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# Welcome to The Financial Advice Shop

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*Bill Waller is an Authorised Representative (ASIC No. 453076) of **Securitor Financial Group Ltd** ABN 48 009 189 495 AFSL 240687. Bill provides comprehensive financial planning advice and general advice only in relation to credit and credit referrals. All financial planning advice is provided by Bill Waller as an Authorised Representative of Securitor Financial Group Ltd.*

**securitor** 

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# The Financial Advice Shop At A Glance

- ❖ We are a privately owned Financial Planning and Financial Advice support business and we want to work with people who want to be successful
- ❖ We are passionate about pushing down the costs of receiving Financial Advice and investing in Australia
- ❖ We strive to provide excellent advice and service, and our goal is to have 100% of clients recommending us to family, friends and associates
- ❖ We are a Fee for Service Financial Planning and Financial Support Business with cost effective service offerings tailored to different client needs
- ❖ We have a strong preference to avoid investments that pay commissions so our recommended investments do not include them, and our investment costs are lower than the Industry Funds we surveyed
- ❖ Our Fee Structure is based on services offered and not the amount of money invested
- ❖ Advice is provided by a Certified Financial Planner<sup>®</sup> who is a member of the Financial Planning Association of Australia
- ❖ Our primary investment approach using Index Investing differentiates us from many financial planning businesses and allows clients to receive excellent long term investment performance with very low costs
- ❖ We work closely with other professionals when required to ensure our clients receive holistic advice that is of the highest standard
- ❖ We value long term client relationships and reward clients accordingly
- ❖ We access research, information and services from some of the largest Australian and international investment managers and research houses, so you can be assured our advice is based on significant experience and expertise

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## About Your Financial Adviser

### **Bill Waller JP CFP® GAICD BEng (Comms)(Hons) Senior Financial Adviser**



[www.billwaller.com.au](http://www.billwaller.com.au)

Bill is a Certified Financial Planner® with over 15 years of experience and is a member of the Financial Planning Association of Australia. Bill has a Diploma of Financial Planning (Deakin University), is a Graduate member of the Australian Institute of Company Directors (GAICD) and is also an ACT Justice of the Peace.

Bill was previously a Senior Financial Adviser, Director and Chairman of Civic Financial Planning, which at the time was Canberra's largest privately owned financial planning business. After Civic Financial Planning was sold in June 2010, Bill decided to move away from Canberra to be able to continue to provide quality financial advice. In 2015 Bill was able to return to Canberra and resumed providing financial advice services in the Canberra area.

Prior to entering the Financial Planning industry Bill served in the Royal Australian Navy for 21 years and completed his service as a Commissioned Officer.

With highly developed advisory skills and sound technical knowledge of the financial planning industry, Bill has the skill, knowledge, experience and integrity to help a wide range of clients achieve their financial goals and objectives.

Bill is married with three adult children and lives in Canberra. Bill provides financial advice services in Canberra and on the NSW Central Coast.

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#### **The Financial Advice Shop**

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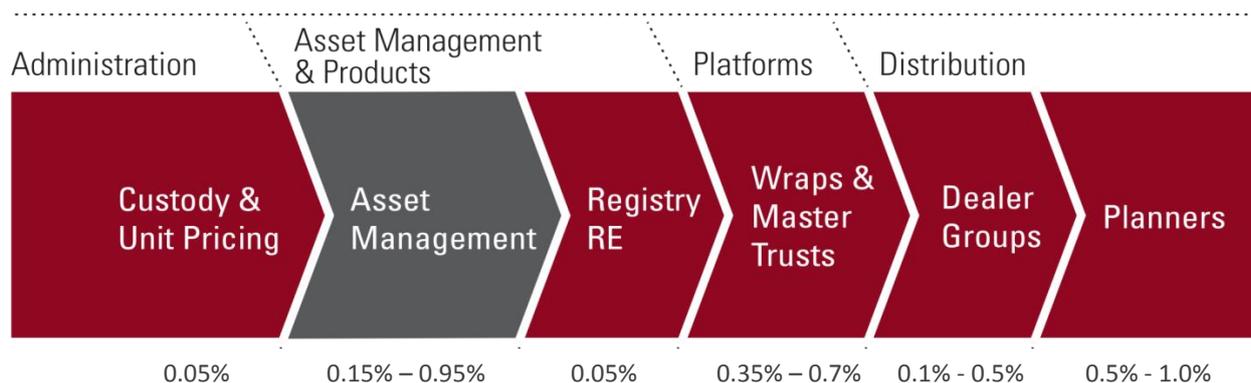
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## What Do Investors Pay?

Investing entails a number of different costs. You can be paying fees for initial and ongoing financial advice, service fees for managing your account and ongoing investment product costs.

For far too long, these investor fees have been far too high. One of the reasons they are too high is that other parties are being paid commissions from the fees you are paying. In Australia investors typically pay between 1.2% p.a. and 3.2% p.a. for ongoing financial advice, service fees and investment costs.

The table below gives a breakdown of typical advice and investment costs in Australia on a per annum basis.



Source: Tria, April 2011 and Vanguard



At *The Financial Advice Shop* ongoing financial advice, service fees and investment costs for our clients are typically no more than 1.5% p.a. (subject to minimum investment balances), and can be below 1% p.a. for larger investment balances.

**In conjunction with *The Financial Advice Shop*, you now have the opportunity to streamline your investments, eradicate commissions and ensure high fees do not undermine your investment goals.**

# Higher Fees Can Impact Your Super Balance At Retirement

It is news to no one that a reduction in fees will produce more money in retirement if investment returns are not compromised. This concept is demonstrated in the following graph.

This ASIC *Superannuation Calculator* shows how much Super you can have when you retire and how fees may affect your final payout. The fee impact graph on the right shows the amount that higher fees have significantly reduced the Super balance at retirement.



Source: ASIC MONEYSMART Superannuation Calculator. [www.moneysmart.gov.au/tools-and-resources/calculators-and-tools](http://www.moneysmart.gov.au/tools-and-resources/calculators-and-tools) Viewed 12 Jan 2015

*The example above is a projection for a retiree investing from 50-65yrs of age in a Balanced fund with 9.25% employer contribution (based on \$50,000 salary and \$200,000 starting super balance) and a 1% p.a. net difference in super fund fees (1.5%p.a. vs 0.5%p.a.).*

**At The Financial Advice Shop we strive to ensure you pay lower fees which may give you more money for your retirement.**

# The Great Debate

## Indexing Investing verses Active Investing

### What is Index Investing?

Index Investing is an extremely cost and tax effective way to invest. By creating an investment that replicates the chosen share market index, for example the ASX 200, Index Investing provides an investment return that mirrors that share market index.

### What is Active Investing?

By comparison, Active Investing is based on a proposition that the active investment managers know something that other investors don't and can therefore produce returns that outperform the Index. Due to the high levels of research undertaken, fees are often very high.

At *The Financial Advice Shop* we strongly believe in the performance and cost benefits of Index Investing and have historical data to support this view. Over short periods of time performance statistics can vary, but over long time periods we maintain it is very difficult for active fund managers to outperform the most popular Indexes, as shown below.

### S&P research - Indexing versus Active Management

Over longer time periods, it's difficult to outperform the index.

Percentage of funds that underperformed the index. Data as at 30 June 2015

Fund Category	Comparison Index	1 year (%)	3 year (%)	5 year (%)
Australian Equity General	S&P/ASX 200	52.60	54.61	70.96
Australian Equity Mid- and Small-Cap	S&P/ASX Mid-Small Index	55.21	35.11	29.17
International Equity General	S&P Developed Ex-Asutralia LargeMidCap	67.31	85.15	89.55
Australian Bonds	S&P/ASX Australian Fixed Interest Index	100.00	82.35	86.27
Australian Equity A-REIT	S&P/ASX 200 A-REIT	92.75	88.16	81.01

Source Vanguard: S&P Dow Jones Indices LLC, Morningstar. Data as of June 30 2015. Table is provided for illustrative purposes. Past performance is no guarantee of future results.

## Excellent Investment Performance With Very Low Costs

At *The Financial Advice Shop* our investment approach using Index Investing differentiates us from many financial planning businesses and allows clients to receive excellent tax effective long term investment performance with very low costs.

If you compare the returns in the table below (which include the 2007 Global Financial Crisis) you will see that they compare extremely well with any diversified investment portfolio that you may choose for comparison.

### Typical Index Investment Returns

Performance to 31 Dec 2015 (gross return*)	6mth (%)	1yr (%)	3yr (%)	5yr (%)	10yr (%)
Index Based Balanced Portfolio (30% cash/ 70% shares)	1.77	6.30	11.89	9.59	6.26
Index Based Moderate Portfolio (50% cash/ 50% shares)	1.04	5.26	9.97	8.52	6.15

**Source:** *The Financial Advice Shop, Vanguard & Asgard, 2015*

*\*Past performance is not an indication of future performance. Reinvestment of all dividends assumed.*

*\*Returns are calculated before fees and are estimates based on current returns for relevant global and Australian indexes.*

*\*Fees can adversely affect net performance. The Financial Advice Shop is a Fee for Service Financial Planning Support Business that has a low cost philosophy which aims to keep total investment costs (investment, platform and fee for service advice) at around 1.5% p.a. (subject to minimum investment balances). For larger investors the costs can be closer to 1% p.a. or lower.*

## **Initial and Ongoing Advice Services**

At *The Financial Advice Shop* we aim to assist with all of your financial advice and planning requirements. We do this by identifying your goals and objectives, considering the required scope of advice, assessing your financial situation- including your tolerance to risk, preparing your written advice, implementing any recommendations and establishing a suitable program of ongoing advice and service to regularly review progress.

### **Initial Advice**

The effort required to provide Initial Advice can vary significantly depending on whether your circumstances and objectives are simple or complex. Once we have gathered all necessary information associated with your goals, objectives and circumstances, and have considered strategy options, we will be in a position to provide an estimate of the fee for the Initial Advice.

Rest assured, our fees are very competitive and there are usually no costs until you are comfortable to proceed with the preparation of our written recommendations.

### **Ongoing Advice**

Ongoing Advice fees are determined based on the level of advice and service a client requires, and the complexity of their investment structures, not the amount of money invested. We have a range of service offerings to suit different client needs.

### ***Active Client Service***

The Active Client Service Offering is designed for those clients who require assistance with the establishment of a more complex investment structure and whose circumstances are expected to be very complex and require a higher level of attention. This service offering is well suited to clients who want a very proactive approach for their investments including a large direct share presence. This package includes up to three face to face appointments per year (including an annual review) and associated written simple advice amendments that flow from those meetings.

### ***Intermediate Client Service***

The Intermediate Client Service Offering is designed for those clients who require assistance with the establishment of a simple investment structure and whose circumstances are expected to be somewhat complex and require an increased level of attention. This service offering is well suited to clients who want a proactive approach for their investments and limited exposure to direct shares.

All new clients are started on this package unless their circumstances are assessed as very complex, in which case the Active Client Service offering would be more appropriate. This package includes up to two face to face appointments per year (including an annual review) and associated written simple advice amendments that flow from those meetings.

### ***Basic Client Service***

The Basic Client Service Offering is designed for those clients who have established a simple investment structure with no direct shares exposure, and whose circumstances are expected to remain stable and simple in nature. This package includes one review meeting each year and an associated written simple advice amendment that flows from the meeting.

The Basic Client Service Offering is only available after the first 12 month period as a client of *The Financial Advice Shop* where ongoing advice and service needs have been accurately determined, and both the client and Financial Adviser clearly understand the ongoing advice requirements.

# Insurance Risk Management

If you are going to take the time to receive advice and plan for the future, we believe it is extremely important to also protect those plans.

It is very easy for personal circumstances to change dramatically and without notice due to death, disability, injury or illness. While we all hope unfortunate things will never happen to us and our families, the reality is that unfortunate things happen to people every day. It is estimated that 95% of Australians do not have adequate insurance cover, and it is no surprise to say it is too late to do anything about underinsurance after misfortune strikes.

At *The Financial Advice Shop* we can help you to determine your personal insurance needs by considering the risks and benefits to you. Our Advisers use an established process which provides a framework when looking at risks that individuals face, their consequences, and the options to suitably manage and mitigate the consequences. This is outlined in the diagram below.



***If you have a dream in life that is important to you and those you love... Insure it!***

## Estate Planning

There is one certainty in life: we will all die one day. Unfortunately, many people do not make the necessary arrangements to ensure their estate is distributed efficiently and in accordance with their wishes.

If you die Intestate (without a valid Will), your estate is distributed in accordance with a legal formula that differs between States and Territories. Importantly, some assets such as your superannuation (and any insurance held within your superannuation fund) are not always included as part of your Estate and can be distributed at the superannuation Trustee's discretion. Such a distribution could be to a number of people in your immediate/extended family and in a way that is inefficient from a financial and tax perspective, unless you have a valid Binding Death Nomination in place.

Another area where people do not always plan properly is for a future situation in which their mental capacity is lost, for example from Dementia. Depending on your State or Territory, there are legal documents such as Enduring Powers of Attorney and Enduring Guardianships that are designed to give permission for others to act on your behalf if you are unable to make decisions for yourself.

It is important to think, plan and act for the future while you have the mental capacity to do so. At *The Financial Advice Shop* we can help you consider this important but often overlooked aspect of your financial planning. We will refer you to a solicitor who we know and trust to assist you with the legal aspects of your Estate Planning arrangements to ensure that everything is done properly, in accordance with your wishes, and in a way that minimises the risk of your wishes being contested and overturned in the future.

***It is important to take the time to  
think about, plan and act for the future now.***

## Conclusion

At *The Financial Advice Shop* we care about the long term financial outcomes of our clients. We aim to make sure you have the very best chances of achieving your financial goals.

With extremely cost effective investment solutions that involve experienced advisors, no commissions and thorough research from our institutional partners, we believe we offer a market leading position in the Financial Advice industry. Our services are tailored to your needs. We do not offer you or charge you for services that you will not benefit from. This approach allows us to ensure our fees are kept to a minimum and are lower than our competitors.

We hope your first appointment with one of our Financial Advisers from *The Financial Advice Shop* exceeds your expectations and we look forward to continuing to do so in the future. If you are enjoying your experience with us please make sure you tell others (and us, of course).

### ***How do I know I am dealing with a reputable Financial Planning business?***

*The Financial Advice Shop is a privately owned and operated financial planning support business. Your Financial Adviser is an Authorised Representative of the Securitor Financial Group Ltd. Securitor was established in 1986 and has more than 450 qualified advisers and accountants around Australia. Our Advisers are not employees of Securitor, and they strive to provide you with quality advice as well as the personalised service that is usually associated with a small business.*

*Securitor holds an Australian Financial Services License (AFSL 240687) issued by the Australian Securities and Investments Commission (ASIC). Securitor is also a Professional Partner of the Financial Planning Association of Australia.*

### ***Our relationship with Securitor***

*As an Authorised Representative, your Financial Adviser acts on behalf of Securitor. As the holder of an AFSL, Securitor is responsible for the quality of advice provided to you. This means Securitor provides extensive resources and dedicated teams to support your Adviser.*

*Securitor advisers maintain professional standards above the industry average. Securitor requires its representatives to complete external assessments and annual training programs to stay at the forefront of best practice. As an Authorised Representative, we are also subject to regular reviews from experienced compliance professionals, who assess the quality of our advice.*

*Like attracts like. Just as Securitor focuses on supporting excellence and the ability to do more, your adviser supports their clients to strive for and achieve their goals.*