Personal Money Management Strategy

RAREBREED FINANCE

FutureNOW Personal Money Management Strategy

Prepared for:

David Smith

And

Susan Smith

Prepared on:
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Prepared by:

Rarebreed Finance Pty Ltd

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Important Information

Please read this carefully and make sure you understand it, if you don't understand, please make sure you ask before you act on any recommendations, advice or acquire any financial product or credit product.

This purpose of this document is to explain the recommendations we have provided you.

A pointer symbol like this ☞ highlights something important.

☞ *The law states that advice provided to a client in relation to debt re-structuring, debt management or loan consolidation advice may be advice in relation to 'credit activities'. Therefore, this advice requires the provider to be an Authorised Credit Representative or the holder of an Australian Credit License ('ACL').*

☞ *Credit activities or assistance can be described as inferring, suggesting or recommending that your current loans are "not suitable', or that we are recommending that you refinance or remain with your current credit products.*

☞ *Credit product advice can be described as where there is recommendation about a particular Credit Provider (Lender) or a particular Credit Product (a particular loan product)*

☞ *The law states that advice provided to clients in relation to financial products, such as personal insurance products, superannuation products, managed investment schemes, securities and other custodial or depository services are classed as 'financial product advice'. Therefore, this type of advice requires the provider to hold an Australian Financial Services License ('AFSL') or be a 'representative' of an AFSL.*

☞ **No financial product or financial advice is provided within this document.**

☞ **Where credit assistance or credit product advice is provided within this document it is done so by Rarebreed Finance Pty Ltd, Authorised Corporate Credit Representative (CRN 451447), for Vow Financial Pty Ltd (Australian Credit Licence 390261).**

If this advice includes a recommendation for you to acquire a particular credit product we will also provide you with a Statement of Credit Advice containing information about the particular product(s) to help you to make an informed decision about the product(s).

The Scope of this Recommendation

General Advice Warning

The information contained on this document is general in nature and does not take into account your complete personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from a professional adviser.

Superannuation, Retirement Adequacy, Taxation, legal and other matters referred to are of a general nature only and are based on generic calculations and interpretation of laws and regulations existing at the time and should not be relied upon in place of appropriate professional advice. Those laws may change from time to time.

If it is not clear to you what is and isn't included in this recommendation, please let me know. Due to the scope being limited and general in nature, my recommendations may not be appropriate to your overall financial situation. You should carefully assess how appropriate the recommendations are given your full financial situation.

If the information you have provided is incomplete or inaccurate, you will need to consider if my advice is appropriate for your circumstances and objectives before you act on it.

Ongoing Advice

We recommend that you enter into an ongoing service arrangement so that we can review your strategies and credit products on a regular basis to ensure they remain appropriate.

Future Performance Disclaimer

☞ Past performance is not a reliable indicator of future performance.

The forecasts given in this document are predictive in character and whilst every attempt is taken to ensure that the assumptions on which forecasts or views are based are reasonable, the forecasts or views may be affected by incorrect assumptions or by known or unknown risks, uncertainties or events (including, but not limited to, financial markets performance, industry and Government regulation and changes to your personal circumstances, future debts and spending behaviours).

As a consequence, the ultimate outcomes may differ substantially from these forecasts and views.

ⓘ **Assumptions and Disclaimers** –
You can learn more about FutureNOW here**:**
https://www.rarebreed.finance/assumptions-disclaimers

FutureNOW Explained

So first, what is FutureNOW?

FutureNOW is market leading financial software, developed by Rarebreed Technologies where its algorithms apply money logic and life priorities with financial prudence.

FutureNOW was designed to provide debt reduction strategy and together with Rarebreed's ongoing financial care and supporting personal money management App, myFutureNOW, help their Clients with their cash flow, budgeting and goal setting so they can pay their home loan off sooner and optimise their money better and plan for improved savings into their retirement.

FutureNOW Money Management software simulates;

- Research into your income & spending behaviours and genuine savings
- Home Loan strategies/scenarios
- Multiple Investment Properties
- Personal Debt Reduction strategies (on up to 10 loans)
- Measures the effect of a "Big Hairy Audacious Goal" – 'BHAG' Savings Goal
- A "What If" I saved more strategy across these debts
- Your opportunity to reduce interest on your debt and reduce your loan terms
- Increased savings to invest in your retirement
- Presents a 'Life of Relationship' Rarebreed Adviser Value Proposition with a guiding Strategy Paper and an offer of ongoing financial care

My recommendation to you is prepared with these guiding principles and a methodology that is under-pinned by prudent money management logic and on a set of priorities and strategies we have termed, FutureNOW money management.

FutureNOW looks carefully at your cash flow and debt today and projects outcomes toward your future retirement, identifying how managing your money today more wisely can improve your savings, pay your home loan off much sooner and overall financial net wealth and retirement income.

FutureNOW Guiding Principles

The FutureNOW principles and logical priorities are:

1. Learn your cash flow movements and spending behaviours – without this knowledge it will be difficult for you to establish and maintain your Cash flow budget and understand your "consumer behaviours".

2. Set simple, practical and realistic budgets on your expenditure with the absolute intent to ensure you have greater income than expenditure. Know what you earn and how you spend.

3. Within your budget, ensure that you retain a cash flow buffer, recognising that your cash flow (inflow and outflow) will have its ups & downs and that it is wise to have available "cash at hand"; enough to insure you against life's misfortunes, breakages and inflation.

4. Use simple and cost efficient banking and loan structures.

5. Next, and importantly, rid yourself of high interest personal debt.

6. If you have other life goals (with priority over paying down your Home Loan) that require savings then save for That "Big Hairy Audacious Goal", only after ridding yourself of high interest debt. Examples of these are building savings before taking time off work to have a Baby or returning to study and still managing whilst your income is less.

7. Pay your Home Loan off as soon as possible

8. Invest in your retirement, over and above your Employer paid Contributions (Superannuation Guaranteed Contributions), as soon as you are able and can afford to.

Goal Setting – Projected FutureNOW Outcomes and Financial Milestones

It's great to have dreams; to have a desire to achieve something that is important to you. When setting goals, to have any real chance of making them a reality you must:

Clarity: *Clearly define your Goal (it's a good idea to put it writing). What is it that is most important to you and your Family?*

Commitment: *It often takes more than just a want to achieve something. "Life" gets in the way or you can lose focus or motivation. If it's really important to you then be ready for the fact that it may require you to invest your time and energy or a need to makes sacrifices.*

Share your Goals and inspiration with someone important to you – *ask them to help you "keep to the task." That's my job, too, to keep you accountable!*

Value: *Your Goals require some sort of metric (a value or an event). Without a value, you may not even know if and when you have reached that milestone.*

When: *You must associate your Goals with a realistic and achievable time by which you want to have reached your target.*

David and Susan in our discussions we have worked together to define and prioritise those financial Goals and Objectives most important to you. I have tabled those Goals and Objectives below and have projected the potential outcomes by you implementing my FutureNOW advice. Now, all it takes is your Commitment!

FutureNOW Results and Strategy Timeline			
Priority	**FutureNOW Financial Goal /Objective**	**Projected Date**	**Value / Benefit**
1	The Knowledge and "know-how" to reach your Goals. Are they realistic?	31-December-2019	**Peace of Mind**
2	Understand your Cash flow (Inflow & Outflow) and Spending Behaviours **	14-February-2020	**Knowledge**
3	Set a realistic Cash flow Budget ^^	30-March-2020	**Clarity**
4	Build a Cash flow buffer / Emergency Fund to insure us against life's misfortunes, rising costs and unplanned expenses.	23-February-2021	**$5,000**
5	Pay off our high interest, personal debts	1 January 2023	**$23,400**
6	Save for that "Big Hairy Audacious Goal"	18 March 2026	**$25,000**
7	Pay off your Home Loan as soon as we can	22 August 2036	**$299,540**
8	Invest & Build Wealth for your Retirement	23-December-2048	**$524,015.38**

** By subscribing to myFutureNOW (PFM) this will scan and categorise all your transactions automatically

^^ Using a PFM will typically take you about 3 months to get an idea of your Cash flow and spending

Budget Cash-Flow Planning

David and Susan, I know very few people who know exactly what they earn (income), how much they spend and exactly what they spend it on.

Knowing this is essential in forming and committing to a personal budget.

I believe you would get great insight into your spending behaviours by introducing you to the latest in financial technology development and what is termed a 'Personal Financial Manager' ('PFM'). A PFM is a money management tool that scans your bank transaction statements and automatically categorises each transaction (income, debt commitments, fixed expenses and essential and discretionary living expenses) in real-time. You can link your transactions and account balances to set goals and objectives and these can be tracked and reported back to you on a regular basis. Our PFM, **myFututreNOW will cost you less than $15.00 per month.**

ⓘ You can learn more about our myFutureNOW Personal Finance Manager here: https://www.rarebreed.finance/myfuturenow

It is great investment and will encourage you to modify your spending behaviours and motivate you towards achieving your goals.

It's software that can be partnered with me and together we can keep you on track and adjust your plan as circumstances arise.

On my invitation to you to logging to our PFM application, myFutureNOW, and you authorising the processing your past transactions and every day thereafter the data provided will give us the opportunity to meet regularly (online) and analyse your spending behaviours in more detail and this will enable you to set a realistic future budget and goals.

From the Fact Find information you have provided to me and by analysing your income and expenses transaction history, the following has resulted from my assessment;

Your Income and Expenses Summary

TRANSACTION CATEGORIES	AMOUNT
Annual Income - **David**	$120,000.00
Annual Income - **Susan**	$45,000.00
Annual Investment/Rental Income	$0.00
Total Household Income (after Tax per Pay Cycle - $4,881.96)	**$4,881.96**
Personal Debt Commitments (Home Loan + Personal Debt)	$2,563.07
Investment Loan Repayments & Expenses	$0.00
Living Expenses and discretionary spending	$2,168.89
Total Expenditure	**$4,731.96**
Surplus / Deficit (per Pay Cycle)	**$150.00**

☞ ***Please tell me if you think this information is wrong or incomplete.***

Budgeting and Saving

My recommendation includes, you subscribing to our Personal Finance Manager (PFM), myFutureNOW. The PFM provides to you a data feed and record of every transaction and 'intelligently' and automatically apportions your income and spending into specific cost sectors. It provides to you a "blueprint" of your income(s) and how you spent and saved it. With this real data and mentoring provided by our Rarebreed Money Coaches, you can plan a realistic, accurate forward budget and savings targets.

Your goals and objectives can be aligned to our FutureNOW simulation and added to the PFM whereby you will receive regular reports as to your progress against those goals.

With you continuing to subscribe to myFutureNOW and in conjunction with my ongoing support you being able to develop clear, realistic financial goals and savings targets. Mentorship from myself is there to give you the encouragement and higher motivation needed for you to succeed and combined, acts as an 'influencer' on your behaviours relating to money.

ⓘ You can learn more about our myFutureNOW Personal Finance Manager here: https://www.rarebreed.finance/myfuturenow

My Recommendations

David and Susan, you currently save approximately **$150.00 per pay Cycle** and I recommend you direct this into the Offset Account linked to your Home Loan.

I recommend you adopt the use of the myFutureNOW PFM platform as your tool to manage your spending & budgets and together with our ongoing service to support you in your savings targets and to 'influence' your commitment to spending behaviours.

The myFutureNOW PFM monthly subscription cost is less than $15.00 per month.

Keeping your spending 'in check' and utilising your savings to pay off high interest debt, first, and then being applied to paying off your home loan as quickly as possible is a guiding principle of my FutureNOW advice to you.

With you saving $150.00 per pay Cycle and directing this into an Offset Account linked to your Home Loan or Home Loan Redraw your surplus funds to Offset you will reduce the interest charged on your home loan balance each month. This will effectively mean that you will pay your home loan off sooner as more of your regular loan repayments is paid off the principal loan debt and less is charged to you as interest.

The below graph demonstrates those recommended accrued savings added to your Cash flow/Emergency Buffer and the effective accelerated reduction to your home loan term.

The FutureNOW algorithm determines that your funds in Offset/Redraw do not start accruing until after any high interest personal debts are paid off.

Drawing down and spending these funds in Offset/Redraw will increase your interest costs and extend your loan term.

Loan Interest Offset Account

A loan offset account is simply a savings account linked to your loan account.

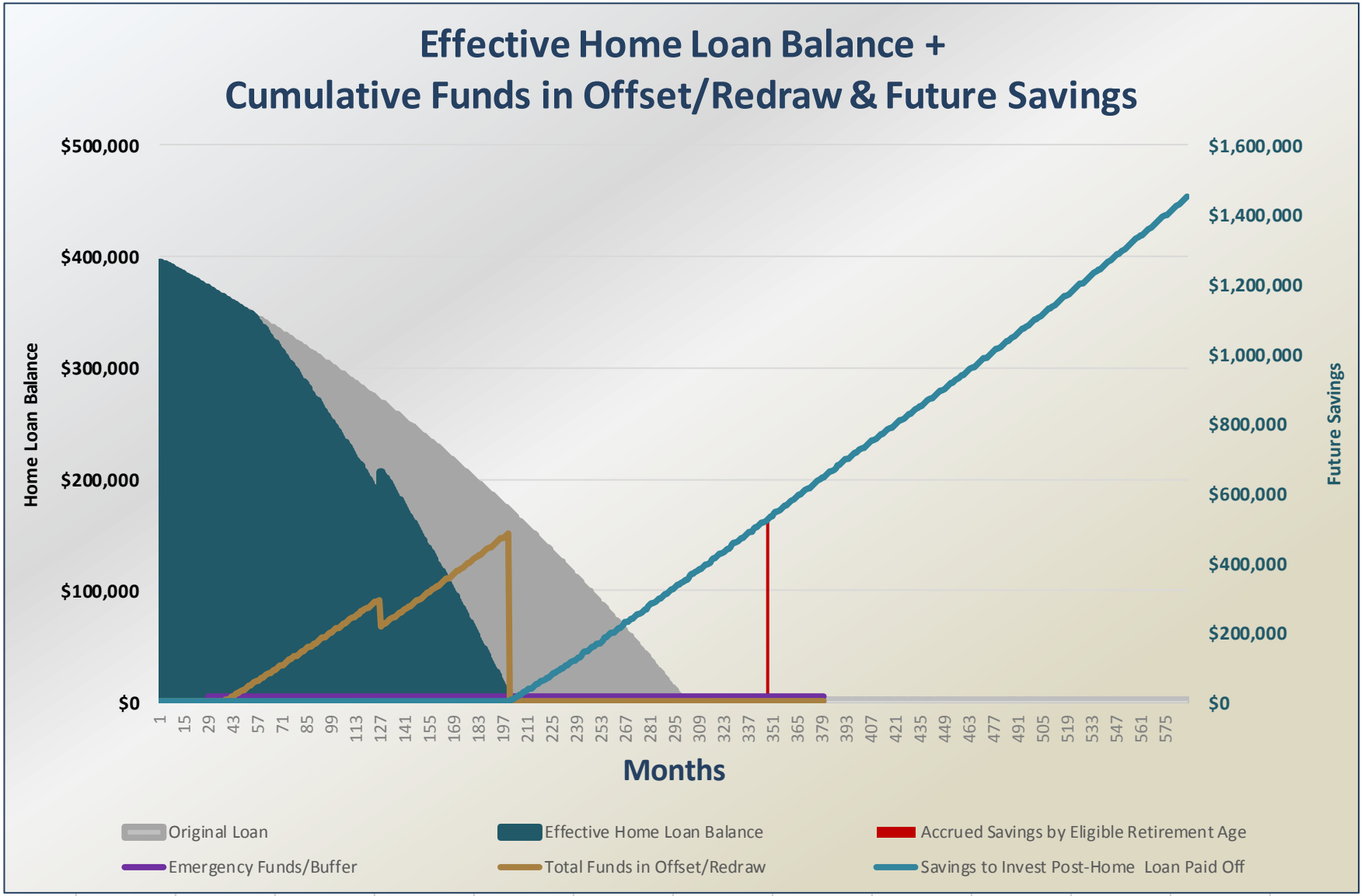
An offset account works like a regular savings/transaction account. The big difference is that the balance in the savings account is offset against that owing on the mortgage. Any 'notional' interest on savings is earned at the same rate as the linked loan interest rate.

Over time, savings in your offset account can help to reduce the loan principal, allowing you to pay off your loan sooner or build up equity.

The proper use of Interest offset accounts is strongly encouraged. These accounts allow you to in effect, earn the home loan interest rate on your savings, tax free, rather than the much lower and taxable savings deposit rate whilst retain full accessibility when those funds may be needed.

ⓘ You can learn more about the benefits of Offset and how an Offset works here: https://www.rarebreed.finance/loan-offset-accounts

Results of Saving to Offset/Home Loan Redraw



The Benefits of Saving More

No change to your lifestyle, today.

The FutureNOW results have been simulated based on your current income and spending behaviours and resultant current savings/cash surpluses.

We encourage our Clients to identify for themselves areas within their discretionary spending that could offer increased savings.

Added savings applied to debt reduction have a compounding benefit and can provide substantial opportunity to pay your home loan off much sooner and to benefit you into your retirement.

To demonstrate the real value of savings, we have projected a What IF savings goal, where we simulated you saving an **extra $100.00 per pay cycle.**

Achieving this added savings goal would further reduce your home loan term by a further **1.92 years, saving you $6,502.37 in additional repayments**. If you continue with this savings regime, the benefits are truly gained after your home loan is paid off. Saving an added **$100** per pay cycle will further increase your projected Superannuation benefit by a further **$147,245.70** (see Table below)

What Extra Savings will do to pay off Personal Debt:

$100 Per Pay Cycle

'Cascade' Debt Reduction Strategy	Plan:	Avalanche (Highest Interest First)							
Creditor:	Bankwest Credit Card	HSBC Credit Card	Motor Vehicle Loan						
Balance:	$2,400.00	$6,000.00	$15,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Rate:	21.50%	19.50%	12.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Base Payment:	$100.00	$125.00	$350.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Months to Pay Off:	10	17	26	0	0	0	0	0	0	0
Month Paid Off:	01-Oct-20	01-May-21	01-Feb-22							
Total Interest:	$297.17	$1,301.63	$2,802.97	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Projected Interest Costs:	$4,402
Interest Cost Saving:	$11,192
Total Repayments Saved	$41,825.00

Months till ALL Debts Paid: 26

Months Saved 68

What Extra Savings will do to pay off Your Home and benefit your Retirement Savings:

Strategy Options - Extra Savings		Total Repayments	Total Interest Paid	Repayment Term (Years)	Total Interest Cost Savings	## Loan Strategy Benefit During Home Loan Term	^^ Benefits from my Cash flow & Debt Management Advice After Home Loan Paid Off (Net Present Value- Today's $'s)			** Projected ADDED Benefit to your Superannuation (This result assumes you have drawn down on your BHAG Goal - if you have one)
Extra Saving per Pay Cycle	$100	$504,487.85	$109,487.85	14.73	$91,933.49	$345,418.95	$481,684.40			$795,006.67
Savings/Benefits		$6,502.37	$6,502.37	1.92	$6,502.37	$45,878.56	$79,732.42			$147,245.70

Debt Management Planning – Accelerated Non-deductible Debt Reduction

Your Home Loan Recommendation

David and Susan,

Implementing the Credit and money management strategies detailed in my Statement of Credit Advise, the total debt secured against your property will be **$395,000.00.** You will receive my Statement of Credit Advice separately to this document.

Your total monthly property loan repayments will be $1,945.83. These total repayments are less than you currently pay. By refinancing, each month you will save an extra **$42.24 per month.**

I am also proposing you make your home loan repayments at least **- Fortnightly.** You would set this up as a direct debit from your Offset/Redraw account. Paying your monthly repayment, split into 2 fortnightly payments will contribute to further interest cost savings on your loan and a reduction in the total loan term.

Whilst saving for your 'BHAG', I recommend your savings are deposited to your home loan offset account. When you reach your goal and then spend these savings it will impact your home loan term and interest costs incurred.

This impact on your home loan has been considered in my analysis below;

- If you have a "Big Hairy Audacious Goal" (BHAG) requiring you to save for an important purpose then, once you have paid off your high interest debts continue saving the value of those high interest debt repayments plus your regular savings in your Offset Account.
- If, and once your BHAG Goal has been achieved, your focus should shift to paying your home loan off.

Following my FutureNOW money management advice, you will have your **home loan paid off 8.35 years sooner.** This will save you **$85,431 in interest costs**. The total benefit saved (including save repayments) during your home loan term is **$299,540.**

Spending from your Offset/Redraw on your "BHAG" will have the following impact on these results:

1. Increase your loan pay off term to from **16.65 years to 19.74 years**
2. Reduce your Interest Costs saved to **$72,593.57**
3. Reduce your Total Benefit saved during your loan term to **$121,651.62**

On the table and graph on the following page you will be able to review the FutureNOW Home Loan Strategy Options and Outcomes.

My Recommendations

David and Susan, I recommend that you;

- Simplify your bank account structure
- Close unnecessary accounts and direct all available funds into the Home Offset Account(s).
- Have all of your income, inclusive of rental income (if applicable) directed to your Home Offset Account(s).
- Pay all your bills and living expenses via the credit card where possible, and then pay off your credit card in full every month from the Home Offset Account(s) so that no interest is incurred.
- Set the limit on your credit card to match your budgeted monthly living expenses (excluding mortgage repayments).
- Subscribe to and utilise our myFutureNOW PFM to assist you in overseeing your spending habits aligned with your budget.
- Establish and maintain an agreed "cash flow buffer/ Emergency Fund" of **$5,000.00**, to be held in the offset facility to provide you the comfort in knowing you have access to funds to insure you against life's misfortunes, breakages and inflation.

'FutureNOW' Home Loan Strategy - Paying your Home Loan off sooner

Your Home Loan **Best Strategy Outcome:** **Advice + Home Refinance**

Strategy Options	Total Repayments	Total Interest Paid	Repayment Term (Years)	Total Interest Cost Savings	## Loan Strategy Benefit During Home Loan Term	^^ Benefits from my Cash flow & Debt Management Advice After Home Loan Paid Off (Net Present Value- Today's $'s)	Total Future Value of Savings to Invest in Retirement	** Projected ADDED Benefit to your Retirement (This result assumes you have drawn down on your BHAG Goal - if you have one)
Original Loan_No Debt Advice	$596,421.34	$201,421.34	25.00	$0.00	$0.00			
Advice Only - No Home Refinance	$531,742.97	$136,742.97	18.17	$64,678.36	**$280,324.25**	**$352,699.30**	**$524,015.38**	
Advice + Home Refinance	$510,990.22	$115,990.22	16.65	$85,431.12	**$299,540.38**	**$401,951.98**	**$524,015.38**	**$647,760.97**
Extra Saving per Pay Cycle **$100**	$504,487.85	$109,487.85	14.73	$91,933.49	**$345,418.95**	**$481,684.40**	**$561,416.82**	**$795,006.67**
Results if you have a "BHAG" Savings Goal and spend from Savings or your Offset/Redraw	$523,827.77	$128,827.77	19.74	$72,593.57	**$121,651.62**	**$198,733.92**	**$198,733.92**	**$524,015.38**
Strategy "Stress Tested" @ Interest Rate + 2% **	$710,374.84	Don't Service	23.46	Don't Service	$90,157.31	$48,184.64		

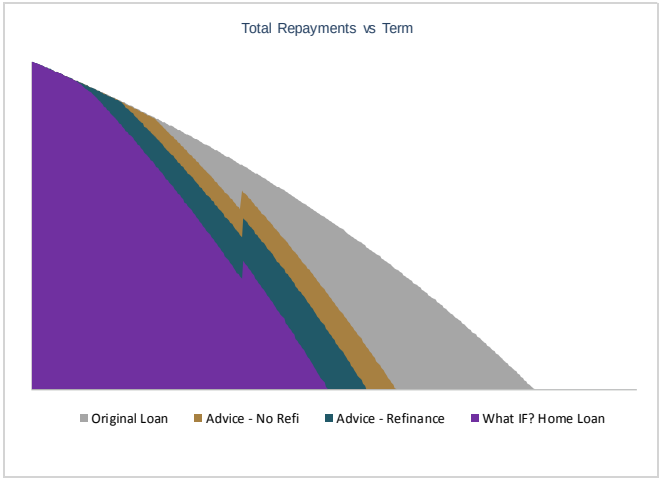
** "Don't Service" means you haven't the capacity to pay your home loan if interest rates rised by 2%.

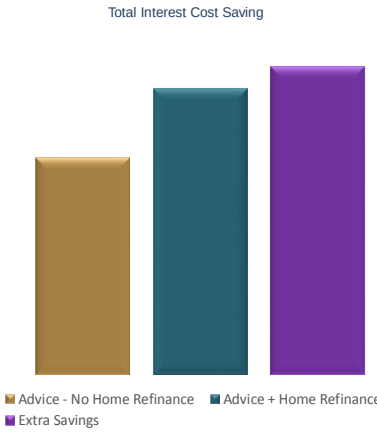
Benefits during your Loan term i.e. Cash flow Buffer, Debt Repayments savings, Interest Savings & Commission Rebates (if Applicable)

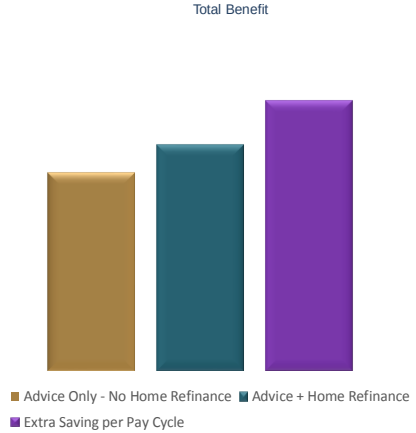
^^ Benefits once your Home Loan is Paid Off i.e. Mortgage Repayment Savings and Personal Savings from Cascade Debt Reduction Strategy

** Benefits derived from investing your savings into your Superannuation - once your Home Loan is Paid Off until your desired Retirement Age

~ Future Value ***=FV(rate, N, [pmt], [pv], [type])*** of Savings - Indexed for Inflation from the date your Home Loan is Paid Off till your Desired Retirement Age







Important Note:

Estimated term reduction and interest cost savings are precedent upon those savings/surplus funds remaining in Offset/Redraw and are not spent.

☞ *The nominated Lenders, loan products and the indicative interest rates used in my modelling have been proposed by* Rarebreed Finance Pty Ltd *as being "not unsuitable" for your circumstances and were current at the time of publishing this document. Lenders' Policies and published interest rates are subject to change.*

The recommendation are subject to credit criteria and property valuations completed by the nominated Lenders.

Your Personal Debts – FutureNOW 'Cascade' Personal Debt Reduction Strategy *<if Applicable>*

Personal Debts other than your home loan refer to personal loans, motor vehicle loans, credit cards and store cards.

As these are often revolving debt type facilities and impose high interest with minimum monthly repayments they seem to never go away. If you don't maintain a lifestyle/household budget they can very easily add up to an ever increasing level of total personal debt – this is referred to a 'debt creep'.

Managing your cash flow and utilising any surplus funds or disposable income and appropriating that surplus to the correct order of debt repayments is the foundation of your Cascade Debt Reduction plan.

As the term cascade suggests, my 'Cascade' Debt Reduction recommendations and advice proposes a sequential 'avalanche' of repayments and savings be paid against your debts in a defined order of personal debt retirement.

FutureNOW algorithm defaults the strategy to the avalanche method prioritises paying off your debt balances with the highest interest rate first. This method will ensure you pay the least amount of interest and pay off your loans in the fastest manner.
According to my records you have, **personal high interest debts of $23,400.00 with minimum monthly repayments of $575.00**

ⓘ You can learn more about the FutureNOW 'Cascade' Personal Debt Reduction strategies here:
https://www.rarebreed.finance/futurenow-cascade-debt-reduction

My Recommendations

David and Susan, to reduce the amount of interest you are paying on your non-deductible, high interest debts, **I recommend that you implement the 'Cascade Debt reduction strategy, focussing on paying off your highest to lowest interest debts in order.**

The Cascade Debt reduction strategy will **save $1,736 in interest costs** whereby you will have your **personal debt paid off 57 Months sooner**.

This will **save you $16,875.00 by not having to make repayments** due to the reduced time in which these loans have been paid off.

From Offset account you begin by paying your regular savings surplus (currently calculated at approximately **$150.00** per pay Cycle) to your highest-interest debt balance first. Once you eliminate that balance, you then take your regular savings/surplus PLUS the funds you were using for the payments from the now paid off debt and put them toward your next-highest-interest balance, all while making your normal minimum repayments on the rest of your debt.

Continue this until all personal debts are paid.

☞ See the following table and graph that shows the results and the order of your cascade debt repayments.

It will take commitment and you'll not feel any further ahead until your last debt is paid off. When that's achieved however, you will have made a huge difference to your financial circumstances and are now if the best position to rid yourself of your home loan debt in 'record time'!

☞ You should commence implementing this Cascade strategy only once you have saved (to your Home Loan Offset) your desired Cash flow Buffer/Emergency Funds.

Cascade Debt Reduction Strategy <if Applicable>

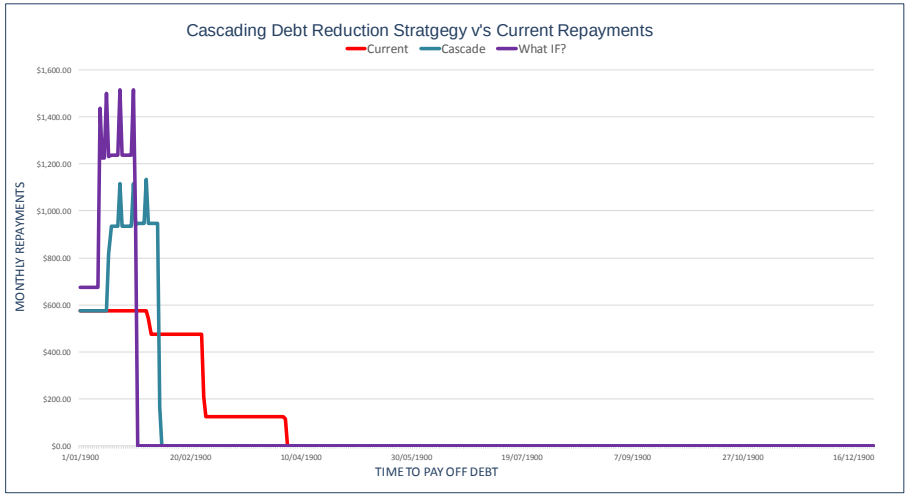
'Cascade' Debt Reduction Strategy	Plan: Avalanche (Highest Interest First)									
Creditor:	**Bankwest Credit Card**	**HSBC Credit Card**	**Motor Vehicle Loan**							
Start Balance	$2,400.00	$6,000.00	$15,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest Rate	21.50%	19.50%	12.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current Monthly Repayment	$100.00	$125.00	$350.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Months to Pay Off:	**17**	**27**	**37**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Month Paid Off:	**01-May-21**	**01-Mar-22**	**01-Jan-23**							
Total Interest:	**$546.05**	**$2,055.27**	**$3,720.20**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

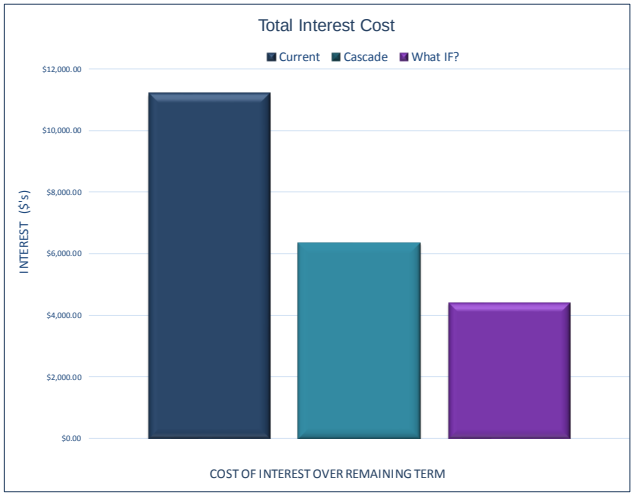
Projected Interest Costs:	**$6,322**

Interest Cost Saving:	**$1,736**
Total Repayments Saved	**$16,875.00**

Months till ALL Debts Paid:	**37**

Months Saved	**57**





☞ **You should plan to pay off each debt in the order in the above table (Left to Right)**

Summary - Cost Benefits by implementing my Recommendations

David and Susan, by implementing the Statement of Credit Advice provided to you and my FutureNOW recommendations relating to money management, debt structure and personal debt reduction will place you in a better position overall.

With all income directed into your 100% Interest Offset account or Redraw facility, together with my recommendations of debt structure and cash flow management, projects the result of you **saving in $85,431 interest costs.**

David and Susan, my advice, that includes the surplus funds resulting from paying off your high interest debts, any home loan interest cost benefits and the money that you personally save (**$150.00** per pay cycle) are all held in Offset or paid off the principal, you will **reduce your Home Loan term by 8.35 years**.

Opportunity Cost Benefit – Saving towards Retirement

PLUS this does NOT include the 'Opportunity Cost' benefit of David, having **12.35 years** and Susan, having **15.35 years being mortgage free** on your Principle Place of Residence (between now and your Eligible Pension Age in Retirement).

From the date your Home Loan is paid off until your eligible pension age in retirement this will "free up" mortgage repayments and personal savings resulting in **a total of $524,015.38 (in after-tax dollars).**

After the paying off of your home loan, I am recommending you invest these savings for the benefit of your retirement.

The returns on you making these investments may further boost your retirement savings.

☞ You should not rely solely on these results to make decisions about your Superannuation investment and retirement planning. I recommend that you get advice from a licenced financial adviser.

ⓘ **Assumptions and Disclaimers –**
You can learn more about FutureNOW here:
https://www.rarebreed.finance/assumptions-disclaimers

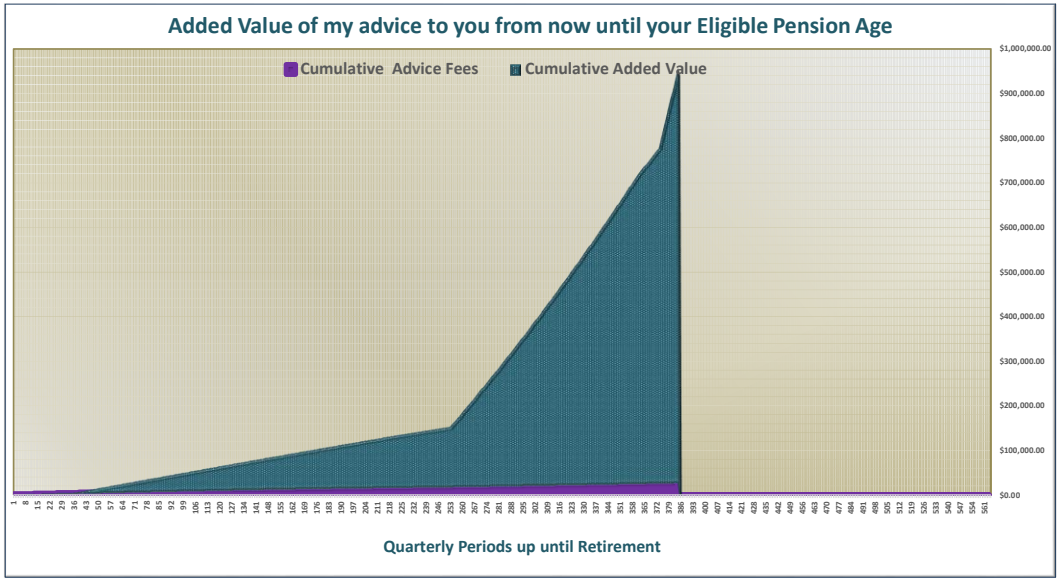
Value	Total Benefits Summary	Projected Milestone Date
$5,000	**Your "Cash flow/Emergency Buffer" has been achieved**	**16 December 2020**
28	**No. of Pay Cycles to establish "Cash flow/Emergency Buffer"**	
$23,400	**Personal Debt extinguished (Excluding property loans)**	**1 January 2023**
$16,875	**Repayments saved on Personal Debt**	
$1,736	**Interest Cost Savings resulting from my 'Cascade' Debt Reduction Plan**	
57	**Months saved off your personal debt repayments**	
$25,000	Your "Big Hairy Audacious Goal" to Save for an Important purpose	18 March 2026
116	No. of Pay Cycles to have saved for your "Big Hairy Audacious Goal"	
$85,431	**Interest Cost Savings whilst paying your Home Loan off**	**22 August 2036**
8.35	**Years saved on paying your Home Loan off** (inclusive of spending on any BHAG Savings Goal)	
$299,540	**Total $ Benefits from my Home Loan Re-Structuring and Cash flow Management Advice V's Current**	
$524,015	**Added value to your Retirement by Investing these savings once Home Loan is paid off**	**23 December 2048**

My ‘Life of Relationship’ Value Proposition as your Credit Adviser & Money Coach

Prudent money management is not an event or a moment in time, it’s a journey through the various stages of your life and the circumstances that unfold. What you see as your goals today will sometimes differ in years to come. The World too, is ever changing. There are constant changes to investments markets, Superannuation and tax regulation and law and financial and credit products.

My service offering proposes to you that I am your Primary Credit Adviser and Money Coach for advice on your debts and money management throughout this journey; to always act in your best interest and to afford you my time and knowledge so that you have the confidence to make an informed decision; have access to credit advice and the resources to be able to measure your success towards your important financial Goals.

David and Susan, to deliver this offer to you it would require that we enter into an On-going Financial Care Agreement [You will find the details of this this agreement will be presented to you in a separate document]. Below is a graph that may assist you in your evaluation of my value proposition of my advice and On-Going Financial Care service. It represents the cumulative cost of my Fees charged directly to you (if any) and Lender Commissions I may receive, measured against the cumulative added monetary benefit projected from my advice and recommendations from now until your desired Retirement Age.



		Mortgage Broker	Initial Credit Quote/Advice Fee	$0
		Financial Adviser	Initial Financial Advice Fee (SoA)	Not Considered
Added Personal Value ##	$937,848	Cumulative Total Advice Fees (OFC) AND Lender Commission **		$29,913

Total Lifetime Advice Fee is amortised in:			19	Months
Equivalent to a Benefit Every Day from Now to Retirement	$	88.38 per Day	Total No. Days	10612

Remember however getting to your "FutureSelf", is a Journey, not a Destination!

** Advice Fees have been deducted from the Total Added Value projection.

Further Information and Resources

About - Rarebreed Finance	https://www.rarebreed.finance
About - myFutureNOW Personal Finance Manager	https://www.rarebreed.finance/myfuturenow
Loan Offset Accounts – What is it & How does it work?	https://www.rarebreed.finance/loan-offset-accounts
FutureNOW 'Cascade' - Personal Debt Reduction	https://www.rarebreed.finance/futurenow-cascade-debt-reduction
FutureNOW – Assumptions and Disclaimers	https://www.rarebreed.finance/assumptions-disclaimers
Financial Terms (Glossary)	https://www.moneysmart.gov.au/glossary/a
Banking	https://www.moneysmart.gov.au/managing-your-money/banking
Borrowing & Credit	https://www.moneysmart.gov.au/borrowing-and-credit
Insurance	https://www.moneysmart.gov.au/insurance
Superannuation and Retirement	https://www.moneysmart.gov.au/superannuation-and-retirement
Calculators & Resources	https://www.moneysmart.gov.au/tools-and-resources

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