BLUEPRINT

FOR WEALTH

Welcome!

If someone told you how you could own your home sooner, increase your cash flow, pay less tax, grow your wealth and retire early and in comfort, would you be interested?

Of course you would be but I bet you are wondering how you are going to be able to achieve this when you are struggling to maintain your current lifestyle.

There are many things that hold us back from taking action and growing our wealth. Perhaps it is a belief that you can't afford to with your current financial demands; perhaps you don't know who to talk to or indeed who you should trust.

The good news is that there ***is*** a way for you to grow your wealth without having to dip into your weekly budget. With over 20 years of success providing strategic wealth plans for everyday Australians just like you, Philco Partners is best positioned to assist you to maximise your wealth.

Your 'Blueprint for Wealth' will provide you with the information you need to start building your wealth.

What Are The Goals?

- ✓ **Own your home sooner and have a debt free home before you retire**
- ✓ **Improve your cash flow**
- ✓ **Pay less tax**
- ✓ **Cover retirement shortfalls**
- ✓ **Generate an income in retirement that will support the lifestyle you deserve to enjoy**

The Biggest Mistake in Wealth Generation

The conventional approach to life is to work hard, buy a house and pay off your mortgage before you retire. This is what we are conditioned from a young age to do in order to enjoy a comfortable retirement, but have you ever really considered the logic of this approach?

The Association of Superannuation Funds of Australia's retirement standard index for the quarter to June 2016 states for a modest lifestyle, a couple in retirement will require an annual after tax income of $34,216. That same couple wishing to enjoy a comfortable lifestyle in retirement will require $59,160. The difference between what is considered to be a "modest" and a "comfortable" retirement is quite stark. A "modest" retirement is essentially only slightly better than the aged pension where you will only be able to afford relatively basic activities – so say good bye to any form of travel, dinners out and nice clothes. A "comfortable" retirement on the other hand will enable you to enjoy overseas travel, top private health insurance, a nice car, nice clothes and up-to-date electronic equipment for your home such as TVs and computers.

If this hasn't convinced you that you would prefer a "comfortable" retirement, you can stop reading now. For those still reading, the almost $60,000 annual income you will need to enjoy this "comfortable" retirement, has to come from somewhere.

With Australians living to an average of 80 for women and 84 for men, those wishing to retire at 55 are looking at an average of 30 years of retirement. That equals a total of $1.8 million you will need to retire. If you are lucky enough to live beyond the average, you will need even more savings.

So where does that money come from? Well, if you have been working and paying into your Superannuation Fund, there will be some (hopefully a fair bit) of money in there to support you and of course you own your home too so you are all sorted, right? WRONG!

The most common mistake made in retirement planning is including the value of your home into your retirement savings. Your house is an ASSET, not an INVESTMENT. Whilst owning your home before retirement is key, your home is not generating any income, nor is it capable of generating income for you. Your home is unable to provide money for clothes; it is unable to pay for an overseas trip; it can't help you pay for your private health insurance nor is it capable of putting food on your table during retirement. Your home does not contribute to the $60,000 you need each year to retire in comfort. You can't eat your house!

Now, you may plan to downsize before retirement and pull some money out to boost your retirement savings but you can't pull all of your money out of your home unless you intend to live in a tent or under a bridge. I am guessing this is not how you envision spending your retirement! Unless you have been very diligent in accruing a very large Super balance, you will need some investments to generate an active income in retirement.

Property is not subject to the rapid and often unpredictable fluctuations in value and returns like shares are and is considered a reliable investment to grow your wealth and to provide an income through rental returns in retirement.

The Ugly Truth

Do you know how much money you will need to be able to retire? It is probably a lot more than you expect and with Australians living longer than ever before, this amount will continue to increase making your dream retirement an increasingly distant prospect.

Let's look at some figures. John is currently 45 years old and wants to retire at 60 meaning he has 15 years left of paid employment to achieve this goal.

Now, considering the average lifespan of an Australian man, this means John can look forward to 20 years of retirement. John has worked out that he will require a yearly income in retirement of $100,000. This results in a total retirement requirement of $2 million. John will have discharged his mortgage prior to retirement and estimates he will have $500,000 in his Superfund by the time he is 60 and ready to retire. Check out John's figures in the table below:

Estimated Retirement Age: 60

Current Age: 45

Years to retirement: 15 years

Years in retirement: 20 years

Yearly desired income: $100,000

Total amount required: $2,000,000

Superannuation: $500,000

RETIREMENT SHORTFALL: $1,500,000

As you can see, this leaves John with a shortfall of $1.5 million needed to fund his comfortable retirement. Terrifying, right?

So where is this money going to come from? How will John be able to afford his retirement?

THE ANSWER:

BY HARNESSING THE POWER OF HIS DORMANT ASSETS!

The Power of Dormant Assets

What are dormant assets? Dormant assets are possessions that are not currently working to increase your wealth, but which with the right strategies in place could be actively contributing to your wealth base. The two primary dormant assets are home equity and Superannuation.

If, like most Australians you have been and are still paying off a mortgage, this means you will own a certain amount of your home though obviously not all of it. To calculate the equity you have in your home, use the following simple formula:

Equity = Current Market Value of Home - Your Remaining Mortgage

If you have enough equity in your home, you may be able to use this to grow your wealth through strategic investment.

Your second dormant asset is Superannuation. Under Australian law, employers are required to make contributions of 9.5% of your earnings into your nominated Superannuation fund. Superannuation funds then invest this money on your behalf in a range of investment strategies. So why is Superannuation considered a dormant asset if it is already being invested?

YOUR SUPERANNUATION COULD BE EARNING YOU MORE!

When was the last time you checked the returns you are earning from your Superannuation fund? I bet you probably can't remember right?

Your Superannuation is the nest egg that is supposed to support you when you are finished working. Wouldn't you like this nest egg to be as big as possible so you can afford to do all of those wonderful things you have always wanted to do when you retire? The aged pension certainly won't allow you to! Don't you think that it is time to take control of your future?

Owning Your Future

So how will these dormant assets help you to grow your wealth? The equity in your home may be able to be used to enable you to grow your property portfolio through tax assisted investment. Similarly, with enough savings in your Superannuation fund, you may be able to harness the dormant power of this money via investment through Self Managed Super.

With the correct strategies in place to maximise your return on investment, you could see a reduction in the tax you pay as well as an increase in your household cash flow. You will also be able to own your home sooner through specialised mortgage reduction strategies and avoid any cash shortfalls for your retirement.

Enjoy the retirement you deserve!

Grow Your Wealth Today

Would you like to start growing your wealth today?
Philco Partners has over 20 years of experience successfully helping everyday Australians to grow their wealth and enjoy a prosperous future.

We are able to help ***you*** to harness the power of your dormant assets to reduce the amount of tax you pay, improve your cash flow and grow your wealth through strategic tax assisted investment and investment through Superannuation.

Our professional network of industry experts will help you every step of the way, making your journey to wealth easier than you could ever have imagined.

To get started ***TODAY***, contact us on 1800 99 22 22.

Legal Disclaimer

General Advice Warning: This material has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this material is General Advice and does not take into account any individual investment objectives, financial situation or needs. Before making an investment decision based on this advice you should consider whether it is appropriate to your particular circumstances. Hypothetical scenarios are based on assumptions and are not a guarantee of any outcome in the future. Where the General Advice relates to the acquisition or possible acquisition of a financial product, you should obtain a Product Disclosure Statement ("PDS") relating to the product and consider the PDS before making any decision about whether to acquire the product. Philco Partners Pty Ltd ACN 092 775 981 and Philco Finance Pty Ltd ACN 091 770 777.

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