



PRACTICAL FINANCE:

PAY MORTGAGE OR SUPER? SETTING UP KID'S ACCOUNTS.

Disclaimer:

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Extra super contributions or mortgage payments: Which is better?

- Should you put an extra \$10,000 of your income into super rather than your mortgage?
- Should you put an extra \$10,000 of your savings into super rather than your mortgage?
- Say you have \$10,000 in shares with \$5,000 of capital gains embedded.
 Can you transfer that into super to reduce your capital gains?
- Say you don't have a mortgage. Should you put \$10,000 into investments in your own name or in superannuation?

Extra super contributions or mortgage payments: Which is better?

How much you save putting \$10,000 into superannuation vs paying off a 6% mortgage over 10 years



At \$80k salary and a 6% return in super you are \$1,477 better off in superannuation (if you can).

* Some assumptions! I'm assuming the average tax rate in superannuation is 15% on the first 4% of earnings and then 4% on anything above that. The real tax rate 15% on income or short term capital games + 7.5% on capital gains held longer than a year + 0% on capital gains in pension phase. Plus there is a benefit from compounding unrealised gains. I think this is a good estimate, but the reality could be very different. This is general advice and illustrative only. Your personal tax situation will be different.

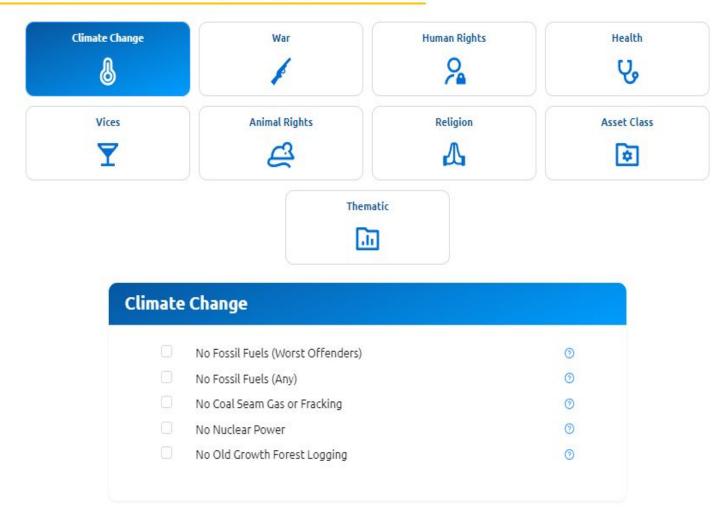
Investing in your name or in superannuation?

How much you save contributing an extra \$10,000 of savings to superannuation vs investing over 10 years

		Your #	Annual Inc	ome	
Pretax Return	\$10,000	\$40,000	\$80,000	\$150,000	\$200,000+
per annum					
3%	-\$576	\$38	\$626	\$875	\$1,155
4%	-\$832	\$54	\$892	\$1,244	\$1,636
5%	-\$1,316	\$65	\$1,000	\$1,385	\$1,814
6%	-\$1,844	\$142	\$1,125	\$1,548	\$2,021
7%	-\$2,418	\$231	\$1,271	\$1,738	\$2,259
8%	-\$3,043	\$333	\$1,439	\$1,956	\$2,533
9%	-\$3,722	\$452	\$1,632	\$2,205	\$2,846
10%	-\$4,460	\$587	\$1,852	\$2,489	\$3,202

^{*} Some assumptions! I'm assuming the average tax rate in superannuation is 15% on the first 4% of earnings and then 4% on anything above that. The real tax rate 15% on income or short term capital games + 7.5% on capital gains held longer than a year + 0% on capital gains in pension phase. Plus there is a benefit from compounding unrealised gains. I think this is a good estimate, but the reality could be very different. Outside of super the reductions for capital gains aren't as attractive. This is general advice and illustrative only. Your personal tax situation will be different.

Choose themes to screen from your portfolio away from (i.e. remove stocks)



Your TFN or your child's:

How much you save by using your tax file number rather than a child's*

			Yo	ur Income <u>k</u>	<u>oefore</u> inco	me from ch	ilds accou	nt
		Separate	\$10,000	\$25,000	\$50,000	\$100,000	\$150,000	\$200,000+
Approx Investment	Child's Income	Tax Return?						
\$2,000	\$100	No	\$0	-\$16	-\$32	-\$32	-\$39	-\$47
\$5,000	\$250	No	\$0	-\$40	-\$80	-\$80	(-\$98	-\$118
\$10,000	\$500	Yes	\$0	-\$80	-\$160	-\$160	-\$195	-\$235
\$20,000	\$1,000	Yes	\$385	\$225	\$65	\$65	-\$5	-\$85
\$40,000	\$2,000	Yes	\$900	\$580	\$260	\$260	\$120	-\$40
\$80,000	\$4,000	Yes	\$1,800	\$1,160	\$520	\$520	\$240	\$80
\$160,000	\$8,000	Yes	\$3,600	\$2,320	\$1,040	\$1,040	\$480	-\$160
\$320,000	\$16,000	Yes	\$6,208	\$4,640	\$2,080	\$2,080	\$960	-\$320

IF you earn \$150k and your child earns \$250 you'll be \$98 worse using your own TFN

But if your child earns \$2,000, you'll be \$120 better off.

Source: Nucleus Wealth

^{*} Some assumptions! \$50k income and above then I'm assuming you need to pay medicare, but the child doesn't. A 5% return on investments: this reflects dividend franking and possibly some capital gains.

Kids Investments:

- Risk / return
- Do you like doing tax returns
- Can you keep the money separate
- If adult not working then save thousands

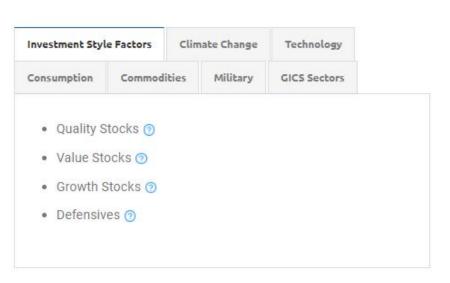
Personalise Your Portfolio

Screens Tilts

You can <u>exclude</u> the below to customise your portfolio

You can <u>add</u> the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	
	Ž.	rst Offenders) (
No Fossil F		or Fracking ①		
 No Coal Se 				
No Coal Se No Nuclear	r Power 👩)		





Account Selection

Investment Choice

Build Your Portfolio

Ethical Overlay

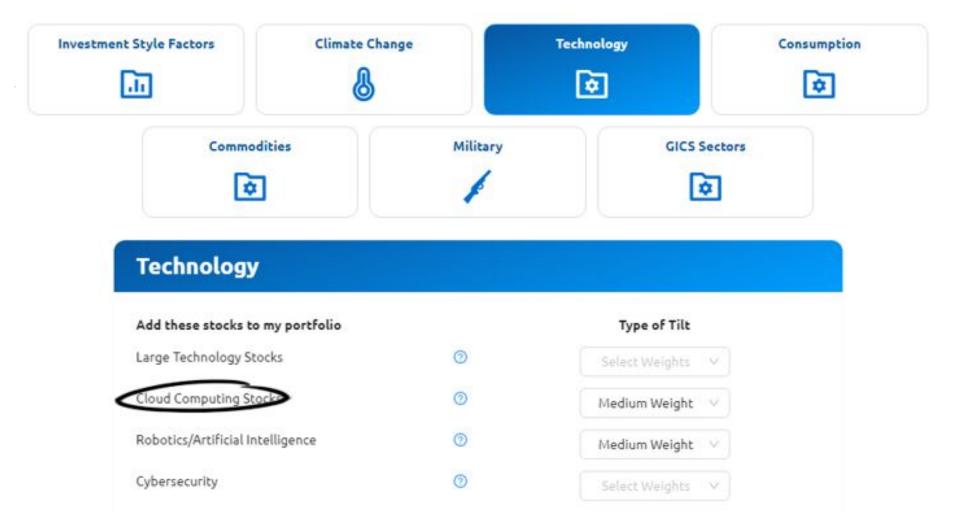
Review
Applicants
Bank Details
Compliance
Final Review

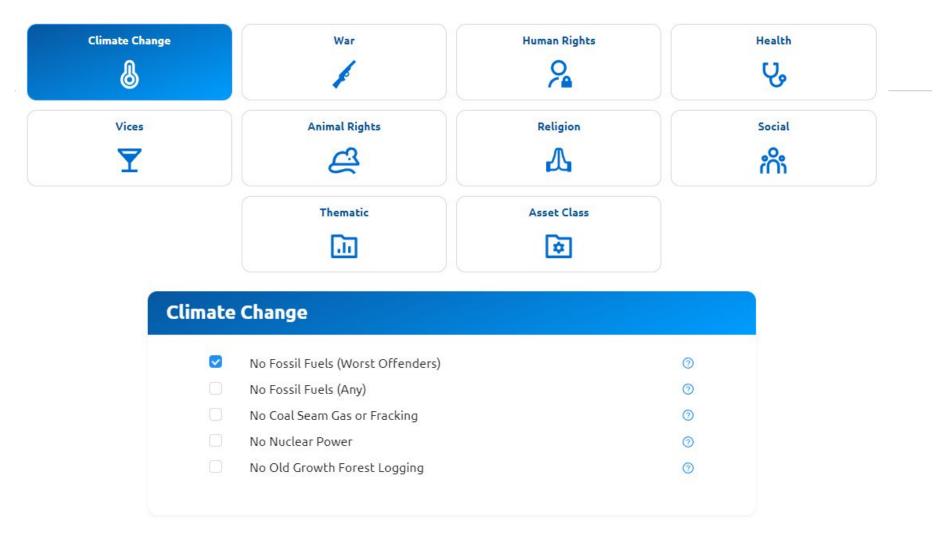
Risk Profile

Build Your Portfolio

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ortfolio Tilts ⑦		
Quality Stocks ⑦	Value Stocks ⑦	Growth Stocks ②
Dil & Gas Stocks ①	Gold Stocks ①	Agribusiness ②
arge Technology Stocks 🧿	Cloud Computing Stocks ③	Robotics/Al ③
video Gaming 💿	Cybersecurity ①	Clean Energy ⑦
pefensives ⑦	Battery Supply Chain ①	Nuclear Power ③
efense Contractors ①	Travel ①	Luxury Goods ①
ogistics ⑦	Global Communication Services ②	Global Consumer Discretionary ②
Slobal Consumer Staples ⑦	Global Energy ①	Global Financials ①
Global Health Care 🕜	Global Industrials ⑦	Global Information Technology ①





International Shares	Sector Group Industry	Region	\$
3M (MMM)	Manufacturing Industrial Conglomerates	US	44
ABB (ABBN)	Manufacturing Electrical Components & Equipment	Еигоре	141
Abbott Labs (ABT)	Manufacturing Health Care Equipment	US	76
Adobe (ADBE)	Technology Application Software	US	31
Allianz (ALV)	Finance Multi-line Insurance	Еигоре	44
Alphabet (GOOG)	Consumer Interactive Media & Services	US	639
Alphabet (GOOGL)	Consumer Interactive Media & Services	US	122
Amazon.com (AMZN)	Consumer Broadline Retail	US	701
American Tower Corp (AMT)	Defensives Telecom Tower REITs	US	44
Aon (AON)	Finance Insurance Brokers	US	44
Apple (AAPL)	Technology Technology Hardware, Storage & Peripherals	US	924
ASML (ASML)	Technology Semiconductor Materials & Equipment	Еигоре	145
AstraZeneca (AZN)	Manufacturing Pharmaceuticals	Еигоре	72
AXA (CS)	Finance Multi-line Insurance	Еигоре	44
Banco Bilbao (BBVA)	Finance Diversified Banks	Еигоре	44
Banco Santander (SAN)	Finance Diversified Banks	Еигоре	44
BP (BP.)	Resources Integrated Oil & Gas	Еигоре	44
Bristol-Myers Squibb (BMY)	Manufacturing Pharmaceuticals	US	44
Broadcom (AVGO)	Technology Semiconductors	US	223
Cadence Design Systems (CDNS)	Technology Application Software	US	72
Caterpillar (CAT)	Manufacturing Construction Machinery & Heavy Transportation Equipment	US	63
Cisco Systems (CSCO)	Technology Communications Equipment	US	31
Citigroup (C)	Finance Diversified Banks	US	44
Coca-Cola (KO)	Consumer Soft Drinks & Non-alcoholic Beverages	US	85
Colgate-Palmolive (CL)	Consumer Household Products	US	44
Deutsche Telekom (DTE)	Defensives Integrated Telecommunication Services	Еигоре	44
Diageo (DGE)	Consumer Distillers & Vintners	Еигоре	44
Eli Lilly and (LLY)	Manufacturing Pharmaceuticals	US	229
Emerson Electric (EMR)	Manufacturing Electrical Components & Equipment	US	99
Ford Motor (F)	Consumer Automobile Manufacturers	US	44

Kids Investments:

- Your initial transaction cost will be \$9.90 (0.099%).
- Adding \$200 a month will cost you 20c (0.099%) in transaction costs
- Monthly admin and management fees of \$3.21 (0.385%p.a., decreasing as you add more)
- There are no underlying ETF or fund charges as you own all the stocks individually.

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