23rd February 2011

Mr James Smith
Mrs Jenna Smith
7 Misso Place
SYDNEY NSW 2000

Dear James and Jenna

Statement of Advice

Thank you for the opportunity to discuss your financial goals and objectives. We are pleased to enclose your personal financial plan which outlines the strategies and recommendations as previously discussed.

This Statement of Advice has been prepared based on your objectives and your current financial situation. Please take the time to carefully read and understand it, to ensure that it is consistent with your views and reflects the information we discussed.

The recommendations in this report are based on current information and should only be considered to be current for one month from the date of this report. After that time, or if you have had any significant changes to your personal circumstances, you should not act on any of the recommendations and should contact us so that we can re-assess their suitability.

Once implemented, the recommendations in this Statement of Advice should be reviewed on a regular basis to ensure that they continue to meet your ongoing needs. Changes in legislation, financial markets and your personal situation will occur over time, and as your financial adviser we can work with you to update your financial plan so that you stay on track to achieve your goals and objectives.

This Statement of Advice relates to you only and the advice contained in this document is not suitable to anyone else. Please take time to review the fee disclosure section for an explanation of the commissions associated with the development and implementation of our recommendations.

We look forward to helping you implement the enclosed recommendations, and in the meantime we remain available to assist you with any queries you may have in relation to this Statement of Advice.

Yours sincerely,

Jade Stack, ADF, DFP
Financial Planner

IMPORTANT NOTICE

This report is an important document that you should read carefully before making any decision regarding the investments or strategies recommended. Recommendations are based on information contained in the client questionnaire, a copy of which is available on request. If you do not understand, or disagree with, any of the information provided in this report, you should contact me at the earliest opportunity.

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STATEMENT OF ADVICE

MR JAMES AND MRS JENNA SMITH

DATED: 23/02/2011

Prepared by **Jade Stack**
Authorised Representative 309759

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WHAT THIS DOCUMENT IS ABOUT
You are entitled to receive a Statement of Advice (SoA) whenever we provide you with any personal financial advice. Personal financial advice is advice that takes into account any one or more of your objectives, financial situation, needs and goals. This SoA is a record of the personal financial advice provided to you and includes the basis on which this advice is given, discloses the fees and commissions payable by you and provides information in relation to any associations or interests that WealthSure Pty Ltd or its representatives have that might influence the advice provided to you. If this advice includes a recommendation for you to acquire a particular financial product (other than direct securities) or an offer to arrange the isJenna of a financial product to you, we will also provide you with a Product Disclosure Statement containing information about the particular product to help you make an informed decision about that product.

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1 Executive Summary

This Statement of Advice is a customised report that details a series of recommendations, each having been made after consideration of your present financial position, your objectives and current financial Market conditions. We believe that it will allow you to achieve the goals and objectives that we have discussed.

1.1 Outline of the key items included in this Statement of Advice:

- Existing Position - Our understanding of your personal situation, including financial needs and objectives and your attitude towards risk and return.
- Recommendations - Our recommendations, why we have made them, how they meet your objectives and their outcomes.
- Implementation - How to implement the advice contained within this Statement of Advice.
- Remuneration - How we are paid for the services that we provide to you.
- Supplementary Information - Additional background information to assist your understanding of the superannuation, social security and taxation implications of our advice. This is provided in the attachments.

1.2 Summary of our recommendations:

- Assuming that all trust income for a year has to be distributed, there is a Trust distribution of $946,000 in 2011/12 (in addition to distributions detailed in the assumptions).Of that amount, $153,000 needs to be re-gifted or loaned to the Trust.
- Withdraw $225,000 of cash outside super in 2011/12 to meet cash requirements. Withdraw cash in future years to supplement other income.
- Both James and Jenna should make non-concessional super contributions of $450,000 in 2011/12.
- To minimize tax, Jenna should make a deductible contribution (self-employed) of $31,000 in 2011/12.
- James should roll all his super into the pension phase at the beginning of each year. His withdrawals will be tax free apart from the first year.
- James and Jenna should withdraw the minimum amount from their pensions each year.

1.3 Expected outcomes after implementing our recommendations

- You will maintain your current incomes, rising in line with AWOTE, until retirement.
- James will retire at age 60.
- You will incur lifestyle expenses of $150,000 p.a. in your retirement.
- You will have full paid off the off-the-plan property in 2012/13 .
- We have taken account of your desire to retain existing shares outside super because of family reasons.

- You will have a cash buffer for emergencies of $300,000.
- You will hold $450,000 in cash (or like investments) inside super to cover 3 years of payments.
- You will be growing your assets whilst satisfying your goals and objectives as well as satisfying your desire to maintain certain assets outside of super.
- Cash flow - Our strategy provides for sufficient cash flow to meet your current living expenses of $150,000 p.a. This will allow you to enhance your current lifestyle while also implementing our recommendations.

2 Scope of Advice

- The advice provided in this Statement of Advice (**"SOA"**) is given on the basis of your specific instruction that you require financial advice **limited** to the following areas: Taxation Planning
- Direct Investments
- Investment
- Investment Strategies
- Savings plans
- Superannuation Planning
- Retirement Planning
- Retirement Income Streams
- Ongoing Reviews

We therefore have not provided advice on the following:

- Centrelink
- Debt and mortgage management
- Estate PlanningFuneral Bonds
- Gearing (including margin lending)
- Insurance Planning

You need to know that appropriate advice may not be provided adequately without a complete analysis of your personal and financial situation. Prior to proceeding, you will need to assess and review the recommendations contained in the report in light of your circumstances and needs regarding their suitability.

I caution you that our preferred position is to ensure that your financial needs, goals and objectives are met prior to acting on the advice. You should give consideration to its appropriateness in relation to your own personal circumstances, needs and objectives. Please inform us if you require advice in an area that has not been specifically addressed in this SOA.

2.1 Limited Information Warning

Our advice is based on the information you have provided to us in the confidential client data questionnaire dated 11/01/2011. If the information in the fact find is incorrect or incomplete our advice may not accurately reflect your financial goals and objectives.

Prior to proceeding, please assess and review the recommendations contained in the SoA in light of your circumstances and objectives.

2.2 Ongoing Reviews

Your financial goals and circumstances can change over time. In addition, economic conditions, and legislative changes may mean that the investment strategy provided in this statement of advice is no longer appropriate for you and should be reviewed.

In order to ensure that you remain on track to achieving your goals and objectives it is important that your investment portfolio is reviewed regularly and that your investment strategy is reviewed at least annually.

We have recommended you both grant us a Limited Managed Discretionary Authority to allow us to make appropriate adjustments to your investment portfolio in a timely and efficient manner.

3 Current Personal & Financial Details

In order to accurately assess what you would like to achieve it is important that we identify your current financial position. Detailed below are the key facts upon which the strategies in your financial plan are based.

3.1 Current Personal Situation

The table below outlines the personal information that we recorded as part of your fact find.

Personal Details	James	Jenna
Date of birth	30 May 1952	3 May 1955
Age	58	56
Marital Status	Married	Married
Proposed Retirement Age	60	55
Health	Excellent	Excellent
Smoker	No	No

3.1.1 Dependants / Children

The table below shows the details of any individuals who are financially dependent on you.

Name	Age	Relationship	Dependent Until Age
Mary Smith	24	Daughter	21
Bob Smith	27	Son	21

3.1.2 Employment Details

The table below outlines your current employment details.

Employment Details	James	Jenna
Occupation Type	Employed	Home Duties
Employment Type	Casual	
Occupation	Business Salesman	

3.1.3 Cash flow

An overview of your current annual cash flow is provided in the table below.

Inflow	James	James & Jenna	Total
Employment	$10,000		$10,000
Investment Income		$326,000	$326,000
Total	**$10,000**		**$336,000**
Outflow			
Living Expenses		$150,000	$150,000
Total		**$150,000**	**$150,000**
Net Cash Flow	**$10,000**	**$176,000**	**$186,000***

**Tax liabilities will need to be paid from this figure however this will be determined by my recommended strategy further on.*

3.1.4 Personal Assets and Liabilities

James and Jenna, your current Assets and Liabilities are as follows:

Lifestyle Assets	Owner	Amount
Home contents	Joint	$100,000
Principal Residence	Joint	$700,000
Holiday House	Joint	$350,000
Boat/Trailers/Campers/Jet ski	Joint	$15,000
Motor Vehicles	Joint	$50,000
Sub-Total		**$1,215,000**
Investment Assets	**Owner**	**Amount**
Shares	Joint	$250,000
Cash	Joint	$375,000
Property	Family Trust	$1,000,000
Property (Proposed – off the plan property)	Family Trust	$450,000
Cash	Family Trust	$1,220,000
Sub-Total		**$3,295,000**
Superannuation Assets— Smith SMSF - Joint	**Owner**	**Amount**
Shares	SMSF	$757,000
Fixed Interest Deposit (Due July 2011)	SMSF	$510,000
Cash	SMSF	$70,000
Sub-Total		**$1,337,000**
Total Assets		**$5,847,000**

Liabilities	Term	Interest Rate	Deductible	Owner	Amount
Loan at CBA	20 yrs	7.13%	100%	Smith Trust	$250,000
Total Liabilities					**$250,000**

Net Assets	**$5,597,000**

3.2 General and Personal Insurance

James and Jenna, you both have private health insurance covers through MBF.
You have stated that you currently have no personal insurances in place and that you do not wish to be provided advice on this area.

3.3 Estate Planning

The table below outlines your current will details.

Estate Planning Details	James	Jenna
Is there a Will in place?	Yes	Yes
Is there a Power of Attorney in place?	Yes	Yes

4 Goals and Objectives

In preparing our recommendations we have taken into consideration your personal and financial goals and objectives. These are outlined below:

4.1 Personal

- Tax Effective Wealth Accumulation - Your objective is to build wealth in a tax effective manner through investment so that an adequate income and lifestyle can be obtained.
- Achieve Capital Growth - You wish to maintain the capital value of your funds over the longer term and, if possible, achieve capital growth at least in line with the rate of inflation.
- Target Retirement Income - You would like to retain your current lifestyle throughout your retirement, generating a net after tax income of $150,000 per annum, in today's dollars, increasing in-line with inflation.
- You would like to have a cash buffer of $300,000
- Consider Risk and Return - You want to invest in a portfolio of funds having regard to your tolerance to the risk of capital loss.
- Portfolio Diversification - You wish to spread your assets and place funds in a range of investments to maximise the benefits of diversification with the aim to produce reasonable returns over the whole business cycle.
- Convenient Investment Management - You would like to have your superannuation investments handled in a convenient and efficient way, both in terms of administration and reporting.
- Tax Effectiveness - You wish to structure your investments in a tax effective way, and where possible, to split investment ownership between you and your spouse, so as to legally minimise tax both now and in the future.

4.2 Self Managed Super Fund

- Tax Effective Wealth Accumulation - Your objective is to build wealth in a tax effective manner through investment so that an adequate income and lifestyle can be obtained.
- Achieve Capital Growth - You wish to maintain the capital value of your funds over the longer term and, if possible, achieve capital growth at least in line with the rate of inflation.
- Consider Risk and Return - You want to invest in a portfolio of funds having regard to your tolerance to the risk of capital loss.
- Portfolio Diversification - You wish to spread your assets and place funds in a range of investments to maximise the benefits of diversification with the aim to produce reasonable returns over the whole business cycle.
- Convenient Investment Management - You would like to have your superannuation investments handled in a convenient and efficient way, both in terms of administration and reporting.

- Tax Effectiveness - You wish to structure your investments in a tax effective way, and where possible, to split investment ownership between you and your spouse, so as to legally minimise tax both now and in the future.

5 Risk Profile

To assist in the development of an investment strategy appropriate to your particular situation, we discussed your attitude to investment risk and your concerns in the areas of inflation, taxation, safety, liquidity, current income, ease of management and estate planning.

When assessing your risk profile, we examine the mix of investment sectors with which you feel most comfortable i.e. the allocation of your investments across the asset classes including cash, fixed interest, listed property and shares.

James and Jenna, when we completed the Fact Find at our initial interview, your answers to the various questions put to you suggested that you are both Growth investors. If you feel that this profile does not reflect your attitude to investment risk then we should have further discussions before you implement the recommendations in this Statement of Advice.

5.1 Risk Profile Characteristics

The characteristics of your recommended risk profile are summarised below:

Growth

Investment Objective	Your investment style would suggest that you are seeking a greater growth component in your investment portfolio, and although you remain cautious towards taking extreme levels of risk, your general understanding of the investment market enables you to feel comfortable with short term risk. Your priority is consistent capital growth with some income to smooth volatility in your returns.
Suitability	With your investment style it is important you understand the likelihood of and are prepared to accept negative returns approximately 1 year in every 3 years.
Income/Growth Objective	20% income producing investments and 80% capital growth style investments.
Minimum Investment Term	4 to 5 years
Expected Long Term Return	7.9% pa including CPI

5.2 Historical Returns

The table below outlines the historical returns achieved by a "Growth" investor over the 10 year period to 30th June 2009[1].

Historical Returns for 10 year period to 30th June 2009	Growth
Average historical return	5.6% pa
Worst return over any 12 month period	-23.8%
Best return over any 12 month period	25.6%
Historical chance of a negative annual return	1 in 3 years

[1] Source: Lonsec website – Risk Profiles, historical characteristics. These figures are inclusive of inflation.

Please note that historical returns should not be regarded as a prediction of future returns. They are historical averages only. It is important to note that:

- All profiles have negative returns from time to time i.e. the capital value of your investment can fall over the short term.

The chance of a negative return i.e. a loss of capital in any one year increases as more growth assets are included in the investment portfolio. You should note that just because the chance of a negative return in a balanced fund for example is 1 year in every 6 years, this does not mean that every 6 years the investor with a balanced portfolio will have a negative return. Returns, both positive and negative, are unpredictable and the investor with a balanced portfolio may have negative returns 2 years in a row and positive returns for the next 10 years.

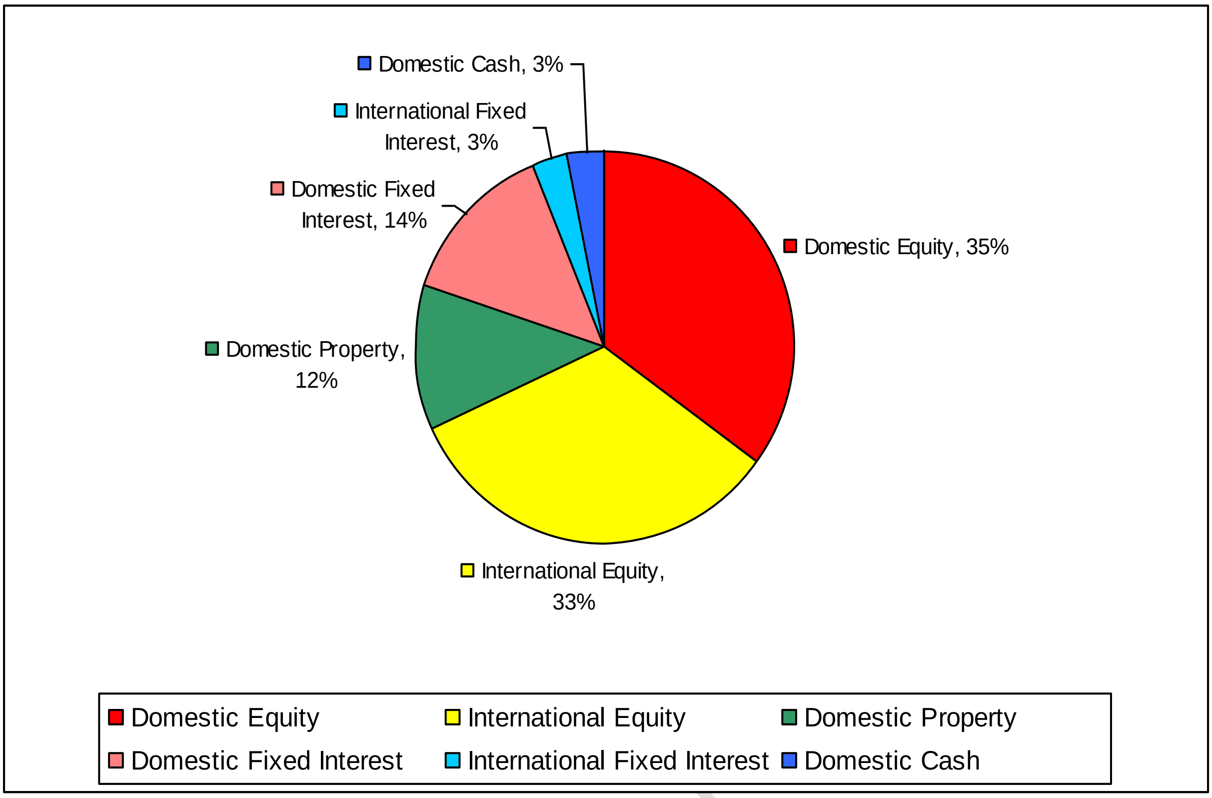
WARNING

You should ensure that you completely understand the relationship between risk and return when considering the investment recommendations contained in this SOA. If you feel that the above investment risk profile is not suitable or does not adequately reflect your attitude towards investing, then please contact me immediately, as it is important we discuss this further prior to implementing any recommendations.

5.3 Asset Allocation

Using the research provided by Lonsec Limited, the usual recommended asset allocation for your risk profile is outlined below:

Growth	Asset Allocation
Domestic Equity	35%
International Equity	33%
Domestic Property	12%
Total Growth Assets	**80%**
Domestic Fixed Interest	14%
International Fixed Interest	3%
Domestic Cash	3%
Total Income Assets	**20%**
Total	**100%**

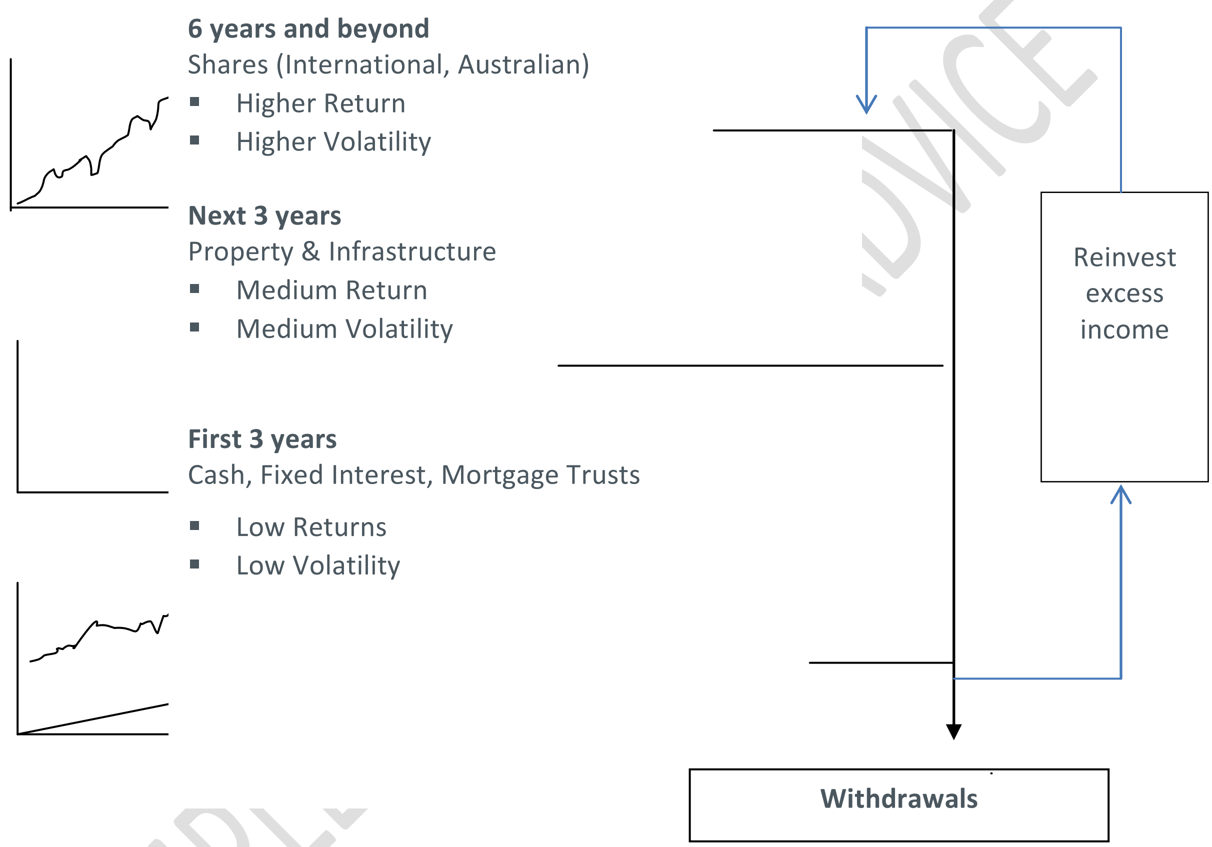


Domestic Cash, 3%
International Fixed Interest, 3%
Domestic Fixed Interest, 14%
Domestic Equity, 35%
Domestic Property, 12%
International Equity, 33%
Domestic Equity
International Equity
Domestic Property
Domestic Fixed Interest
International Fixed Interest
Domestic Cash

5.4 Rainwater Tank Strategy

Using this strategy any future withdrawal requirements would be drawn initially from your Cash and Fixed Interest investments, then from your property investments, and finally from your Share investments.
The benefit of this strategy is to allow the growth assets within the portfolio more time to 'ride out' the volatility inherent in these assets over a longer period of time.

This is illustrated in the diagram below:



We have discussed that the above asset allocation is long term in nature and the importance of our annual face-to-face reviews in ensuring your actual portfolio asset allocation remains appropriate for your current risk profile, goals and objectives. This may require a re-balance of the actual percentages. In addition to our regular meetings it is also important that we re-assess your profile as your personal circumstances change so please be sure to let us know immediately if there are any significant changes in your health, domestic circumstances or employment.

6 Our Recommendations

The recommendations outlined below aim to assist you in achieving your personal and financial objectives, whilst taking into account your risk and return preferences. They form the basis of a long term strategy, whilst helping you meet your short and medium term goals.

6.1 Recommended Strategy

6.1.1 Assumptions

In creating projections of your potential future situation, we made the following assumptions:

- You will maintain your current incomes, rising in line with AWOTE, until retirement.
- James will retire at age 60.
- You will incur lifestyle expenses of $150,000 p.a. in your retirement.
- We have not explicitly included 2010/11 in our modelling but we have assumed that of the cash amount of $1,220,000 residing in the Trust, both James and Jenna will be paid $304,000 (rolled into super) for the small business exemption and an additional $150,000 each is distributed and subsequently deposited to super as a non-concessional contribution.
- Of the payout to the Trust in March 2012 of $1,200,000, we have assumed that after discounts the capital gain is $296,000. Hence we have assumed James and Jenna will be paid $148,000 each to negate the capital gain and this will be rolled into super so as not to impact their non-concessional caps.
- We have assumed that the balance for the off-the-plan unit of $450,000 is paid in the 2012/13 financial year.
- We have taken account of your desire to retain existing shares outside super because of family reasons.
- We have included tax deductible professional fees of $8,750 each, indexed at CPI.
- We have included a cash buffer for emergencies of $300,000. This could be held inside or outside super. Our initial analysis suggests that you could save approximately $12,000 after 10 years by holding it inside super and our projections below model that.
- We have assumed that you will hold $450,000 in cash (or like investments) inside super to cover 3 years of payments.
- We have assumed a return on cash of 5.5%pa.
- Cash flow – Based on the information you have given us, we believe that you will continue to meet your annual expenditure requirements whilst maintaining the same lifestyle prior to our recommendations to you. The projected cash flow is as follows:

6.2 Projections

This important section summarises the results of our financial modelling analysis. We have conducted the analyses for a period of 10 years. According to our assumptions, we project your net wealth at the end of the period as $9.3 million. Our projected cash flow and portfolio balances for James and Jenna separately and then combined for our recommended strategy are shown in Tables 1 to 6 that follow.

6.2.1 Outcomes

- Cash flow - Our strategy provides for sufficient cash flow to meet your current living expenses of $150,000 p.a. This will allow you to enhance your current lifestyle while also implementing our recommendations.
- Assuming that all trust income for a year has to be distributed, there is a Trust distribution of $946,000 in 2011/12 (in addition to distributions detailed in the assumptions).
- Of that amount, $153,000 needs to be re-gifted or loaned to the Trust.
- Withdraw $225,000 of cash outside super in 2011/12 to meet cash requirements. Withdraw cash in future years to supplement other income.
- Both James and Jenna should make non-concessional super contributions of $450,000 in 2011/12.
- To minimize tax, Jenna should make a deductible contribution (self-employed) of $31,000 in 2011/12.
- Jenna should continue to make deductible contributions to super in later years with preliminary amounts shown in the cash flow report.
- James should roll all his super into the pension phase at the beginning of each year. His withdrawals will be tax free apart from the first year.
- Jenna should commence her pension with just the minimum amount to cover the emergency fund and 3 year payments ($375,000) and otherwise maintain the majority of her funds in the accumulation phase of super for at least the first 2 years.
- James and Jenna should withdraw the minimum amount from their pensions each year.

Table 1 – Statement of Cash Flows (Actual values) **Client:** James **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Age at start of year	59.1	60.1	61.1	62.1	63.1	64.1	65.1	66.1	67.1	68.1
Revenue										
Salary	9,098	0	0	0	0	0	0	0	0	0
Concession card benefit	0	0	0	0	0	116	1,318	1,350	1,384	1,419
Trust distribution	80,764	11,212	16,291	17,054	17,206	27,620	27,480	27,318	27,132	33,132
Cash transfer to	284,395	0	0	0	0	0	0	0	0	0
Account based pension (Taxable payment)	16,540	0	0	0	0	0	0	0	0	0
Account based pension (Tax free payment)	17,135	71,638	74,657	77,271	79,990	82,817	107,197	109,903	112,689	115,558
Shares/managed fund (Income)	5,150	5,459	5,787	6,134	6,502	6,892	7,305	7,744	8,208	8,701
Shares/managed fund (Franking credit)	1,545	1,638	1,736	1,840	1,951	2,068	2,192	2,323	2,462	2,610
Fixed interest (Income)	7,221	3,049	1,379	395	0	0	0	0	0	1,346
Fixed interest (Withdrawal)	112,418	39,287	21,432	14,363	0	0	0	0	0	0
Total revenue: (A)	534,266	132,282	121,281	117,057	105,648	119,513	145,491	148,638	151,876	162,766

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Expenditure										
Tax paid	516	0	0	0	0	0	0	0	0	2,352
Annual expenditure	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665
Miscellaneous expenditure	8,750	8,969	9,193	9,423	9,658	9,900	10,147	10,401	10,661	10,928
Cash transfer from	0	15,678	15,590	7,857	0	2,832	24,821	23,798	22,678	0
Deductible contribution (self employed)	0	14,277	0	0	0	0	0	0	0	0
Non-concessional super deposit	450,000	0	0	0	0	0	0	0	0	0
Fixed interest (Deposit)	0	0	0	0	0	0	0	0	0	48,946
Gifts to trusts	0	16,483	17,702	19,010	13,204	21,925	23,546	25,287	27,157	6,875
Total expenditure: (B)	534,266	132,282	121,281	117,057	105,648	119,513	145,491	148,638	151,876	162,766

Table 2 – Portfolio Balances (Actual values) **Client:** James **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Asset balance (end of year)										
Superannuation	0	0	0	0	0	0	0	0	0	0
Shares/managed funds	132,500	140,569	149,003	157,944	167,420	177,465	188,113	199,400	211,364	224,046
Cash/Fixed interest	75,082	35,795	14,363	0	0	0	0	0	0	48,946
Family home	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441	437,102	463,328
Self managed super funds	620,631	13,131	0	0	0	0	0	0	0	0
Self managed pension funds	1,169,859	1,853,289	1,931,781	1,999,750	2,070,431	2,143,932	2,198,062	2,253,788	2,311,158	2,370,220
Total assets	2,356,822	2,410,503	2,472,059	2,544,028	2,633,844	2,727,291	2,802,215	2,879,629	2,959,624	3,106,540

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Loan balance (end of year)										
Unsecured loans	0	0	0	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0	0	0	0
Total wealth (end of year)	2,356,822	2,410,503	2,472,059	2,544,028	2,633,844	2,727,291	2,802,215	2,879,629	2,959,624	3,106,540

Table 3 – Statement of Cash Flows (Actual values) **Client:** Jenna **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Age at start of year	56.2	57.2	58.2	59.2	60.2	61.2	62.2	63.2	64.2	65.2
Revenue										
Salary	0	0	0	0	0	0	0	0	0	0
Concession card benefit	0	0	0	0	0	0	0	0	0	233
Trust distribution	865,354	5,711	25,957	27,896	30,578	23,138	26,400	29,841	33,474	32,342
Cash transfer to	0	15,678	15,590	7,857	0	2,832	24,821	23,798	22,678	0
Account based pension (Taxable payment)	6,244	8,542	14,000	22,867	0	0	0	0	0	0
Account based pension (Tax free payment)	5,006	6,848	12,225	28,025	88,754	93,017	97,705	103,729	110,243	146,581
Shares/managed fund (Income)	5,150	5,459	5,787	6,134	6,502	6,892	7,305	7,744	8,208	8,701
Shares/managed fund (Franking credit)	1,545	1,638	1,736	1,840	1,951	2,068	2,192	2,323	2,462	2,610
Fixed interest (Income)	7,221	3,049	1,379	395	0	0	0	0	0	1,346
Fixed interest (Withdrawal)	112,418	39,287	21,432	14,363	0	0	0	0	0	0
Total revenue: (A)	1,002,938	86,212	98,106	109,377	127,784	127,946	158,423	167,435	177,066	191,813
Expenditure										
Tax paid	0	368	450	555	0	0	0	0	3,195	2,024
Annual expenditure	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665
Miscellaneous expenditure	8,750	8,969	9,193	9,423	9,658	9,900	10,147	10,401	10,661	10,928
Cash transfer from	284,395	0	0	0	0	0	0	0	0	0
Deductible contribution (self employed)	31,444	0	9,666	12,709	13,372	6,197	9,599	13,203	0	0
Non-concessional super deposit	450,000	0	0	5,923	14,756	26,994	51,699	54,679	71,830	0
Fixed interest (Deposit)	0	0	0	0	0	0	0	0	0	48,946
Gifts to trusts	153,348	0	0	0	7,212	0	0	0	0	36,250
Total expenditure: (B)	1,002,937	86,212	98,106	109,377	127,784	127,946	158,423	167,435	177,066	191,813

Table 4 – Portfolio Balances (Actual values) **Client:** Jenna **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Asset balance (end of year)										
Superannuation	0	0	0	0	0	0	0	0	0	0
Shares/managed funds	132,500	140,569	149,003	157,944	167,420	177,465	188,113	199,400	211,364	224,046
Cash/Fixed interest	75,082	35,795	14,363	0	0	0	0	0	0	48,946
Family home	358,750	367,719	376,912	386,335	395,993	405,893	416,040	426,441	437,102	463,328
Self managed super funds	1,456,389	1,573,150	1,421,509	904,903	27,155	33,537	62,225	68,507	74,669	0
Self managed pension funds	384,750	390,996	672,683	1,313,942	2,298,269	2,409,100	2,530,989	2,687,575	2,856,941	3,008,974
Total assets	2,407,471	2,508,228	2,634,471	2,763,124	2,888,837	3,025,995	3,197,367	3,381,923	3,580,077	3,745,295

Loan balance (end of year)										
Unsecured loans	0	0	0	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0	0	0	0

Total wealth (end of year)	2,407,471	2,508,228	2,634,471	2,763,124	2,888,837	3,025,995	3,197,367	3,381,923	3,580,077	3,745,295

Table 5 – Statement of Cash Flows (Actual values) **Client:** Consolidated **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue										
Salary	9,098	0	0	0	0	0	0	0	0	0
Concession card benefit	0	0	0	0	0	116	1,318	1,350	1,384	1,652
Trust distribution	946,118	16,923	42,248	44,950	47,784	50,758	53,880	57,159	60,606	65,474
Account based pension (Taxable payment)	22,784	8,542	14,000	22,867	0	0	0	0	0	0
Account based pension (Tax free payment)	22,141	78,486	86,882	105,296	168,744	175,834	204,902	213,632	222,933	262,138
Shares/managed fund (Income)	10,300	10,918	11,573	12,267	13,004	13,784	14,611	15,487	16,417	17,402
Shares/managed fund (Franking credit)	3,090	3,275	3,472	3,680	3,901	4,135	4,383	4,646	4,925	5,220
Fixed interest (Income)	14,442	6,098	2,759	790	0	0	0	0	0	2,692
Fixed interest (Withdrawal)	224,837	78,574	42,863	28,726	0	0	0	0	0	0
Total Revenue: (A)	1,252,809	202,816	203,797	218,577	233,433	244,627	279,094	292,275	306,264	354,578
Expenditure										
Tax paid	516	368	450	555	0	0	0	0	3,195	4,376
Annual expenditure	150,000	153,750	157,594	161,534	165,572	169,711	173,954	178,303	182,760	187,329
Miscellaneous expenditure	17,500	17,938	18,386	18,846	19,317	19,800	20,295	20,802	21,322	21,855
Deductible contribution (self employed)	31,444	14,277	9,666	12,709	13,372	6,197	9,599	13,203	0	0
Non-concessional super deposit	900,000	0	0	5,923	14,756	26,994	51,699	54,679	71,830	0
Fixed interest (Deposit)	0	0	0	0	0	0	0	0	0	97,892
Gifts to trusts	153,348	16,483	17,702	19,010	20,416	21,925	23,546	25,287	27,157	43,125
Total expenditure: (B)	1,252,808	202,816	203,797	218,577	233,433	244,627	279,094	292,275	306,264	354,578

Table 6 – Portfolios (Actual values) **Client:** Consolidated **Scenario:** Emergency cash inside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Asset balance (end of year)										
Superannuation	0	0	0	0	0	0	0	0	0	0
Shares/managed funds	265,000	281,139	298,007	315,887	334,840	354,931	376,227	398,800	422,728	448,092
Cash/Fixed interest	150,163	71,590	28,726	0	0	0	0	0	0	97,892
Family home	717,500	735,438	753,823	772,669	791,986	811,785	832,080	852,882	874,204	926,656
Self managed super funds	2,077,020	1,586,281	1,421,509	904,903	27,155	33,537	62,225	68,507	74,669	0
Self managed pension funds	1,554,609	2,244,285	2,604,464	3,313,693	4,368,700	4,553,032	4,729,051	4,941,362	5,168,099	5,379,194
Total assets	4,764,293	4,918,731	5,106,530	5,307,152	5,522,681	5,753,285	5,999,582	6,261,552	6,539,701	6,851,835

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SMSF-Accumulation Phase-Balanced-James	620,631	18,195	0	0	0	0	0	0	0	0
SMSF Pension Phase-Cash-James	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
SMSF Pension Phase-Balanced-James	794,859	1,478,289	1,562,047	1,630,226	1,701,126	1,774,854	1,829,158	1,885,064	1,942,619	2,001,872
Family Home (House)-James	717,500	735,438	753,823	772,669	791,986	811,785	832,080	852,882	874,204	926,656
Family Trust (Cash)-James	450,000	0	0	0	0	0	0	0	0	0
Family Trust (House)-James	1,025,000	1,050,625	1,076,891	1,103,813	1,131,408	1,159,693	1,188,686	1,218,403	1,248,863	1,323,795
Family Trust (Unit)-James	0	450,000	461,250	472,781	484,601	496,716	509,134	521,862	534,909	561,654
Family Trust (Unit (1))-James	461,250	472,781	484,601	496,716	509,134	521,862	534,909	548,281	561,988	590,088
SMSF-Accumulation Phase-Balanced-Jenna	1,461,247	1,578,397	1,433,224	926,716	33,466	40,282	69,500	76,288	82,586	0
SMSF Pension Phase-Cash-Jenna	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
SMSF Pension Phase-Balanced-Jenna	9,750	15,996	296,780	934,428	1,941,257	2,059,369	2,189,281	2,354,761	2,533,901	2,695,618

Loan balance (end of year)										
Unsecured loans	0	0	0	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0	0	0	0
Assets minus liabilities (end of year)	4,764,293	4,918,731	5,106,530	5,307,152	5,522,681	5,753,285	5,999,582	6,261,552	6,539,701	6,851,835
Total Wealth										
Assets minus liabilities	4,764,293	4,918,731	5,106,530	5,307,152	5,522,681	5,753,285	5,999,582	6,261,552	6,539,701	6,851,835
Balance of trusts	1,721,598	1,775,237	1,842,274	1,911,853	1,984,102	2,059,156	2,137,159	2,218,264	2,302,635	2,475,537
Total wealth	6,485,891	6,693,968	6,948,804	7,219,005	7,506,783	7,812,441	8,136,741	8,479,817	8,842,336	9,327,371

6.2.2 Comparison to current situation

By investing your funds in superannuation you will also benefit from ongoing tax concession on investment earnings.

The overall benefit of the recommended strategy over the next 10 years is comparable with the tables on the following pages.

Alternative Strategy 1

An alternative strategy is to maintain the emergency fund of $300,000 outside super. We estimate that over 10 years you would be worse off (as measured by the total portfolio balance at the time) by $12,000 by following this strategy. Providing the relevant actions were taken in implementing this strategy, you would be only marginally worse off. However, we have preferred the option of having the emergency fund inside super as this could produce superior benefits in the long term.

Tables 7 and 8 give the combined projected cash flows and portfolio balances for this strategy.

Alternative Strategy 2

Our recommended strategy makes use of concessional contributions to super, either as salary sacrifice or as deductible contributions for the self-employed. We estimate that over 10 years you would be worse off by $16,000 by not employing deductible contributions compared to our recommended strategy.

Tables 9 and 10 show the combined projected cash flows and portfolio balances for this strategy.

Table 7 – Statement of Cash Flows (Actual values) **Client:** Consolidated **Scenario:** Emergency cash outside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue										
Salary	9,098	0	0	0	0	0	0	0	0	0
Concession card benefit	0	0	0	0	0	116	1,318	1,350	1,384	0
Trust distribution	946,118	16,923	42,248	44,950	47,784	50,758	53,880	57,159	60,606	65,474
Super/pensions (Withdrawal)	0	21,778	6,383	4,424	0	0	0	0	0	0
Account based pension (Taxable payment)	35,230	34,088	35,314	30,514	0	0	0	0	0	0
Account based pension (Tax free payment)	32,120	116,019	108,945	119,064	157,102	164,118	191,488	200,120	209,316	246,934
Shares/managed fund (Income)	10,300	10,918	11,573	12,267	13,004	13,784	14,611	15,487	16,417	17,402
Shares/managed fund (Franking credit)	3,090	3,275	3,472	3,680	3,901	4,135	4,383	4,646	4,925	5,220
Fixed interest (Income)	18,563	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	19,005
Fixed interest (Withdrawal)	75,000	0	0	0	0	0	0	0	0	0
Total Revenue: (A)	1,129,518	219,502	224,436	231,400	238,291	249,411	282,180	295,264	309,148	354,036

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Expenditure										
Tax paid	1,022	1,002	1,011	979	0	0	0	0	7,740	10,623
Annual expenditure	150,000	153,750	157,594	161,534	165,572	169,711	173,954	178,303	182,760	187,329
Miscellaneous expenditure	17,500	17,938	18,386	18,846	19,317	19,800	20,295	20,802	21,322	21,855
Deductible contribution (self employed)	32,796	30,328	29,742	30,205	29,872	22,697	26,099	29,703	0	0
Non-concessional super deposit	774,852	0	2	827	3,114	15,277	38,285	41,168	70,168	0
Fixed interest (Deposit)	0	0	0	0	0	0	0	0	0	91,103
Gifts to trusts	153,348	16,483	17,702	19,010	20,416	21,925	23,546	25,287	27,157	43,125
Total expenditure: (B)	1,129,517	219,502	224,435	231,400	238,290	249,411	282,180	295,263	309,148	354,035

Table 8 – Portfolios (Actual values) **Client:** Consolidated **Scenario:** Emergency cash outside super

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Asset balance (end of year)										
Superannuation	0	0	0	0	0	0	0	0	0	0
Shares/managed funds	265,000	281,139	298,007	315,887	334,840	354,931	376,227	398,800	422,728	448,092
Cash/Fixed interest	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	391,103
Family home	717,500	735,438	753,823	772,669	791,986	811,785	832,080	852,882	874,204	926,656
Self managed super funds	1,141,310	4,844	24,877	49,813	29,632	35,937	62,860	69,041	72,942	0
Self managed pension funds	2,347,012	3,606,482	3,739,451	3,877,726	4,073,317	4,255,728	4,431,351	4,641,428	4,865,748	5,073,435
Total assets	4,770,822	4,927,902	5,116,158	5,316,094	5,529,776	5,758,381	6,002,518	6,262,152	6,535,622	6,839,286

Loan balance (end of year)										
Unsecured loans	0	0	0	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0	0	0	0

Assets minus liabilities (end of year)	4,770,822	4,927,902	5,116,158	5,316,094	5,529,776	5,758,381	6,002,518	6,262,152	6,535,622	6,839,286

Total Wealth										
Assets minus liabilities	4,770,822	4,927,902	5,116,158	5,316,094	5,529,776	5,758,381	6,002,518	6,262,152	6,535,622	6,839,286
Balance of trusts	1,721,598	1,775,237	1,842,274	1,911,853	1,984,102	2,059,156	2,137,159	2,218,264	2,302,635	2,475,537
Total wealth	6,492,420	6,703,140	6,958,432	7,227,947	7,513,877	7,817,536	8,139,677	8,480,416	8,838,257	9,314,822

Table 9 – Statement of Cash Flows (Actual values) Client: Consolidated Scenario: No deductible contributions

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue										
Salary	9,098	0	0	0	0	0	0	0	0	0
Concession card benefit	0	0	0	0	0	116	1,318	1,350	1,384	1,652
Trust distribution	946,118	16,923	42,248	44,950	47,784	50,758	53,880	57,159	60,606	65,474
Account based pension (Taxable payment)	22,784	8,542	8,681	22,867	0	0	0	0	0	0
Account based pension (Tax free payment)	22,141	78,486	81,108	104,735	168,392	175,437	204,319	212,993	222,231	261,402
Shares/managed fund (Income)	10,300	10,918	11,573	12,267	13,004	13,784	14,611	15,487	16,417	17,402
Shares/managed fund (Franking credit)	3,090	3,275	3,472	3,680	3,901	4,135	4,383	4,646	4,925	5,220
Fixed interest (Income)	15,119	7,814	4,797	1,791	0	0	0	0	0	2,671
Fixed interest (Withdrawal)	200,205	65,460	44,221	65,114	0	0	0	0	0	0
Total Revenue: (A)	1,228,855	191,418	196,101	255,404	233,081	244,230	278,510	291,636	305,563	353,822
Expenditure										
Tax paid	8,006	3,247	2,420	3,057	2,409	1,052	1,821	2,423	3,195	4,368
Annual expenditure	150,000	153,750	157,594	161,534	165,572	169,711	173,954	178,303	182,760	187,329
Miscellaneous expenditure	17,500	17,938	18,386	18,846	19,317	19,800	20,295	20,802	21,322	21,855
Non-concessional super deposit	900,000	0	0	52,957	25,367	31,742	58,894	64,821	71,128	0
Fixed interest (Deposit)	0	0	0	0	0	0	0	0	0	97,144
Gifts to trusts	153,348	16,483	17,702	19,010	20,416	21,925	23,546	25,287	27,157	43,125
Total expenditure: (B)	1,228,854	191,418	196,101	255,404	233,081	244,230	278,510	291,636	305,563	353,822
Cash on hand: (A)-(B)	0	0	0	0	0	0	0	0	0	0

Table 10 – Portfolios (Actual values) **Client:** Consolidated **Scenario:** No deductible contributions

Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Asset balance (end of year)										
Superannuation	0	0	0	0	0	0	0	0	0	0
Shares/managed funds	265,000	281,139	298,007	315,887	334,840	354,931	376,227	398,800	422,728	448,092
Cash/Fixed interest	174,795	109,335	65,114	0	0	0	0	0	0	97,144
Family home	717,500	735,438	753,823	772,669	791,986	811,785	832,080	852,882	874,204	926,656
Self managed super funds	2,049,245	1,543,606	1,666,335	910,691	26,370	32,997	61,223	67,383	73,940	0
Self managed pension funds	1,554,609	2,244,284	2,316,088	3,299,101	4,359,545	4,542,695	4,717,894	4,928,876	5,154,109	5,364,041
Total assets	4,761,149	4,913,800	5,099,366	5,298,348	5,512,741	5,742,408	5,987,423	6,247,942	6,524,981	6,835,933
Loan balance (end of year)										
Unsecured loans	0	0	0	0	0	0	0	0	0	0
Total loans	0	0	0	0	0	0	0	0	0	0
Assets minus liabilities (end of year)	4,761,149	4,913,800	5,099,366	5,298,348	5,512,741	5,742,408	5,987,423	6,247,942	6,524,981	6,835,933
Total Wealth										
Assets minus liabilities	4,761,149	4,913,800	5,099,366	5,298,348	5,512,741	5,742,408	5,987,423	6,247,942	6,524,981	6,835,933
Balance of trusts	1,721,598	1,775,237	1,842,274	1,911,853	1,984,102	2,059,156	2,137,159	2,218,264	2,302,635	2,475,537
Total wealth	6,482,747	6,689,038	6,941,640	7,210,201	7,496,842	7,801,563	8,124,582	8,466,206	8,827,616	9,311,470

6.3 Reviewing your existing investments

We have reviewed your existing investment portfolio and, based on your current goals and objectives, we recommend that you maintain your current investment portfolio.

Currently you have multiple share portfolios in your entities and in personal names. You have not specifically requested advice on these shares or a platform to access these shares as at present you are happy with your current provider. We recommend you maintain your exposure to Australian shares keeping in mind your recommended allocation based on your risk profile of Growth.

You currently have a large exposure to Australian property which you have expressed an interest not to change. We have taken this into consideration when making our recommendations.

We have made this recommendation for the following reasons:

- Quality - We have carefully researched and selected investments with quality research ratings and performance prospects.
- Risk and Return - The recommended portfolio will assist in forming an asset allocation in line with your joint Growth risk profile.
- Wealth Creation - This will provide you with exposure to growth assets that have the potential to increase your wealth by providing capital gains on your investment capital. Your portfolio will also generate regular income returns.
- Tax Efficiency - Australian shares are tax effective, with tax credits attached to most dividends.
- Cost Effectiveness - With direct equities, you will not have to pay the ongoing fees that are typical of managed investments. For the remainder of your portfolio, you will benefit from the ability of fund managers to receive wholesale discounts on their investment transactions.
- Diversification - The large pool of investors' assets available to fund managers allows them to diversify the spread of investments and provide access to investments which may not be readily available to individual investors. For example, large retail property complexes and international shares.
- Access to Funds - You are able to redeem all or part of your investment and / or cease or alter your regular investment at any time.
- Cash Flow - Directing distributions & dividends to a cash account will assist you with your cash flow.

Other things to consider:

- Volatility - While growth assets provide potential for capital gains, there is also the possibility that your investments may decrease in value.
- Management - The management of direct shares may require regular attention and is best suited to clients at our Prime Client Service level.

6.4 Cash Buffer Requirements

We recommend that you utilise the below amount to meet your requirement to have a cash buffer of $300,000:

Investment Assets	Owner	Total Amount
Cash On Hand	SMSF Super	$300,000

We have made this recommendation for the following reasons:

These funds will provide you with a cash buffer in the event that you should need it. Your have also specifically request we allow for this buffer to the amount of no less than $300,000.

6.5 Superannuation

The generous tax concessions that apply to investments held within superannuation make it the location of choice for long term investments. Individuals who are approaching retirement or who already have access to their superannuation benefits might also consider it for shorter term investments. Of course, the benefits that superannuation offers need to be considered against the limitations it imposes.

This strategy section outlines our recommendations as to how you might take advantage of the benefits offered by the superannuation environment without falling into any potential traps.

6.6 Making concessional (salary sacrifice) contributions to superannuation

Salary sacrificing involves directing part of your pre-tax salary into superannuation rather than receiving it as cash. This is a type of concessional contribution. We recommend that you make salary sacrifice contributions into superannuation as shown in the table below.

Superannuation Assets	Owner	Regular Contributions
Existing SMSF Account (self-employed)	Jenna	$31,000 year 1

- Jenna should continue to make deductible contributions to super in later years with preliminary amounts shown in the cash flow report.

6.7 Making non- concessional contributions to superannuation

Non-Concessional contributions to super involves directing funds outside of your current super but taxed dollars into your superannuation fund. We recommend that you make non-concessional contributions into superannuation as shown in the table below as this will reduce the tax paid on the investment earnings made. If these funds are invested in assets which are likely to attract Capital Gains tax this will also help reduce the tax liability.

Superannuation Assets	Owner	Regular Contributions
Cash On Hand	James	$450,000 year 1
Cash On Hand	Jenna	$450,000 year 1

We have made this recommendation for the following reasons:

- Wealth Accumulation - Superannuation contributions will help you accumulate long term wealth.
- Tax Efficiency (ongoing) - By investing funds through superannuation you will further benefit from significant tax concessions. Superannuation investment earnings are taxed at up to 15% in accumulation phase or tax free in an income stream, rather than at your marginal tax rate.

Other things to consider:

- Contributions Tax - Concessional contributions will be subject to a 15% contributions tax upon entry into superannuation.
- Contribution Limits - Concessional contributions (including employer SG contributions) in excess of your annual $25,000 limit will attract a penalty tax of 31.5%.
- Tax Rate - Superannuation fund earnings are taxed at up to 15%. If you are a low income earner this may be greater than your personal income tax rate.
- Legislative Risk - The Federal Government may change the rules governing your superannuation investments. Such changes could have an adverse effect on your entitlements.

7 Outcomes of Recommendations

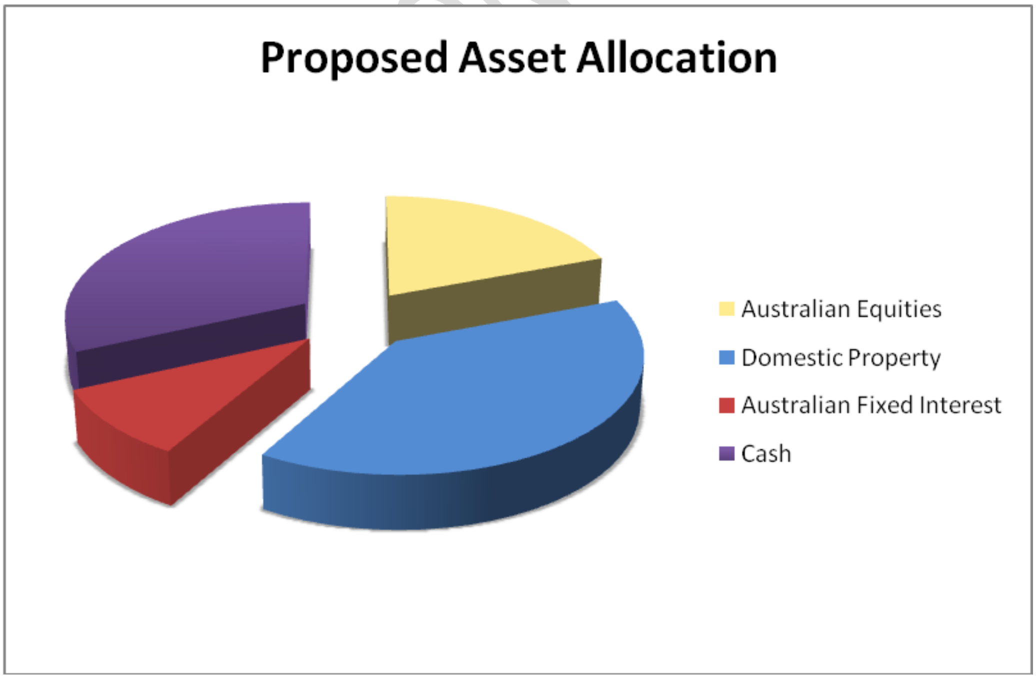
Our recommendations have been made after consideration of your investment risk profile, financial objectives, investment markets and the current economic conditions. The outcomes expected to be achieved after implementing our recommendations are as follows.

7.1 Personal Outcomes

7.1.1 Asset Allocation - James and Jenna

The following table and graphs show your allocations to the various asset classes after implementing our recommendations and compare them to your target allocations.

Asset Allocations	Proposed	Target	Variance
Domestic Equity	19.25%	35%	-15.75%
International Equity	0.00%	33%	-33.00%
Domestic Property	39.18%	12%	%
Total Growth Assets	**58.43%**	**80%**	**-21.57%**
Domestic Fixed Interest	9.75%	14%	-4.25%
International Fixed Interest	0.00%	3%	-3.00%
Domestic Cash	31.82%	3%	28.82%
Total Income Assets	**41.57%**	**20%**	**21.57%**
Total	**100.00%**	**100%**	**0%**



As shown on the previous page, upon implementing our recommendations your asset allocation will not be within the suggested +/- 10% range of your target allocations.

- You are underweight in Australian shares - This is due to your over exposure to cash and direct property. Whilst we do recommend diversifying in line with your risk profile we have taken into consideration your desire to invest in property.
- You are underweight in international shares, Property and Fixed Interest - This is due to your portfolio being overweight in Australian Property and Cash. We may look to increase your exposure to the international sector in the future.
- You are overweight in Australian Property – This supports your preference for investment properties as a large part of your investment strategy. By over investing in Australian Property if the property market in Australia significantly declines your portfolio could be significantly affected.
- You are overweight in cash and fixed interest due to your cash flow requirements in the near future such as paying off the off-the-plan loan and annual living expenses. We do not see this is a major isJenna however this will affect the returns your may receive from your investment portfolio.

It is recommended that you review this portfolio on a regular basis. We will provide updated advice with relation to this at review time.

8 How to Proceed

In order to implement your strategies and place your investments, the following procedures should be followed:

1. Read this Statement of Advice ("SOA") thoroughly. If there is anything in this SOA that you do not understand, please raise this with me.
2. Read and understand all the relevant Product Disclosure Statements ("PDS"). If there are any queries, please raise them with me.
3. Once you are comfortable with the recommendations in the Statement of Advice, you should
   a. Sign and date the attached "Authority to Proceed"
   b. Complete and sign forms to rollover James's existing superannuation (we will prepare these for you)
   c. Complete, sign and date the relevant insurance applications

9 Other Services

Reviewing your financial position is the most important stage of the financial review process. Given the rate of change in economic conditions and legislation, our yearly strategy meeting and regular portfolio reviews will assist in ensuring your strategy and investments continue to meet your goals.

As a Prime Client of ActonAdvice you will receive the following benefits:

Personal Service

- Priority access to myself, knowing you will not be charged each time you call
- Access to our client service staff where required in respect to administration matters
- Providing assistance, if required, due to amendments in your SoA over the annual service period

Regular Reporting

Portfolio Report. You will receive a report detailing the current value of your portfolio and the performance of your portfolio by asset class and investment each year. The report will also show fees deducted from your account and the transactions on your account.

On-line Reporting. The above information is also available to you using Investor Online

Portfolio Tax Reports. You will receive a tax report for your portfolio around September each year to assist you in completing your income tax return.

Regular Information Updates

You will receive priority invitations to our educational and informative seminars and client briefings. We understand that your time is precious, as a Prime Client we will ensure these invitations have been filtered so that only those events that pertain to your circumstances are brought to your attention.

Professional Advisory Services

We believe that the best professional advice is provided when all your professional advisers are working together to achieve the best outcome for yourselves. With this in mind, and with your permission, we will:

- Liaise with your accountant in relation to your investment and insurance portfolio;
- liaise with your solicitor regarding wills, powers of attorney and guardianship;
- Assist you if you are an executor of an estate;
- Provide assistance for the executor of your estate in dealing with your investment portfolio.

Account Maintenance

- Personal advice on changing investment options where investments may no longer be appropriate for your individual situation. We will not charge you fees or commissions on portfolio changes.
- Maintenance of files and records.

Review Services

- We will contact you on an annual basis to revisit your personal circumstances, risk profile and needs & objectives and review your investment portfolio and strategy.

10 Fee Disclosure

This section details all costs associated with the design of this strategy and the subsequent implementation of our recommendations. It also outlines all ongoing fees payable to us.

10.1 Fee for Service

10.1.1 Plan Preparation Fee

This fee will be waived on payment of the Initial Advice & Plan Implementation Fee.

10.1.2 Initial Advice and Plan Preparation Fee

Fee Type	Balance	Amount to Wealthsure		Amount to ActonAdvice	
		%	$	%	$
Fee	$5,500	10	$550	90	$5,000
Total	**$5,500**		**$550**		**$5,000**

10.1.3 Ongoing Advice Fee

Fee Type	Balance	Amount to Wealthsure		Amount to ActonAdvice	
		%	$	%	$
Fee	$5,500	10	$550	90	$5,000
Total	**$5,500**		**$550**		**$5,000**

10.1.4 Other Remuneration

We do not expect to receive any other remuneration as a result of the recommendations contained in this advice document.

10.1.5 Risk Insurance Override Commissions

WealthSure may receive additional risk override commission based on reaching certain levels of new and renewal risk insurance premiums written. The maximum amount of additional commission is up to 10% of new risk and renewal risk premiums written. Your adviser may receive up to 75% of the volume bonus. Currently we do not receive anything for the recommended policies.

10.2 Additional Fees, Benefits and Costs

10.2.1 Disclosure of product providers involvement in conferences and training days

After careful research by our investment committee, WealthSure provides our financial advisers with an Approved Product List ("APL"). WealthSure advisers are only authorised to provide advice on products that are part of WealthSure's APL.

Fund managers and product providers that are included on WealthSure's APL are invited to sponsor professional training days and conference programs for our advisers. In return, WealthSure provides opportunities for these fund managers and product providers to present their products and various strategies at these events, as well as advertising opportunities at adviser functions and training days.

Sponsorship payments may range up to $50,000 per annum and are paid direct to WealthSure. WealthSure advisers do not share directly in the sponsorship payments made to WealthSure, however our advisers benefit indirectly by receiving lower (or free) conference and training costs as a result of the sponsorship payments.

Some fund managers also provide financial assistance from time to time to some Authorised Representatives in the advertising and running of public investment seminars for clients, ranging up to $1,000. We do not have any such arrangements in place at this time.

Due to production volumes, some WealthSure advisers and staff may also qualify for free attendance at fund manager and product provider overseas and domestic conferences. Specific details in relation to your adviser are outlined below:

- There are no benefits reasonable likely to arise from the recommendations made in this Statement of Advice.

Your adviser may also receive other benefits from fund managers including awards, various hospitality events such as tennis, football etc., and subsidies for promotional events for clients up to the value of $1,000.

Where your advisers receives benefits or subsidies of this nature greater than $300 in value, these incentives and/or subsidies are disclosed in a public register which can be made available to you upon written request.

10.3 Other costs to you

You may incur other costs through the products we have recommended. You should read the Product Disclosure Statement for each product thoroughly to ensure you understand the fees and costs that may apply.

11 Disclaimer

The Corporations Law requires that recommendations made to clients are consistent with the person's financial needs and objectives and have a reasonable basis. This Statement of Advice has been based on information which you have provided. If you believe we have misinterpreted or overlooked some relevant information, it is your responsibility to bring this to our attention before proceeding with this proposal.

In preparing this Statement of Advice, we have relied on information supplied to us, which, where reasonable, we have assumed to be correct. If the information on which we have based our recommendations is incomplete or inaccurate, you should, before acting on the advice, consider the appropriateness of the advice in regard to your objectives, financial situation and needs.

Whilst all reasonable efforts have been made to substantiate such information, no responsibility can be accepted if the information is incorrect or inaccurate. This Statement of Advice has been prepared solely for the use of the client to whom it is addressed and we do not accept any liability whatsoever to third parties.

The recommendations in this report are based on current information and should only be considered to be current for one month from the date of this report. After that time you should not act on any of the recommendations and should contact us so that we can re-assess their suitability.

Whilst every effort has been made to include relevant tax and social security considerations, the calculations and estimates contained are intended as a guide only. You are advised to discuss your annual tax liability, and the tax and social security implications of this plan, with your tax adviser.

Estimates of income and capital growth projection rates are based on assessments of current, and likely future, economic conditions as well as investment manager past, and likely future, performance. Such figures are purely estimates and may vary with changing circumstances. Note that past performance is no indicator to future performance.

Each paragraph of this disclaimer shall be deemed to be separate and severable from each other. If any paragraph is found to be illegal, prohibited or unenforceable, then this shall not invalidate any other paragraphs.

12 Authority to Proceed

12.1 Client Declaration

12.1.1 Provision of required documents

I acknowledge that the following documents have been provided to me:

- A Financial Services Guide which includes the Adviser Profile for my adviser;
- The WealthSure Privacy Disclosure Statement;
- A Statement of Advice;
- Product Disclosure Statements ("PDS's") relevant to the financial product recommendations made in this Statement of Advice.

12.1.2 Acceptance

I have read, understood and retained a copy of the Statement of Advice containing the personal investment recommendations.

I understand and agree that the investment risk profile matches my attitude towards investment volatility and risk.

I have read the investment strategy and assumptions contained in this Statement of Advice and understand them. The recommendations contained in the Statement of Advice address my investment objectives and needs.

I confirm that I have read the Disclaimer section to this Statement of Advice. I also confirm that I have read the Disclosure of Fees section and understand the calculations for upfront and ongoing commissions and how they will be paid. I accept the fees and charges that will apply to my financial products placed as a result of the recommendations made within this Statement of Advice.

12.1.3 Personal use only

I understand that this Statement of Advice has been prepared based on my personal financial information. The risk profile, investment objectives and associated recommendations have been specifically tailored to me. I acknowledge that the material contained within this plan is solely for my personal use and no other person or persons can rely on this advice.

12.1.4 Currency of recommendations

The information in this Statement of Advice is only current for a period of 30 days. After expiration of this time, the recommendations should not be implemented as your needs and circumstances may have changed. Any implementation of the recommendations in the Statement of Advice after this date should only be made in consultation with your adviser.

12.1.5 Incomplete, inaccurate information and changes to recommendations

I acknowledge that this advice has been based on the personal and financial information that I have provided to my adviser. I have taken every care to ensure the material is accurate and reliable and acknowledge that no responsibility is accepted by my adviser for inappropriate advice caused by my errors and omissions. Any errors and omissions identified by me will be communicated to my adviser as soon as practicable.

I also understand that the recommendations made may not be appropriate where complete information has not been provided. I acknowledge that where I have not provided sufficient personal and/or investment information, the advice may not be appropriate for my needs, objectives and circumstances.

I agree that by choosing to invest in a financial product other than recommended in this Statement of Advice, I risk making a financial commitment to a financial product that may not be appropriate to my needs.

12.1.6 Restricted Advice

I acknowledge that the advice provided by the Authorised Representative of WealthSure Pty Ltd is limited to the scope stated in section 1 of this Statement of Advice. Specifically, WealthSure does **NOT** provide advice on the following:

- **Mortgage Broking** – while we will assist with strategy advice for debt management we do not make specific product and/or lender recommendations. You should direct any questions to an appropriate mortgage broker for assistance in this regard.
- **General Insurance** – we do not provide general insurance advice which will provide protection for your home, contents, public liability, motor vehicle etc. You should direct any questions to a general insurance broker for assistance to cover these risks.
- **Legal Document Drafting** – while we are able to provide assistance with general estate planning considerations we do not provide a legal document drafting service so you should direct any questions to an appropriate legal professional or estate planning specialist.
- **Taxation** – we are able to provide you with consequential taxation advice in relation to your investment strategies. However, we are not qualified to provide you with specific taxation advice and warn you that any taxation projections contained in this Statement of Advice are an estimate only and should be confirmed with your accountant or taxation specialist. You should direct any questions to a taxation adviser to gain appropriate taxation advice.
- **Real Estate** – due to the specific nature and complexity of direct property assets we do not provide advice on residential, commercial or industrial property. While we remain available to provide general advice on real estate; the sale, retention or purchase of such assets is outside our area of expertise and you should direct any questions on such assets to a suitably qualified professional.
- **Business Coaching** – we consider the effective and sound management of any business enterprise to be the cornerstone of wealth creation however we are not in the position to assist you to maximise your business wealth. You should direct any questions to a qualified business coach who can assist you to grow and manage your business activities.

12.1.7 Gearing Risk Acknowledgement

The advice provided in this Statement of Advice includes strategies that require us to borrow to invest via a line of credit.

I acknowledge that the risks of borrowing to invest have been adequately outlined in this Statement of Advice. Additionally, I agree to sign the Gearing Risk Acknowledgement included with this Statement of Advice.

12.1.8 Cooling off provision

I understand that I am entitled to cancel any risk insurance, managed investment, superannuation or RSA (Retirement Savings Account) product 14 days after confirmation of the transaction by the provider or 5 days after the product commences, whichever is the earlier and to receive a refund (subject to certain adjustments).

I am aware that should I decide to cancel an investment or insurance policy that I must advise the product provider in writing of my decision within the time period noted above.

12.1.9 Projections and assumptions

I understand that the projections on future performance are based on assumptions and are intended to be only a guide. WealthSure gives **no guarantee** that the investments will provide a particular rate of return.

Where managed funds and other market linked investments have been selected, adverse Market conditions may result in a capital loss. I understand that WealthSure **does not guarantee** the repayment of any capital in the event of a loss due to unforseen Market, economic and legislative circumstances.

12.1.10 Consent to ongoing contact

I consent to being contacted by my adviser on an ongoing basis, in line with the agreed ongoing review structure detailed within this recommendation.

I consent specifically to being contacted in relation to the financial products contained within this recommendation. In addition, I consent to being contacted in relation to any other financial product that forms part of WealthSure's Approved Product List that my adviser feels may be appropriate to my financial needs, circumstances and objectives over time.

My preferred hours of contact are 9 am – 6 pm.

We, Mr James Smith and Mrs Jenna Smith:

- Have read, understood and retained a copy of the written recommendations and related documentation provided by Jade Stackdated 1 March 2011, including the disclosure of fees, commission and charges associated with implementation and ongoing management of these recommendations.
- Understand that these recommendations have been based on the information in the Fact Find completed by my adviser and that a copy of this information is available to me on request.
- Confirm that the client profile, investment strategy and assumptions meet with my approval.
- Acknowledge that the material contained in this plan is solely for my use. It is accepted that every care has been taken to ensure that the material is accurate and reliable.
- Understand that any projections of future performance are only a guide and no guarantee is given that investments will meet the expectations stated. Where managed or Market linked investments have been selected, adverse Market conditions may result in invested capital being diminished.
- Understand that appropriate advice can only be based on complete information and that by providing limited information or choosing to invest in products other than those recommended, I risk making a financial commitment to a product that may be inappropriate to my needs.

☐ Accept the recommendations and authorise their implementation; OR

☐ Agree to proceed on the condition that the recommendations are varied as follows (and/or as attached).

Client(s) to sign

Mr James Smith | Date

Mrs Jenna Smith | Date

Optimo Financial Pty Ltd

Jade Stack | Date

13 Attachments (on CD)

Investment Considerations
Income, Capital Growth and Tax Planning
Gearing
Superannuation
Insurance Considerations
Product Disclosure Statements