

# Your future. Your plan.

Why you need financial advice



A  National Company



## Important Information

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## Why do I need to plan my financial future?

A house by the sea, an overseas holiday, a comfortable retirement – whatever your plans for the future, putting money in a savings account alone isn't going to get you there. Nor is wishful thinking – or worse, no thinking at all.

For most of us, reaching any sort of large financial goal means maximising our opportunities and investing wisely. In other words, having a comprehensive financial plan.

**70% of Australians over 65 earn less than \$15,600 per annum.**

**Why? Because most of them didn't have a financial plan.**

Source: Australian Bureau of Statistics  
2001 Census



## What's wrong with DIY planning?

There are many things in life that are worth having a go at doing yourself. After all, what's the worst that can happen if the pergola doesn't turn out quite like the picture? Using a DIY approach to your finances, however, could mean that your dreams remain just that.

As challenging as it may have been to assemble that pergola, building wealth is infinitely more complex. And investing – as important as it is – is only part of the picture. What about the rest of your finances? Have you taken steps to

reduce your tax and maximise your super? Is your car better protected than your income? And if you've retired, are you confident that your assets are invested in the most tax-efficient way?

Very few people have the tempered expertise – not to mention the desire or time – to thoroughly look at their whole financial picture.

Fortunately, help is at hand. A financial adviser can look at all aspects of your financial situation and help you put in place a plan to make your dreams a reality.

### What are your financial dreams?

- ... private school for the kids
- ... the holiday you've always planned
- ... a worry-free retirement

## What can a financial adviser do that I can't?

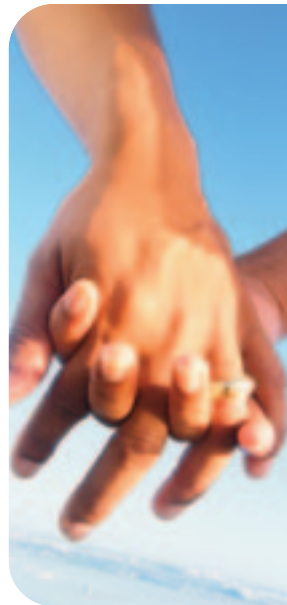
Reaching financial goals requires you to make a number of important decisions. Not only is this quite confronting – especially if you've spent years procrastinating about doing something to improve your financial future – it also raises a whole raft of questions.

For example, how much should you invest in shares or property as opposed to fixed interest and cash? Where should you invest – in individual stocks, a managed fund or one of the more exotic options? And how do you know you're doing everything you can to make the most of your opportunities?

If you're close to retirement, you might also have queries about income streams, allocated pensions and rollover funds, social security benefits and estate planning.

The list of questions can be endless and they're not easy to answer. Which is precisely why you need a financial adviser.

With your input, they're able to apply their experience and expertise to answer those tough questions and make the decision-making process easy.



## A financial adviser can ...

### 1. Define your dreams

The first step in achieving a goal? Knowing what that goal is. Many people find it hard to articulate their financial or lifestyle goals, so a financial adviser is invaluable in helping you to define some solid, realistic goals.

### 2. Work out where your money should be invested

Once you know what you want, a financial adviser will establish what level of return is required to meet your goals and what mix of assets is likely to achieve that return. The critical factors include your investment timeframe and how you feel about investment risk. (See next page for more information about risk.)

### 3. Turbo-charge your wealth

Where a financial adviser is *really* indispensable is in areas that are extremely complex – but absolutely critical to accelerate your wealth creation. Tax, debt, superannuation, protection and estate planning can all be particularly tricky but your adviser can recommend strategies that will help you make the most out of them.

### 4. Spend time (that you don't have) researching investments

Your financial adviser will take the time necessary to analyse the latest market information. They can also access research and sophisticated analysis and forecasting tools that no private investor could possibly match.

## 5. View your situation from every angle

Advisers look at all the factors that affect you financially (some of which are often overlooked when you try to do this yourself) to see how they impact on one another.

## 6. Keep up the good work

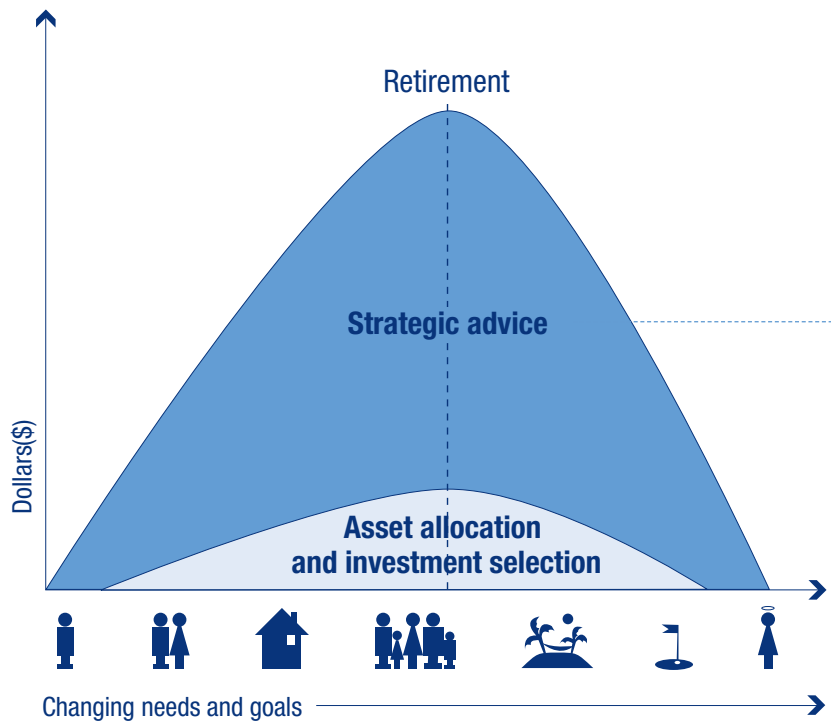
Any financial plan needs to be reviewed regularly to make sure that it's still delivering. Your needs may change, as well as your circumstances and the performance of your investments. And financial legislation will almost certainly change. Advisers are equipped to keep up to date with these changes and how they may affect your plan.

### The two sides of risk

When most people think of risk, they think of the risk associated with investing in more volatile assets such as shares. But if you don't take any risks, and you don't invest in assets that have the greatest potential for growth and higher returns, like shares, your greatest risk could be not ever reaching your goals. An adviser can help you to understand more about the balance that you need to strike between these two types of investment risk to achieve the results most suitable for you.

## The value of comprehensive financial planning advice

Financial planning is not just about investment advice. Regardless of what stage of life you're at, a financial adviser can really make a difference in helping you achieve your goals by employing a number of strategies to suit your individual circumstances.



Determining the appropriate asset allocation and selecting the actual investments is only one area where an adviser adds value. Implementing a range of technical strategies specific to your individual circumstances is where professional financial advice can really make a difference.

- **Cash flow strategies** – enable you to maximise your surplus income.
- **Debt management strategies** – eliminate financial burdens and replace them with ‘good’ debt to accelerate wealth creation.
- **Tax strategies** – seek to minimise income and capital gains tax, and maximise potential salary packaging and negative gearing opportunities.
- **Superannuation strategies** – including contribution and withdrawal advice, reasonable benefit limit considerations, as well as potential managed and self-managed superannuation opportunities.
- **Risk management strategies** – offer protection for your life and estate.
- **Social security strategies** – where appropriate, maximise your income support entitlements.

## When I see a financial adviser what will happen?

### 1 In the beginning ...

You will talk about your current financial set-up compared to where you see yourself in five, ten or twenty years time. You will also discuss how you feel about investment risk and any other information your adviser needs to prepare a comprehensive plan for you. You will be fully informed of the costs involved before you make any commitment to proceed.

### 2 Develop the strategy

Your adviser will view your financial situation from every angle to produce a complete financial plan. They will then present it to you in person and in writing. At this stage you can fine-tune your plan, making sure that you are perfectly comfortable with the potential outcomes.

### 3 Implementing your plan

When you're happy with the plan, your adviser will set the wheels in motion and ask you to authorise any paperwork required.

### 4 Keep it fresh

Your financial plan will need to be adjusted regularly to sustain the changes in your life, be they around your goals or your financial situation as well as changes in investment markets and legislation. Your adviser will discuss the level of ongoing service you require as well as the costs involved.

## How do I find a good financial adviser?

A good starting point is the Australian Securities and Investments Commission's Top Seven Tips for finding good advice:

1. Deal only with a licensed advisory business
2. Pick the adviser with the strongest qualifications, experience and integrity
3. Ask questions until you really understand
4. Walk away if you feel uneasy
5. Make sure your financial plan suits your needs and personality
6. When you get a good plan, stick with it
7. Keep all your paperwork

*If you're convinced that planning your financial future is more than a DIY job, contact a financial adviser through the Financial Planning Association or by calling MLC on 133 433.*

For more helpful insights into choosing a financial adviser, visit ASIC's website at <http://fido.asic.gov.au/fido/fido.nsf>

**It may take you a little while, but once you've found an adviser you're happy with, you'll wish you'd seen one years ago.**

## Where to get help

For more information call MLC  
from anywhere in Australia on **133 433**

For details on MLC's range of products and  
services visit our website at **mlc.com.au**

### **Postal address**

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