FinancialMappers® Pro

Masterclass

Shares and Managed Funds

Please Note: Information in all Masterclass Documents is intended to assist the Financial Adviser and Paraplanners to get the maximum benefit from **Financial Mappers** and its many features. This information should not be considered as giving Financial Advice or advice you should pass on to your clients.

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Introduction

This Masterclass will look at both managing your Client`s ***Shares*** (Equities) and ***Managed Funds***. Because there are many similar attributes and as a Managed Funds, could also be used to manage shares, these two asset classes will be discussed in parallel.

This group of assets is part of your ***Growth Assets***, the other being **Real Estate**.

Notes on Plan

For demonstration purposes, screenshots will be from a 20-year Plan for a single person with one Share Portfolio Account and one Managed Fund. In addition, there will be $100,000 in the Transaction Account.

John, Citizen has is aged 55 and has a Salary of $120,000 of which he is saving 10%. John will retire at age 65, thus you will have a plan displaying 10-years each of the Savings and Retirement Phases. John intends to take 5-year Interest Only Margin Loan, in Year 1, to borrow $50,000 to purchase Shares.

Special Note on the Share Portfolio

I am often asked if you can maintain a live-feed of current Shares. The answer is NO.

Financial Mappers is Cash Flow Modeling Software and as such, it is not appropriate to list actual shares. You can't say that in five or even twenty years you are going to buy sell BHP shares. But you can model the likely outcomes if you plan to either buy, say $20,000 worth of shares or sell a similar value of shares. The actual share names are not relevant.

It is important to list an approximate ***Purchase Price*** of the current portfolio so that ***Captial Gains Tax*** can be calculated when the shares are sold.

Default Rates

With **Financial Mappers Pro**, the ***Chief FM Administrator*** is responsible for setting the **Default Rates**. These Default Rates cannot be changed, except by that person. All users on the Platform, including Pro$^{\text{CONNECT}}$ clients, have the same Default Rates.

Therefore you may find, that when using your platform, you will have different Default Rates to these documents. The Defaults rates are those set by **Financial Mappers** for the Single-Use Product, sold online.

When required, there is the option to use ***Specified Rates***.

Capital Growth for Shares and Property

The **Financial Mappers** Default Rates have been derived from the 20-year average investment returns from the Year 2000. During this time the ***Capital Growth*** for **Shares** was 5.47% and **Established Housing** 6.71%. During this time, the GFC had a significant impact on share prices.

When selecting the Default Rates for Shares and Real Estate, it was felt that **Financial Mappers** must be completely neutral. If one looks at the very, very long term, there is little difference in the rates of capital growth, however, the properties of each account are significantly different.

It was decided to be fair, that the combined average of ***Shares*** and ***Property***, should be averaged to give the same **Capital Growth of 6.12%**. This is the average of the two rates.

Income from Shares and Property

These figures are quite arbitrary given the various types of shares and property one can purchase. Again it was decided to give the income the same value.

The Default ***Dividend Rate*** for **Shares** is 4.25%

The Default ***Net Return*** for **Property** is approximately 4.25%. The Gross Return is 5% with Recurring Costs of 15%, giving the net return of 4.25%

Income and Capital Growth from Managed Funds

The methodology used to determine the Income and Capital Growth for ***Managed Funds*** was to assume that the typical fund had the following allocation:

- 20% Defensive Assets
- 80% Growth Assets

This calculation resulted in an Income of 4.48% and Capital Growth of 6.12%, a Total Return of 10.99%. (Real Return after 2.5% Inflation Rate of 7.9%)

However, there will be many times, when the Managed Fund will have a completely different composition of assets, and you must decide what is an appropriate rate of Investment Return.

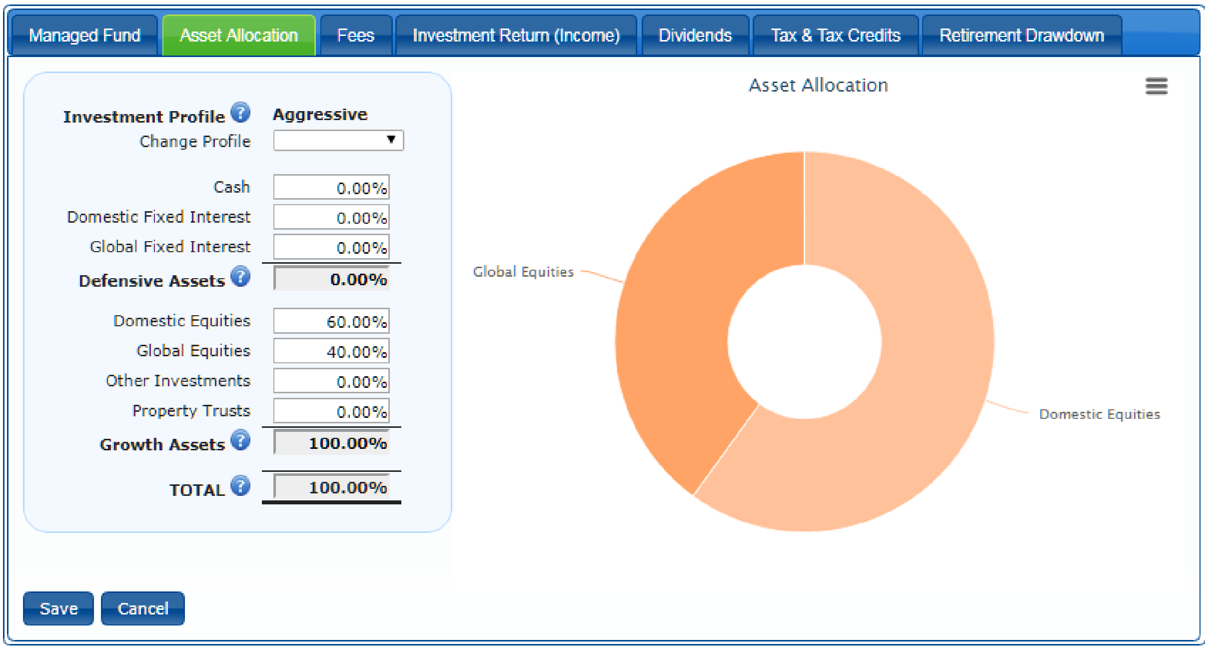
Asset Allocation

Shares

The program assumes that a ***Share Account*** consists of **Domestic Equities**.

If your client invests in ***International Equities***, there could be value in using a ***Managed Fund*** for the Account. This will you to allocate your shares into **Domestic** and **Global**.

This is an example of a 60%- 40% split between Domestic and Global Equities.

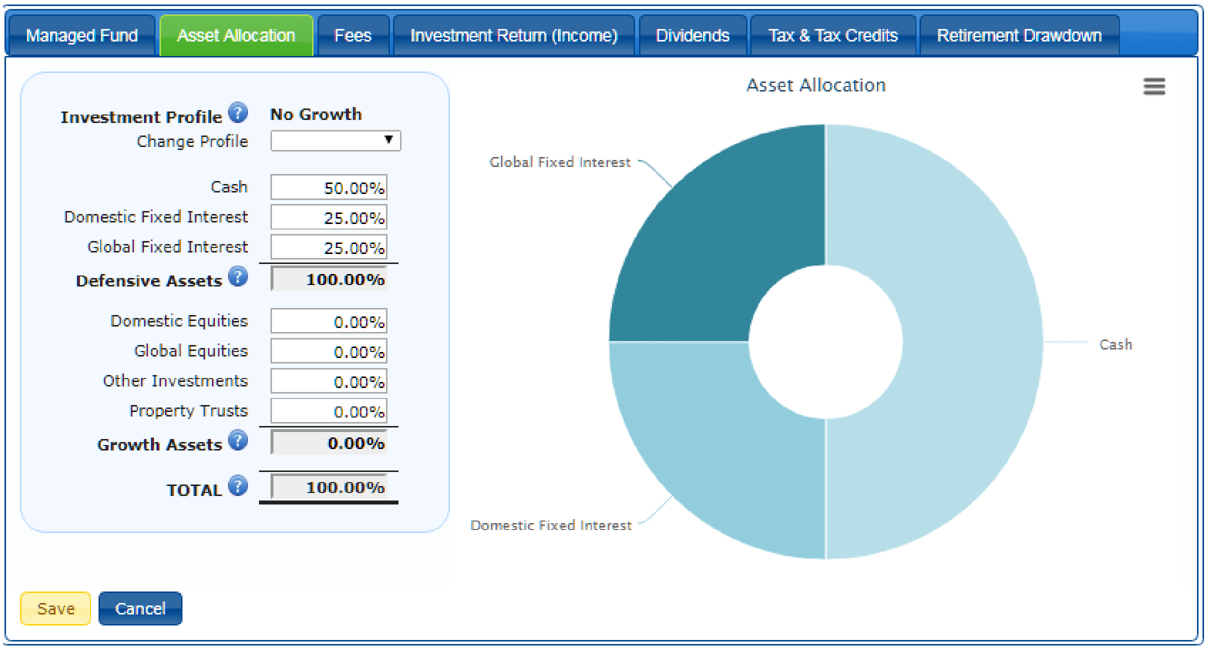


Managed Funds

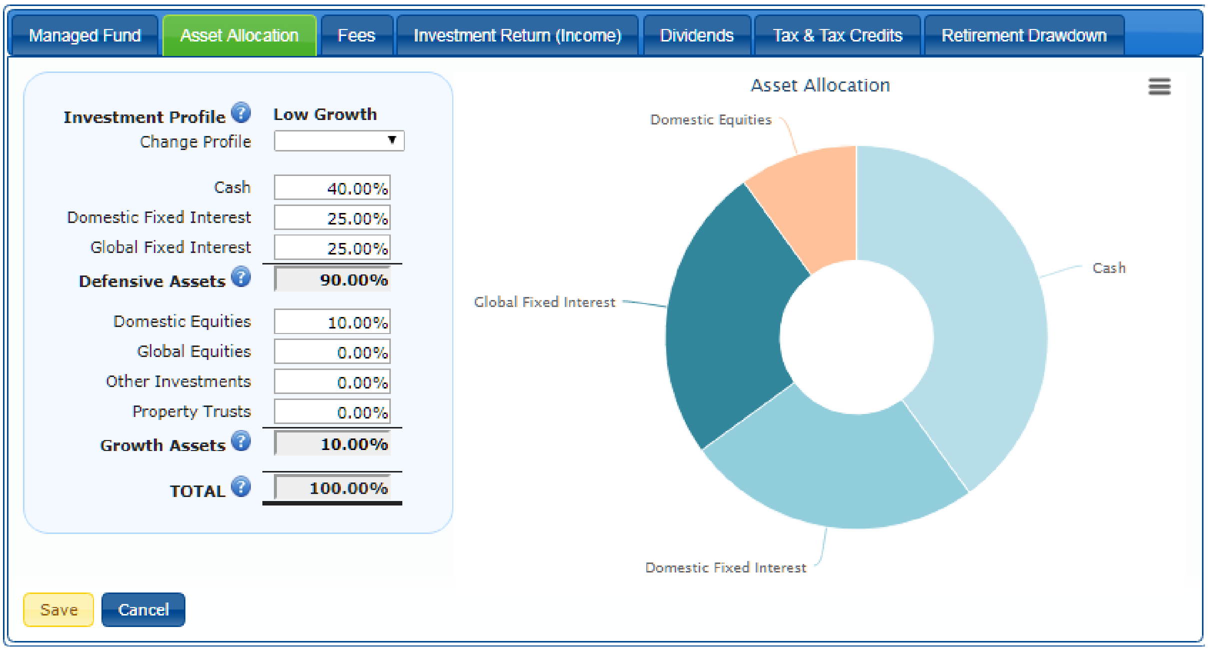
The Asset Allocation has a set of Default allocations, however, you can over-type this allocation to design a fit which matches, the actual funds held by your client, or funds you are recommending to your client. The following is a display of the allocation for each ***Investment Profile***, starting with **No Growth**.

(*High Growth has been selected for the example*)

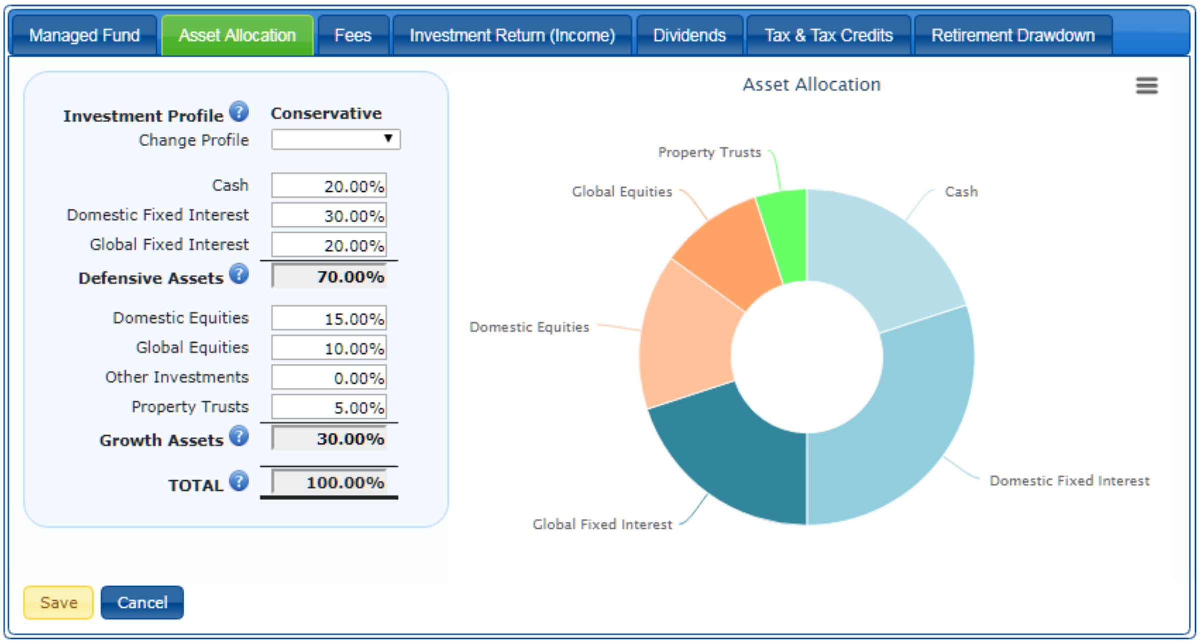
No Growth



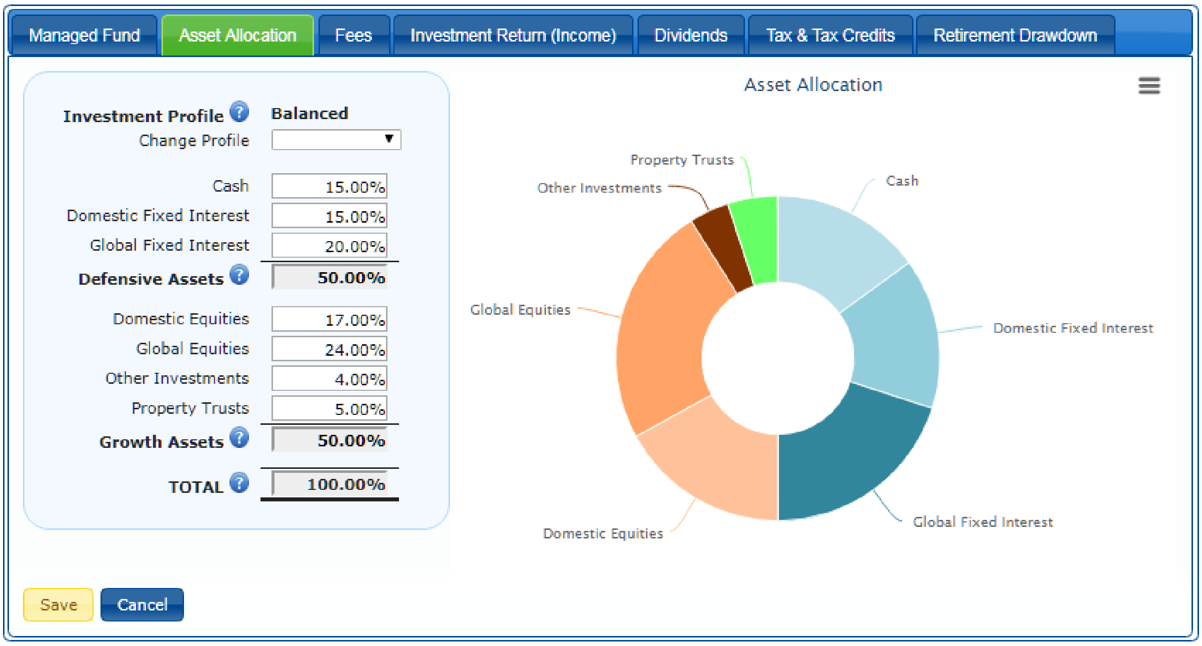
Low Growth



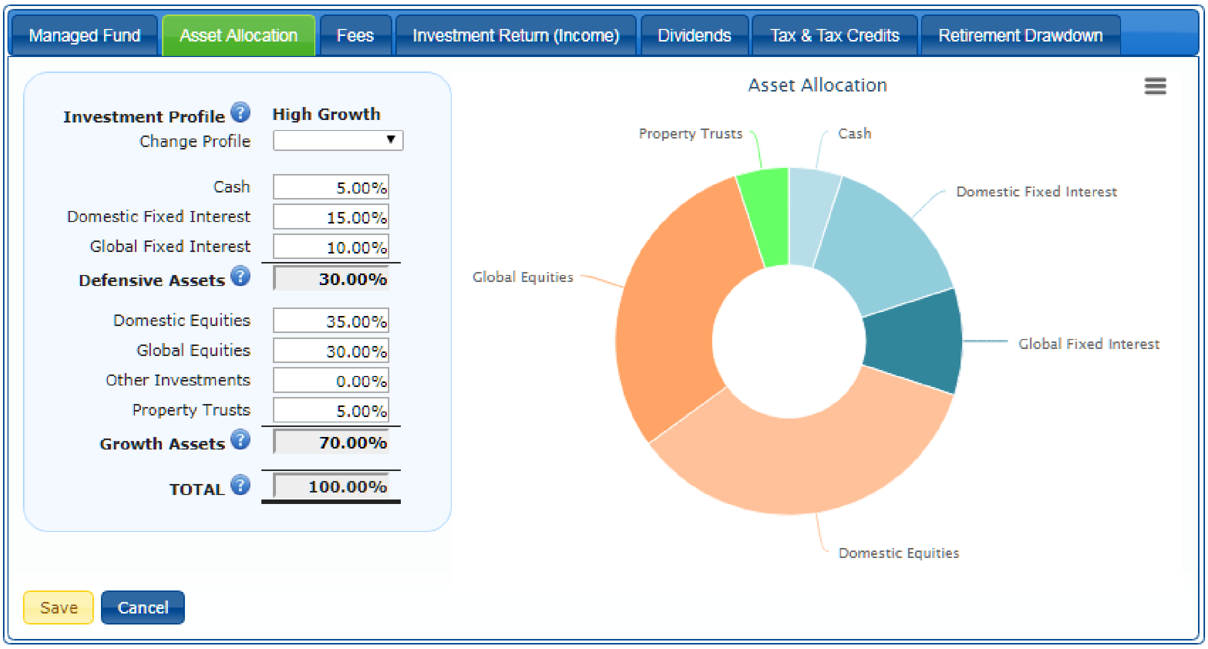
Conservative



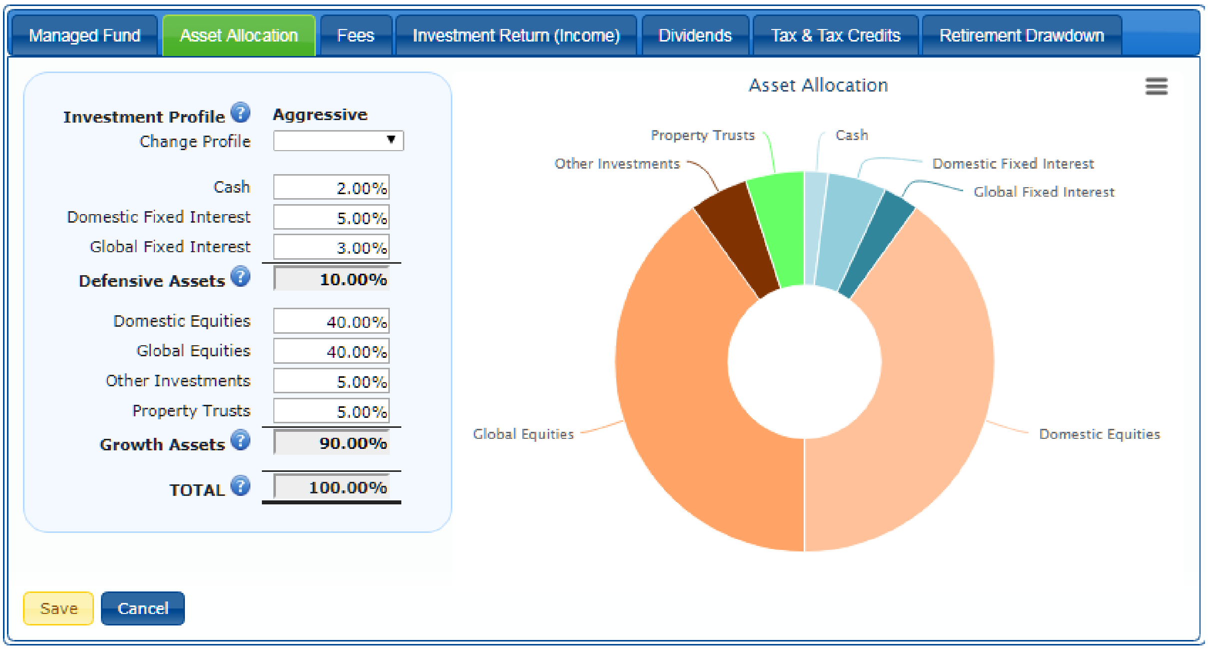
Balanced



High Growth (Selected for Example)



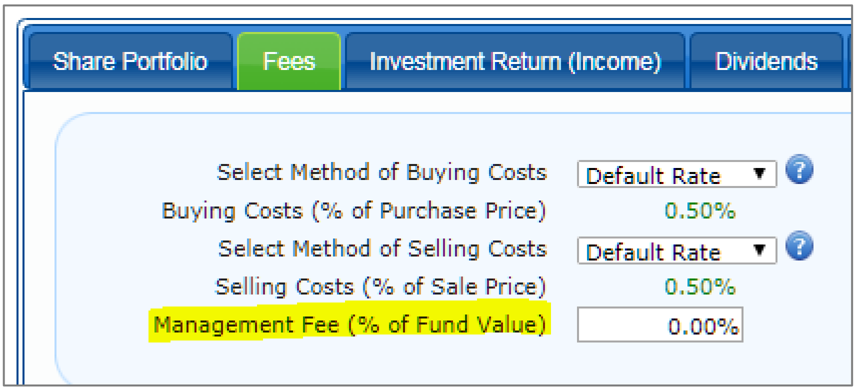
Aggressive



Fees

Shares

On the assumption that Shares are likely to be self-directed, the Management Fee defaults to 0.%. However, a fee can be included if required.

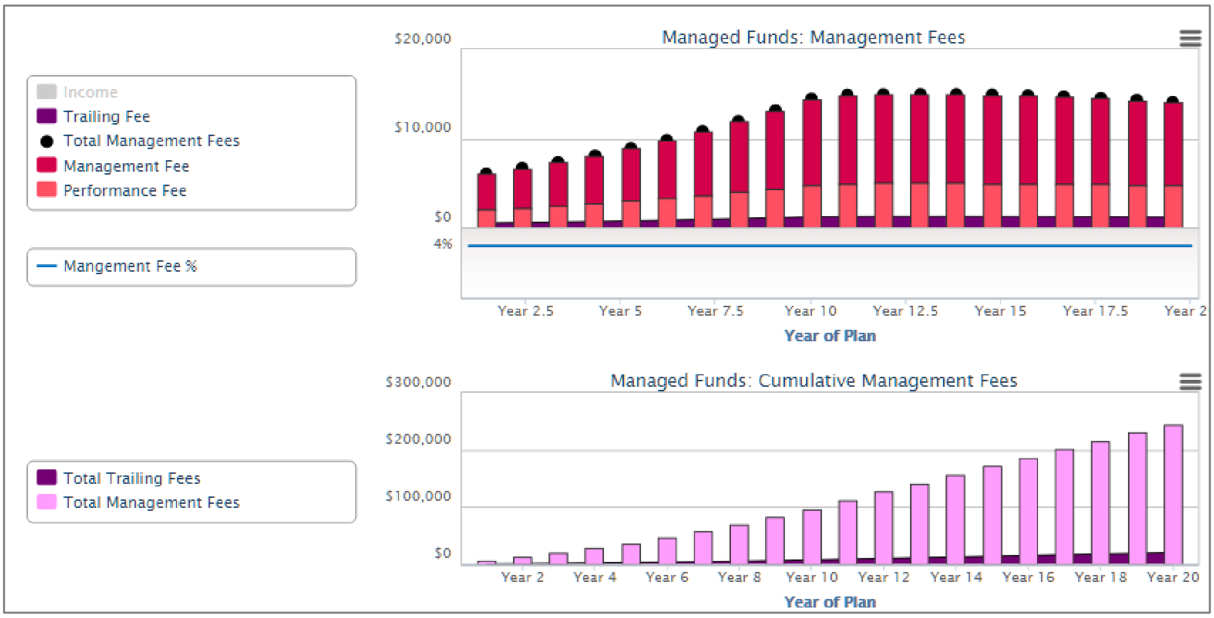


Managed Funds

The Fees default to the following. Note that you can activate a Performance Fee with Default Rates. This allows you to easily toggle between results with and without a Performance Fee

When the ***Specified Rate*** for **Management Fees** is selected, you can include the **Trailing Commission** as a % of the Fund. Note that his value is included in the Total Management Fee, but is displayed in the graph when included.

There are two sets of graphs displayed for ***Managed Fees***.



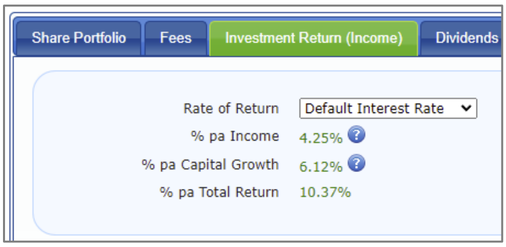
Data View

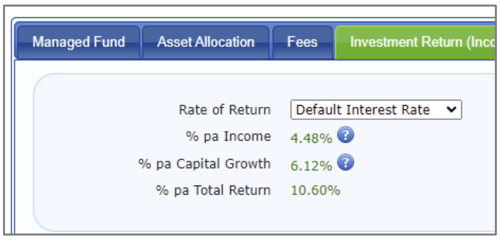
Management Fees (Total)	$6,033	$6,646	$7,318	$8,054	$8,859
Performance Fees	$2,011	$2,215	$2,439	$2,685	$2,953
Management Fees	$4,022	$4,431	$4,879	$5,369	$5,906
Trailing Commission	$503	$554	$610	$671	$738
Cumulative Trailing	$503	$1,057	$1,666	$2,338	$3,076
Cumulative Total Fees	$6,033	$12,680	$19,998	$28,052	$36,911
% Investment Value	3.00%	3.00%	3.00%	3.00%	3.00%

The ***Default Rates*** will be maintained for this plan.

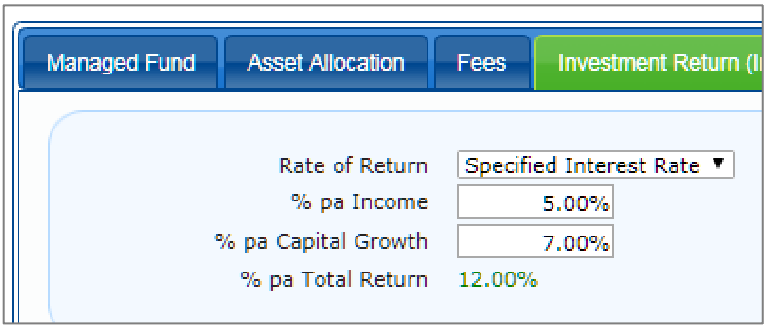
Investment Returns

The following are the ***Default Investment Returns*** for **Shares** and **Managed Funds**.





Because the ***Multi-Sector Funds*** used in this demonstration is a **High Growth Fund.** The Specified Rate of 5% Income and 7% Capital Growth has been nominated.



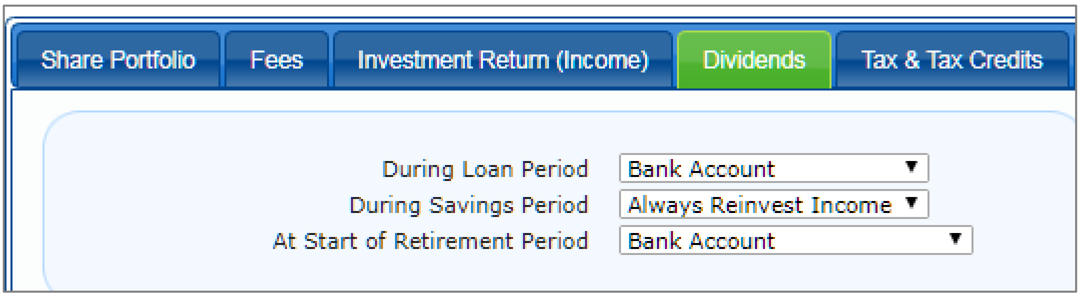
Dividends

Shares

With the ***Share*** account, there are three Options for Dividends. The additional option is where Dividends should be paid if there is a loan. The option for the Loan will over-ride the options for either the Savings or Retirement Phase when applicable. These are the options:

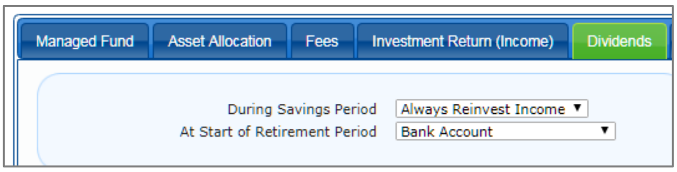
- During the Loan
  - Bank Account
  - Always Reinvest
- Savings Period
  - Bank Account
  - Always Reinvest
- Retirement Period
  - Bank Account
  - Always Reinvest
  - Reinvest until a Specified Year

As the ***Share Account*** has a **Loan** for the first 5-years, the following options have been selected:



Managed Funds

The options for ***Managed Funds*** do not include the option for the Loan, as Managed Funds do not have a loan facility. This is the option selected for the example.

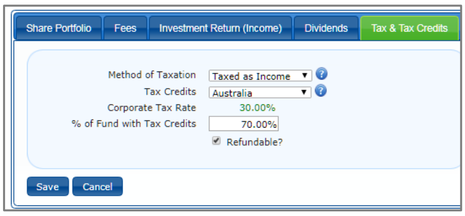


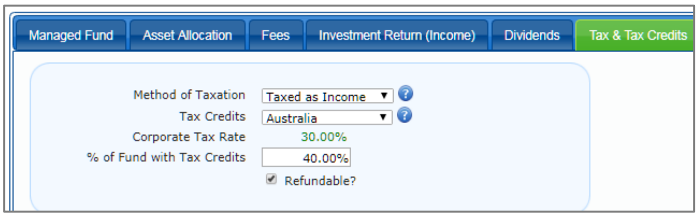
Tax and Tax Credits

Both Shares and Managed Funds have the same options. The Default Method of ***Taxation*** is **Taxed as Income**, but you can also select a **Specified Tax Rate** or **Tax-Free**.

As the software is designed for ***International Use***, the Canadian Tax Credit is included. In addition, both the **Australian** and **Canadian** Methods can be employed but customizing the inputs.

For this example, the ***Share Portfolio*** has Tax (Imputation) Credits of **70%** and the Managed Funds has **40%**.





This is an example account shows whether the funds have been transferred to the Transaction Account or reinvested. In this case, they have been transferred to the Transaction Account to help fund the loan expenses.

View Data | View Graph

Savings Phase	Year 1 2019 Age 55	Year 2 2020 Age 56	Year 3 2021 Age 57	Year 4 2022 Age 58	Year 5 2023 Age 59
Transactions					
Start Balance	$200,000	$268,277	$288,193	$309,508	$332,318
Start of Year					
Purchases - Loan Account	$49,750	$0	$0	$0	$0
Purchases - Bank Account	$0	$0	$0	$0	$0
Drawdown	$0	$0	$0	$0	$0
Monthly Transactions					
Purchases – Salary Savings	$2,221	$2,400	$2,502	$2,606	$2,714
End of Year					
Capital Growth	$16,306	$17,516	$18,814	$20,203	$21,689
Dividends Reinvested	$0	$0	$0	$0	$0
Sales	$0	$0	$0	$0	$0
End Balance	**$268,277**	**$288,193**	**$309,508**	**$332,318**	**$356,720**
Net End Balance	$218,277	$238,193	$259,508	$282,318	$356,720
% Equity (Asset)	81.36%	82.65%	83.85%	84.95%	100.00%
Amount of Margin Call	$0	$0	$0	$0	$0
Income & Expenses					
Net Income	$10,662	$11,453	$12,301	$13,209	$14,181
Dividends (Before Costs)	$10,662	$11,453	$12,301	$13,209	$14,181
Management Fees	$0	$0	$0	$0	$0
Buying Costs/Entry Fees	$261	$12	$13	$13	$14
Selling Costs/Exit Fees	$0	$0	$0	$0	$0
Cumulative Net Income	$10,662	$22,114	$34,416	$47,625	$61,806
Profit on Sales	$0	$0	$0	$0	$0

In both accounts, the value of the ***Tax Credits*** is not displayed. However, the **Tax Credit** is added to the **Dividend** in the ***Tax Estimator***, together with the value of the ***Tax Credits*** being displayed as either **Refundable** or **Non-Refundable**.

Back **TAX ESTIMATOR**

The calculations are of a general nature using a simplified format and as such are NOT suitable for use regarding matters of Taxation. No financial decisions should be based on this information without obtaining advice from a person licensed to give Tax Advice. Tax Rates may change in the future.

View Data View Graph

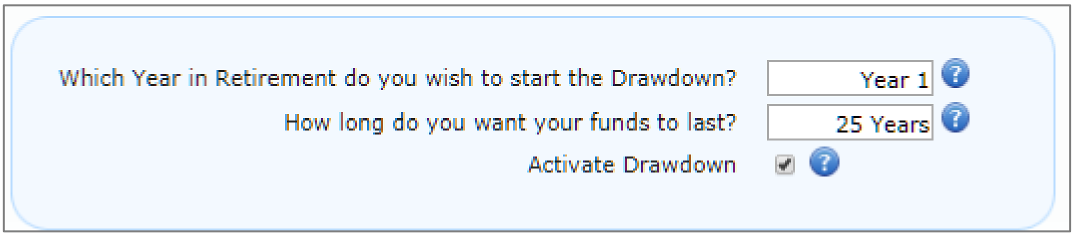
SAVINGS PHASE
- Years 1 - 5
- Years 6 - 10

RETIREMENT PHASE

Savings Phase	Year 1 2019 Age 55	Year 2 2020 Age 56	Year 3 2021 Age 57	Year 4 2022 Age 58	Year 5 2023 Age 59
Total Income and Capital Gains	**$124,886**	**$130,431**	**$136,085**	**$142,076**	**$148,429**
Taxable Income Taxed at Income Tax Rate	$124,886	$130,431	$136,085	$142,076	$148,429
Net Income					
Bank Account	$5,678	$6,310	$6,977	$7,688	$8,446
Salary	$100,000	$102,500	$105,063	$107,689	$110,381
Pension (from External Sources)	$0	$0	$0	$0	$0
Share Portfolio	$13,860	$14,889	$15,992	$17,172	$18,436
Multi-Sector Fund	$9,767	$10,952	$12,274	$13,747	$15,386
Tax Deductions - Total Personal	**$0**	**$0**	**$0**	**$0**	**$0**
Tax Deductions - Personal	$0	$0	$0	$0	$0
Tax Deductions - Home Loan	$0	$0	$0	$0	$0
Tax Deductions - Insurance Premiums	**$0**	**$0**	**$0**	**$0**	**$0**
Tax Deductions - Investment Costs					
Share Portfolio [Loan]	$4,420	$4,220	$4,220	$4,220	$4,220
Tax Deductions - Non Cash					
Capital Gains Taxed as Income	$0	$0	$0	$0	$0
Loss Carried Forward	$0	$0	$0	$0	$0
Income Taxed at Specified Rate	**$0**	**$0**	**$0**	**$0**	**$0**
Tax Free Income	**$0**	**$0**	**$0**	**$0**	**$0**
Capital Gains	**$0**	**$0**	**$0**	**$0**	**$0**
Total Tax Credits	**$4,922**	**$5,369**	**$5,856**	**$6,389**	**$6,970**
Non-Refundable Tax Credits	$0	$0	$0	$0	$0
Refundable Tax Credits	$4,922	$5,369	$5,856	$6,389	$6,970
Share Portfolio	$3,198	$3,436	$3,690	$3,963	$4,254
Multi-Sector Fund	$1,724	$1,933	$2,166	$2,426	$2,715
Total Tax Due (After Tax Credits)	**$31,280**	**$32,683**	**$34,080**	**$35,556**	**$37,116**
Tax Due - Investments	$6,233	$6,999	$7,769	$8,606	$9,514
Tax Due - Personal Income	$25,047	$25,685	$26,311	$26,950	$27,602
Tax Due - Capital Gains	$0	$0	$0	$0	$0
Tax Due - HECS-HELP	$0	$0	$0	$0	$0
Average Tax Rate					
Income and Investment Net Income	25.05%	25.06%	25.04%	25.03%	25.01%
Capital Gains	0.00%	0.00%	0.00%	0.00%	0.00%

Drawdown

The Drawdown is the same as the other accounts. In both cases, the Drawdown has been activated to draw down the funds over 25-years, commencing in Year 1.

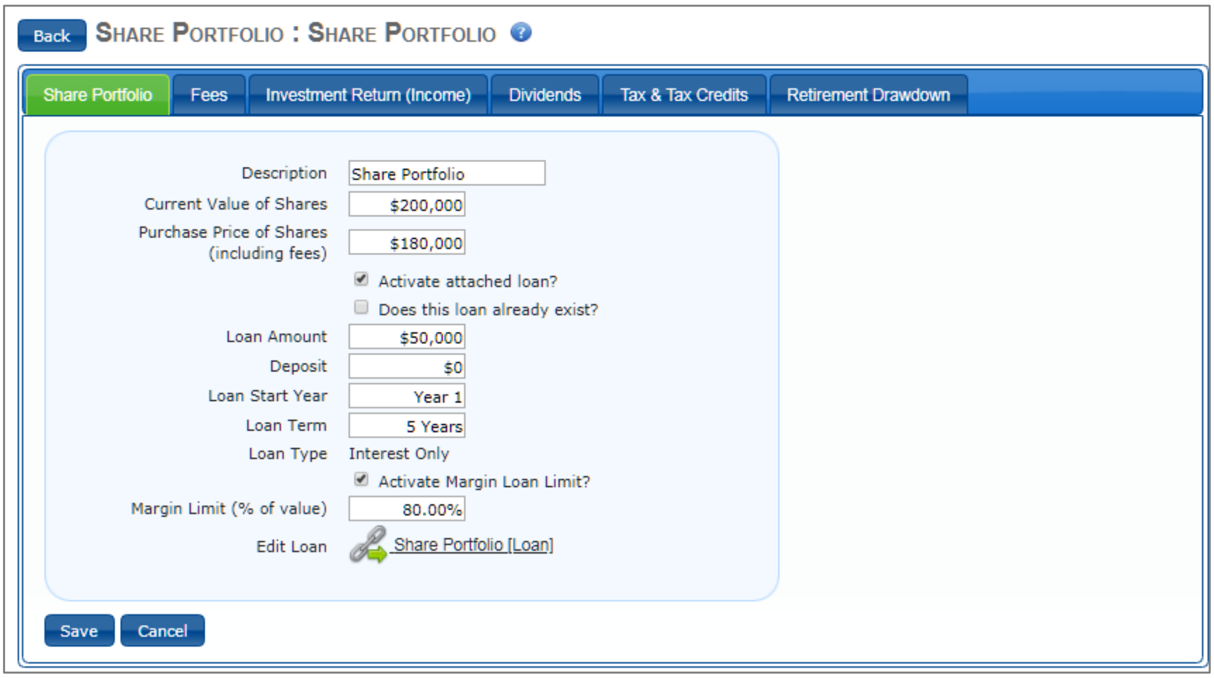


Loans

Share Portfolio

The ***Share Account*** has the option to include a **Loan** linked to the account. ***Margin Limit*** option is TICKED, then the **Percentage of Equity** will be calculated. There will also be a warning, if the fund, exceeds the Margin Limit. This could occur where the value of the funds fall when the Capital Growth Modulator is activated. It could also be triggered if the client tries to borrow more than the nominated limit.

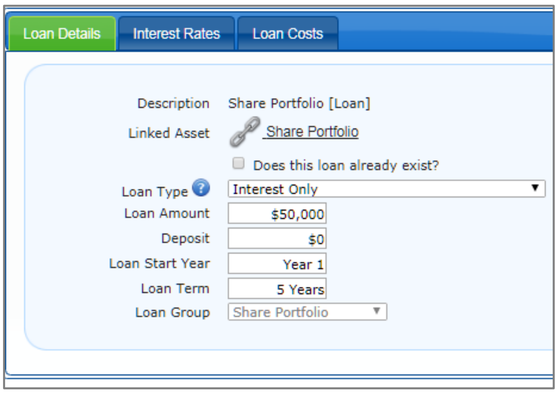
If for any reason, all the shares are sold, the loan will automatically be repaid where the loan is a linked loan. An Unlinked loan, is a loan, not attached to any particular asset, but where the loan purpose has been nominated for either Shares, Investment Property or Home.



By clicking on the LINK next to **EDIT LOAN**, you can customize the loan. The Loan Types are:

- Interest Only
- Principal and Interest
- Interest Only followed by Principal and Interest
- Principal and Interest with Options
    - Introductory Interest Rate
    - Refinance Loan

For this example, the loan is an ***Interest Only*** loan, for 5-years, starting in Year 1. Loan Application fees and an ongoing fee of $100 a year have been included. (Note that Loan Costs are not indexed)



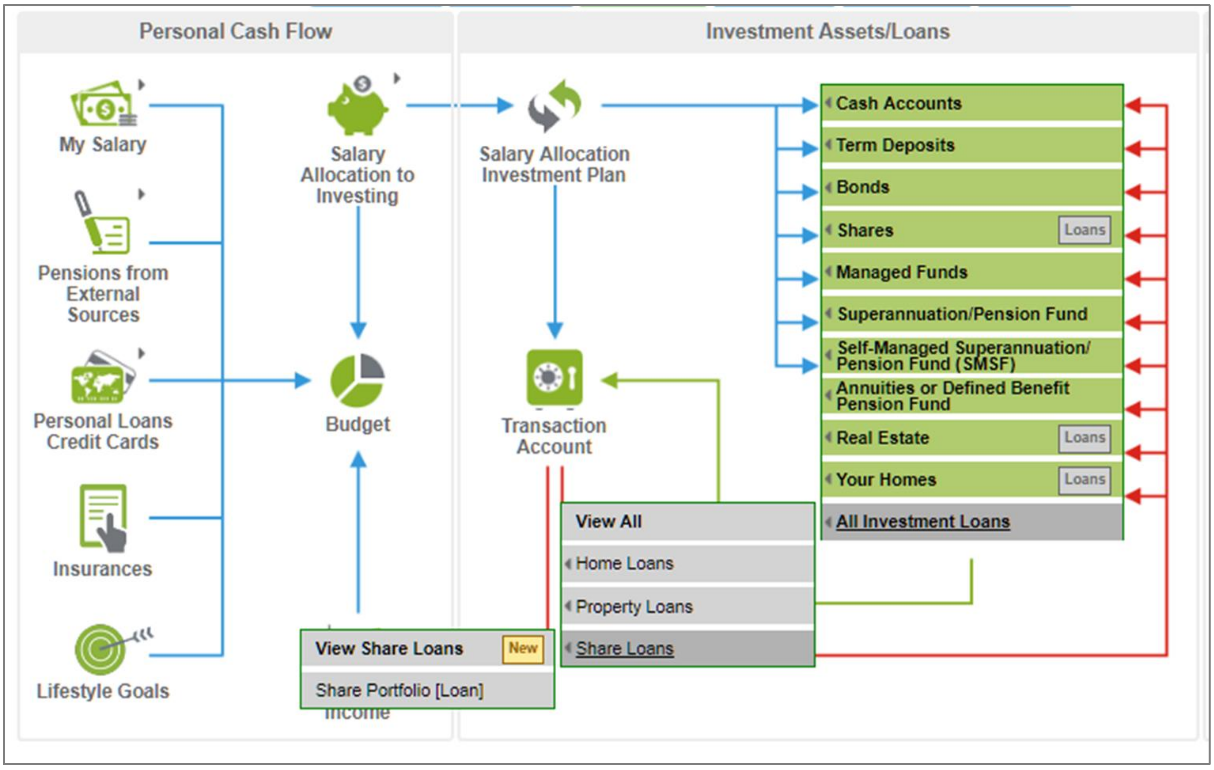
Loan Data View

Savings Phase	**Year 1 2019 Age 55**	**Year 2 2020 Age 56**	**Year 3 2021 Age 57**	**Year 4 2022 Age 58**	**Year 5 2023 Age 59**
Loan Summary					
Total Annual Loan Payments	$4,120	$4,120	$4,120	$4,120	$4,120
Capital Costs	$0	$0	$0	$0	$0
Interest Costs	$4,120	$4,120	$4,120	$4,120	$4,120
Loan Costs	$300	$100	$100	$100	$100
Balance of Loan at Start of Year	$0	$50,000	$50,000	$50,000	$50,000
Balance of Loan at End of Year	$50,000	$50,000	$50,000	$50,000	$0
Interest Rate	8.24%	8.24%	8.24%	8.24%	8.24%
Detailed Loan Summary					
Balance of Loan at Start of Year	$0	$50,000	$50,000	$50,000	$50,000
Balance of Loan at Start (After Setup)	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$50,000**
Annual (Regular) Loan Payment	$4,120	$4,120	$4,120	$4,120	$4,120
Loan Repayment on Sale of Asset	$0	$0	$0	$0	$0
Repayment of Interest Only Loan	$0	$0	$0	$0	$50,000
Total Annual Loan Payments	$4,120	$4,120	$4,120	$4,120	$4,120
Interest Costs	$4,120	$4,120	$4,120	$4,120	$4,120
Loan Costs	$300	$100	$100	$100	$100
Loan & Interest Costs	$4,420	$4,220	$4,220	$4,220	$4,220
Balance of Loan at End of Year	$50,000	$50,000	$50,000	$50,000	$0

Managed Funds Loans

Financial Mappers does not cater for a loan linked to a Managed Fund.

However, if you need to use this type of loan, then you should create an ***Unlinked Loan***, by clicking through the option for ***All Investment Loans***, and select **NEW**, in the **View Share Loans** section. *This option can also be used to make additional share loans.*



The ***Loan Funds*** will be deposited into the ***Transaction Account***. When the Managed Funds are purchased, the loan funds will already be in the account.

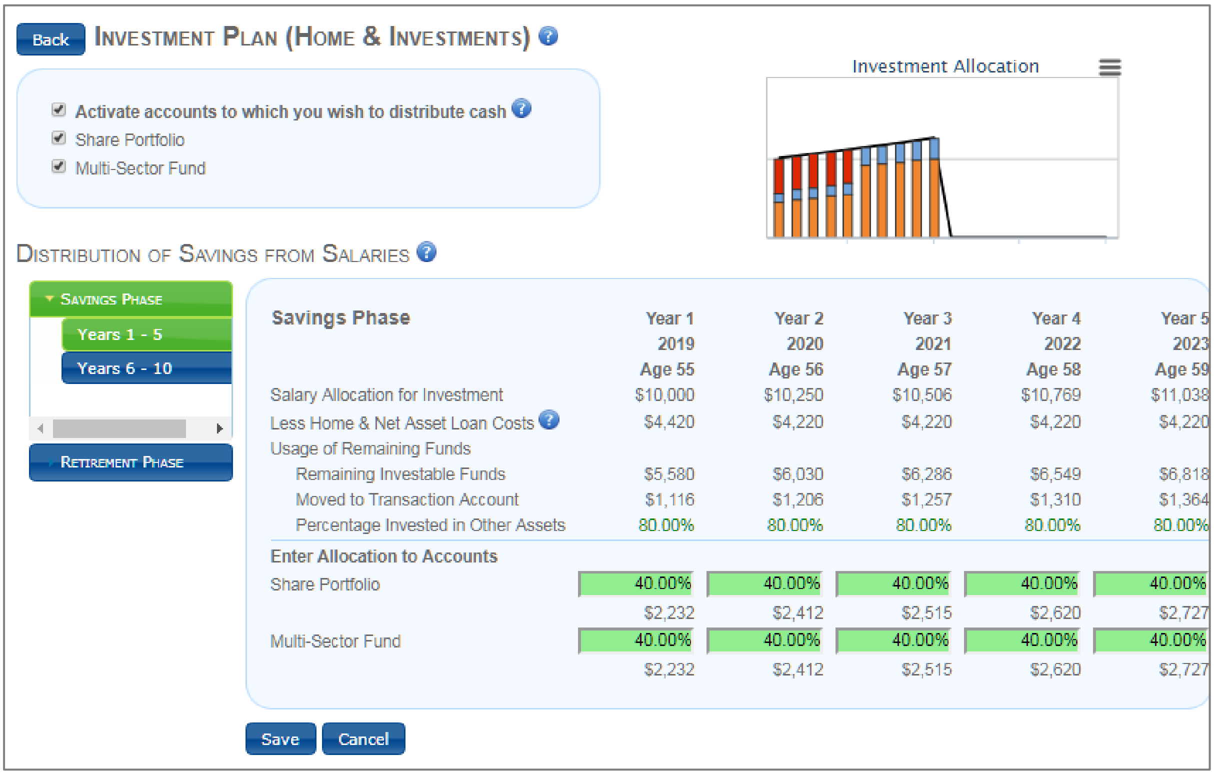
Note that in the list of ***Share Portfolio Loans***, there is a chain (**Link**) beside the Share Portfolio Loan and not the Managed Funds Loan.

This loan is not included in the example and was deleted by clicking on the Delete Icon.

Investment Plan

In the ***Investment Plan***, the allocation to the **Interest Only Share Loan** for the first 5-years is allocated first. Note there is no provision to adjust the loan costs for any dividend income.

In both 5-year periods, 40% of the investable funds are allocated to the Share Portfolio and the Multi-Sector (Managed) Fund. This allocation is paid directly to the nominated account. Any buying costs will be deducted.

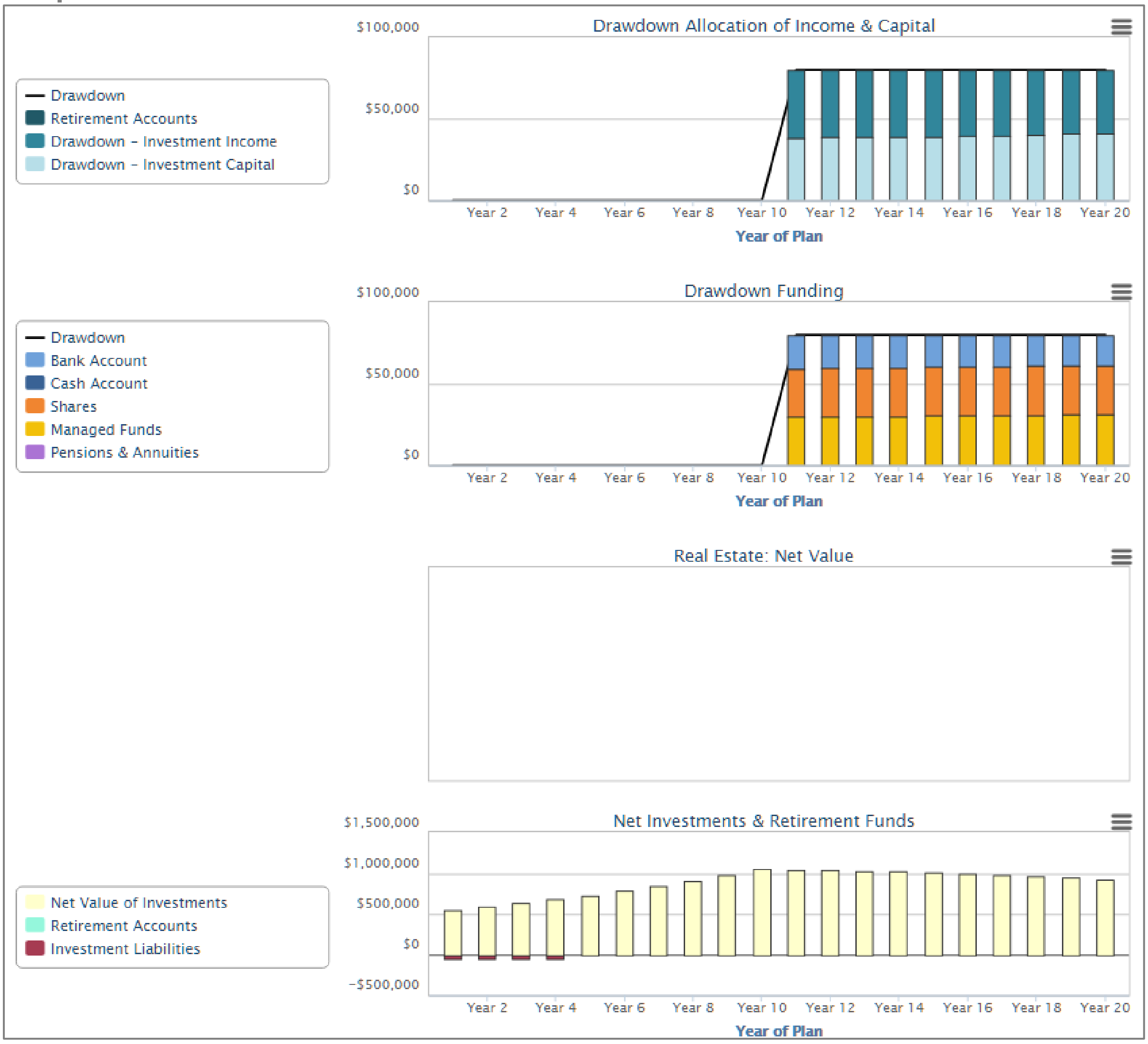


Savings Phase	Year 1 2019 Age 55	Year 2 2020 Age 56	Year 3 2021 Age 57	Year 4 2022 Age 58	Year 5 2023 Age 59
Salary Allocation for Investment	$10,000	$10,250	$10,506	$10,769	$11,038
Less Home & Net Asset Loan Costs	$4,420	$4,220	$4,220	$4,220	$4,220
Usage of Remaining Funds					
Remaining Investable Funds	$5,580	$6,030	$6,286	$6,549	$6,818
Moved to Transaction Account	$1,116	$1,206	$1,257	$1,310	$1,364
Percentage Invested in Other Assets	80.00%	80.00%	80.00%	80.00%	80.00%
Enter Allocation to Accounts					
Share Portfolio	40.00%	40.00%	40.00%	40.00%	40.00%
	$2,232	$2,412	$2,515	$2,620	$2,727
Multi-Sector Fund	40.00%	40.00%	40.00%	40.00%	40.00%
	$2,232	$2,412	$2,515	$2,620	$2,727

Retirement Income

In the ***Retirement Income***, $80,000 for 10-years has been nominated.

Graph View



Data View Years 1 – 5 Retirement Phase (PV)

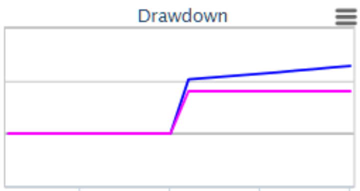
Back **Drawdown for Retirement Income**

Activate Drawdown Allocation ☑
Age at Start of Retirement Drawdown Age 65 Edit

Drawdown Allocation

	Present Value Amount	Year in Retirement	No. of Years
1st Time Period	$80,000	Year 1	10 Years
		Total	10 years

Add Remove



Save Cancel

Retirement Plan

Present Value | Future Value

Present Value is the value today of an amount of money in the future.

View Data | View Graph

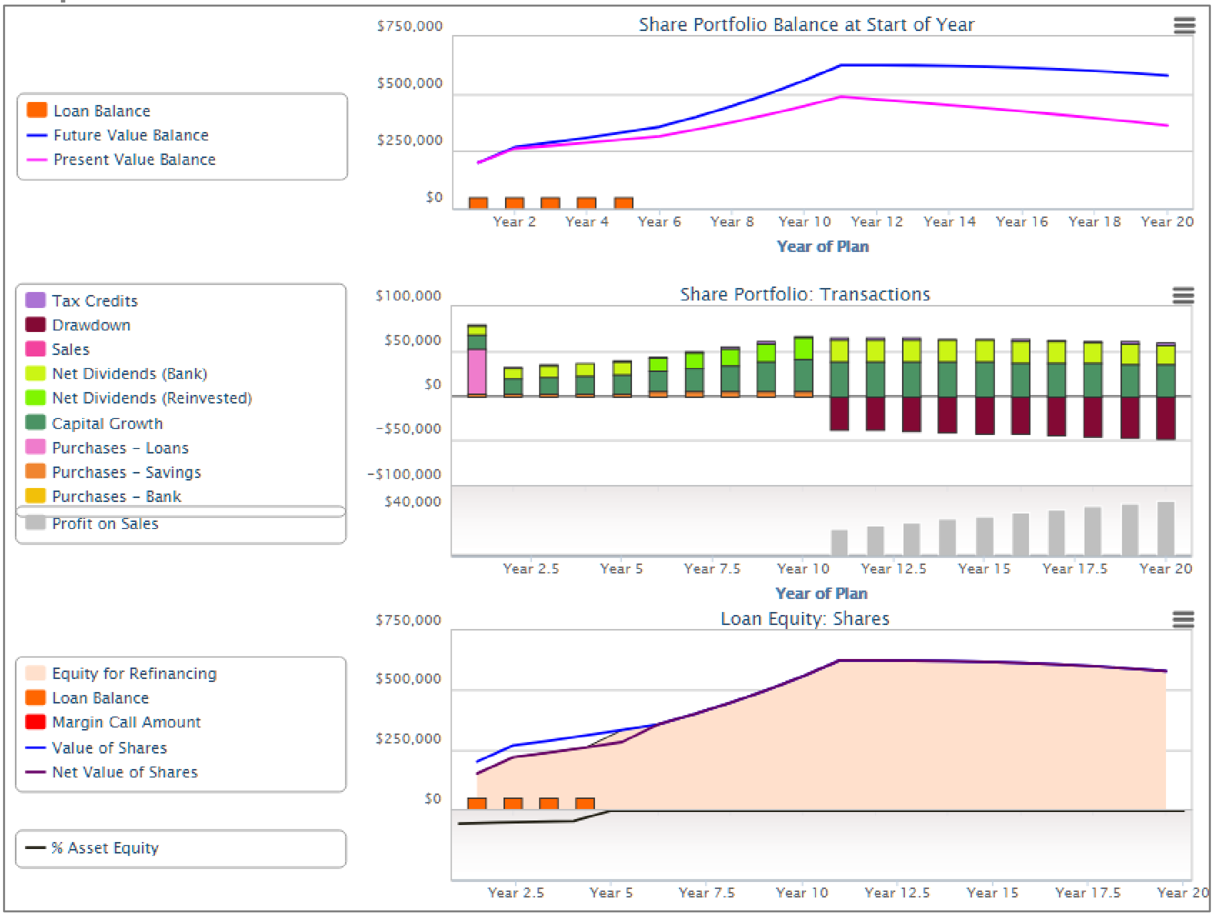
- Retirement Phase
  - Years 1 - 5
  - Years 6 - 10

Retirement Phase	Year 1 2029 Age 65	Year 2 2030 Age 66	Year 3 2031 Age 67	Year 4 2032 Age 68	Year 5 2033 Age 69
Retirement Plan					
Drawdown	$80,000	$80,000	$80,000	$80,000	$80,000
Capital & Investment Allocation					
Retirement Accounts	$0	$0	$0	$0	$0
Drawdown - Investments (Income)	$41,572	$41,566	$41,491	$41,342	$41,114
Drawdown - Investments (Capital)	$38,428	$38,434	$38,509	$38,658	$38,886
Funding for Retirement Plan					
Bank Account	$20,758	$20,530	$20,284	$20,062	$19,827
☑ Share Portfolio	$29,604	$29,649	$29,701	$29,742	$29,788
☑ Multi-Sector Fund	$29,637	$29,821	$30,014	$30,196	$30,385

Save Cancel

Share Portfolio

Graph View



Data View Years 1 – 5 Savings Phase

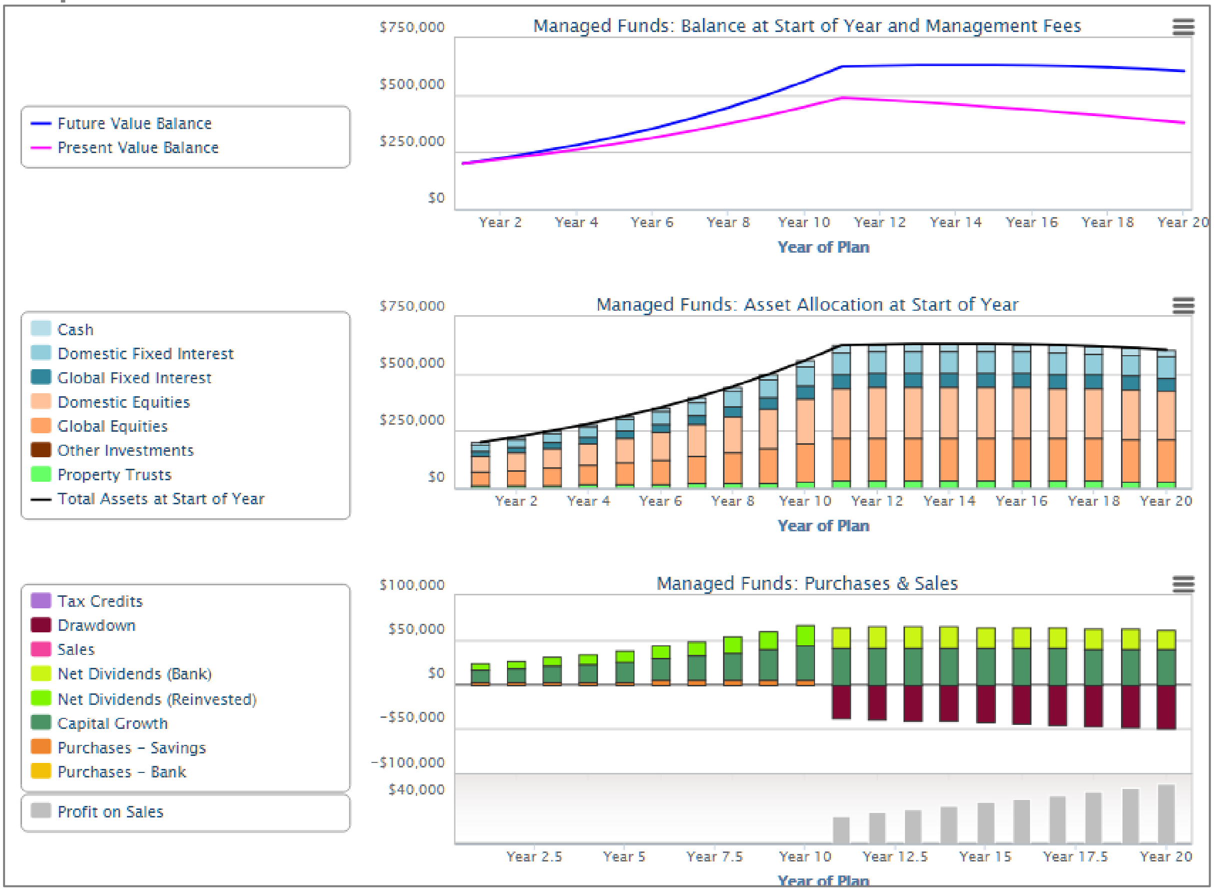
Savings Phase	Year 1 2019 Age 55	Year 2 2020 Age 56	Year 3 2021 Age 57	Year 4 2022 Age 58	Year 5 2023 Age 59
Transactions					
Start Balance	$200,000	$268,277	$288,193	$309,508	$332,318
Start of Year					
Purchases - Loan Account	$49,750	$0	$0	$0	$0
Purchases - Bank Account	$0	$0	$0	$0	$0
Drawdown	$0	$0	$0	$0	$0
Monthly Transactions					
Purchases – Salary Savings	$2,221	$2,400	$2,502	$2,606	$2,714
End of Year					
Capital Growth	$16,306	$17,516	$18,814	$20,203	$21,689
Dividends Reinvested	$0	$0	$0	$0	$0
Sales	$0	$0	$0	$0	$0
End Balance	**$268,277**	**$288,193**	**$309,508**	**$332,318**	**$356,720**
Net End Balance	$218,277	$238,193	$259,508	$282,318	$356,720
% Equity (Asset)	81.36%	82.65%	83.85%	84.95%	100.00%
Amount of Margin Call	$0	$0	$0	$0	$0
Income & Expenses					
Net Income	$10,662	$11,453	$12,301	$13,209	$14,181
Dividends (Before Costs)	$10,662	$11,453	$12,301	$13,209	$14,181
Management Fees	$0	$0	$0	$0	$0
Buying Costs/Entry Fees	$261	$12	$13	$13	$14
Selling Costs/Exit Fees	$0	$0	$0	$0	$0
Cumulative Net Income	$10,662	$22,114	$34,416	$47,625	$61,806
Profit on Sales	$0	$0	$0	$0	$0
Loan attached to Share Portfolio					
Detailed Loan Summary					
Balance of Loan at Start of Year	$0	$50,000	$50,000	$50,000	$50,000
Loan Amount (At Start of Loan)	$50,000	$0	$0	$0	$0
Additions to Loan Amount	$0	$0	$0	$0	$0
Amount of Redraws	$0	$0	$0	$0	$0
Annual (Regular) Loan Payment	$4,120	$4,120	$4,120	$4,120	$4,120
Additional Payments	$0	$0	$0	$0	$0
Loan Repayment on Sale of Asset					
Total Loan Payments (Interest & Capital)	$4,120	$4,120	$4,120	$4,120	$4,120
Capital Costs	$0	$0	$0	$0	$0
Interest Costs	$4,120	$4,120	$4,120	$4,120	$4,120
Loan Costs	$300	$100	$100	$100	$100
Loan & Interest Costs	$4,420	$4,220	$4,220	$4,220	$4,220
Balance of Loan at End of Year	$50,000	$50,000	$50,000	$50,000	$0
Equity at End of Year	$0	$0	$0	$0	$50,000
% Equity at End of Year	0.00%	0.00%	0.00%	0.00%	100.00%

Data View Years 1 – 5 Retirement Phase

Retirement Phase	Year 1 2029 Age 65	Year 2 2030 Age 66	Year 3 2031 Age 67	Year 4 2032 Age 68	Year 5 2033 Age 69
Transactions					
Start Balance	$624,527	$624,762	$623,941	$621,956	$618,719
Start of Year					
Purchases - Loan Account	$0	$0	$0	$0	$0
Purchases - Bank Account	$0	$0	$0	$0	$0
Drawdown	$37,896	$38,902	$39,945	$40,999	$42,090
Monthly Transactions					
Purchases – Salary Savings	$0	$0	$0	$0	$0
End of Year					
Capital Growth	$38,131	$38,081	$37,960	$37,762	$37,481
Dividends Reinvested	$0	$0	$0	$0	$0
Sales	$0	$0	$0	$0	$0
End Balance	**$624,762**	**$623,941**	**$621,956**	**$618,719**	**$614,110**
Net End Balance	$624,762	$623,941	$621,956	$618,719	$614,110
% Equity (Asset)	100.00%	100.00%	100.00%	100.00%	100.00%
Amount of Margin Call	$0	$0	$0	$0	$0
Income & Expenses					
Net Income	$24,932	$24,899	$24,820	$24,691	$24,507
Dividends (Before Costs)	$24,932	$24,899	$24,820	$24,691	$24,507
Management Fees	$0	$0	$0	$0	$0
Buying Costs/Entry Fees	$0	$0	$0	$0	$0
Selling Costs/Exit Fees	$189	$195	$200	$205	$210
Cumulative Net Income	$183,449	$208,348	$233,168	$257,858	$282,365
Profit on Sales	$15,925	$17,724	$19,526	$21,321	$23,121
Loan attached to Share Portfolio					
Detailed Loan Summary					

Multi-Sector Managed Fund

Graph View



Data View Years 1 – 5 Savings Phase

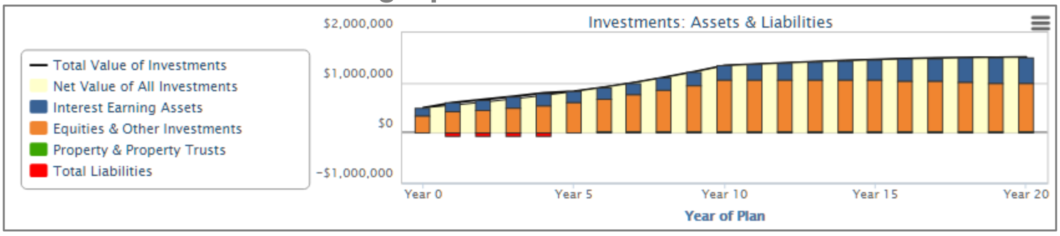
Savings Phase	Year 1 2019 Age 55	Year 2 2020 Age 56	Year 3 2021 Age 57	Year 4 2022 Age 58	Year 5 2023 Age 59
Transactions					
Start Balance	$200,000	$224,308	$251,475	$281,737	$315,437
Start of Year					
Purchases	$0	$0	$0	$0	$0
Drawdown	$0	$0	$0	$0	$0
Monthly Transactions					
Deposit from Salary Savings	$2,187	$2,364	$2,464	$2,567	$2,673
End of Year					
Capital Growth	$14,077	$15,784	$17,690	$19,811	$22,174
Dividends Reinvested	$8,044	$9,020	$10,108	$11,321	$12,671
Sales	$0	$0	$0	$0	$0
End Balance	**$224,308**	**$251,475**	**$281,737**	**$315,437**	**$352,955**
Income & Expenses					
Net Income	$8,044	$9,020	$10,108	$11,321	$12,671
Dividends (Before Costs)	$10,055	$11,274	$12,635	$14,151	$15,839
Management Fees (Total)	$2,011	$2,255	$2,527	$2,830	$3,168
Buying Costs/Entry Fees	$45	$48	$50	$52	$55
Selling Costs/Exit Fees	$0	$0	$0	$0	$0
Cumulative Net Income	$8,044	$17,063	$27,172	$38,492	$51,163
Profit on Sales	$0	$0	$0	$0	$0
Asset Allocation (at start of year)					
Cash	$10,000	$11,215	$12,574	$14,087	$15,772
Domestic Fixed Interest	$30,000	$33,646	$37,721	$42,261	$47,316
Global Fixed Interest	$20,000	$22,431	$25,148	$28,174	$31,544
Domestic Equities	$70,000	$78,508	$88,016	$98,608	$110,403
Global Equities	$60,000	$67,292	$75,443	$84,521	$94,631
Other Investments	$0	$0	$0	$0	$0
Property Trusts	$10,000	$11,215	$12,574	$14,087	$15,772

Data View Years 1 – 5 Retirement Phase

Retirement Phase	Year 1 2029 Age 65	Year 2 2030 Age 66	Year 3 2031 Age 67	Year 4 2032 Age 68	Year 5 2033 Age 69
Transactions					
Start Balance	$625,226	$628,398	$630,518	$631,463	$631,126
Start of Year					
Purchases	$0	$0	$0	$0	$0
Drawdown	$37,938	$39,128	$40,366	$41,626	$42,934
Monthly Transactions					
Deposit from Salary Savings	$0	$0	$0	$0	$0
End of Year					
Capital Growth	$41,110	$41,249	$41,311	$41,289	$41,173
Dividends Reinvested	$0	$0	$0	$0	$0
Sales	$0	$0	$0	$0	$0
End Balance	**$628,398**	**$630,518**	**$631,463**	**$631,126**	**$629,366**
Income & Expenses					
Net Income	$23,492	$23,571	$23,606	$23,593	$23,528
Dividends (Before Costs)	$29,364	$29,463	$29,508	$29,492	$29,410
Management Fees (Total)	$5,873	$5,893	$5,902	$5,898	$5,882
Buying Costs/Entry Fees	$0	$0	$0	$0	$0
Selling Costs/Exit Fees	$0	$0	$0	$0	$0
Cumulative Net Income	$165,185	$188,756	$212,362	$235,956	$259,484
Profit on Sales	$16,260	$18,233	$20,220	$22,210	$24,218
Asset Allocation (at start of year)					
Cash	$31,261	$31,420	$31,526	$31,573	$31,556
Domestic Fixed Interest	$93,784	$94,260	$94,578	$94,719	$94,669
Global Fixed Interest	$62,523	$62,840	$63,052	$63,146	$63,113
Domestic Equities	$218,829	$219,939	$220,681	$221,012	$220,894
Global Equities	$187,568	$188,519	$189,156	$189,439	$189,338
Other Investments	$0	$0	$0	$0	$0
Property Trusts	$31,261	$31,420	$31,526	$31,573	$31,556

Reports – Plan Outcomes (PV)

Graph View - a selection of graphs



Data View Years 1 – 5 Savings Phase

Present Value | Future Value

Present Value is the value today of an amount of money in the future.

View Data | View Graph

Savings Phase	Year 1	Year 2	Year 3	Year 4	Year 5
Round to nearest thousand	2019	2020	2021	2022	2023
	Age 55	Age 56	Age 57	Age 58	Age 59
Assets & Liabilities					
Investments (Net of Loans)	$540,300	$583,329	$628,852	$677,030	$728,041
Home (Net of Loans)	$0	$0	$0	$0	$0
Pension Funds	$0	$0	$0	$0	$0
Net Value of Investments and Retirement Accounts	$540,300	$583,329	$628,852	$677,030	$728,041
Income, Growth & Expenses					
Total Income	$126,069	$128,325	$130,746	$133,350	$136,149
Total Capital Growth	$30,007	$32,483	$35,168	$38,075	$41,221
Total Expenses	$6,352	$6,316	$6,500	$6,708	$6,943
Taxation					
Total Tax Due	$30,517	$31,109	$31,647	$32,212	$32,805

Statistics					
Debt Servicing Ratio (DSR)	4.33%	4.17%	4.00%	3.84%	3.69%
Income as % of Target Retirement Income	24.38%	26.13%	27.97%	29.92%	31.98%
Nominal Investment Returns (Annual Rate)	9.76%	9.79%	9.79%	9.79%	9.79%
Real Investment Returns (Annual Rate)	7.08%	7.11%	7.11%	7.11%	7.11%
Asset Allocation - Summary					
Investment Profile					
Investments	High Growth	High Growth	High Growth	High Growth	High Growth
Retirement Accounts					
Total	High Growth	High Growth	High Growth	High Growth	High Growth
Risk Profile % Growth Assets					
Investments	70.44%	70.03%	69.68%	69.37%	73.30%
Retirement Accounts	0.00%	0.00%	0.00%	0.00%	0.00%
Total	70.44%	70.03%	69.68%	69.37%	73.30%
Cash, Term Deposits, Bonds	29.56%	29.97%	30.32%	30.63%	26.70%
Equities & Other Investments	68.58%	68.14%	67.74%	67.40%	71.16%
Property & Property Trusts	1.86%	1.90%	1.94%	1.98%	2.14%
Retirement Accounts	0.00%	0.00%	0.00%	0.00%	0.00%
Asset Allocation - Investments					
Cash	$119,452 20.28%	$129,224 20.48%	$139,332 20.63%	$149,783 20.74%	$116,390 15.99%
Domestic Fixed Interest	$32,826 5.57%	$35,904 5.69%	$39,243 5.81%	$42,866 5.93%	$46,794 6.43%
Global Fixed Interest	$21,884 3.71%	$23,936 3.79%	$26,162 3.87%	$28,577 3.96%	$31,196 4.28%
Domestic Equities	$338,326 57.43%	$358,081 56.76%	$378,977 56.12%	$401,083 55.53%	$424,475 58.30%
Global Equities	$65,651 11.14%	$71,807 11.38%	$78,486 11.62%	$85,731 11.87%	$93,588 12.85%
Other Investments	$0 0.00%	$0 0.00%	$0 0.00%	$0 0.00%	$0 0.00%
Property Trusts	$10,942 1.86%	$11,968 1.90%	$13,081 1.94%	$14,289 1.98%	$15,598 2.14%
Real Property	$0 0.00%	$0 0.00%	$0 0.00%	$0 0.00%	$0 0.00%

Conversational SmartPanels

These are examples of the Conversational SmartPanels.

Conversational: Shares

Share Portfolios

This plan has 1 Share Portfolio. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Share Portfolio: *Shares 1*

This Share Portfolio is owned by Mary.

The funds held in the account at the start of the plan is $200,000.

It is estimated that the income from dividends will be 4.25% and the capital growth rate will be 6.12%, a total return of 10.37%.

This portfolio has a linked loan.

Dividends from this portfolio will be:

- Paid to the Transaction Account during the loan period.
- Reinvested during the Savings Phase.
- Paid to the Transaction Account during the Retirement Phase.

The dividends will be Taxed as Income.

Imputation credits for Australia have been activated and 60.00% of the fund will be eligible for these tax credits.

This plan uses the automated Investment Plan which allocates salary savings by a percentage. This percentage is calculated from the total savings allocation less any loan expenses. The allocation in the Investment Plan is:

- Years 1 to 5: 20.00%

These purchases are made from the creation of a Loan Account:

- Year 2: $24,875

At the start of the Retirement Phase, your Share Portfolio will be worth $337,499 (which is $381,849 in FV). The Retirement Drawdown will commence in Year 1 of the Reitrement Phase and the funds will be drawn down over 25 Years.

At the end of the plan, your Share Portfolio will be worth $288,129 (which is $368,829 in FV).

Loans

The following loans have been assigned to your Share Portfolios:

Share Portfolio Loan: *Shares 1 [Loan]*

This loan was commenced in Year 2.

Shares 1 [Loan] is an **Interest Only followed by Principal & Interest** loan with a term of 10 Years. The Interest Only loan has an interest rate of 8.17% which is not fixed. The Principal and Interest loan that follows has an interest rate of 7.67% which is not fixed.

You have not planned to make any additional payments.

Notes

In this plan, it is assumed that dividends and capital growth remain the same. However, there may be considerable rise and falls of share prices for any specific share portfolio or the ASX200. It is estimated that the total return for the ASX200 for the 20-year period from the year 2001 was 9.38% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated total return was 9.29% with an average Inflation Rate of 1.53%. These are Real (After-inflation) rates of 6.82% and 7.60%.

Where loans have been included, the interest rates are assumed to remain the same. Where the interest rate is not a fixed rate, then the interest charges may change. According to the Reserve Bank of Australia, the average Standard Variable Home Loan rate for the 20-year period from 2001 was 6.52% with an average Inflation Rate of 2.39%. In the 5-year period from 2016, the estimated rate was 5.16% with an average Inflation Rate of 1.53%. These are Real (After-inflation) rates of 4.33% and 3.57%.

Margin loans, where the shares are the only security, are likely to attract a higher interest rate than the standard home loan.

Conversational: Managed Funds

Only the details of the first Managed Fund is included in this example

Managed Funds

This plan has 2 managed funds. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Managed Fund: *Balanced Managed Fund*

Balanced Managed Fund is an existing managed fund owned by Betty with a value of $0 at the start of the plan.

The managed fund's asset allocation is described as **Balanced.** Following is the breakdown.

Cash	15.00%
Domestic Fixed Interest	15.00%
Global Fixed Interest	20.00%
Defensive Assets	**50.00%**
Domestic Equities	17.00%
Global Equities	24.00%
Other Investments	4.00%
Property Trusts	5.00%
Growth Assets	**50.00%**

The estimated income from dividends is 4.48% and the estimated capital growth rate is 6.12%, a total return of 10.60%.

Dividends from this portfolio are:

- Reinvested during the Savings Phase.
- Reinvested until Year 21, and then paid to the Transaction Account during the Retirement Phase.

The dividends are taxed as income.

This plan uses the automated Investment Plan which allocates salary savings by a percentage. This percentage is calculated from the total savings allocation less any loan expenses. The allocation in the Investment Plan is:

- **Years 1 to 15:** 20.00%

At the start of the Retirement Phase, this managed fund is worth $165,796 (which is $240,122 in FV). The Retirement Drawdown commences in Year 1 of the Reitrement Phase and the funds are drawn down over 25 Years.

At the end of the plan, this managed fund is worth $94,513 (which is $198,247 in FV).

Contact

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As the designer of Financial Mappers, Glenis is the most suitable person to answer all your questions about Financial Mappers.

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