

Strictly Confidential

Personal Financial Analysis

Prepared For

X Ample

(Date of Birth: 01/01/1960)

Prepared By

Independent Focus - Chris Preen

Date: 24/05/2004



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24 May 2004

Dear Mr Ample

PERSONAL FINANCIAL ANALYSIS

Thank you for entrusting us with your financial planning. Based on the information that you supplied we have pleasure in presenting the following report.

Enclosed you will find:

PERSONAL DETAILS
PRIORITIES
BALANCE SHEET
POLICY SCHEDULE
RECOMMENDED STRATEGY – SUMMARY POSITION
RECOMMENDED STRATEGY – INCOME POSITION
SUMMARY AT RETIREMENT
CASH FLOW – RETIREMENT
SUMMARY ON DEATH
ESTATE DUTY ON DEATH
SUMMARY ON DISABILITY
RATES & ASSUMPTIONS

We must congratulate you on your affairs – on-balance they are in pretty good shape.

Your investments continue to perform well, with both Allan Gray and Investec unit trusts continuing to deliver superior performance. We could caution you against investing in the second property you spoke about, as your property already comprises 61% of your assets (see **BALANCE SHEET**). With interest rates set to rise, and the current expensive conditions in the local property market we foresee a period of consolidation. You may wish to consider rather increasing your exposure to offshore investments as these only presently make up 8% of your portfolio, and the Euro is presently considered cheap.

One area where we could suggest some improvement is in your estate planning. You will see in the report on **PRIORITIES** that you placed a high priority on this aspect. Most people are not concerned with Estate Duty due to the R 1 500 000 abatement, but you will see from the **ESTATE DUTY ON**

DEATH that you are already liable for Estate Duty of R 34 000 in the event of your death. Taking into account the growth on your investments this figure will increase substantially in years to come. A little careful structuring of your estate could circumvent this charge and allow more to go to your heirs. We recommend scheduling a follow-up appointment to discuss this matter further.

Please do not hesitate to contact us should you require any further explanations or supporting calculations.

We look forward to hearing from you.

Yours Faithfully

Chris Preen **B.Comm CFP**
Certified Financial Planner

PERSONAL FINANCIAL PORTFOLIO

Prepared for: X Ample

Personal Details

Date of Birth: 01/01/1960 (45)

Personal Details

Surname	Ample	Initials	X
First Names	X	Known As	X
Date of Birth	01/01/1960	ANB	45
Smoker	Previously Smoked	ID	
Tel. (W)	(021) 7856672	Tel. (H)	
Cellular		Fax	
Email			
Maiden Name		Language	English
Employer	Big Profits co	Occupation	Accountant
Position	Accounts Manager	Training	
Tax No	54900879	Tax Office	Cape Town

Spouses Details

First Names	Y	Known As	Y
Maiden Name	Glenn	Initials	Y
Date of Birth	03/04/1967	ANB	38
Smoker	Never Smoked	ID	
Marital status	Ante-nuptial Contract (With Accrual)	Annivers. Date	06/10/2001
Tel. (W)		Fax	
Employer		Occupation	
Position		Training	
Tax No		Tax Office	

Address

Home Address	Company Address	Postal Address
		PO Box 56443 KOMMETJIE 7975

Children

First Name(1)	First Name(2)	Surname	Sex	Date of Birth	Age.
A		Ample	M	08/05/1987	18
B		Ample	F	05/02/1992	13

PERSONAL FINANCIAL PORTFOLIO

Prepared for: X Ample

Priorities

Date of Birth: 01/01/1960 (45)

Planning for Death

Providing for financial security to your beneficiaries in the event of your death.



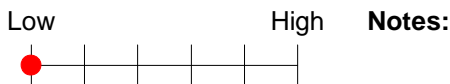
Planning for Disability

Ensures against the loss of income due to your inability to work if you are disabled.



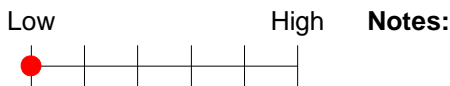
Planning for Dread Disease

Providing for financial security in the event of dread disease.



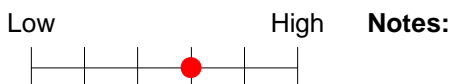
Mortgage Protection

Ensuring your life for the amount of the mortgage.



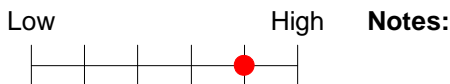
Health Care

To provide/supplement the cover for medical expenses.



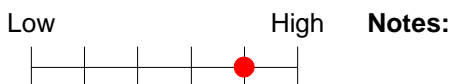
Tax Planning

To complete annual or provisional tax returns.



Retirement Planning

Planning for financial security during retirement.



PERSONAL FINANCIAL PORTFOLIO

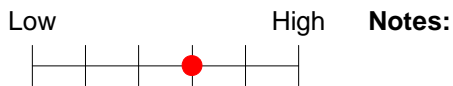
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Priorities

Date of Birth: 01/01/1960 (45)

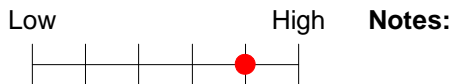
Estate Planning

Planning the most effective way of distributing the assets in your estate.



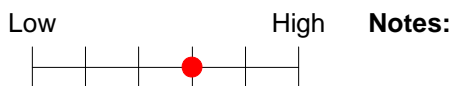
Education Planning

Effective financial planning to cater for primary, secondary and tertiary education needs.



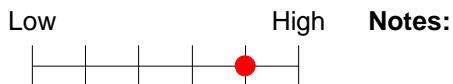
Will Review

To review and update the last "will and testament".



Tax Effective Investment Planning

Review and structure the investment portfolio to ensure that needs are met in the most tax efficient manner.



PERSONAL FINANCIAL PORTFOLIO

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Balance Sheet

Date of Birth: 01/01/1960 (45)

Assets

Liabilities

	R	%		R	%
Property			Property		
House	950,000	61	House	250,000	100
Unit Trusts					
Is Global Equity Feeder	124,202	8			
Pension Funds					
Big Profits Retirement Fund	342,000	22			
Linked Products					
Linked Product Investment	133,150	9			
	<u>1,549,352</u>			<u>250,000</u>	
Net Assets				<u>1,299,352</u>	

POLICY SCHEDULE

Prepared for: X Ample

Date of Birth: 01/01/1960 (45)

Death Benefits				Estimated Maturity Values at Retirement	
Standard Death Benefit:	1,240,000	Marginal Tax Rate:	40.00%	Retirement Age:	65
Retirement Funding - Capital:	0	Contribution		Standard:	0
Monthly Income:	0	<u>Monthly</u>	<u>Quarterly</u>	Retirement Funding - Capital:	0
Disability Benefits:		<u>Bi-Annual</u>	<u>Yearly</u>	Monthly Income:	0
Capital Disability:	600,000	<u>Total p.a.</u>		Current Cash Value:	0
Monthly Income Disability:	0	Retirement Annuity:		Current Debt Value:	0
Sickness Benefit:	0	Income Protector:		Dread Disease:	0
Retirement Funding - Capital:	0	Total (Before Tax:)	843.00		
Monthly Income:	0	Less: Tax Deduction	843.00		
		Total (After Tax:)	843.00		
			10,116.00		
			10,116.00		

Company / Policy Number	Assured / Owner	Beneficiary / Ceded to	Entry Date /Maturity Date (ANB)	Policy Type / Portfolio	Contrib. /Freq.	Esc % Contrib / Ben.	Death / Dread	Disability Capital / Income	Proj. Values @ Maturity / @ Retirement	Values Cash / Debt	Remarks
Momentum Life 22			01/04/2004 (45)	Whole Life	300.00 Monthly	7.50%	600,000	600,000			
Liberty Life 678564	X Ample X Ample		03/01/2001 (42)	Dread Disease	278.00 Monthly	CPI 99.00%					Hospital Benefit: R 300,000.00 Medical Benefit: R 700,000.00 Nursing Benefit
Old Mutual 7865890	X Ample X Ample		01/03/1997 (38)	Whole Life	265.00 Monthly		640,000				

PERSONAL FINANCIAL PORTFOLIO

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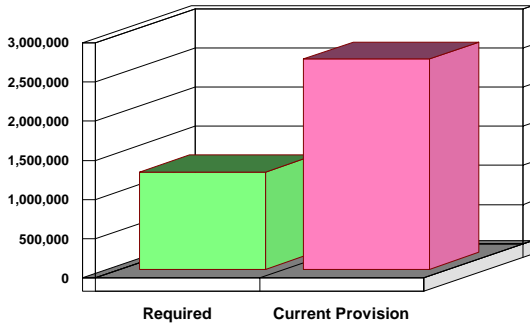
Recommended Strategy

Date of Birth: 01/01/1960 (45)

Month of Retirement: January

Summary Position

Death



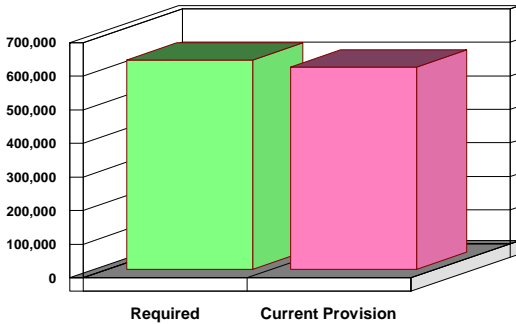
In order to provide your dependants with a monthly income, which starts at (Inclusive of any capital needs)

R 8,000

You have an excess life cover of

R 1,438,807

Disability



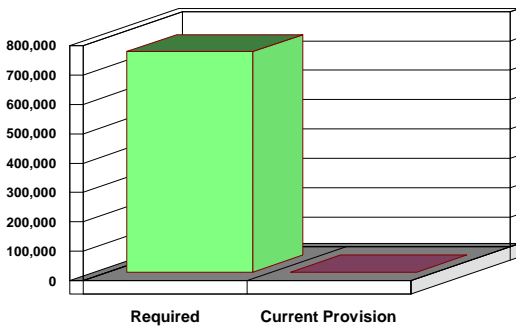
To maintain your desired level of income on disability, which starts at (Inclusive of any capital needs)

R 11,000

At present you require further capital on disability of

R 20,981

Dread Disease



The amount of Capital required in the event of a dread disease occurring, is
You currently have

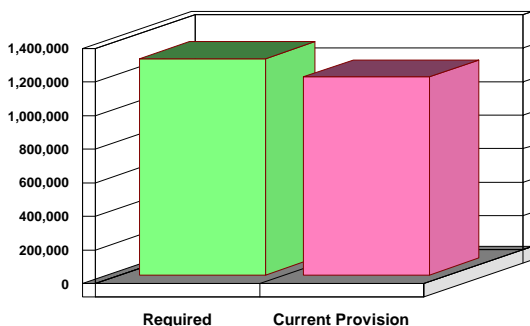
R 750,000

R 0

which means you need an additional

R 750,000

Retirement



You indicated that you wish to retire at age 65
To achieve your objective, which starts at on retirement.
(Inclusive of any capital needs)

65

R 10,285

You need additional capital to the value of

R 108,017

Should you begin to save immediately you will need to save a further

R 301

PERSONAL FINANCIAL PORTFOLIO

Prepared for: X Ample

Recommended Strategy - Income

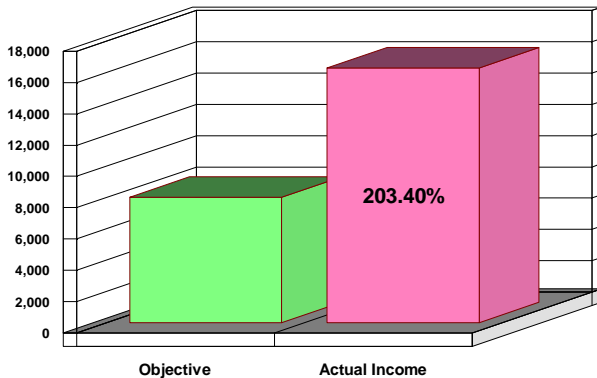
Date of Birth: 01/01/1960 (45)

Month of Retirement: January

Summary Income Position (Monthly)

Current Salary: R 1,333.33

Death (Actual Position)

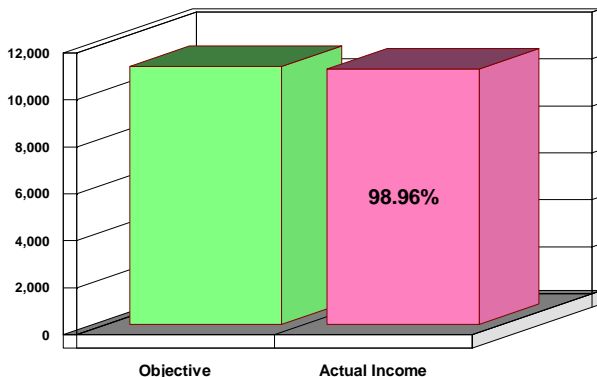


Your current available income of is 203.40% of your required objective of

R 16,272
R 8,000

You have sufficient income to meet your objective.

Disability (Actual Position)



Your current available income of is 98.96% of your required objective of

R 10,885
R 11,000

In order to overcome your income shortfall, you need an additional capital amount of

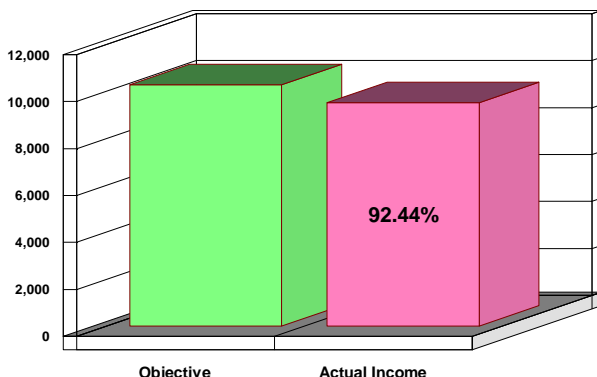
R 20,981

Or

Additional disability income of per month, with 7.00% escalation.

R 114

Retirement (Actual Position)



Your current available income of is 92.44% of your required objective of

R 9,508
R 10,286

In order to overcome your income shortfall, you need an additional capital amount of

R 108,016

This means you need to save an additional per month, with 7.00% escalation from now until retirement.

R 301

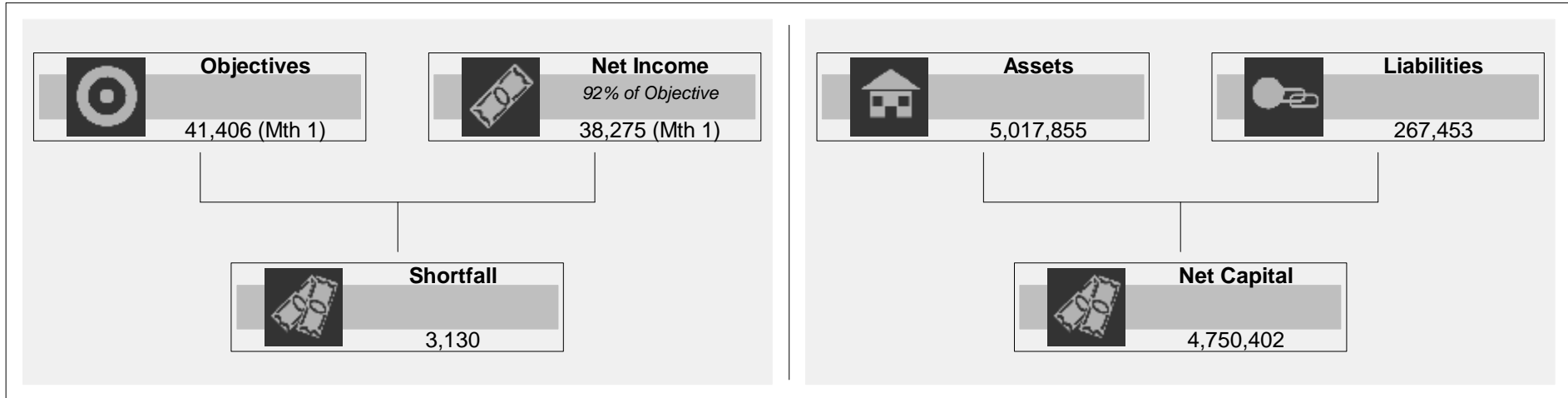
PERSONAL FINANCIAL PORTFOLIO

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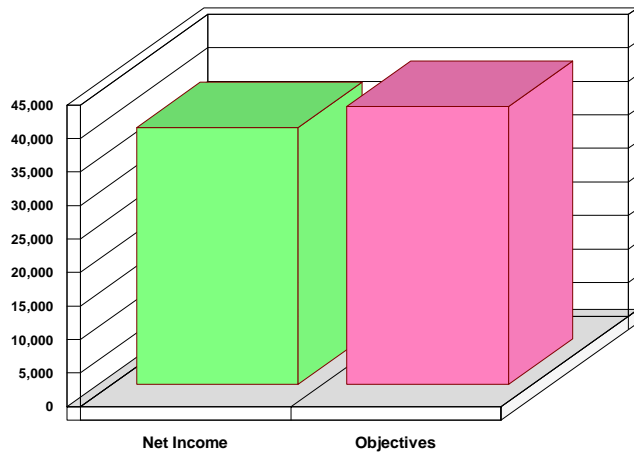
Summary at Retirement - Monthly Future Values

Date of Birth: 01/01/1960 (45)

Current Position - Future Values



Objectives and Recommendations - Future Values



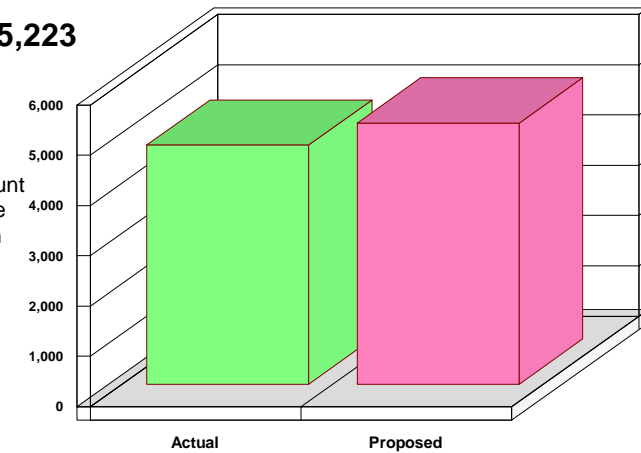
Capital Required

Proposed Capital: 5,185,223

Optimum level of capital required to provide for the income objective

Shortfall: 434,821

Capital shortfall after taking into account the available capital and income, while protecting the income against inflation over 15 years



Inflation Rate 7.00%

Annuity Rate 13.00%

PERSONAL FINANCIAL PORTFOLIO

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Cash Flow - Retirement - Actual Monthly

Date of Birth: 01/01/1960 (45)

Future Values - Actual Monthly

Net capital available to be invested: 4,750,402

Your capital will last 13 years

	Age	Income (Monthly)				Monthly Net Income Surplus / (Shortfall)	Capital Injection	Capital Growth Net of CGT	Capital Balance Year End
		Required Income (Today)	Required Income (Inflated)	Income From Assets/Other	Income From Capital				
1	65	41,406	41,406	6,000	0	(35,406)	0	39,465	4,799,113
2	66	41,406	44,304	6,000	0	(38,304)	0	39,702	4,815,893
3	67	41,406	47,405	6,000	0	(41,405)	0	39,664	4,795,002
4	68	41,406	50,724	6,000	0	(44,724)	0	39,303	4,729,951
5	69	41,406	54,274	6,000	0	(48,274)	0	38,563	4,613,415
6	70	41,406	58,074	6,000	0	(52,074)	0	37,384	4,437,138
7	71	41,406	62,139	6,000	0	(56,139)	0	35,696	4,191,828
8	72	41,406	66,488	6,000	0	(60,488)	0	33,423	3,867,041
9	73	41,406	71,143	6,000	0	(65,143)	0	30,477	3,451,051
10	74	41,406	76,123	6,000	0	(70,123)	0	26,762	2,930,723
11	75	41,406	81,451	6,000	0	(75,451)	0	22,172	2,291,367
12	76	41,406	87,153	6,000	0	(81,153)	0	16,591	1,516,630
13	77	41,406	93,253	6,000	0	(87,253)	0	9,910	588,510
14	78	41,406	99,781	6,000	0	(93,781)	0	3,481	(495,097)
15	79	41,406	106,766	6,000	0	(100,766)	0	(4,126)	(1,753,797)

FIGURES ARE AFTER TAX

Inflation Rate 7.00%

Annuity Rate 13.00%

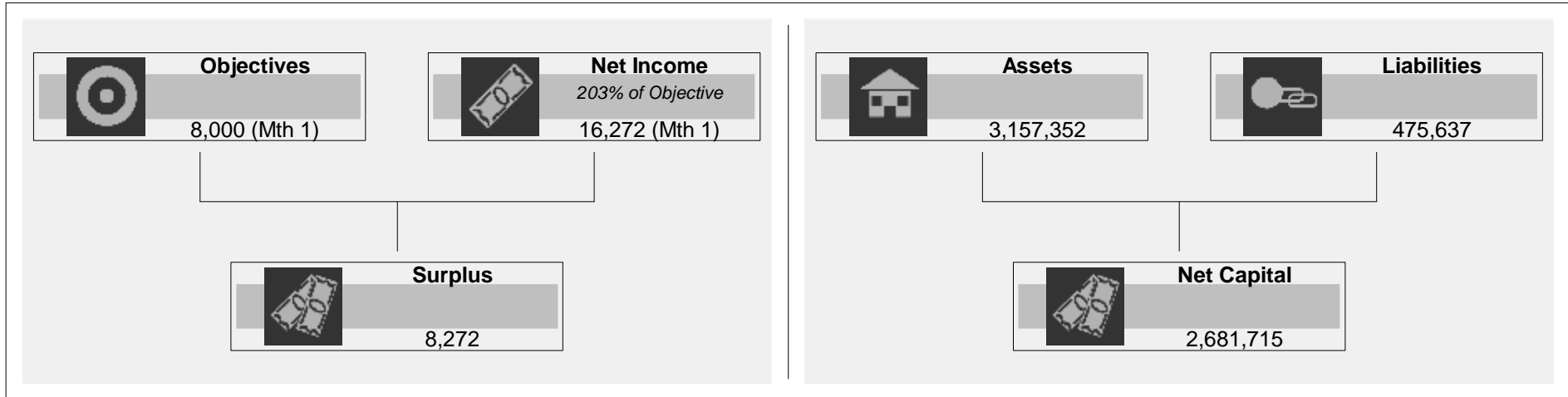
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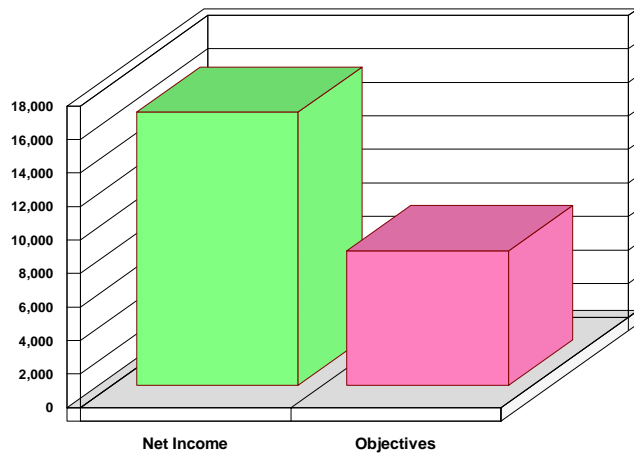
Summary on Death - Monthly

Date of Birth: 01/01/1960 (45)

Current Position



Objectives and Recommendations



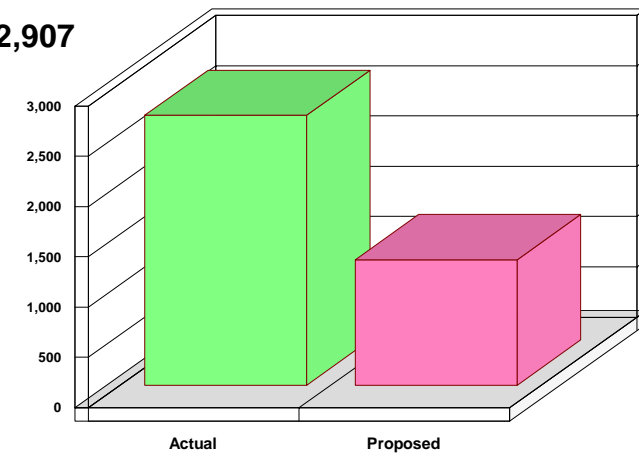
Capital Required

Proposed Capital: 1,242,907

Optimum level of capital required to provide for the income objective

Excess: 1,438,808

Capital Excess after taking into account the available capital and income, while protecting the income against inflation.



Inflation Rate 7.00%

Annuity Rate 13.00%

PERSONAL FINANCIAL PORTFOLIO

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Estate Duty on Death

Date of Birth: 01/01/1960 (45)

Estate Duty Calculation - Ante-nuptial Contract (With Accrual)

Total Fixed Assets	950,000	
Total Realised Assets	2,307,352	
Gross Assets		3,257,352
Deductions:		
Liabilities	385,000	
Accrual Claim	336,789	
Executors and Masters Fees	48,773	
Capital Gains Tax	8,132	
Value of Estate		2,478,657
Less:		
Last Expenses	0	
Assets Excluded From Estate	810,000	
Net Estate		1,668,657
Abatement		1,500,000
Dutiable Value		168,657
Estate Duty Payable @ 20% by client		33,731
Estate Duty Payable @ 20% by 3rd party		0

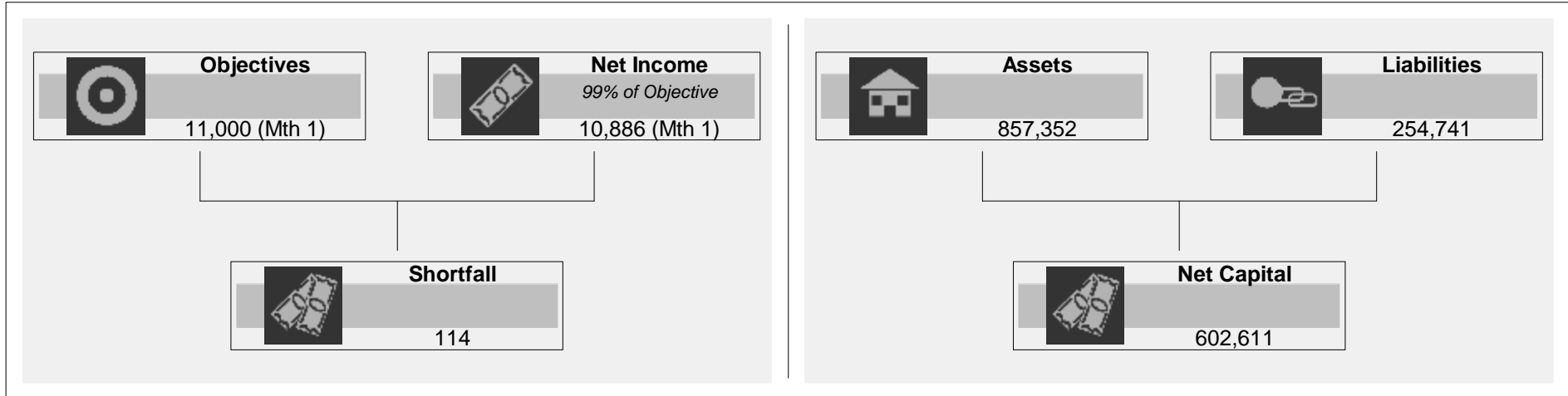
PERSONAL FINANCIAL PORTFOLIO

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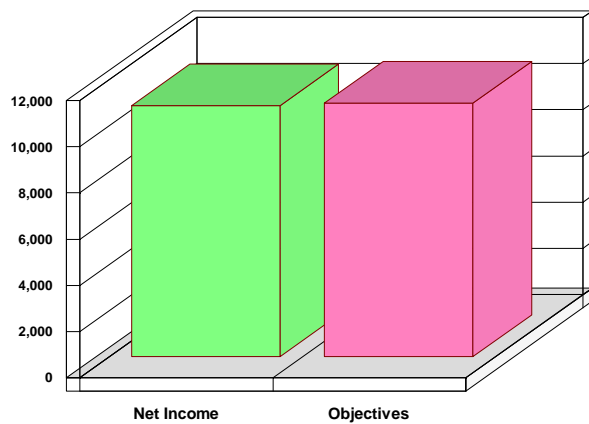
Summary on Disability - Monthly

Date of Birth: 01/01/1960 (45)

Current Position



Objectives and Recommendations



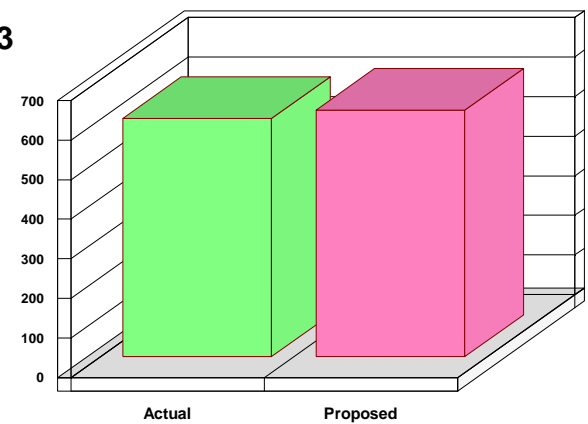
Capital Required

Proposed Capital: 623,593

Optimum level of capital required to provide for the income objective

Shortfall: 20,982

Capital shortfall after taking into account the available capital and income, while protecting the income against inflation over 32 years



Inflation Rate 7.00%

Annuity Rate 13.00%

PERSONAL FINANCIAL PORTFOLIO

Prepared for: X Ample

Rates & Assumptions

Date of Birth: 01/01/1960 (45)
Month of Retirement: January

Assumptions on Death

Annuity Rate (per 10,000: R 108.33) 13.00% Protected till Age: 75
Inflation Rate: 7.00% Y's Life Expectancy: 79

Executors & Master Fees: Executors fees %: (VAT included) 3.50%
Master Fee Maximum Amount: 600

Estate Duty: Estate Duty %: 20.00%
Estate Duty Abatement: 1,500,000

Asset Mix

Asset Type	% Mix	Capital Growth	Interest Taxable	Interest Tax-free	Dividend Local	Dividend Foreign
Assurance	100.00%	10.00%				

Assumptions on Disability

Annuity Rate (per 10,000): R 108.33) 13.00% Protected till Age: 75
Inflation Rate: 7.00% X's Life Expectancy: 75

Asset Mix

Asset Type	% Mix	Capital Growth	Interest Taxable	Interest Tax-free	Dividend Local	Dividend Foreign
Assurance	100.00%	10.00%				

Assumptions on Retirement

Annuity Rate (per 10,000: R 108.33) 13.00% Retirement Age: 65
Inflation Rate: 7.00% Protected till Age: 79
X's Life Expectancy: 79

Asset Mix

Asset Type	% Mix	Capital Growth	Interest Taxable	Interest Tax-free	Dividend Local	Dividend Foreign
Assurance	100.00%	10.00%				