

Cashflow Management & Budgeting...

A critical tool for Advisers to survive in the changing Financial Services Landscape...



Disclaimer

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Even if the circumstances in a scenario presented appear identical or very similar to your own circumstances, you must not assume that it is applicable to you. This is because a scenario highlights a few key characteristics but does not address the full spectrum of the personal circumstances of a hypothetical individual.

Financial Services Landscape is Changing...

Advisers are now faced with the new challenges.

These are:

- ✓ Fiduciary Duty
- ✓ Fee for service from July 2012
- ✓ Opt in
- ✓ New National Credit Codes
- ✓ Mortgage Brokers and Accountants moving into Financial Planning space.

Skills, Education & Tools

Advisers will have to develop new skills to attract clients and retain them.

Challenges:

- ✓ Develop new skills
- ✓ Dealer Group's margins are being squeezed. They are required to have specific practice development programs rather than leaving this, to their “strategic partners” and big institutions as has been done in the past.
- ✓ Embrace new technology that is web based..
 - ✓ Advantage – Great saving in time and money for advisers to implement their strategies
- ✓ Develop new strategies for Fee for Service model “value add”
- ✓ Need to have a high-tech tool to assist

Cashflow Management & Budgeting...

- ✓ This will become a hub for Financial Planners and Dealer Groups to launch this new service.
- ✓ Currently “**Know Your Client Rule**” is flawed. Regulators are looking at appropriateness of advice that is given by advisers.
- ✓ Recommendations and reviews will include understanding of clients household expenditure and their level of savings.

Targeting your Clients...

Segmenting your clients is essential:

- ✓ Young Families earning less than \$200,000
- ✓ Clients moving into TTR phase
- ✓ High net worth clients with Gen X and Y children living at home, now need to budget their retirement lifestyle choices and many have lost a big chunk of their retirement savings in the GFC.
- ✓ Young people starting out
- ✓ Clients requiring Education Savings for their children

Challenges:

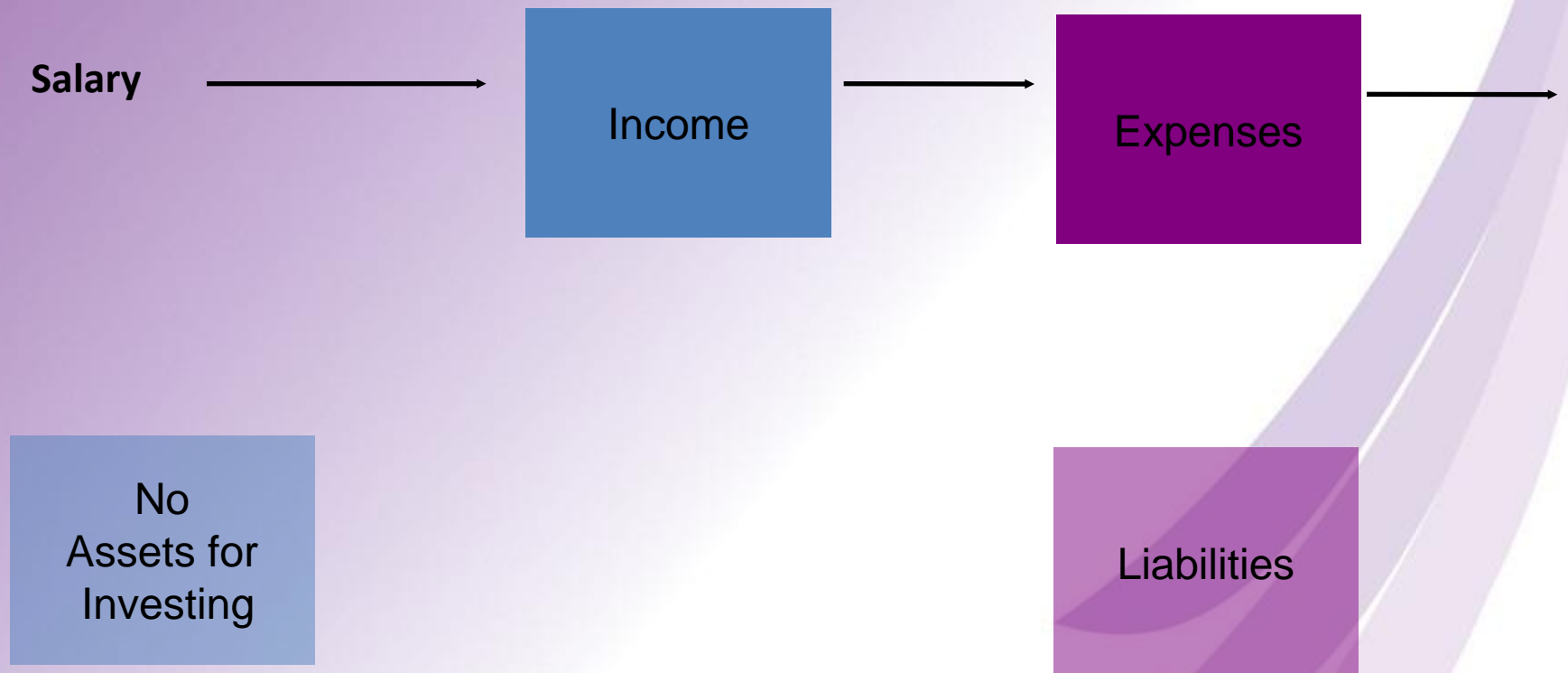
For these clients, advisers will need to develop appropriate “Strategies” to meet their goals and objectives.

Solutions:

Develop new “Fee for Service” menu

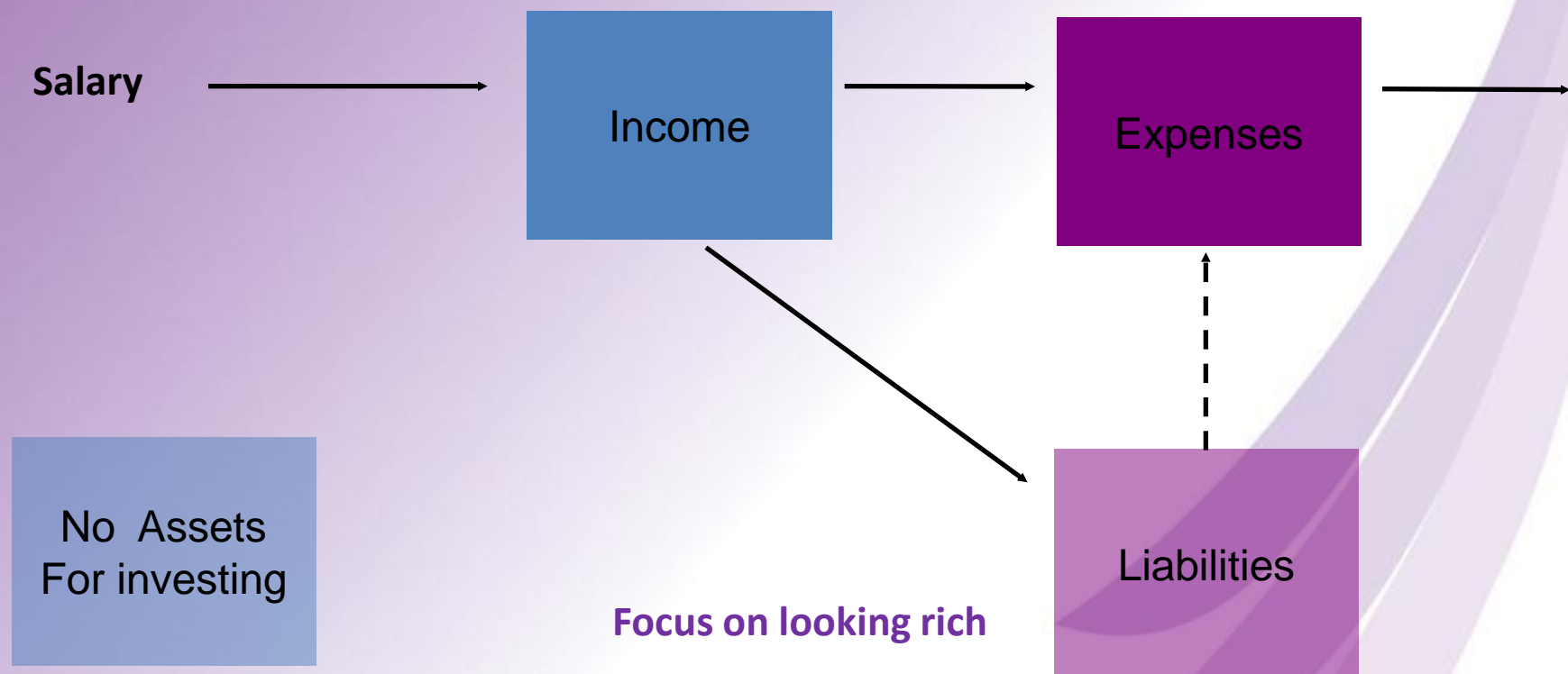
Category ONE Client

Hand to Mouth

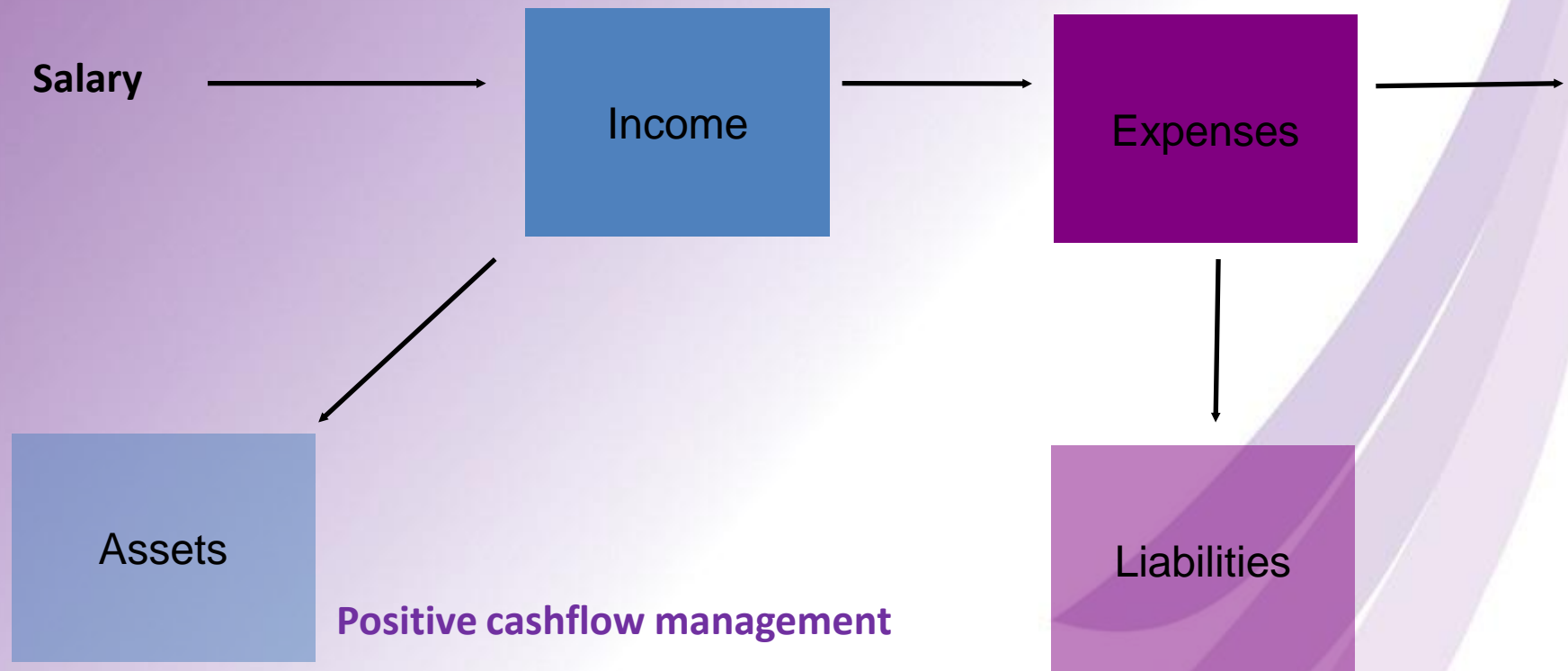


Category TWO Client

Hand to bank



Category THREE Client Handled for growth



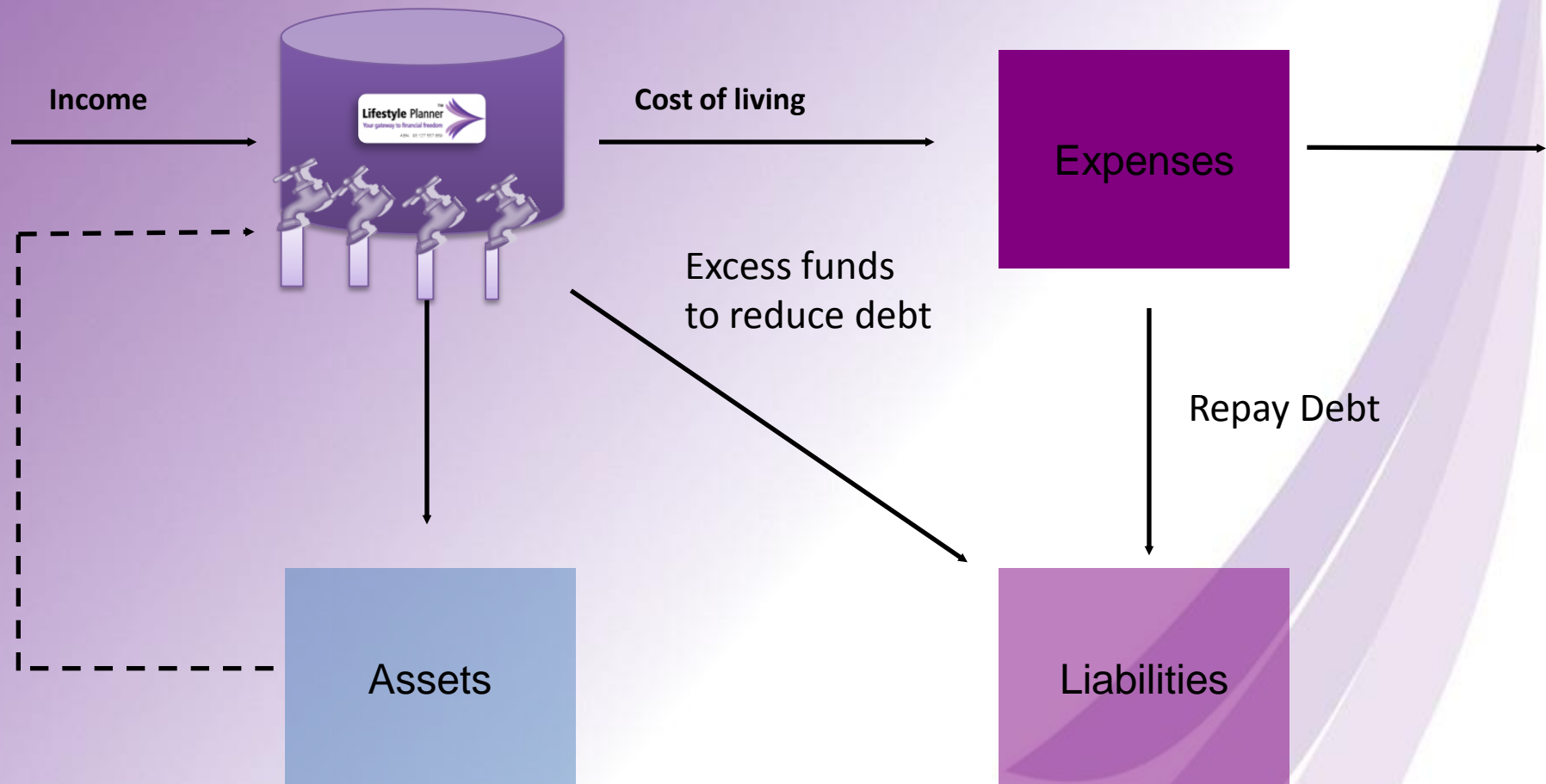
Make cashflow an agenda item

1. Understand current cashflow patterns
2. Commit to a cashflow strategy
3. Develop a cashflow system
4. Create a positive cashflow strategy

A cash management system



Implementing the system



Developing Strategies...

YOU WANT TO

- | | |
|--|---|
| ✓ create wealth | ✓ let your money work for you |
| ✓ pay off your debt | ✓ purchase a home / investment property |
| ✓ own your home quicker | ✓ start a family |
| ✓ Able to make lifestyle choices and still afford to make ends meet. | ✓ save for your children's education |
| ✓ invest in investment portfolio | ✓ develop a plan to retire comfortably |
| ✓ plan for your future and retirement | |

Solutions –

“Lifestyle Planner”TM
as a tool, can provide you with a powerful solution for all of these strategies.

Lifestyle PlannerTM
Your gateway to financial freedom

ABN : 93 127 557 859



You need to develop cashflow Monitoring, Coaching & Mentoring Services for your clients to...

- ✓ help to manage their cashflow
- ✓ assistance in managing their debts
- ✓ assistance in assessing their needs for personal income protection, life and other protection insurances
- ✓ assistance with their transition to retirement
- ✓ superannuation advice
- ✓ advice on investing an inheritance /lump sum
- ✓ advice about their redundancy

“One day....”
Turn your dreams into a reality!

Cashflow management is a critical component of any well run “unit”, from a family to a multi National Corporation.

Whether you are just starting out, are well on the way, or have retired, your financial plan created in “**Lifestyle Planner**”TM system will help you navigate life’s financial journey to arrive safely at your chosen destination.

These are just some of the different strategies that many clients have successfully implemented.

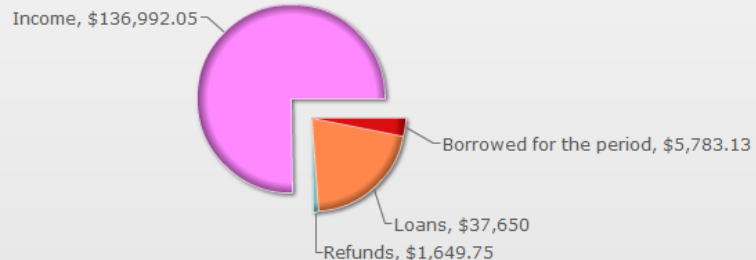
Successful Strategies

- ✓ Saving for your first or new home
- ✓ Repay credit cards and personal debt effectively
- ✓ Accelerated mortgage repayment
- ✓ Regular investment program
- ✓ Single or multiple geared investment properties
- ✓ Salary sacrifice to superannuation
- ✓ Transition to Retirement strategies for people over 55

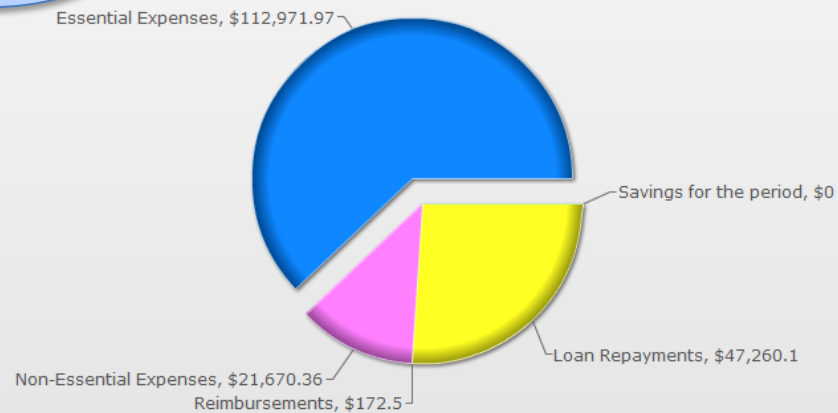


The important thing about the
“**Lifestyle Planner**” TM system
is that it allows you to make
decisions based on real
information, not on “gut
feelings”...

Cash In (\$ 182,074.93)

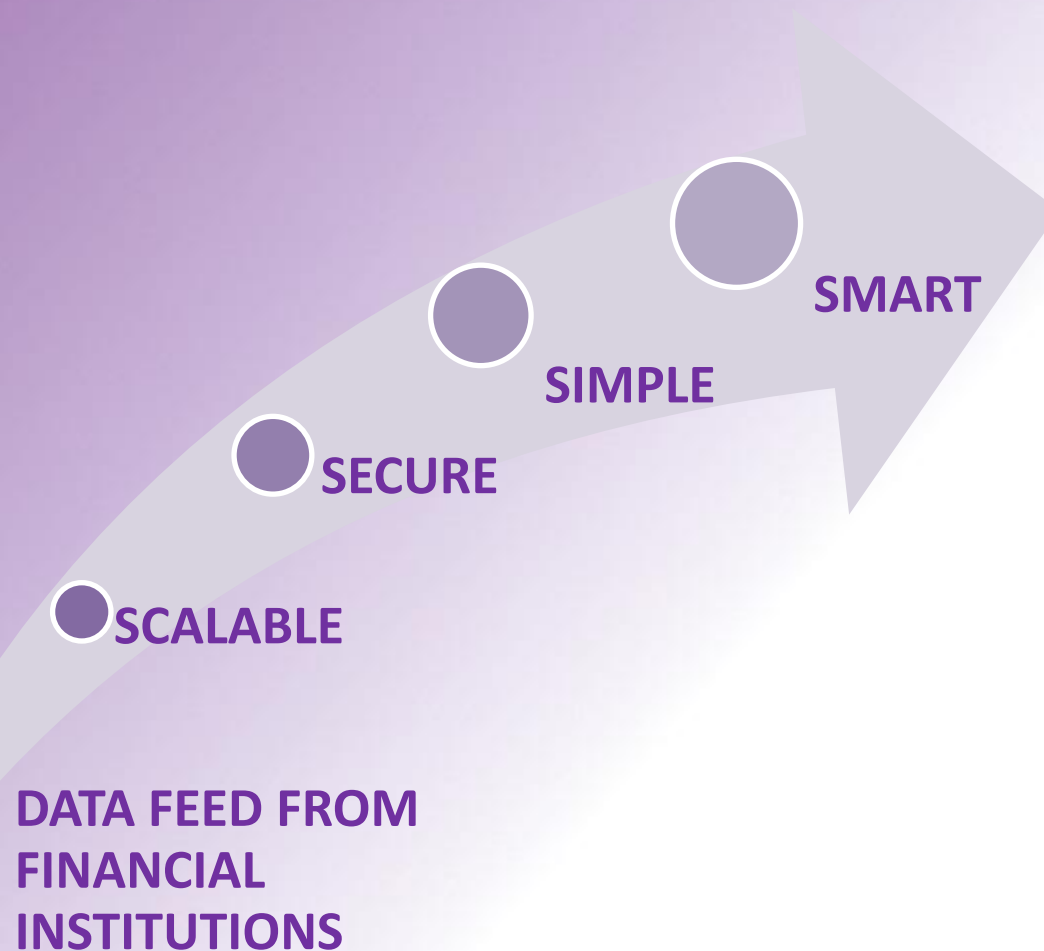


Cash Out (\$ 182,074.93)



“Lifestyle Planner”TM

Platform



Built in the latest
Technology called

CLOUD

Lifestyle PlannerTM

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Demything Budgeting

There is a public perception that budgeting is HARD.

Most Financial Planners & their clients have this perception!!!

Let me demyth this:

“**Lifestyle Planner**”TM was developed & built on the principle that it needs to be SIMPLE, FUN & EASY to use.

It only takes two sessions of 20 minutes to teach new clients how to utilise their personal “**Lifestyle Planner**”TM. Once trained you as their adviser can oversee how they are progressing as you have access to the clients data.

Benefits:

They will do all the hard work and you will benefit by having their “actual” expenditure data.

Quickly clients embracing this system identify their expenditure patterns
Adviser is demonstrating a significant “**VALUE ADD**”

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“Lifestyle Planner” TM is much more than a cash flow management tool, it also provides the following:

- ✓ Powerful illustrations of client’s ongoing cash status, which allows you to have meaningful discussions with them regarding their realistic lifestyle goals
- ✓ It’s web based and has advantages over the other systems
- ✓ Online data gathering (Fact Find) & Risk Profile – your clients are providing “real” information
- ✓ Document Management
- ✓ Real time linked to your client
- ✓ Powerful marketing module (referrals)
- ✓ Flexible Pricing Model

“Lifestyle Planner”TM

- ✓ Very powerful “**Relationship**” building tool
- ✓ Huge “referral” tool from your existing client base
- ✓ Intergenerational planning tool
- ✓ Opportunity to transition to Fee for Service
- ✓ Allows you to “build” a new income stream by recommending other investment sectors ie: Margin Lending, Structured Products, Derivatives etc (subject to Dealer Group)

“Lifestyle Planner”TM

New Fee For Service opportunities

- ✓ Managing your Debt – DD & NDD
- ✓ Negative Gearing
- ✓ Education Funding
- ✓ Family Protection
- ✓ Wealth Creation Planning
- ✓ Retirement Lifestyle Planning
- ✓ Coaching & Mentoring

Implementation of “Lifestyle Planner”TM

To implement “Lifestyle Planner”TM you need a full understanding of the “Lifestyle Planner”TM software

- ✓ Client Access
- ✓ Professional Access

We will be running four 3 hour workshops for Advisers who are serious about implementing “Lifestyle Planner”TM into their practice.

Benefits of Attending

- ✓ How to implement “Lifestyle Planner”TM to your clients
- ✓ Identify clients that are appropriate for using “Lifestyle Planner”TM
- ✓ Advance understanding of “Lifestyle Planner”TM software such as:
 - ✓ How to customise clients
 - ✓ Strategies and Case studies
 - ✓ Developing new fee for service items using “Lifestyle Planner”TM as a tool.



Examples of how clients can benefit from using “Lifestyle Planner” TM

Starting Out - Rick 29, Tara 27

Rick has just bought a new car for \$25,000 while Tara just returned from a short holiday in Europe racking up a credit card debt of just over \$7,000. Between them they earn \$70,000 net a year but, like most people their age, money just seems to slip through their fingers.

Their Goal: To pay off their personal debt and have a good size house deposit in 2 years time.

The Solution: By working to their monthly “Lifestyle Planner” TM spending plan and saving \$400 per week Rick and Tara could pay their personal debts and save over \$30,000 in 2 years. Combining their savings with their First Home Owners Grant gives them a deposit on a \$300,000 home.

Wealth Accumulators – Bob 40, Lyn 34

Bob and Lyn are both in secure employment and work full time. They have 4 children, with their youngest son being 3 years old. They have substantial debt, with 4 credit cards and a large mortgage on their existing home. No matter what they’ve tried in the past they have never been able to accumulate savings.

Their Goal: In 2-3 years they dream to having a large portion of their mortgage paid off and their credit cards under control.

The Solution: By using “Lifestyle Planner” TM to focus on their goals each month Bob & Lyn repaid their credit cards in 18 months and quickly found themselves years ahead of their projected mortgage position.



Pre-Retiree – John 52, Maria 51

John and Maria are both in secure full time employment. Their two sons have recently moved out of home and both John and Maria are now hoping to sell their home in the next two years and downsize to one that will suite their changing lifestyle.

Their Goal: To renovate their existing home in 6 months time ready for sale, and go on a one month holiday to Thailand.

The Solution: Using “**Lifestyle Planner**” TM system John and Maria were able to renovate and sell their home, enjoy a guilt free holiday and with the help of their Financial Adviser substantially improve their retirement nest eggs.

Retiree – Joe 73, Angela 72

Joe and Angela, have paid off their home but don't have a large capital base. They are worried about running out of money and any unexpected health expenses. Both agree they want to be able to put away \$100 a week for their grandchildren's education and other small expenses.

Their Goal: To be able to contribute to their grandchildren's education, have a little bit of money saved for Christmas gifts and ensure their money lasts another 15 to 20 years.

The Solution: With the help of their Financial Adviser to maximise their government pensions Joe and Angela work closely to their monthly “**Lifestyle Planner**” TM financial plan. “**Lifestyle Planner**” TM continues to help Joe and Angela find the money for their family without compromising their lifestyle and ensuring their capital lasts for as long as possible.



In conclusion

The Cashflow Management Budgeting tools of the “**Lifestyle Planner**”[™] has the potential to truly make a difference to your financial planning practice and your clients.

By making this tool an essential component of your Practice, it re enforces your obligations under the “**know your client**” rule.

You now have “peace of mind” that you have a compliant system that you can rely on from the information provided to you by your client!