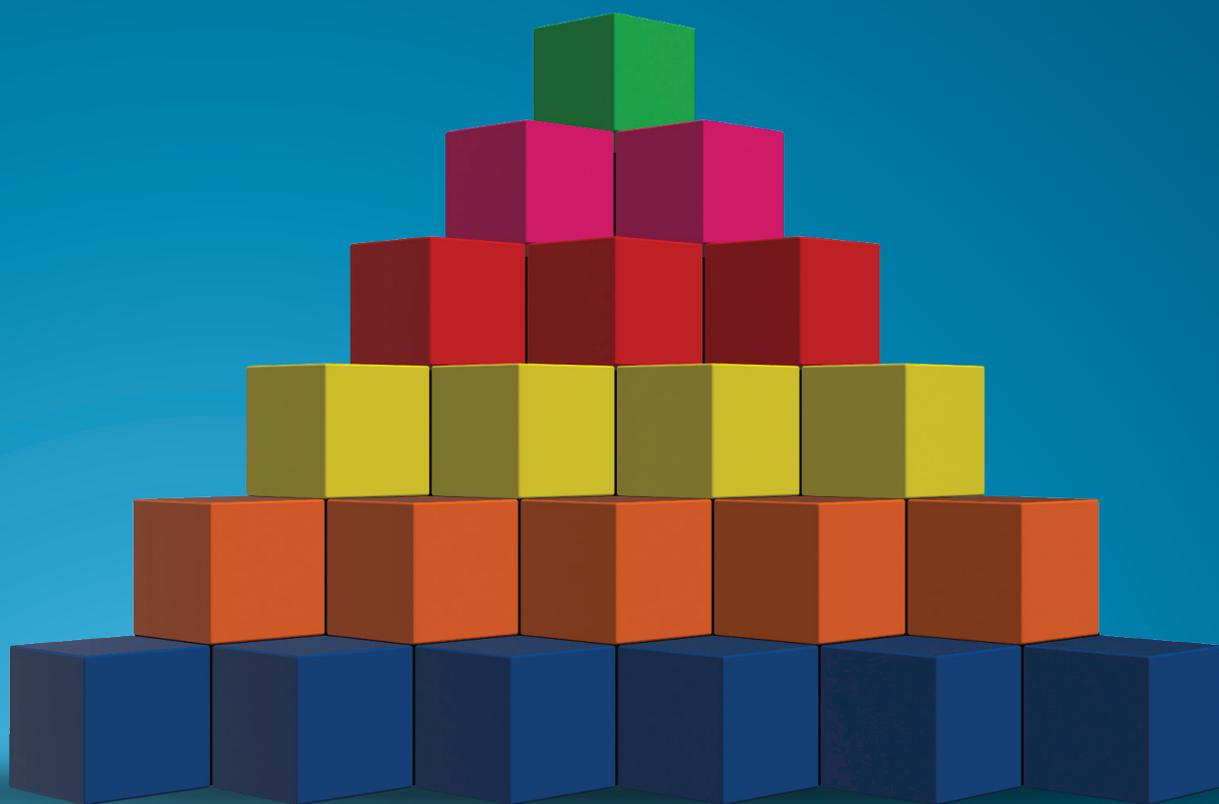




10 Key Steps
to
Build your Wealth



1. The Building Blocks of Wealth Creation

Deposit

The first building block in the wealth creation journey is to save a deposit of at least \$100,000. This requires disciplined savings. The sooner you start the sooner you can achieve this goal.

Property

Buying a property is another key building block to wealth creation. The property can be used as a home or an investment property. This should be a long term investment. Over the long term, a well located property will grow significantly in value and can be used as a place to live or as an investment.

Investments

A diverse portfolio of other "blue-chip" growth assets (e.g. Australian shares, Global Shares, Infrastructure, Commercial Property) will provide income and growth over the long term.

Repay "Bad" Debt

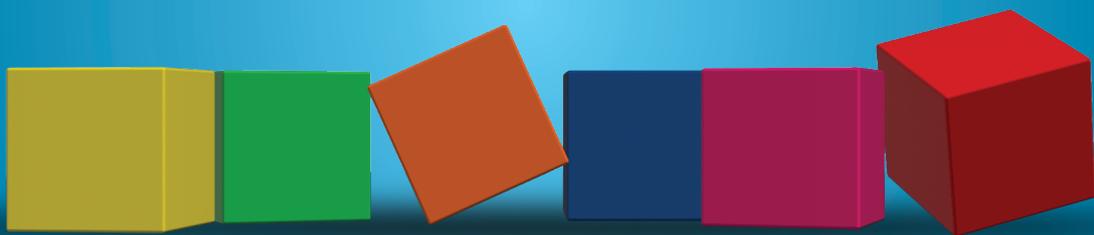
"Bad" debt includes any debt not used for investment purposes (e.g. home loan, car loan, credit card debt). It is best to use your surplus cash flow to pay these down as quickly as possible. Credit card debt and car loans, in particular are the enemy of wealth creation.

Superannuation

Superannuation is an important, longer term tax effective wealth creation strategy. Generally, people will only have sufficient surplus cash flow to consider additional super contributions after age 35.

Additional Investments

The final building block of wealth creation, once you are well advanced on the first 5 building blocks is to buy additional investments. Continuing to invest in a diverse range of quality growth assets is the key to building your wealth.



2. Spend less than you earn

It is important to do a budget and summarise what you currently spend. Key categories of expenses are your essential living expenses, discretionary expenses, debt repayments and savings.

Most people underestimate what they spend so the best way to do this is to download your expenses for a 12 month period from your transaction and credit card accounts. An allowance also needs to be made for one off expenses like car upgrades and home maintenance costs.

Check if spending less than you earn?

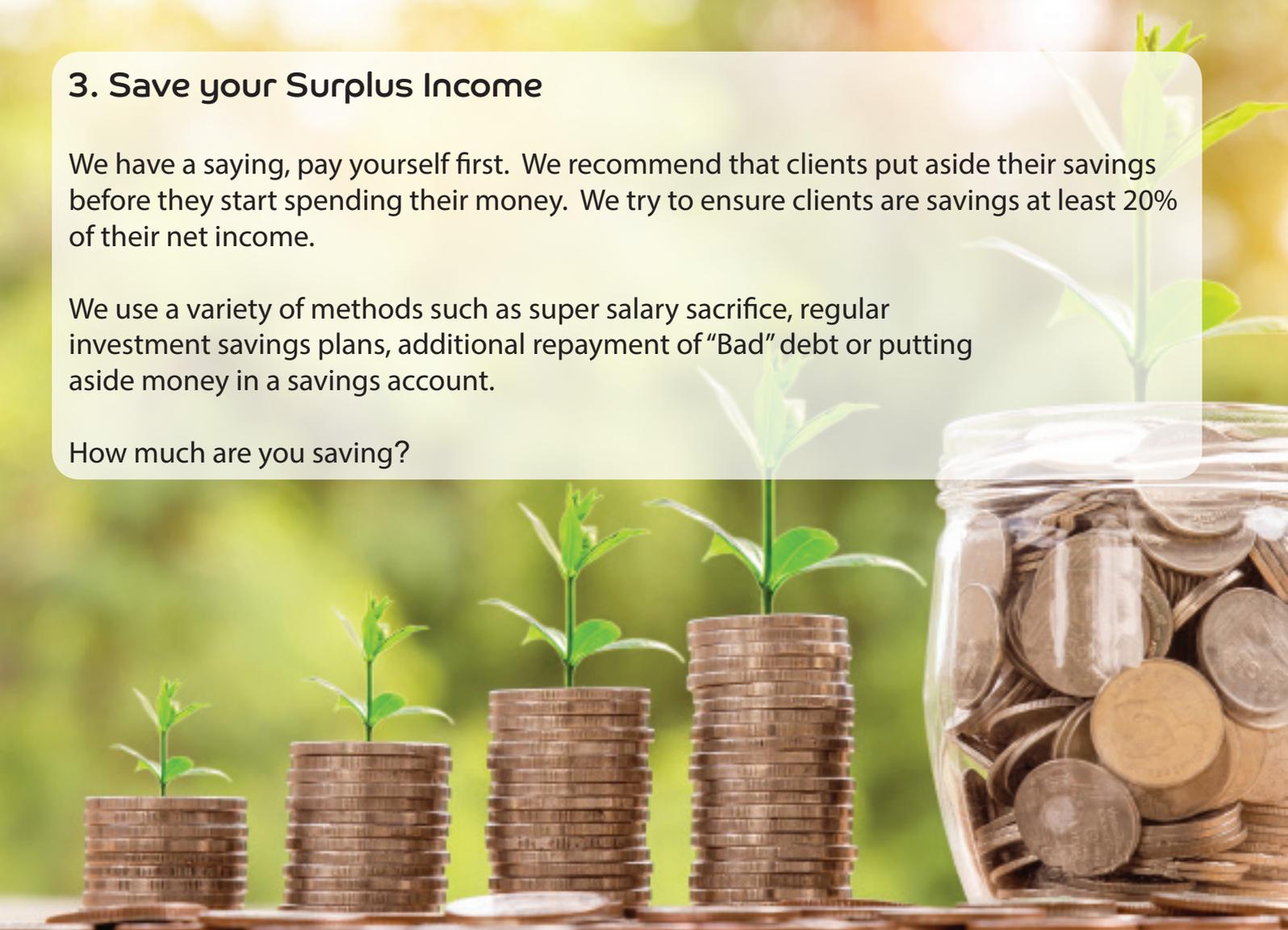
Email us today at advice@precisionfinancial.com.au to request your complimentary budget spreadsheet to assist you in determining your surplus income.

3. Save your Surplus Income

We have a saying, pay yourself first. We recommend that clients put aside their savings before they start spending their money. We try to ensure clients are savings at least 20% of their net income.

We use a variety of methods such as super salary sacrifice, regular investment savings plans, additional repayment of "Bad" debt or putting aside money in a savings account.

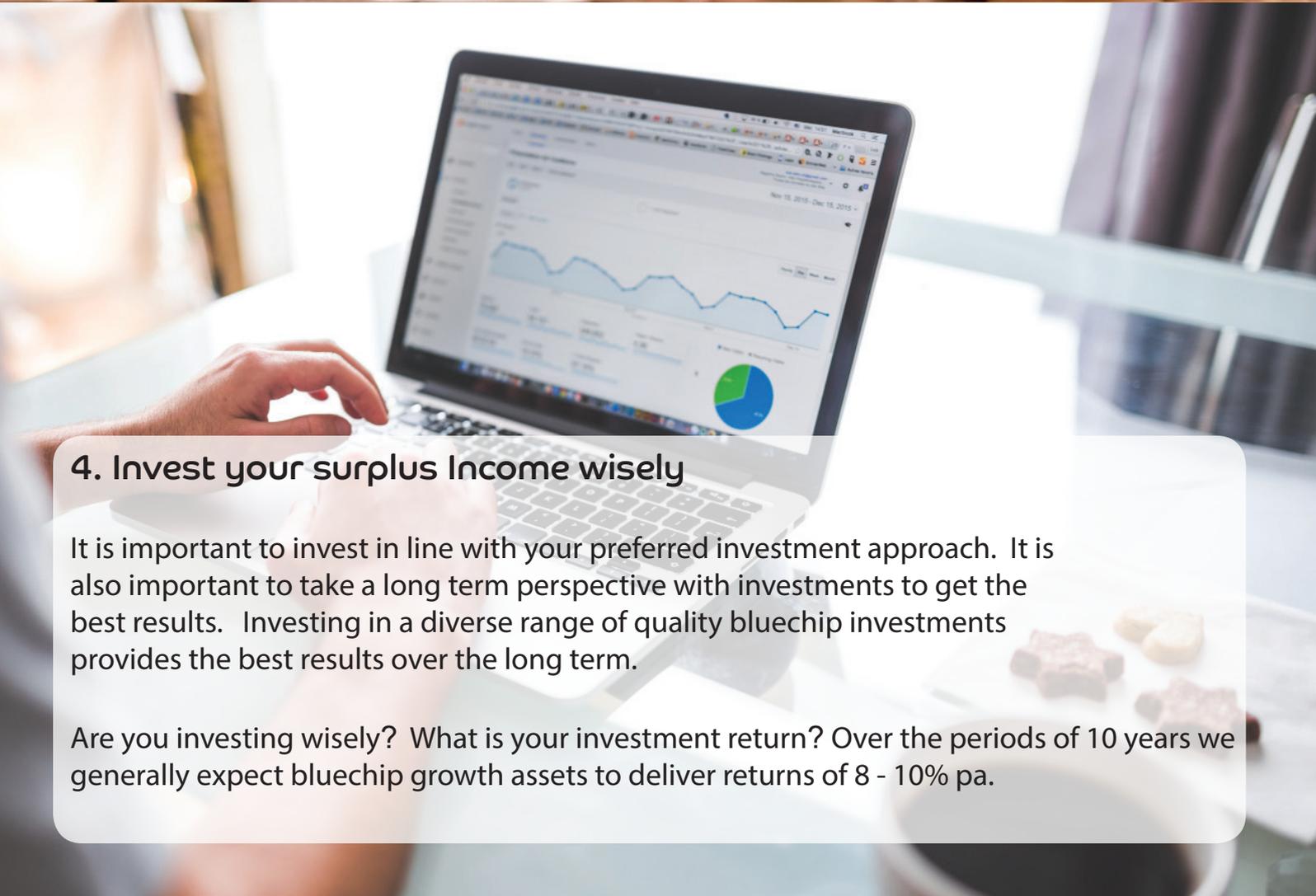
How much are you saving?



4. Invest your surplus Income wisely

It is important to invest in line with your preferred investment approach. It is also important to take a long term perspective with investments to get the best results. Investing in a diverse range of quality bluechip investments provides the best results over the long term.

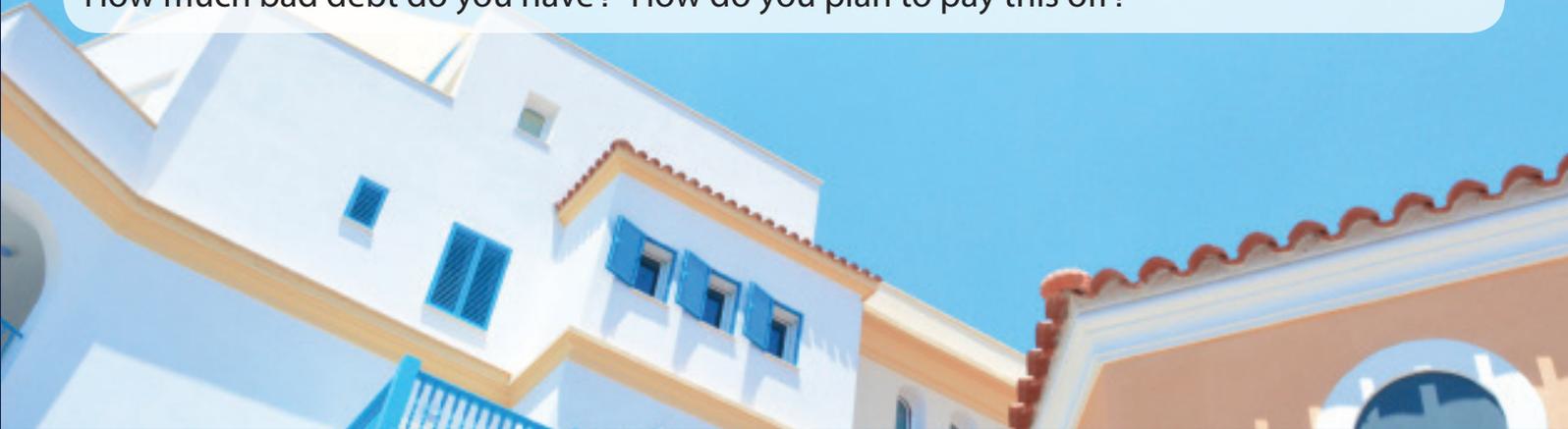
Are you investing wisely? What is your investment return? Over the periods of 10 years we generally expect bluechip growth assets to deliver returns of 8 - 10% pa.



5. Repay "Bad" debt as your first priority

We class "Bad" debt as debt not used for investment purposes. This includes home loans, car loans, personal loans and credit card debt. As this debt is not tax deductible it is usually best to pay this down as quickly as possible. It is essential to pay down all "Bad" debt before retirement. It is usually best to pay down investment debt before retirement.

How much bad debt do you have? How do you plan to pay this off?



Email us today at advice@precisionfinancial.com.au to request your complimentary "Bad" debt health check



6. Optimise your super contributions

There are many different ways to contribute to super. Your employer must make super guarantee contributions on your behalf. You have the ability to make salary sacrifice contributions from your pre-tax salary. This can save you up to 32% of the money invested. Optimising your super contributions is a very important way to make sure that you have sufficient of money in retirement.



7. Tax Effective Regular investments

The most tax effective regular investments, other than super varies greatly by our clients' circumstances and approach to investment.

For some clients the most tax effective investment is additional home loan repayments. For other clients using a Family Trust may be appropriate. For others investing in the name of the member of the couple on a lower tax bracket may be optimal.

Do you pay too much tax? Are you optimising your tax position?



8. Insuring against Accidents and illness

We may have the most tax effective long-term investment strategy, however a major health issue can bring everything crashing down. It is important to put in place life insurance and income protection insurance so that your finances can weather the storm of any major health issue. We hope that clients never claim on insurance, however we make sure adequate protection is in place.

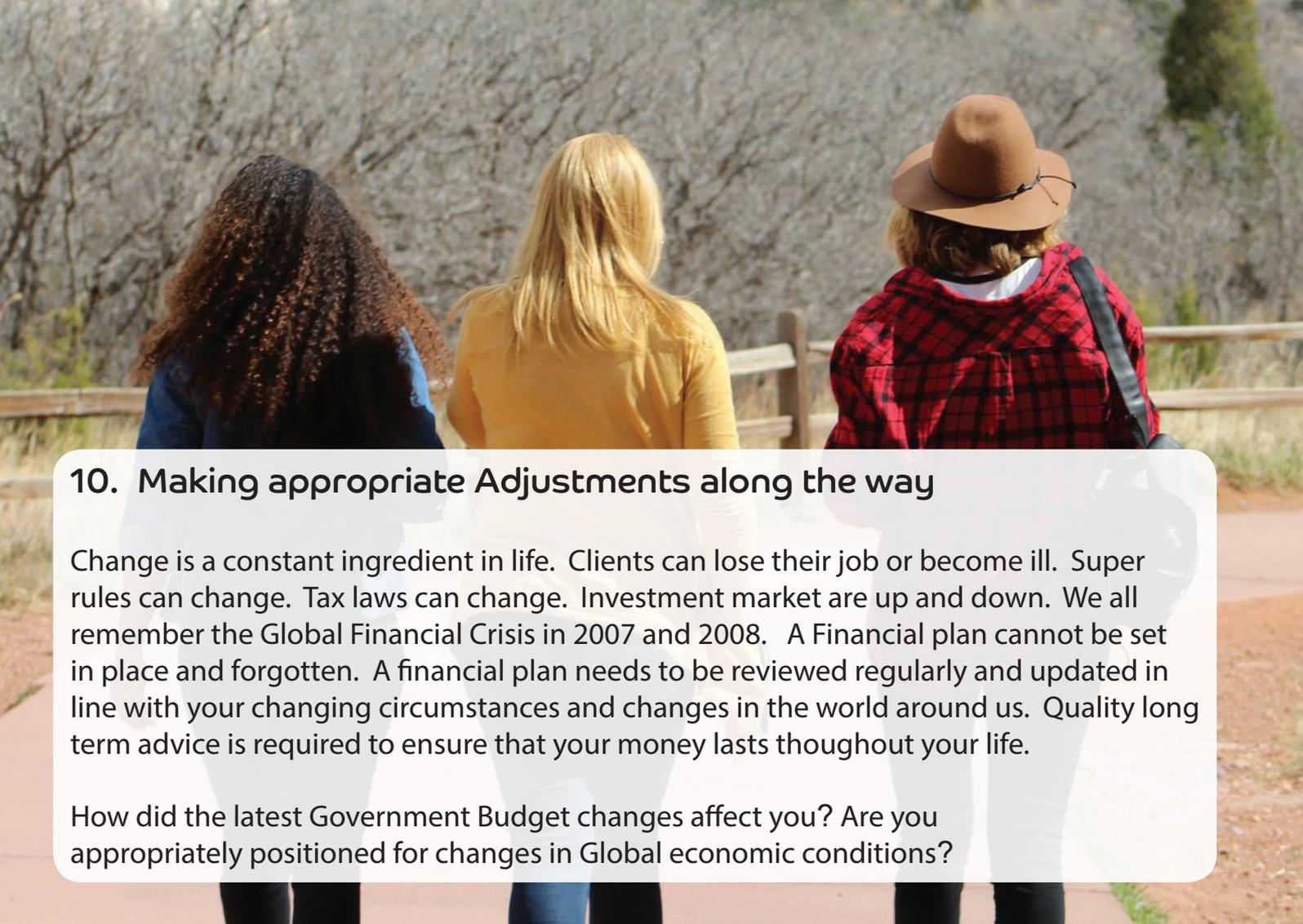
Email us today at advice@precisionfinancial.com.au to request your complimentary "Insurance Cover" health check



9. Protecting Downside Investment Risk

When investment markets are performing well everyone does well. When investment markets are going backwards, protecting downside risk becomes important. We put in place a range of strategies to ensure that we are able to achieve a strong absolute return for clients. We actively protect downside investment risk.

How risky are your investments? Do you have a strategy to balance your risks?



10. Making appropriate Adjustments along the way

Change is a constant ingredient in life. Clients can lose their job or become ill. Super rules can change. Tax laws can change. Investment market are up and down. We all remember the Global Financial Crisis in 2007 and 2008. A Financial plan cannot be set in place and forgotten. A financial plan needs to be reviewed regularly and updated in line with your changing circumstances and changes in the world around us. Quality long term advice is required to ensure that your money lasts throughout your life.

How did the latest Government Budget changes affect you? Are you appropriately positioned for changes in Global economic conditions?

What does a good financial planner do to ensure you build your wealth?

1. Budget
Assists in setting budget
2. Savings
Ensures you are saving at least 20% of your income
3. Goals
Assist in identifying your key goals
4. Investing
Invests in quality blue chip investments for the long term
5. Saves you money
Enhances your financial position through effective tailored strategies
6. Review
Regularly meets with you to stay on track

brought to you by:


**Precision
Financial**

After reading this booklet, if you have some questions please E-mail us this week at advice@precisionfinancial.com.au to book your complimentary 10 minute phone call to ask an expert your key financial planning question.
Call here on: **0402 015 105**