



INVESTMENT QUORUM
UNIQUE, BOUTIQUE WEALTH MANAGEMENT

Cashflow Planning

Creating your financial roadmap

At Investment Quorum, we understand that planning for success can be complicated in today's world. That is why it is important to have clarity and realistic expectations of what your financial resources can achieve. By understanding the implications that your actions now will have on achieving your longer-term goals, you are better equipped to make informed decisions with your finances.

We undertake an in-depth assessment of your financial situation to give us a clear picture of your responsibilities and aspirations. Once we have a full understanding of your circumstances and priorities, we are able to provide you with advice that is tailored to suit your specific lifestyle goals, and together we can develop an appropriate strategy.

UNDERSTANDING YOUR FINANCIAL OBJECTIVES

In order to develop your financial plan, you need clarity about your objectives and your priorities. We believe that an integral part of the Investment Quorum financial planning process is cashflow planning. This provides you with an idea of what might happen to your finances in the future and enables you to plan, ensuring that you make the most of your money.

Cashflow planning shows your current position relative to your preferred position and your goals. It does this by assessing your current and projected wealth, along with income inflows and expenditure outflows, creating a picture of your finances, both now and in the future.

This detailed picture of your assets includes investments, debt, income and expenditure, which we project forward, year by year, using assumed rates of growth, income, inflation, wage rises and interest rates. Communication

is vital for producing a detailed plan. That's why we meet you regularly and review your financial plan, making any necessary amendments so as to reflect any changes in your personal circumstances.

MEETING YOUR OBJECTIVES

Cashflow planning provides us with valuable insights and presents us with planning opportunities to give you the best chance of making the right choices with your finances. This allows us to make informed decisions about what the best course of action is given your circumstances and based upon agreed assumptions. We can calculate the growth rate required from your investments to meet your lifestyle objectives. Understanding this is important when determining how much risk you need to take with your investments to achieve your longer-term goals. Cross-referencing this required growth rate with your attitude to investment risk is key to ensuring that your expectations are realistic and that your investments are compatible with achieving this.

Cashflow planning is particularly useful in analysing various scenarios based on decisions you make - either lifestyle choices or investment decisions. By matching your present and expected future liabilities with your income and capital, IQ will make recommendations to ensure you don't run out of money at any point during your life.



HOW MUCH TO SAVE AND INVEST

We take a snapshot in time of your finances. We use the calculated rates of growth, income, tax and so on to form the basis of your cashflow planning assumptions. This is why regular reviews and reassessments are required to ensure we are able to keep your finances on track.

Nearly all decisions are based on what is in your cashflow plan - from how much to save and spend, to how funds should be invested to achieve the required return - so there is a lot that needs to be managed.

A lifetime cashflow plan will enable you to:

- Produce a clear and detailed summary of your financial arrangements
- Define your family's version of the 'good life' and begin working towards it
- Work towards achieving and maintaining financial independence
- Ensure adequate provision is made for the financial consequences of the death or disablement of you or your partner
- Plan to minimise your tax liabilities
- Develop an appropriate investment strategy for your capital and surplus income
- Better understand how much money you will realistically be able to spend in retirement without putting you at risk of running out of money
- Determine how much you can afford to gift to loved ones and when without impacting on your own lifestyle
- Become aware of the tax issues that are likely to arise when you or your partner die

MAKING THE RIGHT FINANCIAL DECISIONS

With every financial corner that you turn, it is important that we 'run through the numbers' with you. This will help you make the right financial decisions. It is important to be specific. For example, it is not enough to say, 'I want to have enough to retire comfortably: You need to think realistically about how much you will need - the more specific you are, the easier it will be to create a plan that ultimately achieves your desired goals.

If your needs are not accurately established, then the cashflow will not be tailored to your personal circumstances. You are therefore unlikely to perceive value in it. Some years, there may be no changes at all, or a few tweaks. However, in other years, something significant may have changed. Either way, Investment Quorum will ensure that your financial plans are kept up to date, providing you with the peace of mind of knowing that you are still on track to meet your goals. To find out more, please contact us.

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