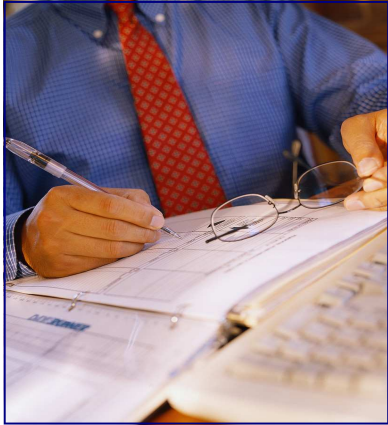


Why have a Financial Planner? What can a Financial Planner do for you?



Consumer research¹ tells us that nine out of ten Australians who have used a financial planner have benefited from the experience.

What Does a Financial Planner Do?

Basically this is a four step process.

Firstly, a Financial Planner will get details of your current financial position and your goals. These might include home renovations, a trip overseas, children's education, paying off the mortgage or having sufficient money to retire on.

They will then design a strategy to help you achieve these goals. These strategies will often mean that your income tax is reduced, you pay off your home loan many years earlier, pay less interest to the bank or increase your wealth for retirement.

Once you have agreed to the recommendations, the Financial Planner will help you to implement the various steps of the strategy.

And finally, your adviser should meet with you regularly to review your progress against the original plan and make any changes that might be required along the way.

But how do you choose a good Financial Planner?

Independence

Is one of the key factors. You want a financial planner who is working for you and who will provide you with advice specific to your personal circumstances. Unfortunately this is not always the case and some advisers have taken a "one size fits all" approach.

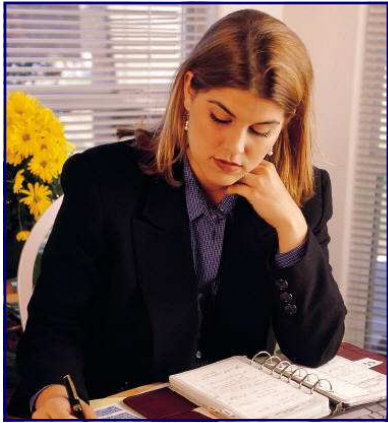
It is important that your Financial Planner provides you with appropriate advice that is tailored specifically to your needs, goals and circumstances.

Technical Competence

It is essential that your adviser is up to date with all the various rules and strategies that can be used to improve your financial future. At the first interview, ask your adviser about their background and experience. Ask about their areas of specialisation and the types of clients they typically see. Find out about their qualifications.

Fees & Remuneration

Good advice costs money. A famous economist once said: "*The value of free advice is fully reflected in the price.*" Before engaging a Financial Planner ask what fees you will be charged. Also enquire whether the adviser receives any commissions, bonuses or other incentives that would steer them towards advising a particular product. The best scenario is that you pay fees for the advice knowing that it is tailor made for you rather than getting free advice from an organisation that is simply trying to sell you their products.



What services will you receive?

The provision of an initial financial strategy is an important step towards building your wealth for the future. But it is not the only step. Having established your strategy it is then vitally important that the strategy is regularly reviewed. Without regular reviews it is like a ship's captain setting sail for London, but never checking his navigation throughout the journey. Surprise, surprise when he ends up thousands of kilometres off course.

Regrettably, from our experience, it appears that many Financial Planners do not proactively contact their clients for reviews. If you already have a Financial Planner, ask yourself: "*When is the last time they rang me to arrange a review?*" Ask your new or existing planner what level of service and regular reviews they provide.

How much risk is too much?

There is no right or wrong answer to this. Different investments and different strategies will have differing levels of risk. Some investors will be very tolerant of a high level of risk, others will be very risk averse. An adviser may use a Risk Profile Questionnaire to determine your level of risk. But, while this does help provide a guide, ultimately you need to have your adviser fully explain all the risks you will face with their recommendations. And despite all the words and explanations you ultimately need to have a general sense of comfort about the level of risk you are taking on board. You just need to understand it and feel good about it.

The McConachie Stedman approach

McConachie Stedman are not owned or tied to any financial organisations. Furthermore, we do not pay commissions to our advisers. This means that the advice we provide is strategy based, objective and designed specifically for your particular circumstances. We provide our first interview free of charge so this gives us an opportunity to meet and see if you want to use our services.

Typically, for younger people, we can assist them to pay off their home loan quicker, save thousands in interest, and start accumulating wealth earlier. For pre- and post-retirees, we can recommend strategies to save tax and ensure they can maintain their desired lifestyle in retirement.

Please contact us on 07 4632 1966 if you wish to arrange an initial free consultation.

¹ Consumer attitudes to Financial Planning study conducted for the FPA by Galaxy Research, April 2007.



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