important part of your overall investment plan. Products include General Insurances to protect assets and Business and Personal Insurance such as Life (LI), Total and Permanent disability (TPD) and Income Protection (IP). Many personal insurances are available through superannuation (ask your Accountant) and salary sacrifice.

General insurances are obvious and often compulsory as part of statutory (car) or debt (mortgage) requirements.

Personal Insurances form a key part of your investment plan as they hedge against outside threats.

Life Insurance: If the major "bread winner" dies in a non-worker related accident or illness who pays the mortgage? *Sadly, no-one. Often poor planning leads to a life of poverty for the remaining spouse or partner as their lifestyle cannot be maintained due to debt obligations.* **So at least have enough cover to pay for your funeral and mortgage. Don't leave your significant other or children high and dry in a time of great stress and grief.**

TPD: What if you don't die, but get sick and can't work? *Not only can't you work but your illness or injury could get very expensive.* **TPD is part of the plan, it plugs the gap between Life and Workers comp.**

Income Protection: Life pay's out when you die, TPD if your sick, but what about your income? *Well I really don't need that one because my work will cover me. Well guess what***? If you are hit by a car, involved in an accident, diagnosed with Cancer or believe aliens have abducted you, these are often non-work-related issues and not covered by Workers comp. IP is the number 1 item that protects you should bad luck befall you.**

So, don't cut corners, don't say it won't happen to me as it certainly could, and the ramifications could be very dire indeed.

Some personal insurances are as cheap as a daily coffee so don't forget to ask your trusted OneFinancial Wealth Group Advisor about **Risk Management Strategies**.