



8 STEPS TO REACHING YOUR financial goals

INVESTSMART

LET'S MAKE WEALTH HAPPEN

www.investsmart.com.au

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About InvestSMART

Founded in 1999, InvestSMART Group Ltd is a leading Australian digital wealth adviser. It owns Intelligent Investor, Eureka Report and has launched a number of its own funds.

InvestSMART's goal is to provide quality advice, research and easy-to-use tools, free from the jargon and complexities so commonly found in the finance industry, to help you meet your financial aspirations.

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FROM THE AUTHOR

If you're between the ages of 20 and 45 – and I'm going to assume you are – there's no denying that reaching your financial goals is now harder than it was for your parents, or a Gen X-er like me.

You have had to pay for a higher education that people of my vintage did not; housing has become expensive, in part because our taxation system encourages the already-wealthy to invest in property that's too expensive for you to buy; you will bear the costs of climate change long after I have gone; and you will be penalised if you don't take out private health insurance before the age of 30 in order to subsidise the premiums of Boomers and Gen X-ers, who get sick more. It's a tough old world, alright.

Contrary to Bernard Salt and Tim Gurner's musings, the answer is not to spend less on breakfasts of smashed avocado.

You will have more success by making use of the advantages you have over your parents' generation - youth, and access to the technologies that make it easy and cheap to do what your parents found difficult and expensive.

That's what this white paper is all about.

Frankly, you can Google the title of this special report and find no-end of advice about reaching your financial goals. We have no wish to add to the self-promotional, pro-forma guff that's already out there.

We're going to keep this short (just 17 minutes reading time), simple and actionable.

Let's get into it.



John Addis

Editor of InvestSMART Group

1 YOUR FIRST BIG advantage



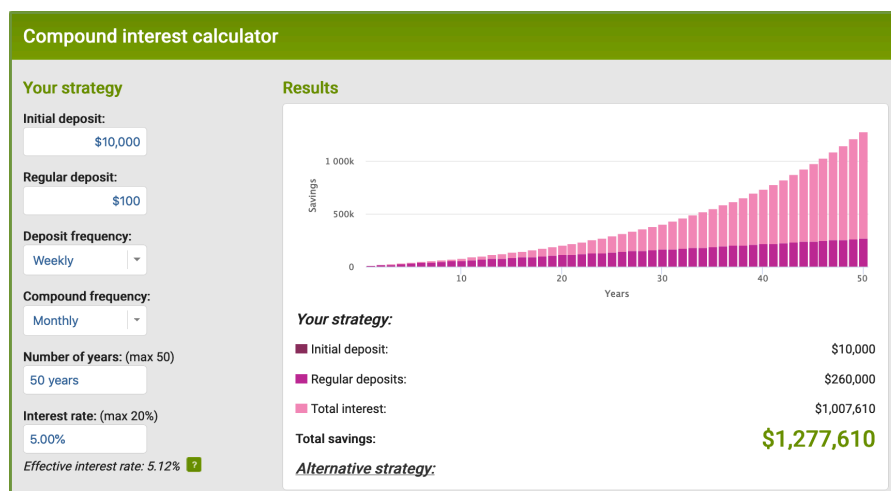
There's a simple fact that favours the young over the old...

The sooner you start saving and investing at the beginning of your life the more you'll have towards the end of it, and indeed, all the way through.

The oldies simply don't have the time left to do what you can, which is to put the power of compounding to work and let it rip for decades.

You may have heard about the power of compounding but there's nothing like seeing it in a chart with a big, fat, million-dollar figure on it.

Start with \$10,000. Here's what \$100 a week saved over the next 10, 20, 30, 40 and 50 years looks like, at an interest rate of 5% (yes, that's high nowadays but we'll get to that):



Source: ASIC Moneysmart compound interest calculator

With rents and house prices being what they are, saving \$100 a week might seem an impossible goal, but we'll get to that, too. Right now, the important thing to appreciate is that a dollar invested today is worth many multiples of one invested in 10 or 20 years' time.

It's probably too late for your parents but there's ample time for you to put the power of compounding to work. The earlier you start saving and investing, the better off you'll be. Your youth is your advantage.

2 YOUR SECOND BIG advantage

Not so long ago managed funds charged ongoing fees of around 3% a year. That sounds like a small number but it had a massive impact on your parents' investments.

Between 1 July 1988 to 30 June 2018, Vanguard calculates that Australian shares have returned 9.1% a year. If they were paying fees of 3% a year, that means 59% of the average annual increase in the value of their investment was lost to fees.

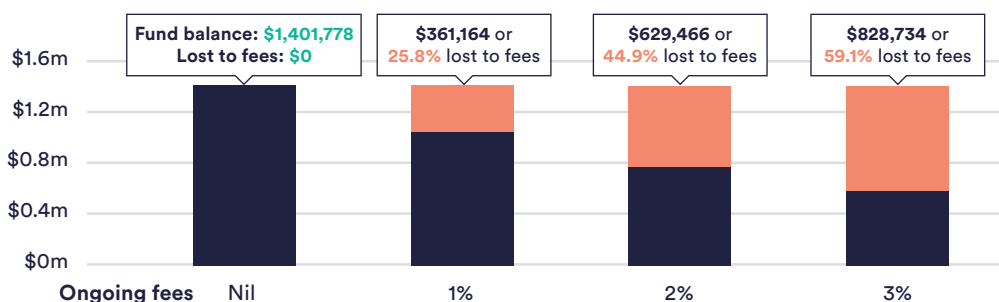
This slashes the power of compounding. Look how the total return is affected by a 3% annual fee on an initial investment of \$100,000 over a 30-year period, compared with a 0.5% fee which is what you'll probably pay today.

Your parents might have had the advantage of being younger when they were your age but that was offset by the fees paid to access growth investments. Technology has changed all that. You can now access far more investment products at a price your parents would have found unthinkable. This makes a massive difference to how quickly you can reach your financial goals.

Fees on \$100,000 over 30 years

A comparison of the total costs of 1%, 2%, 3% p.a. on a 30-year investment

■ Fund balance ■ Lost to fees



Assumptions: Initial investment amount \$100,000; Investment earnings 9.2% Source: ASIC's MoneySmart managed funds fee calculator



How Fees Can Destroy Your Wealth

UNDERSTANDING THE TOTAL
COST OF INVESTING

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1800 880 180

To see how fees erode
your ability to reach your
financial goals, see our
whitepaper titled
***How Fees Can Destroy
Your Wealth.***

A man in a maroon t-shirt is sitting at a wooden desk, looking down at a document. A woman in an orange cardigan and sunglasses is leaning over his shoulder, looking at the same document. The desk is cluttered with various papers, a calculator, a pen, a laptop, and a smartphone. The background is a kitchen area with a white countertop and a coffee machine.

3 GETTING organised

Knowing these two big advantages should encourage action. But what kind?

The first step towards achieving your financial goals is to take stock of your current finances, which is also easier now than even a decade ago.

Nowadays the banks have a range of online tools that can reduce the time it takes to get on top of your spending to a few hours. Commonwealth Bank has **My Spend** and **Budget Planner**, for example, while NAB has its own **budget planner**, as do all the major banks.

Here's how we suggest you tackle the task, in four easy steps:

1 Know where your money goes

Using your bank's online tools, classify your sources of income and expenditure over the past 3-6 months. A year is better as it will include high-expenditure periods like Christmas and annual holidays but 3-6 months is better than nothing.

This shouldn't take more than an hour or so. The banks have a good idea of your spending already; you just need to check they've guessed correctly. Just remember to avoid using unclassified cash expenditures for the period, which will skew the results. Try and make all your purchases electronic; that way you'll capture the lot.

Once you've allocated all your income and expenditures, take a look at the pretty charts that show the percentage of your income spent on things like rent/mortgage, entertainment, groceries and petrol etc. This will give you a good sense of where your money goes and what you can and can't cut back on.

2 Examine your financial choices

I consider a cake and coffee each afternoon as essential expenditure. You may not. We all have our own guilty pleasures and they're an important part of daily life. Working towards your future goals should not be a utilitarian exercise in self-deprivation, unless of course the deprivation itself is a source of pleasure, in which case go for it.

This is all about working out what you can and can't do without, not becoming a prisoner of your pay cheque. This table, showing average weekly spend by life stage, may help you see where you have room to move.

	LONE PERSON AGED UNDER 35	COUPLE ONLY (AT LEAST ONE PERSON AGED UNDER 35)	COUPLE WITH KIDS (YOUNGEST CHILD UNDER 5)	COUPLE WITH KIDS (YOUNGEST CHILD 5-14)	COUPLE WITH KIDS (YOUNGEST CHILD 15+)
Housing	\$284	\$381	\$458	\$355	\$359
Fuel & power	\$24	\$35	\$48	\$54	\$53
Food & drink	\$122	\$239	\$282	\$336	\$332
Clothing & footwear	\$18	\$54	\$62	\$64	\$61
Medical & health expenses	\$23	\$69	\$85	\$104	\$110
Alcohol	\$22	\$39	\$28	\$35	\$47
Transport	\$97	\$243	\$247	\$309	\$292
Recreation	\$83	\$176	\$158	\$263	\$243
Total	\$849	\$1,572	\$1,833	\$2,085	\$1,990

Source: [ASIC Moneysmart](#)

These ASIC figures are from 2016 so you'll need to add a few bucks to the amounts shown. And they don't account for variations in cost of living expenses based on where you live.

But they will help you make general comparisons between the amount you spend by category and the average spend of someone in your situation. It should give you an idea of where you can make some savings.

Again, the point is not deprivation. Often, it's more about overcoming the inertia we all feel and on which many big companies rely. Whilst it's a hassle changing banks, broadband, mobile phone and electricity providers, it's also a way to save hundreds and maybe thousands of dollars a year.

Accept the need for a few changes and don't let the services you use profit from the hassle involved in switching. Push through the pain.

As for other ways to cut back, I'm not going to do a **Bernard Salt**. I did, however, buy a small coffee maker and a Kindle last year. Together, I estimate annual savings of about \$2,000, including the cost of purchase. I also tried watching Masterchef reruns instead of eating lunch, with much less success. No doubt you'll have your own ideas.

3 Think about a budget

First see where your money is going, then decide where you think it should go. Every financial adviser recommends a budget and every major bank offers tools to help you track spending to your budget.

The daily coffee is often used as an example of how to save a few grand, although I'm not convinced. If you have decided to send your kids to a state school, got the bank to knock off 0.5% on your mortgage rate and cancel the European holiday in favour of a week in Gympie, you can treat yourself to a few small pleasures and still reach your investment goals.

For most people though, establishing a budget is a form of discipline in itself. By committing to spending \$50 a week less through budgeting you're more likely to achieve your financial goals. And the more people you tell that you're no longer dining at Nando's every night, the less likely you are to break that promise to yourself.

Psychologists call it the **commitment principle** and it's a useful tool to help change our behaviours. Sorry Nando's.

4 Pay down debt first, save later

This one's easy. If you're getting 2% a year on a few grand in a bank, paying off a credit card charging 20% is the best use of that money. This applies to all credit cards and personal loans, even if you're saving for a child's education or a home deposit. The best return on the money you've managed to save is to reduce the interest on the debt you currently owe.

Does this mean you should also pay off your mortgage first as well? Not necessarily. If your mortgage runs for another 20 years but you have kids that will go to uni in 10, probably not, although an offset account may help.

If you think you can successfully invest at a higher rate than you pay on your mortgage, that might be the way to go. But there are tax consequences and what financial planners call 'strategy risk' in doing so. This is an issue where you might want to seek professional advice.

The general point regarding expensive debt like credit cards and personal loans still stands, though. This is a major cause of anxiety in our lives so it's best to deal with it, from a financial and psychological perspective, before starting to save.

5 Don't just do it, start on it

Still hesitating? That's understandable. Sorting out your financial future can be daunting and the Nike slogan doesn't really help. When we don't do something we know we should, we feel bad about it, and that makes it even harder when we try again. So we don't.

There is a better way. Set yourself the goal of starting something rather than finishing it, which is far less intimidating. Once you've spent five minutes on allocating your expenditure using your bank's online tools you'll become fully absorbed in it and stand a better chance of getting it finished.



“

The best return on the money you've managed to save is to reduce the interest on the debt you currently owe.



4

PUT YOUR SAVINGS ON
autopilot

At this point I'm going to assume you've found some cash left over at the end of each week that you can put to work. I'm also going to ask you to change what psychologists call your 'frame of reference', for reasons which will quickly become apparent.

Our brains see cash 'left over' at the end of the week as available to us during the week, which is why 'spare' cash tends to get spent. The trick is to save the money beforehand. And the best way of doing so is to 'spend' it on saving before you spend it on something else.

This is known as a Ulysses contract, where you make a decision of your own freewill that binds you to a future course of action.

In medicine, living wills are an example. In technology, Apple, as part of an encryption dispute with the FBI, engineered the iPhone in such a way that it was impossible for the company to access the data on it. Apple tied its own hands, making it impossible to accede to FBI requests to open the door.

Australia's superannuation system is a kind of Ulysses contract while your parents may have made a contract with a bank to honour a monthly mortgage repayment, which turned their home into an enforced savings vehicle.

You may or may not have these options but you can still establish a system of enforced saving that puts it on autopilot.

You know your weekly and monthly expenses; you now know what cash you have left over at the end of each period; you have a savings account; and you know when your pay is deposited into your main account. Just set up a regular transfer between the two that occurs immediately after your pay is deposited.

And if you still think you'll access your savings in a moment of weakness, deposit it into an account that requires notice to access (these often pay a higher rate anyway). This way, the urge will pass and your savings will be left unraided.

CASE STUDY

Saving for a house deposit

Michael and Joanne

Age: 27

Savings Goal: \$70,000 for a deposit for a home

Time Frame: 6 years

Amount already saved: \$15,000

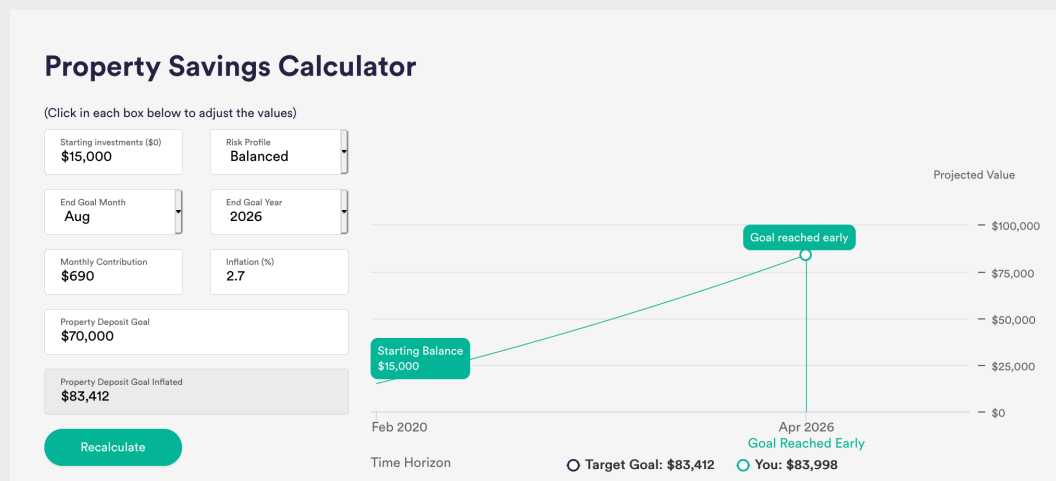
Regular Savings Capacity: \$690 a month (combined)

Michael and Joanne met three years ago and are intent on owning their own home. Having compared term deposit rates they've realised that on their monthly combined savings amount, it's not realistic to expect to own their own home in six years.

Instead, they opt to invest in the **InvestSMART Balanced Portfolio**, a blend of 5-15 low cost Exchange Traded Funds with an even allocation across defensive income assets (bonds and cash) and growth assets (shares and property).

Its attractions are its low fees, capped structure (they'll never pay more than \$451 p.a) and the ability to make monthly contributions.

Since inception on 29 December, 2014, the fund has returned 7.2% p.a. Assuming an initial investment amount of \$15,000 and regular contributions of \$690 a month, upon reaching their goal in six years time they would have accumulated \$82,629, reaching their goal early.



To find out how much you need to save to reach your property savings goal, use InvestSMART's **Property Savings Calculator**.

- This is a model, not a prediction. It only gives you estimates of regular amounts to save, the amounts saved, how much you might earn and the time period it will take. The amount you might earn in the various strategies will change over time and will be different in each year.
- It is not intended to be your sole source of information when making a financial decision. You should consider whether you should get advice from a licensed financial adviser.
- While all reasonable care has been taken in preparing and designing the calculator, InvestSMART provides no warranties and makes no representation that results of the calculator are accurate or appropriate for your personal circumstances.
- To the extent permitted by law, no liability is accepted by InvestSMART, its related entities, agents and employees for any loss or damage arising, directly or indirectly from reliance on the calculator.
- Please note that this calculator does not record or store any of the data you have entered for future use in any other calculators, and consider updating the projections provided by this model regularly, particularly if your circumstances have changed.



A red fire extinguisher is mounted on a white wall. The extinguisher has a black hose and a red handle. A large green number '5' is overlaid on the left side of the image.

5

YOUR FIRST SAVINGS GOAL:
an emergency fund



If you haven't already done so, now that you're saving money regularly you can think about what you're saving for. If you're dreaming of a new house and are saving for a deposit, or thinking of having kids and want to start saving for their education, let's stop you there.

Life is full of surprises, some of them quite expensive. Having a few thousand dollars tucked away to deal with unforeseen costs should be your first savings goal. Such events can derail your other financial goals, so think of an emergency fund as an insurance policy against nasty surprises.

How much you'll need is entirely up to you, but you will need something.



6

Your next savings goals
(AND HOW TO WORK THEM OUT)

So, you're saving regularly and have an emergency fund. Now it's time to start thinking about longer term savings goals and the best way to reach them. Welcome to the future.

Planning is one of those boring but necessary things in life. As the author of *The Little Prince*, Antoine de Saint-Exupéry, once said, "A goal without a plan is just a wish." Here are a few pointers on making a plan rather than just hoping for the best:

1 Make it SMART

Unfortunately, the corporate boilerplate you learnt on that last team building exercise is correct. You have more chance of achieving your goals if they are Specific, Measurable, Achievable, Relevant and Time-bound, or SMART, to use the mnemonic.

It is not enough to say "I want to save \$50,000" for my child's education without knowing whether the sum is realistic, the time frame appropriate and the monthly contribution required affordable.

Here are the things you need to think about in the context of SMART goals:

- **Time horizon** – How long have you got before you need to reach your goal?
- **Financial goal** – What are the funds required at the end of your time horizon? And don't forget that if your goal is years away, you need to account for inflation. In the case of a child's education, the annual increase in fees may be higher than inflation. Your savings goal figure should be what you think you'll need at the end of the goal's time horizon, not what you need now.
- **Upfront investment** – How much you can afford to invest in your goal at the beginning of your time horizon.
- **Ongoing contributions** – How much you can afford to contribute to your goal each month.

There's no avoiding this bit; you're going to need to play around with some numbers. InvestSMART's free calculators will help you work out if your goals are realistic for the time frames and contributions you've set to achieve them.

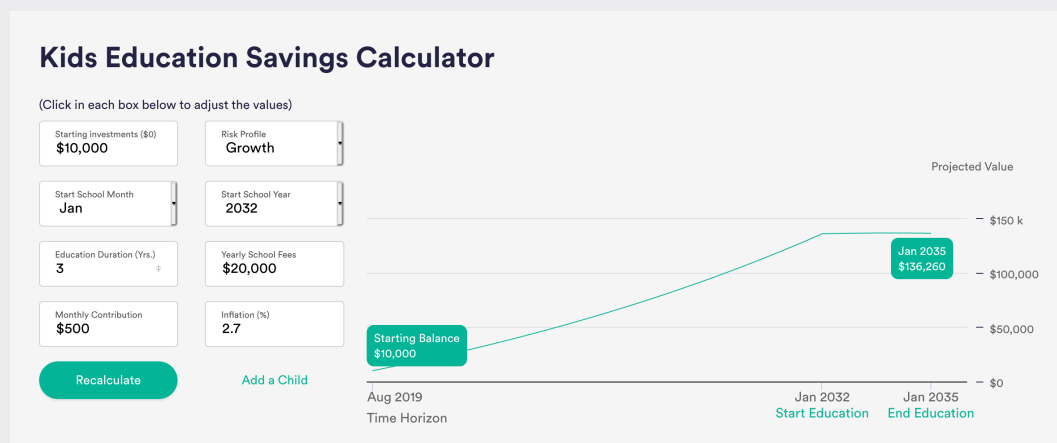
CASE STUDY

Saving for a child's education

Lesley and Ashley recently adopted Adam, a five-year old boy who has just started daycare. They intend to send him to a public school and use the money saved to support him at university, covering the expected fees.

They have \$10,000 to kick off their savings plan but don't know the returns they're likely to make over their 13 year investment time frame. Nor do they know how much university fees will increase in the meantime.

They turn to InvestSMART's Kids Education Calculator to establish how much they're likely to need and whether they can reach their savings goal saving \$500 a month.



Assuming a growth profile, Lesley and Ashley realise that with a monthly \$500 contribution, not only will Adam's \$20,000 a year in uni fees be manageable, they'll also have a nice \$86,000 nest egg once he completes his course.

- This is a model, not a prediction. It only gives you estimates of regular amounts to save, the amounts saved, how much you might earn and the time period it will take. The amount you might earn in the various strategies will change over time and will be different in each year.
- It is not intended to be your sole source of information when making a financial decision. You should consider whether you should get advice from a licensed financial adviser.
- While all reasonable care has been taken in preparing and designing the calculator, InvestSMART provides no warranties and makes no representation that results of the calculator are accurate or appropriate for your personal circumstances.
- To the extent permitted by law, no liability is accepted by InvestSMART, its related entities, agents and employees for any loss or damage arising, directly or indirectly from reliance on the calculator.
- Please note that this calculator does not record or store any of the data you have entered for future use in any other calculators, and consider updating the projections provided by this model regularly, particularly if your circumstances have changed.

2 Multiple goals require multiple plans

A goal that might cover buying a new refrigerator or paying off a specific debt is quite different to buying a home, saving for a child's education, or planning a retirement that doesn't entail living on tinned soup and cat food.

Every goal entails an estimate of the amount of money needed to reach it, the regular savings amount it requires and the timeframe to achieve it. You need a plan for each because multiple plans require multiple goals.

The best way of organising your thinking is to separate them into short, medium and long term goals. A short-term goal (say, within three years) might be to pay off your credit card debt or save for a holiday. Medium term goals (3-10 years) might include saving a deposit for a house or paying off your HECS debt. Long term goals are generally focused on a secure and reliable retirement; things like paying off your mortgage or leaving an estate for your family.

Have a plan for each one, prioritise, set incremental points to achieve along the way and don't focus on one goal to the exclusion of another.

3 Write it down and chart your progress

The best way to see if you really understand something like a goal and how you're going to reach it is to write it down.

Named after the Nobel prize winning physicist, the practice is known as the **Feynman technique**. As Mortimer Adler, author of *How to Read A Book* once wrote, 'the person who says he knows what he thinks but cannot express it usually does not know what he thinks'.

It is not enough to have a goal without a plan. And it is not enough to have a plan that exists only in your head. Write down your reasons for establishing your goal, the steps you need to take to achieve it and chart your progress along the way.

If you find that difficult, chances are you aren't clear in your own mind about the goal and how to reach it.

4 Monitor and review

Our time, energy and willpower is limited, which means having the intention to regularly review our savings goals isn't quite enough.

So, remove your monthly savings goal review from your to-do list and schedule it in your diary as a recurring appointment. That way you don't have to decide. It's just there, an obligation to do something rather than a choice to do it or not. Make it a routine, not a decision.

You should also aim to make it easy, keeping an eye on your portfolio – whether it contains shares, cash, managed funds etc – to make sure it's performing to your plan. **InvestSMART's Portfolio Manager** can help. It's free and easy to use.



7

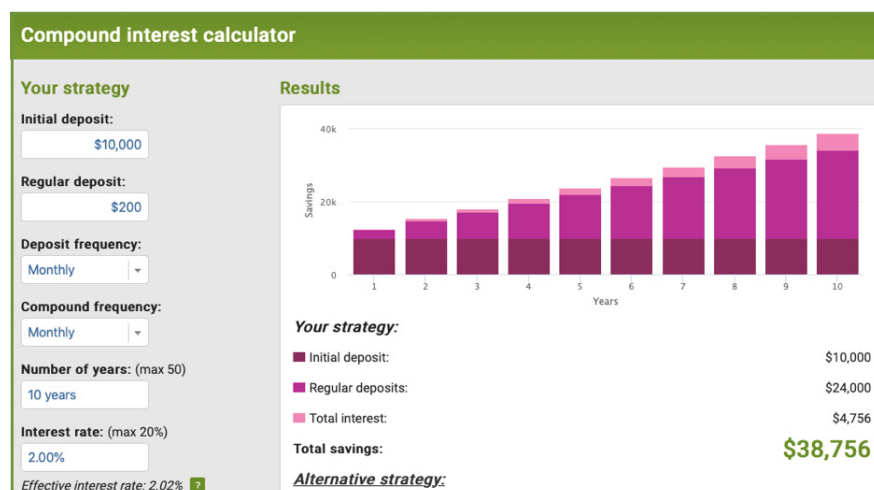
SAVING VERSUS
investing

Time, your regular savings amount and the rate of return (minus fees) ...

These are the three key variables that determine how much you'll accumulate as you progress towards your goal.

We've already examined time horizon and the process to arrive at an amount you can regularly save. Now it's time to address the big one; the annual rate of return.

Here's a chart showing how an initial sum of \$10,000, with regular monthly contributions of \$200, grows over 10 years at a rate of return of 2% a year.

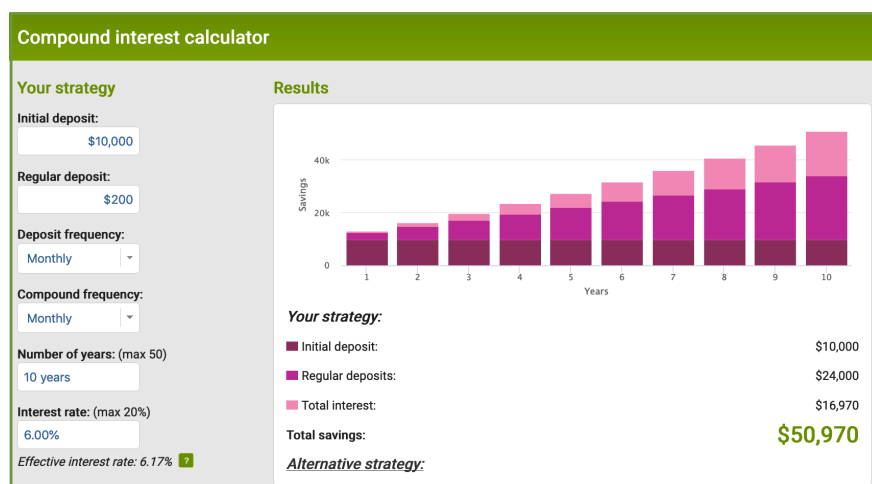


Source: ASIC Moneysmart compound interest calculator

You might be inclined to put your savings in a term deposit, grateful for the Government-backed guarantee (up to \$250,000) and the 2% interest rate - better than zilch from your chequing account.

Fair enough. After a decade, your initial sum has grown to \$38,756, of which \$24,000 is from your initial deposit and regular contributions and just \$4,756 from interest over the period.

Let's now imagine that you invest in a low cost managed fund with fees of 0.5% a year. The average annual average return between 1988 and 2018 was 9.1% pa but with interest rates at historical lows that seems an unlikely number for the next decade. Instead, let's assume an average annual return of 6.5%. Subtracting fees of 0.5% p.a., the net annual return is therefore 6%.



Source: ASIC Moneysmart compound interest calculator

The total sum at the end of the period is \$50,970, including interest of \$16,970. That's quite a difference. In fact, you'd need to invest for another four years in your term deposit for a similar result.

It's a no-brainer, right? Given those figures why would anyone invest in a term deposit? Well, because getting a higher return inevitably entails taking on a higher level of risk; unlike savings in a bank account, shares go down in price as well as up.

If you want a higher return, you need to be prepared to wear the risk that entails. This table might help you determine your risk appetite:

RISK PROFILE (BENCHMARK)	OVER THE LAST 5 YRS	OVER THE LAST 10 YRS	OVER THE LAST 20 YRS	BEST YR OVER THE LAST 20 YRS	WORST YR OVER THE LAST 20 YRS	ESTIMATED NEGATIVE YRS IN 20
Conservative (Morningstar Aus Msec Moderate TR AUD)	5.2%	6.1%	5.6%	12.4%	-8.3%	1.8
Balanced (Morningstar Aus Msec Balanced TR AUD)	7.0%	7.7%	6.3%	19.8%	-20.9%	4.3
Growth (Morningstar Aus Msec Growth TR AUD)	8.2%	8.9%	6.7%	22.9%	-25.1%	4.9
High Growth (Morningstar Aus Msec Aggressive TR AUD)	9.7%	10.0%	6.9%	28.1%	-29.1%	5.6

Average Performance (p.a.) as at 31 Jan 2020 Source: InvestSMART

Generally, the younger you are and the longer your time horizon, the more prepared you should be to accept more risk. That's because the more distant your goal, the more volatility your plan will endure (as long as you're aware of sequencing risk).

Either way, if you are thinking of investing rather than saving, once you've worked out your appetite for risk, we suggest you remember the following:

1 Focus on fees rather than returns

In most cases, the fees you pay for an investment rather than the return it makes will make a bigger difference to achieving your goal.

This is something the finance industry prefers to keep quiet. Too many investors pay high fees for poor performance. Our whitepaper ***How fees can destroy your wealth*** has all the gory details.

The overall message is simple; concentrate on keeping your fees low and the returns will take care of themselves. The other message is to watch out for percentage fees, which are often small numbers with big impacts.

In an Australian first, InvestSMART has launched capped fee investing, using exchange traded funds that start at just \$99 per annum for clients with lower balances. These products offer instant diversification and simple administration at a low cost and are well worth a look.

2 You may not be the best person to manage your money

One way to lower your fees is to manage your own money and build a portfolio yourself. That's easier said than done. Few investors have the time, knowledge and behavioral traits to successfully do so. There's nothing like a rapid fall in share prices to induce panic selling, right at the time when the smart money is often buying.

Research indicates ordinary investors tend to buy at the top and sell at the bottom, which is a recipe for woeful performance. Most investors are generally better off paying someone to do it for them, as long as the fee you pay is a low one. An automated but personalised service like InvestSMART's capped fee investment portfolios let's you compare the impact of capped fees versus percentage fees based on different invested amounts.

INVESTMENT AMOUNT	INVESTMENT FEES (\$)	INVESTMENT FEES (%)	INVESTMENT AMOUNT	INVESTMENT FEES (\$)	INVESTMENT FEES (%)
\$10,000	\$99	0.99%	\$100,000	\$451	0.45%
\$50,000	\$275	0.55%	\$250,000	\$451	0.18%
\$80,000	\$440	0.55%	\$500,000	\$451	0.09%
\$90,000	\$451	0.50%	\$1,000,000	\$451	0.05%

Source: InvestSMART

CASE STUDY

Saving for retirement

Eulis is a 45-year old single parent and has two kids, one about to leave university, the other about to start. With most of the major expenses in her life almost over, her thoughts turn to retirement.

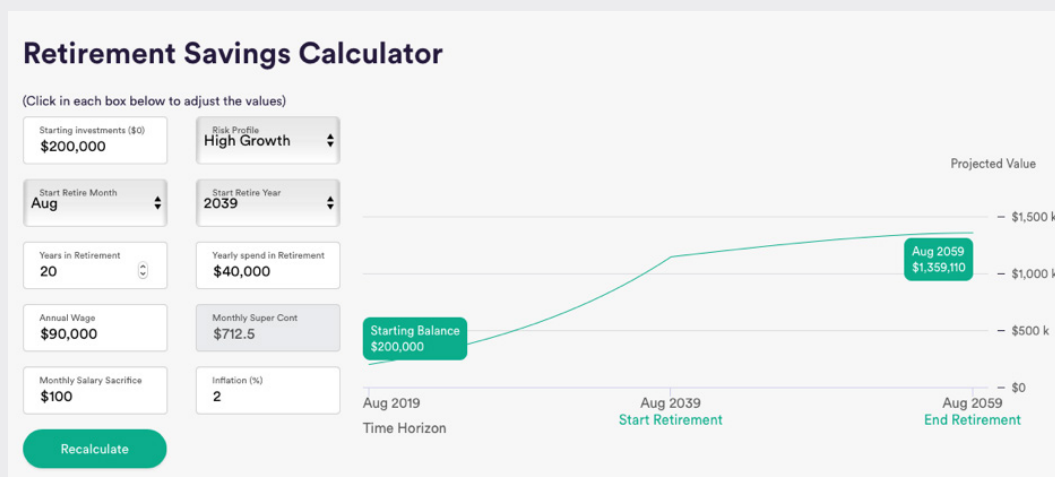
She's healthy and enjoys her work, aiming to remain employed until she's at least 65. The trouble is that, whilst Eulis has accumulated \$200,000 in her super account, she has no idea how much she'll need for her retirement and whether her current rate of saving is enough.

She heads to **InvestSMART's Retirement Savings Calculator**, entering her annual salary, expected retirement length, retirement spend and other variables, and starts to play around.

She assumes an inflation rate of 2%, a high growth risk profile, 20 more years in employment and a further 20 years in retirement, taking her to age 85.

Understanding how fees can destroy her returns, Eulis opts for **InvestSMART's High Growth Portfolio** with fees capped at \$451 p.a. and less than that for amounts less than \$82,000.

If she can keep her annual expenses in retirement to \$40,000 and salary sacrifices \$100 a month until then, Eulis learns she can have a pleasant retirement and leave a legacy of almost \$1.36m for her two children.



- This is a model, not a prediction. It only gives you estimates of regular amounts to save, the amounts saved, how much you might earn and the time period it will take. The amount you might earn in the various strategies will change over time and will be different in each year.
- It is not intended to be your sole source of information when making a financial decision. You should consider whether you should get advice from a licensed financial adviser.
- While all reasonable care has been taken in preparing and designing the calculator, InvestSMART provides no warranties and makes no representation that results of the calculator are accurate or appropriate for your personal circumstances.
- To the extent permitted by law, no liability is accepted by InvestSMART, its related entities, agents and employees for any loss or damage arising, directly or indirectly from reliance on the calculator.
- Please note that this calculator does not record or store any of the data you have entered for future use in any other calculators, and consider updating the projections provided by this model regularly, particularly if your circumstances have changed.

How InvestSMART's capped fees* work?

Our fees start at just \$99 p.a and capped at \$451 p.a for investments over \$82,000*. You can also benefit from low brokerage costs of \$5.50 or 0.11% (whichever is greater) on buys and sells.



3 Stick to the plan

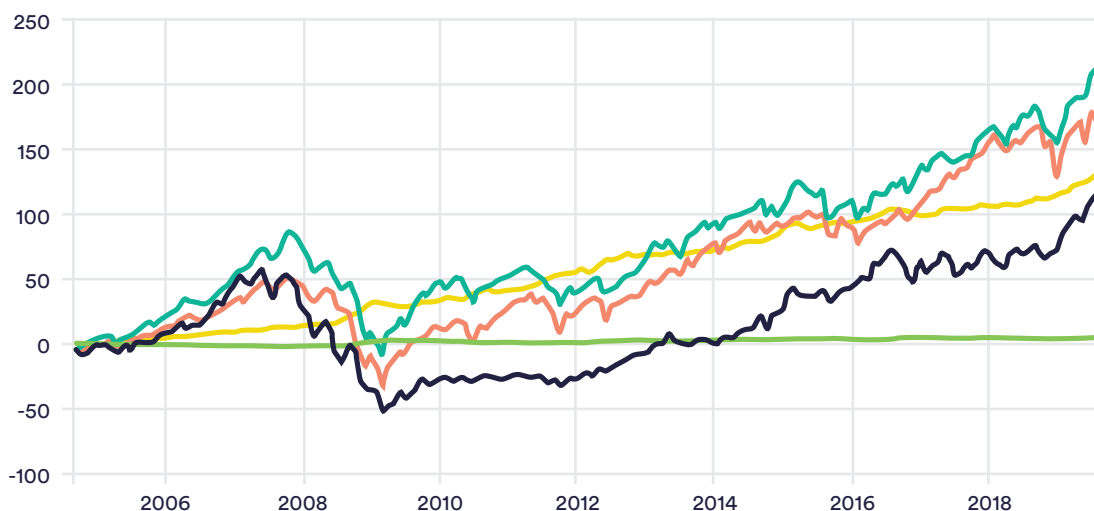
No matter who manages your money, don't deviate from your plan. Keep up your ongoing contributions, add to them if you get a windfall, and use dollar cost averaging to smooth out volatility. The more you contribute to your plan the greater your chances of achieving or even exceeding your goals.

You should also expect to lose money occasionally, and that's okay. Don't panic and hang in there. Sharemarkets do not go up in a straight line so stick to the plan and let the magic of compounding work for you over time.

Asset class returns over 15 years

Total returns

■ All Ordinaries ■ MSCI World Ex AU ■ AU Fixed Interest ■ Listed Property ■ 30 Day Cash



Source: Refinitiv Datastream, InvestSMART



8 LOOK AFTER Yourself

Finally, remember that *you* are your best financial asset.

You earn the money that allows you to reach your financial goals so work on cultivating your self control, read to improve your financial literacy, eat well (including avocado toast) and stay healthy.

INVESTSMART

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