

We help retirees implement a careful approach to retirement planning which keeps them in control, keeps life simple and avoids any unexpected surprises.



No

Unexpected

Surprises

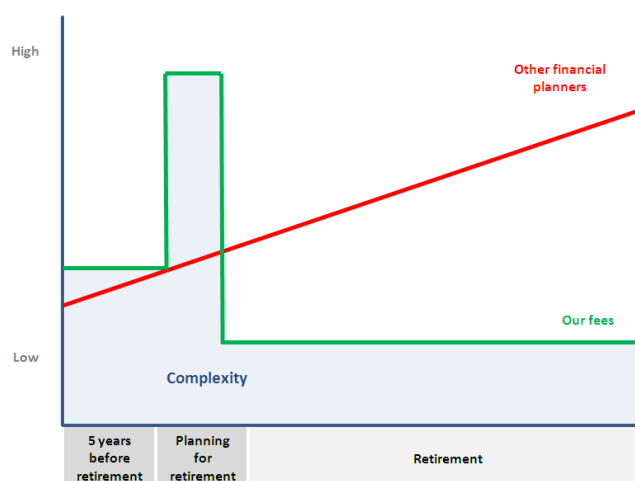
Executive summary

Planning for retirement is far from easy when you consider that there is a severe lack of financial advisers in Australia that are focused on building consultative relationships with their clients. Most focus on transactions, investment products and the commission or fees they earn from it.

When you can't find someone you can trust, you have to do it yourself but for many Do-It-Yourself investors, this has unfortunately ended in tears. They say that experience is a hard teacher – she gives the test first, and the lesson afterwards. Over the past 18 months many DIY investors have lost over 40% of their life savings, forcing them to return to work or delay retirement by another 5 to 10 years.

The reality is many retirees have tried their hand at being a professional investor and experienced an **unexpected surprise** of damaging proportions because they simply didn't understand the risks they were exposed to. A new solution is needed.

Our approach to helping retirees is very different to other financial planners in Australia because we focus on reducing complexity in retirement. The graph below illustrates how our fees compared to other financial planners in retirement.



Most financial planners make money management appear complicated so that they can justify their high fees, but the fact is the Australian Government is working hard to reduce complexity in the superannuation system to help protect you. This report details 6 key strategies that we help retirees implement when planning for retirement which other financial planner would prefer remain a secret.

What's inside:

Executive summary	2
6 key planning strategies for retirees	3
Success stories	6
The biggest challenge – finding a Trusted Adviser	7
About the Authors	8
Checklist	9

6 key planning strategies for retirees

Tax free access



Superannuation starts to become an interesting subject when access to it is within reach - with good reason too.

In retirement, the superannuation system is a tax free shelter. There's no tax on earnings and no tax on a pension from superannuation after age 60. Chances are, it's in your best interests to get as much money in there as possible but there are contribution caps and traps to be aware of.

Once this complexity is dealt with, the only concern that remains is the risk of the Government changing the rules. You're better off paying an adviser to keep an eye on this for you - but it shouldn't cost you anywhere near 1% of your portfolio.

Managing risk



How would you feel if your portfolio dropped by 40% over the next 12 months?

What about 20 drop in value? Would a 10% drop cause you to have sleepless nights? OR would you prefer to never have to think about negative returns?

There are different types of risk associated with every type of investment - yes even with term deposits. Managing money for the long term is a balance between eating well and sleeping well; taking enough risk to ensure you can maintain a comfortable lifestyle, yet not exposing yourself to events that would cause you to lay awake at night in bed.

Constructing your 'asset allocation' doesn't just involve completing a risk profile quiz followed by a five minute chat - it's a in depth, personal discussion which often involves giving you some time to ponder. But once it's set up, your asset allocation should only change if you do.

Financial planners love to complicate this by bamboozling you with 'economic updates' and spending hours on end gazing into a crystal ball which results in your portfolio being overhauled every six months. Are they adding any value? Not a cent, in fact, evidence shows they're actually doing damage to your portfolio (but it helps them justify their fee).

Being cost conscious



Which would you rather have: \$1 million today in cash in your bank account or invest it

in capital markets and receive \$10.8 million in 25 years time?

Most of us would choose to have the money today, but which of the two options is more valuable? The answer is they are the same.

The point is this, if you walk into our office with \$1 million, what you really have is a right to \$10.8 million in 25 years (based on the same capital market return). It's on offer to us all, it's rightfully ours.

The reality is, most investors don't even come close to earning what is rightfully theirs because investors let too many middlemen stand themselves between them and the market return.

These middlemen include financial advisers or stockbrokers who charge 1%, fund managers who charge 2%, platform providers who charge another 1% and we haven't even mentioned the tax man!

Our role is to make sure our clients get what is rightfully theirs for the lowest possible cost.

If we're seeing fees above 1%, we're not happy. That's a saving of 3% on your entire portfolio. You do the math.

Age pension entitlements



Around age 65 you'll become eligible for the age pension, but some retirees will miss out on benefits due to the 'assets test'.

It can be a bit frustrating when you're down at the bowls club and Fred keeps yabbering on about how he caught a train from Benalla to Bourke, sat in 1st class and it only cost him \$10.40 because of he has a <name> card. For retirees, the <name> card is as valuable as the gold tickets that Willy Wonka hid in candy bars.

Just like Fred, you've paid tax your entire life (actually, you paid a lot more) so why should you miss out on the discounts?

To qualify for the card, you just need to qualify for \$1 of age pension a year and there are a number of strategies that you can implement to achieve this.

The value of the card is estimated to be over \$2,000 per annum, so it's worth taking the time to investigate.

Estate planning



There is more to estate planning than simply having a Will in place.

Superannuation is not classified as an 'estate asset'. As usual, an entire separate set of rules apply to your superannuation account and depending on who you nominate as your beneficiary, your money might be passed on without any tax being paid, or alternatively slugged with a 30% tax.

One strategy to help avoid this tax involves having a Power of Attorney in place – a document often overlooked by many retirees

over the age of 60 (for whom we believe it is essential).

Another aspect of estate planning that few retirees are aware of are the benefits of 'testamentary trusts' which provide the ability to 'control from the grave'. In some families where <certain types> of beneficiaries exist, the testamentary trust is an essential tool to have in the estate toolbox.

Again, in planning for retirement the issues need to be discussed in detail with in conjunction with an estate planning lawyer who can talk plain English. But once set up, on an ongoing basis, the basic details need only be checked on an annual basis.

Philanthropy



Retirees that wish to donate considerable amounts of money to charity have a range of philanthropic options to consider.

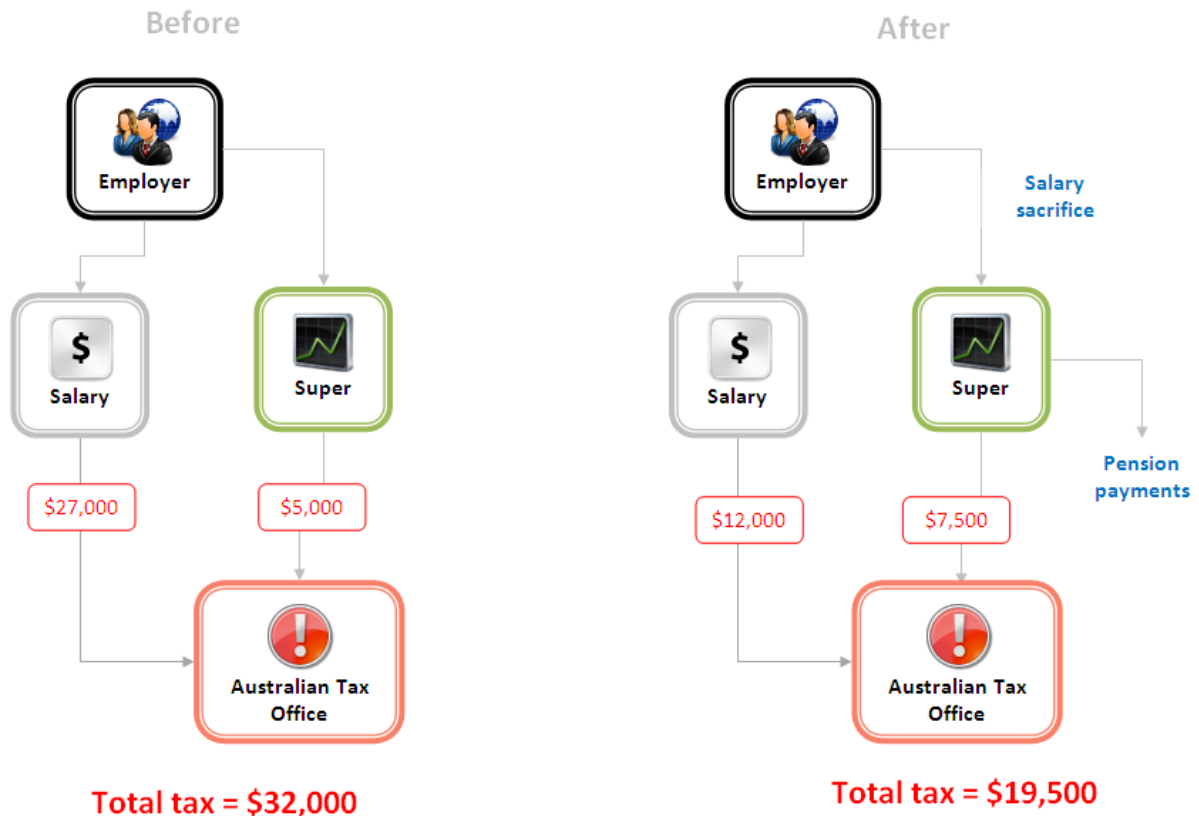
Options include setting up your own charity, a prescribed private fund, a private charitable trust, a public fund, a foundation or developing a giving circle.

The most appropriate structure will depend on how much money is involved and the period of time over which money, property or goods will be provided as there are both establishment and ongoing costs to consider.

Success stories

Pre-retirement strategy: Transition to retirement pension

In July 2005, “transition to retirement” pensions were introduced to encourage retirees to, well, transition themselves into retirement but it also has presented a massive opportunity for pre-retirees to save a great deal of tax. In the example below, our client was able to save \$12,500 in tax each year for the five years leading up to retirement – yet his cash-flow stayed exactly the same.



This strategy is of use to Australians that are:

- Aged 55 to 74
- Are still working
- Earning more than \$35,000 as an employee or self-employed

The biggest challenge – finding a Trusted Adviser

Managing your wealth successfully is a combination of smart decisions and professional execution. Getting the job done properly means working with an investment adviser, accountant, mortgage broker, insurance broker, solicitor, property advocate, the list goes on. Finding the time is hard enough. Finding someone reliable and trustworthy is even harder.

The value of a smart financial decision is lost when executed by someone unreliable or when one or more of these professionals isn't on the same page. The solution is to find a Trusted Adviser to whom you can delegate financial management.

We're not the only advice firm in Australia that offers a Trusted Adviser service, however there are three clear reasons why we are the right people to work with:

Independence

For the most part the Financial Services Industry isn't in fact a 'services' industry at all. It is plagued by biased advice, linked to product or commission based arrangements.

There is a lack of financial advisers in Australia who build long term, consultative relationships. Most focus on the transaction and the commission or fees they earn from it. There are only 15¹ independent advisers in Australia (out of 18,000). Matthew Ross and Neil Salkow are part of this exclusive group.

The other 17,985 are either affiliated with a product provider, accept commissions or charge asset based fees. The problem with each of these is the threat of a conflict of

interest and the risk of you receiving advice that is not 100% in your best interests.

Research and evidence based approach

We believe very strongly in following the evidence where it leads, regardless of dogmas, agendas and self interest. Money management can appear very complicated due to the sheer amount of contradictory and often questionable information presented in the media.

We can help you cut through the noise to identify what is important and relevant to your financial needs and then implement a careful approach to investing that's focused on the family, will take care of them and protect them over the long term.

Consultative relationship, not transactions

Most financial advisers, stockbrokers, money manager and investment advisers are focused on either your money or a transaction.

We offer a relationship and we use our highly developed communication skills (we listen) and our expertise to create an outcome that can be achieved sooner by working together.

We love learning about what makes you tick. What are your dreams, aspirations, what represents a fulfilling life to you? Once we know, we can then help you get there. Or, if all your goals can't be achieved at once, help you prioritize them.

¹ www.independent-advice.com.au

About the Authors

Matthew Ross



After 10 years working for a number of 'conflicted' financial planning firms and putting up with what he describes as "investment hocus-pocus", Matt insisted that adviser accountability was absolutely essential when providing financial advice. Faced by the prospect of quitting a poisoned industry he had no other choice but to start his own independent advice firm in 2006.

Neil Salkow



With a real passion for planning and a genuine interest in helping others, it's no surprise that Neil's clients are raving fans of his work. He

enjoys working with family orientated people that are passionate about what they do and live a healthy lifestyle. He believes that deep understandings of his clients' drivers are the key to providing quality advice.

Matt and Neil's full profiles can be viewed at our website: www.roskow.com.au

Our fees

Our fees are based on how much work we do for you, not how much money you have.

Unlike other financial planners, we don't base our fee on how much money you have to invest and we caution anyone that agrees to pay fees in this manner that they are leaving themselves exposed to receiving conflicted advice. ASIC (Australian Securities and Investment Commission) agrees with us, recently advising the Australian Government to ban this method of charging fees.

We don't want your money, it's yours. We just want to see that you're making smart decisions with it.

We only work with clients for whom we can add significant value and we guarantee our work.

There is no cost for the first appointment. The first appointment is an opportunity for us to assess if our advice will be of any value to you and for you to decide if we're the right people to help you make smart decisions with your money.

Checklist

If you are in control of your money, then you might not need our assistance. This quiz will help you gauge whether or not you need to call us.

Can you tick yes to each of these questions?		Yes	No	Dunno
1.	We know exactly where our money goes and are in complete control of it.			
2.	If I die, get injured or seriously ill, my family will not have to worry about money.			
3.	Our assets will pass to the right people in a tax effective manner.			
4.	We have investigated whether or not we're eligible for age pension benefits and how they can be obtained.			
5.	We only pay as much tax as we need to.			
6.	We know how much our lifestyle costs each year and how it's going to be funded for the rest of our lives.			
7.	We have the time, energy, motivation and expertise to manage our money.			
8.	I know how much risk I'm taking with my investments and why I am taking it.			
9.	I know how much I'm paying in fees on my superannuation and investments and where the value is.			
10.	Our accountant, lawyer and financial adviser all know each other and work together for us.			
11.	We keep up with changes in legislation and how it affects our situation.			
12.	We would like to donate money to charity through our estate, and have structured in a tax effective manner.			

What is most important right now is that you take action.

You have two options:

1. Call us on 03 8862 6415 (Melbourne) or 07 3102 3969 (Brisbane) to schedule a Financial Roadmap appointment.
2. Visit our website www.roskow.com.au for more information.

Disclaimer – this report contains general information – it isn't advice. You'll need to come and see us if you want to rely on anything.