

# introduction to mammoth financial

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# TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b>	<b>2</b>
<b>THE PURPOSE OF THIS DOCUMENT</b>	<b>3</b>
<b>MAMMOTH PHILOSOPHY</b>	<b>4</b>
<b>MAMMOTH FINANCIAL ADVICE PROCESS</b>	<b>6</b>
<b>MAMMOTH FINANCIAL SERVICE PROGRAMS</b>	<b>7</b>
<b>MAMMOTH ONGOING SERVICE &amp; MANAGEMENT PROGRAM</b>	<b>8</b>

## THE PURPOSE OF THIS DOCUMENT

We would like to thank you for granting us the privilege of discussing your personal and family situation, your financial position, and your goals and aspirations for the future. We appreciate that these matters are very personal and assure you that we expend considerable time, effort and expertise in understanding these important matters and that we treat our discussions with the utmost confidence.

We hope that you find this Introduction to Mammoth to be beneficial, and in particular, the purpose of this document is to provide further information relating to:

- » **Advice Process** – to expand upon our advice process so that you know what to expect and where we are up to at all stages of this process
- » **Mammoth Financial** – to complement the information available on our website, in our Financial Services Guide and other sources concerning our business, people, philosophy and our various service programs
- » **Strategic Concepts Summaries** – to complement the various Strategic Concept Summary documents that we have prepared discussing various specific key concepts the understanding of which are important to understanding our advice and to maximising the benefits derived from the available opportunities. Please note that some of those concepts may not apply to your situation, or to the Scope of Advice that you request we provide, at this time. Nonetheless we encourage you to review this information as there may be applications for you, or for your family or loved ones, that you may not have considered or that may apply in the future
- » **Advice Documents** – to explain the advice documents that you can expect to receive and to provide information to complement the personalised information contained in those advice documents. Much of the information provided in this Strategic Concepts Summary will be ‘incorporated by reference’ in your personal advice documents to save repetition of general advice information

We understand that during our initial meeting often we will discuss a wide range of strategic issues that may apply to your situation and that those discussions, at this stage of the Advice Process, will be at a necessarily high level. We also understand that there will be concepts that you may wish to refer back to, or to consider further, in your own time. We hope that the information contained herein will answer many of your questions, now and in the future, however please feel welcome to contact our office should wish to discuss, or have any queries relating to, any of this information

**General Advice (Tax) Warning:** This information (including taxation) is general in nature and does not consider your individual circumstances or needs. Do not act until you seek professional advice and consider the relevant Product Disclosure Statement.

### **Mammoth Financial Website**

We also encourage you to have a look at our website – [www.mammothfinancial.com.au](http://www.mammothfinancial.com.au) - which contains a wide array of useful information and resources that you can access. On our website you'll find:

- » Our People & the awards we have received
- » Our Philosophy
- » Newsletters & Market Updates
- » Our Specialties – Motivated Wealth Accumulators, Pre-Retirees, Retirees & Business Owners
- » Summaries of our various service programs
- » Case Studies on particular strategies
- » Resource Centre including various additional charts and documents such topics as risk and return, asset classes, historical returns etc

# MAMMOTH PHILOSOPHY

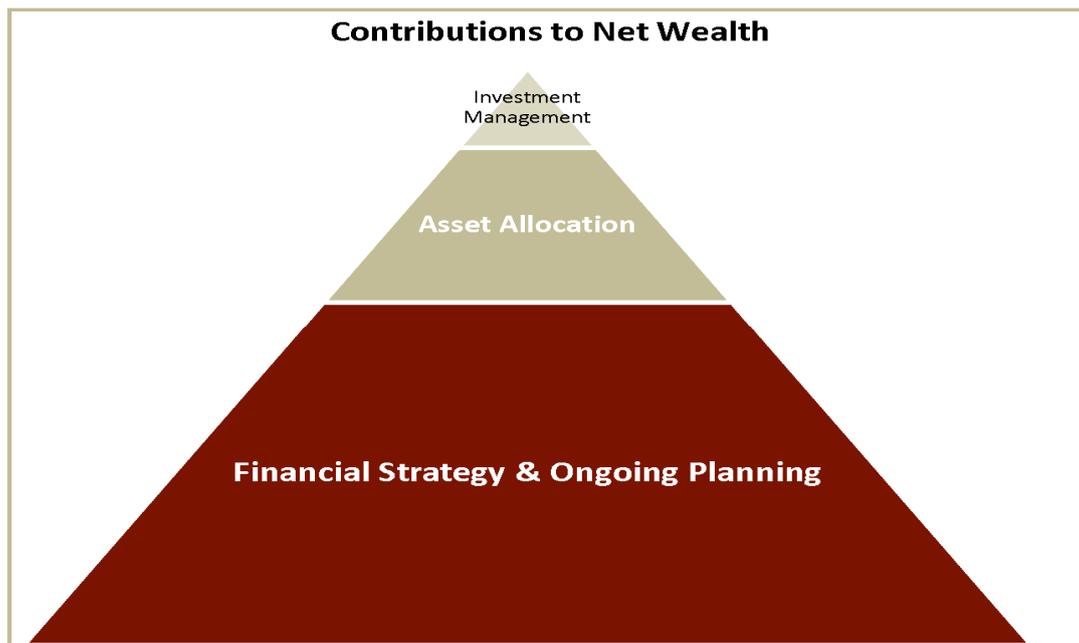
We believe in comprehensive financial planning that is founded in a complete and clear understanding of your current situation, goals and objectives enabling the collaborative development of innovative and personalised solutions. Our sole purpose is to help you to achieve your immediate and future financial and lifestyle goals and objectives. We believe that developing an open and lasting relationship with you enables us to work with you towards maximising your financial outcomes over time as personal circumstances change and legislative changes alter the available opportunities. We believe it empowers you to take control of your financial evolution (or revolution if that is what is necessary!) to enhance the probability that you will achieve your unique financial and lifestyle objectives

empowering your financial evolution™



We recognise that the fundamental assessment of our achievements with managing your financial lives is in the achievement of your particular goals and objectives, and that almost always the most relevant measure of this success is in the contribution to your net wealth over time. This could be the growth in your net wealth during your working life or the preservation of your net wealth as best as possible throughout retirement. As investors' it is easy to focus on investment management/returns when evaluating success; however, it has consistently been demonstrated that it is the **financial strategy** and **asset allocation** decisions that contribute the overwhelming majority to financial outcomes<sup>1</sup>. Realising this, we focus our efforts of the large contributors – financial strategy and asset allocation – which are the factors over which we have control. As long term investors we understand and accept that investment markets move in cycles beyond any individual investor's control.

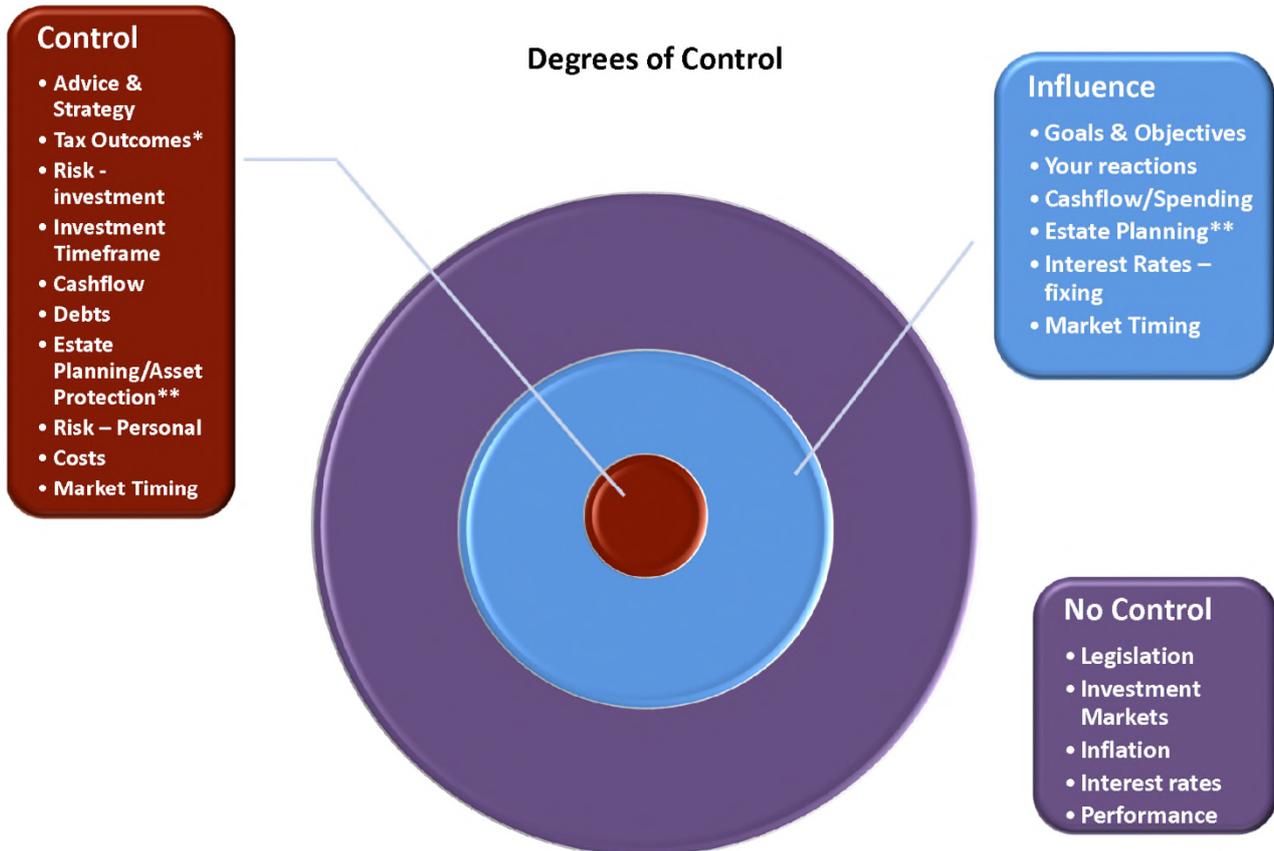
We continue to believe that investment management is an integral part of the wealth creation/preservation process and we utilise a combination of in house capacity and partnerships with other investment professionals to provide you with the most efficient and robust investment management solutions. Based on the aforementioned research, the chart below represents Mammoth's philosophy regarding the relationship between the three main components of personal financial advice – financial strategy, asset allocation and investment management - and their relative contributions to overall net wealth outcomes:



<sup>1</sup> (Source: Brinson, Gary P., L. Randolph Hood, and Gilbert L. Beebower. 1986. "Determinants of Portfolio Performance." *Financial Analysts Journal*, vol. 42, no. 4(July/August):39-44;

## Degrees of Control

We also appreciate that there are quite an array of factors that will influence outcomes for you that are beyond anyone's control, especially over the short term. We therefore focus on those factors that we can control and account for those that we have limited or no control over via our in depth understanding of the potential outcomes and the potential impacts on the main game which is your ability to achieve your objectives over the long term. The chart below summarises the degree of control over some of the relevant factors:



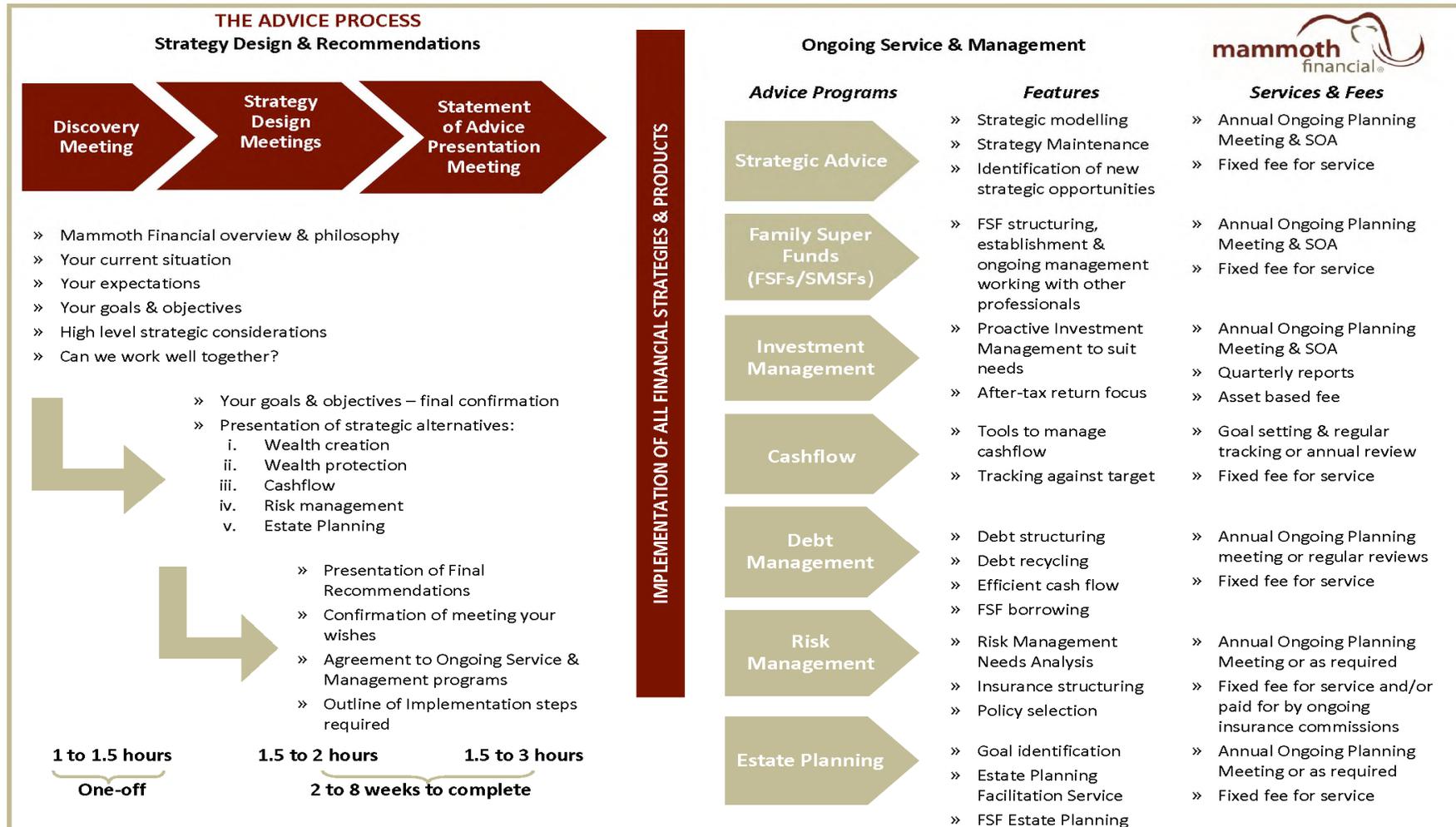
**...our best defence against those factors we cannot control or influence is to gain an in depth understanding of the potential & probable outcomes...**

\*Tax Outcomes – we are not tax advisers; however we will work with your tax advisers to assist in achieving your tax outcomes

\*\* Estate Planning – we are not legal advisers; however we will work with your tax advisers to assist in achieving your Estate Planning objectives

# MAMMOTH FINANCIAL ADVICE PROCESS

The chart below summarises our Advice Process & our various Service Programs:



## MAMMOTH FINANCIAL SERVICE PROGRAMS

Mammoth Financial's comprehensive service offering has been developed to enable clients of all types to select from our various service programs to build a package that suits their particular requirements and degree of involvement or complexity required. Our service programs are:

1. **Strategic Advice**
2. **Family Super Funds (FSFs) / Self Managed Super Funds (SMSFs)**
3. **Investment Management**
4. **Cash Flow Management**
5. **Debt Management**
6. **Risk Management**
7. **Estate Planning**

We work with you to establish both an initial and ongoing service program specifically suited to your personal requirements. Given our philosophy that our advice becomes even better the longer our relationship lasts and the deeper it becomes, we do not generally provide one-off or transactional advice other than to our clients with whom we have an existing relationship.

While every client is unique, as are their particular goals and objectives, on our website we have outlined some descriptions of some broad groups of clients to demonstrate how we add value. We are specialists at working with the following broad groups of clients:

- » Motivated Wealth Accumulators
- » Pre-Retirees
- » Retirees
- » Business Owners

You can find more information relating to our Service Programs and Specialties on the Mammoth Financial website.

## MAMMOTH ONGOING SERVICE & MANAGEMENT PROGRAM

As noted in the Mammoth Philosophy section, our primary focus is on building open and lasting relationships with you as our experience has demonstrated that this enables us to enhance financial and lifestyle outcomes over time in an ever changing world. We therefore place a particularly high degree of emphasis on the Ongoing Service & Management program to ensure that at all times you have the highest probability of achieving your specific lifestyle and financial goals and objectives.

The Ongoing Service & Management may consist of the following key components:

### Strategic Advice Program

We all appreciate that the only thing that is constant is change. Over any given period changes will almost without doubt occur to one or more of the following:

- » **Personal Situation** – lifestyle and financial objectives, your priorities, family situation, dependents, income, employment, debts...just to name a few
- » **Intentions** – we are here to act as a sounding board to discuss and provide a second opinion regarding your important financial decisions. We are also here to keep you focused on the bigger picture at times when the smaller details or short term events seem to be taking over
- » **Legislation** – successive governments are always making changes to the laws in various areas, particularly super and tax. We are here to help you make the most of the opportunities such changes present and to ensure your financial strategies continue to adapt to suit the landscape

The Ongoing Service & Management component of the Strategic Advice Program typically consists of an Ongoing Planning Meeting at which we re-consider all of the above and revisit all of your financial strategies (see the Advice Process Chart). We can also provide advice when you need it if your circumstances change in between our Ongoing Planning Meetings.

Further information relating specifically to each of the below service programs can be found in the Strategic Concepts Summary for each program on the Resources page of the Mammoth Financial website.

### Family Super Fund (FSF/SMSF) Program

Superannuation has for a long time been an area of constant change as successive governments have 'fine-tuned' (in their respective opinions!) the rules. Such change is set to continue and we are here to ensure that your strategies adapt to suit the changing environment and enhance the benefit from the opportunities inevitably presented. As the largest sub-sector of the superannuation pie<sup>2</sup>, Family Super Funds and SMSFs are expected to be an ever increasing focal point. As a **SMSF SPECIALIST ADVISOR™** Alex Morris will help you, and your strategies, remain up-to-date in this challenging yet potentially highly beneficial environment.



### Investment Management Program

Mammoth and our research team, including Mercer and Morningstar, overlaid by the M3 IOOF Advice Research team we access via our licensee, Millennium3, regular review the investments we have recommended to you throughout the year and make recommendations on a pro-active basis if any changes are required or new opportunities present themselves. We also review your investments as part of the annual Ongoing Planning process. We do not trade your portfolio without your prior written agreement; accordingly,

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<sup>2</sup> Superannuation Statistics – September 2018, The Association of Australian Superannuation Funds Limited (ASFA)

it is imperative that you attend your Ongoing Planning Meeting at regular intervals to ensure that your Investment Management, and other, arrangements continue to meet your requirements.

### **Cash Flow Management Program**

We will assist you with managing your cash flow using the strategies and tools we have implemented to make managing your cash flow easier to ensure you make the most of your hard earned income

### **Debt Management Program**

Our Strategic Advice program will manage the debt management strategies we have recommended for you and throughout the year our Debt Management program will assist you with the pro-active management of any investment loans under our advice and assist with tracking progress against your debt reduction objectives.

### **Risk Management Program**

We will be on hand to help you with identifying any new risks that may arise, for instance due to new children or changes to your income, as well as monitoring the life risk product market for developments to ensure you have the most appropriate arrangements in place. As with all our service programs however especially with the Risk Management Program there are likely to be changes to your circumstances which affect your Risk Management arrangements of which we will not be aware without you informing us of the change. We therefore rely on you to inform us of any such changes as and when they occur. However our Ongoing Service & Management Program and annual Ongoing Planning Meetings are designed to ensure we regularly discuss the changes to your situation.

### **Estate Planning Program**

While often regarded as a 'set and forget' area, Estate Planning also requires regular review for changes to your circumstances and, importantly, changes to those of your intended beneficiaries. For instance, if one of your intended beneficiaries finds themselves in financial trouble, the last thing many people want is for the life savings to pass to their beneficiary's third party creditors on their death. It's also obviously the last thing your beneficiary would want! Obviously specialist Estate Planning legal advice is required. We have designed our Estate Planning Facilitation Service to ensure that you receive advice from dedicated Estate Planning specialist lawyers in a seamless and efficient manner.