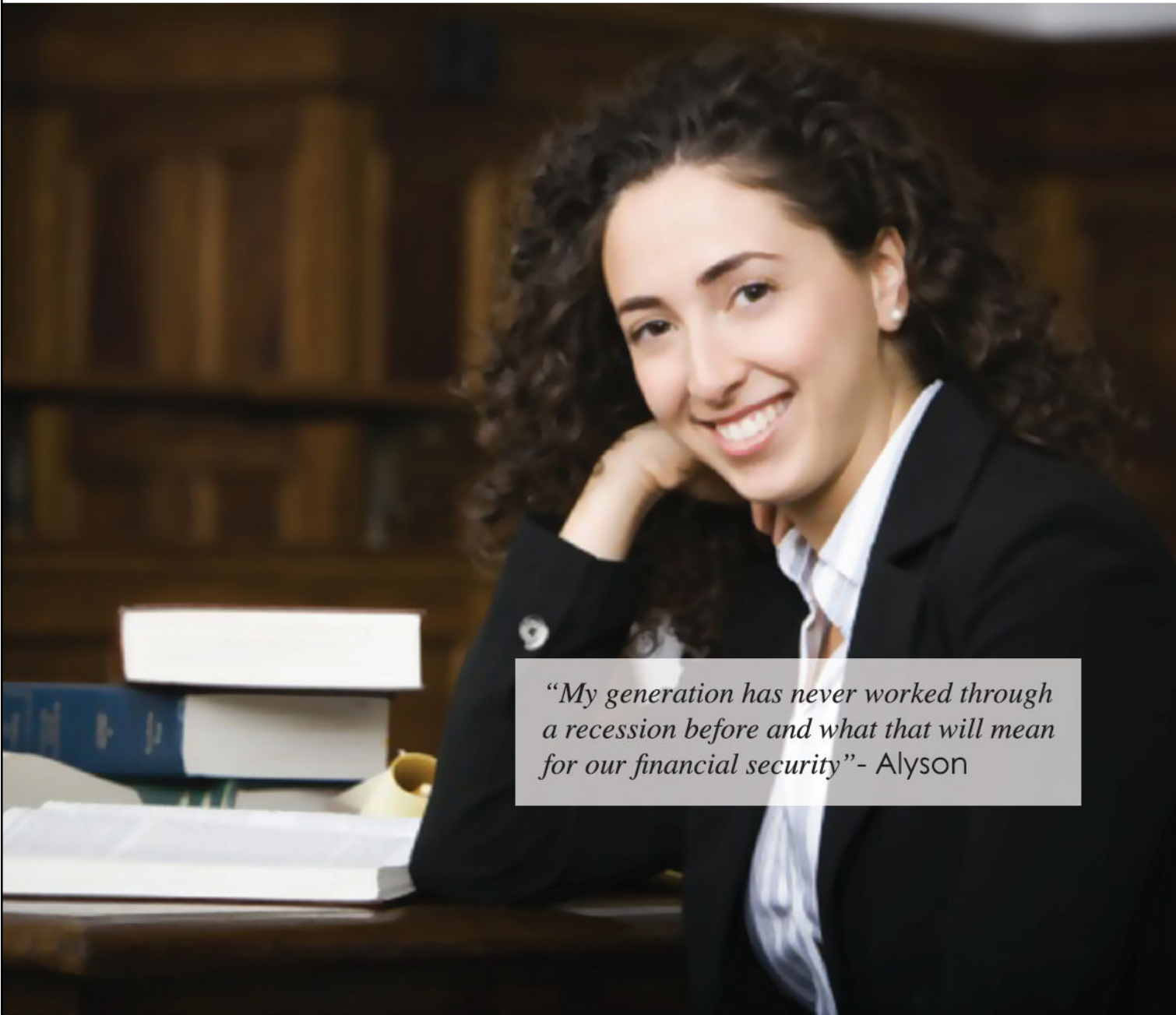


Senior Associates

Creating options for senior associates to work less or retire early comfortably.



“My generation has never worked through a recession before and what that will mean for our financial security”- Alyson



Table of Contents

Executive Summary: Who we are	2
Senior Associates – A niche Clientele	3
Financial Issues for Senior Associates	
Key Theme 1 – Identifying and working towards financial goals even during economic uncertainty	4
Key theme 2 – Needing professional financial advice and a Principal Wealth Manager you trust	5
Key theme 3 – Consolidating home ownership	6
Key theme 4 – Providing for your family	7
Key theme 5 – Protecting your earning capacity	8
Your Principal Wealth Manager	9
The Benefits	10
Case Study 1	11
Case Study 2	14
About the Author	16
Disclaimer	16

Executive Summary

Who we are

As a busy professional, you may not have the expertise or time to be on top of your financial life. You may not always be confident that your efforts are driving towards your financial goals. Perhaps you are not entirely certain of those goals.

VERVE brings financial expertise, direction-setting and confidence to you. In a professional and consultative manner, we tailor and maximize your options to give you the best financial outcomes. We help you make your money achieve your goals.

As your Principal Wealth Manager, **VERVE** will be your single point of call for all your financial planning needs, including acting as liaison with accounting and legal professionals. We will build a relationship of trust with you where we understand changes in your lifestyle and needs over time. You will have the peace of mind that your financial planning is a long-term project with long-term goals and consistent professional advice - yet with the flexibility to match your changing circumstances.



Senior Associates – a niche clientele

VERVE has considerable experience with lawyers at the level of Senior Associates. Recently we conducted a series of in-depth interviews with Senior Associates at DLA Phillips Fox in Sydney and Melbourne. We discussed:

- Lifestyle needs, hopes, priorities and challenges.
- Financial situations.
- Financial goals and progress towards those goals.
- Expectations from a Principal Wealth Manager.

This research provides us with a deep understanding of this niche clientele and we believe that we can help you.

Senior Associates lead busy lives with demanding careers, and may not have the opportunity to adequately plan for optimum financial management. Key issues affecting Senior Associates are:

- Identifying and working towards financial goals, even during economic uncertainty.
- Lack of time and lack of knowledge to manage your wealth.
- Needing professional financial advice and a Principal Wealth Manager you trust.
- Consolidating home ownership.
- Providing for your family.
- Protecting your earning capacity.



Resolving these concerns is all the more important as you progress towards making Partner in your firm.

Financial issues for Senior Associates

Key theme 1 – Identifying and working towards financial goals, even during economic uncertainty

Recently, in a constantly changing and volatile global economy, threats to job security may have been in the back of your mind. For most Senior Associates, profound financial uncertainty has only ever been a subject of textbook study.

However, far from avoiding investment decisions, now is the time to identify robust financial goals. Start good financial habits now to work towards those goals. This will lay a solid foundation for when you make Partner in your firm - with the associated increase in earnings.

“My generation has never worked through a recession before and what that will mean for our financial security”
- Alyson



Key theme 2 – Needing professional financial advice and a Principal Wealth Manager you trust

Senior Associates are busy professionals with demanding careers, and often lack time to become knowledgeable about managing their own wealth.

You may have tried to gain a better understanding of financial advice through seminars or reading - but these can be boring and disjointed. You may have seen case studies which tend to focus on retirees or individuals of high net worth, and do not reflect your situation.

We understand that you appreciate sound advice delivered in a clear and concise manner. A Principal Wealth Manager will give you information tailored for you, on which to base your decisions. We work with you to establish a long-term relationship of trust, where we understand your needs as they change over time – and we make your money work for you. As a professional, you can feel comfortable with another professional helping you towards your goals.

“I don't have terribly great deals of time to sit around and consider this for hours on end and I think that sometimes stops people like me from making decisions. You take the easy opportunity, choose to leave your money and not make a decision.”

- Glen

“ ...the more short on time you are the more money you spend, so I think two things: tracking where all the money goes is something that would be a good lesson to look at and realistically planning, not pie-in-the-sky planning.”

- Alyson

“You build a relationship with financial people, consultants, who then you trust in and they can say ‘I think you should be doing that’...”

- David


Key theme 3 – Consolidating home ownership

Many Senior Associates are either saving for a deposit on a first home, or trying to pay off a mortgage as soon as possible. Perhaps you spend long hours in the office and prefer to live close to work, meaning a higher rent or price for your home. At the same time, you probably have other personal and financial needs to consider, such as superannuation.

A structured approach, integrating your overall financial goals, would fast-track your achievement of the great Australian dream.

“What’s best? Pay off your mortgage or put extra into your super, that’s the question.”

- Maria



“I’m married, I have kids, we’re looking forward to getting a house, settling down. They are long-term goals really. For the moment, it’s just a matter of accumulating enough money to achieve that.”

- Hugo

Key theme 4 – Providing for your family

You may be considering starting a family or you may have young children. There is so much to provide for your family, and every item competes for your spending dollar: from necessities such as childcare or school fees, to luxuries such as the occasional holiday.

Many Senior Associates would benefit from the assistance of a Principal Wealth Manager in formulating a plan for the short and long-term future.

For example, education savings plans provide tax-effective or tax-free capital when the time comes to pay for education expenses. This is particularly attractive for Senior Associates: earnings on investments accumulated will not have an impact on their personal income tax.

"I know it's quite a way down the track until they get to high school, but you see all these pretty scary numbers for school fees these days and things like that become important."

- Glen

"You want to be able to feel that if you want to take the family away and get those enjoyments out life you can afford to. You want to feel that you have the financial freedom to do those sorts of things and not be getting nervous every time you have to pay for something."

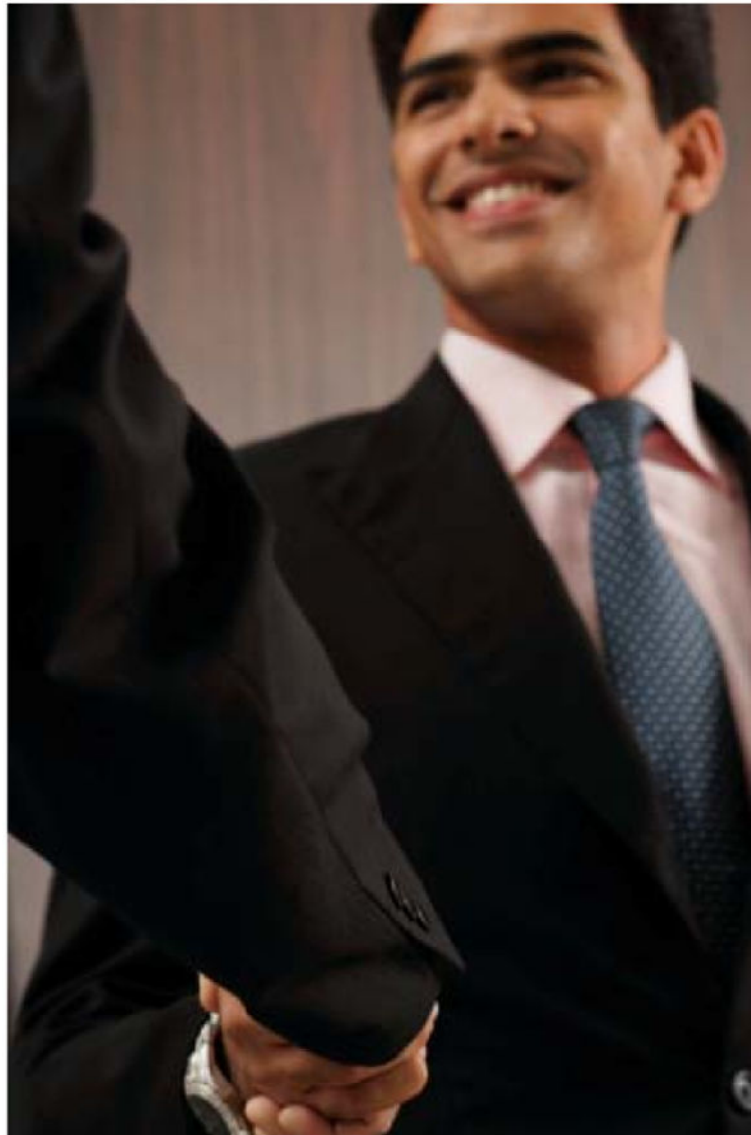
- Glen

Key theme 5 – Protecting your earning capacity

As a Senior Associate, you have already achieved success in a rewarding and challenging career. In the next few years, your earnings will continue to increase commensurate with your experience and responsibilities. You are on track to make Partner in your firm.

Your greatest asset, and the one which most needs protection, is your earning capacity.

The surprising fact is that few Senior Associates have taken steps to adequately protect their assets and wealth. Think of the total amount that you will earn over your working life. It is paramount that you have adequate and accurate information to assess your financial well-being, and a plan to maximise your earnings.



Your Principal Wealth Manager

The advisory process

At your first meeting, your Principal Wealth Manager will ask a wide variety of questions in the following categories. We will listen to your answers and take them on board.

1. Your values and overarching goals

This is the heart of the discussion. What are your values - what is most important to you beyond money and even the other people in your life? What are your personal and financial goals? What is important to you about money? What do you want to achieve? What concerns does it raise?

2. Your relationships

Your Principal Wealth Manager needs to know about your personal relationships – with your spouse, your children, your extended family and your community. What concerns do you have for them going forward? What goals do they have for the future?

3. Your assets

This discussion is not only about your investments, insurance policies, real estate and other assets, but your attitude towards them. Do finances confuse or intimidate you? What is your biggest concern about your portfolio? What is your best investment?

4. Your advisers

As the coordinator of your advisory team, your Principal Wealth Manager will find out how you prefer to interact with other lawyers, accountants or even informal advisers such as family members. This team must work well together. If you do not have a full complement of advisers, your Principal Wealth Manager can recommend appropriate professionals in his/her network. S/he is your “go to” person, freeing you from the time-consuming task of managing multiple relationships.

5. Your way of working

How often and by what methods do you like to communicate? How informed do you like to be about the investing process? Your Principal Wealth Manager will keep you updated as you progress towards your financial goals.

6. Your interests

Your Principal Wealth Manager will engage with you personally and become familiar with the details that round out your life: what sports you play or follow, what you read, your hobbies, your ideal vacation, the charitable causes you support and, of course, the details of your financial goals as they change over time.

The Benefits

With the crucial relationship of trust in your Principal Wealth Manager, you can be assured that:

- Management of, and long-term planning for, your wealth is in the hands of a professional who has the expertise and experience to make your assets work for you.
- You will have continuity of service and advice. We are there for you for the long term; we will get to know you and understand your priorities, even as they change over time.
- Your Principal Wealth Manager will be your single point of call for all your financial management needs.



Case Study 1

David 34 & Jenny 33 live in their mortgaged home with their new born Lachlan. David a Senior Associate and Jenny an editor earn a good income for their age of \$170,000 jointly. Jenny is currently on maternity leave. Jenny was keen to repay their mortgage as soon as possible and David would like to start creating long term wealth. They struggle to find the time to discuss about financial matters let alone plan properly about their financial future.

David and Jenny would like Lachlan to attend a private school when he turns twelve. They are concerned that funds may not be available at that stage and would like to set up a vehicle to enable them to afford Lachlan's education.

David and Jenny engaged the services of a Private Wealth Adviser undertaking a discovery process revealed their attitudes to money. Financial goals were set out and prioritised aimed at achieving their individual objectives.

The recommended strategies are set out below:

- A thorough budget analysis was completed to a consistent routine of debt reduction.
- A saving plan was drawn up in building a sizable deposit which will be used to towards the purchase of her dream home.
- Assess their salary Package arrangements to minimise her tax.
- Estimated that Lachlan's private school tuition fees will be around *\$13 ,130 a year. As they hope Lachlan will complete Year 12, they will require six years of fees or around \$84,000. Right now that seems like a lot of money, but by starting early and sticking to a regular savings plan, David and Jenny realize that this is very achievable.
- Created a plan to ensure that David and Jenny's greatest financial asset, their incomes are adequately protected.
- Jenny to make after tax contributions into her super of \$1,000 to be eligible for the government co-contribution. This will top up Jenny's super by \$2,500 for this year due to her reduced income.

- Advised David and Jenny to update their wills, power of attorney and binding death nominations for their superannuation funds. This will ensure that Lachlan and their assets are protected in the event of death or impairment.

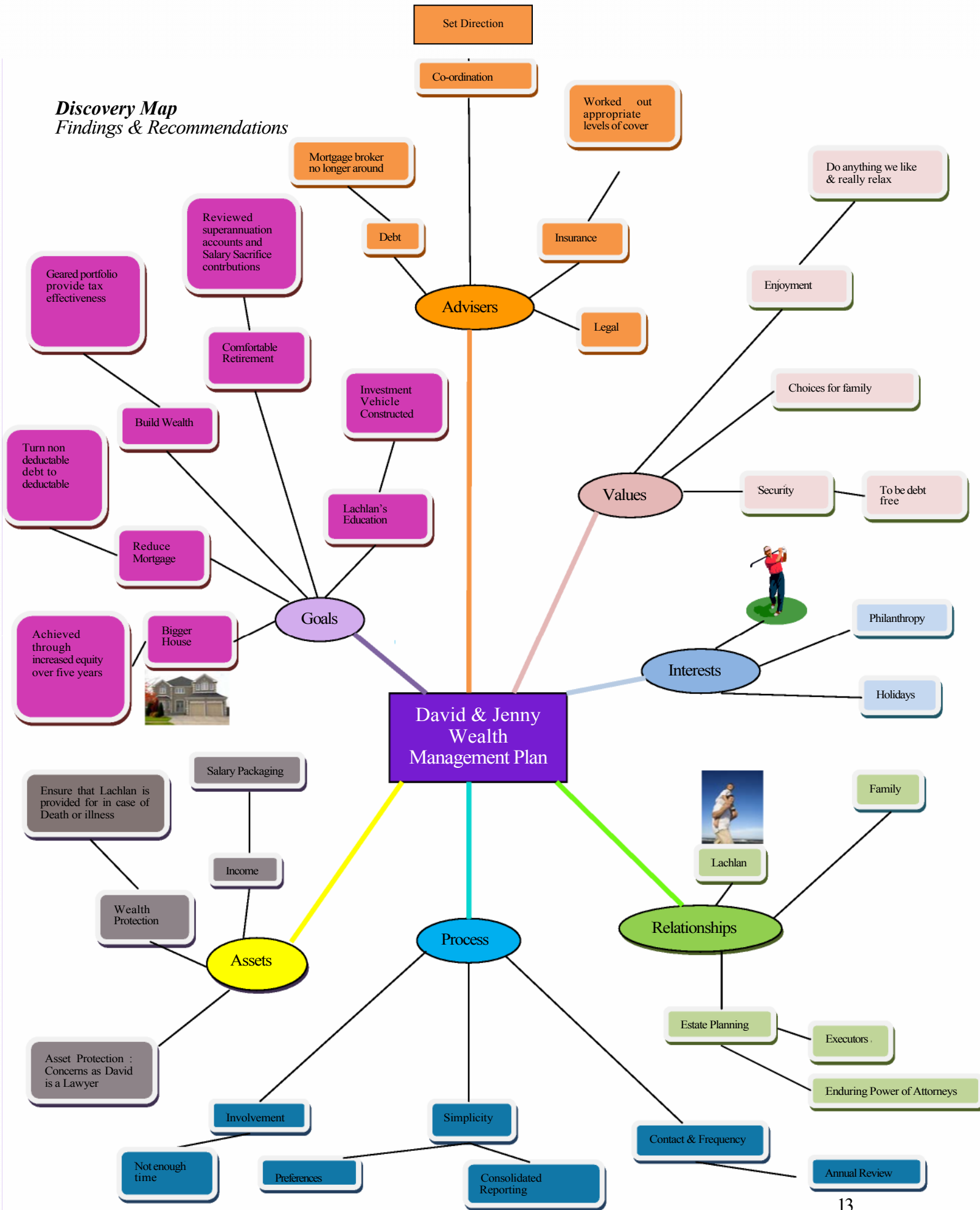
David and Jenny have laid a foundation for a successful financial future through trusted advice. They have now clearly defined and measurable financial goals. Their Private Wealth Adviser's expertise provided solutions to resolve their financial complexities. David and Jenny's Private Wealth Adviser will work with them through her changing financial issues and challenges in years to come.

*The Australian Scholarships Group (ASG) commissioned a survey on cost of education. ASG estimates secondary school costs will set parents back between \$5,938 (government) and \$22,436 (private) and primary between \$5,938 (govt) and \$13,130 (ptv) per annum.

DID YOU KNOW?

- Australian university students are expected to owe the nation nearly \$19 billion by 2008. (Source: Courier mail, 13 September 2006)
- It's not unusual to pay up to \$2,500 per year for a child's secondary education. (Source: Sunday Times, 13 January 2008)
- Education can be the second largest expenditure next to a mortgage. (Source: "Saving for the education of children survey" Commonwealth Bank 2006)

Discovery Map
Findings & Recommendations



Case Study 2

Claire (29) a senior associate, renting close to her place of work has found it difficult ahead although on a good income. Due the lack of time she has not been able to plan for her long-term goals. Claire has a car loan and credit card debts. She needed financial direction setting and somehow that will act as her personal wealth trainer.

Claire engaged the services of a Private Wealth Adviser who are helped establish further financial goals and objectives. The Private Wealth Adviser undertaking a discovery process revealed Claire's attitude to money. The feelings that come to mind when she thinks about money are concern and stress. Claire felt hat money gave her the power and choices she required for her goals in life.

The recommended strategies are set out below:

- A thorough budget analysis was completed to a consistent routine of debt reduction.
- A saving plan was drawn up in building a sizable deposit which will be used to towards the purchase of her dream home.
- Assess her salary Package arrangements to minimise her tax.
- Created a plan to ensure that Claire's greatest asset, her income, is adequately protected.

How much would Claire stand to loose?

Current income(pa)	Age now – working to 65		
	35	45	55
\$60,000	\$2,850,000	\$1,610,000	\$690,000
\$80,000	\$3,810,000	\$2,150,000	\$920,000
\$100,000	\$4,760,000	\$2,690,000	\$1,150,000

Assumptions: Salary increases by 3% pa. No employment breaks. Figures rounded to nearest \$10,000.

- Advised Clair to draw up a will, power of attorney and updated her binding death nomination of her superannuation fund. This will ensure her assets and parents are protected in the event of death or impairment.

Claire has laid a foundation for a successful financial future through trusted advice. She has now clearly defined and measureable financial goals. Her Private Wealth Adviser’s expertise provided solutions to resolve her financial complexities. Claire’s Private Wealth Adviser will work with her through her changing financial issues and challenges in years to come.

About the Author

VERVE financial partners is a boutique firm offering comprehensive financial advice. We limit the number of clients to ensure personalized attention and direct access to each partner's expertise.

Gary Ho is a director of **VERVE** financial partners. His goal is to help clients use their wealth to achieve their most important life goals. He specializes in advising and guiding Law professionals in their financial futures.

Gary's approach to financial advice is one with a holistic view. Emphasis is placed on the early identification of financial needs and implementing strategies to achieve objectives and life goals. He is a skilled and experienced strategist with the ability to provide concise options.

With over 15 years of experience in providing trusted advice. He is a Certified Financial Planner and a member of the Financial Planning Association. His formal education includes a BA with Majors in Economics and Geography and a Diploma in Financial Planning.

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