

Financial Meeting Summary

Financial Meeting Summary

Meeting Information

- Client(s): Prospect
- Advisor: FC
- Meeting Date: Not mentioned in this section
- Meeting Purpose: Data scrapping and gap analysis to identify best practices and areas of improvement for training purposes

1. Key Concerns & Objectives

- Career plateau concern: possibly feeling stuck or stagnant in their career
- Concern about funding kids' education and ensuring adequate coverage in case of disability or illness
- Concern about retirement planning
- Unclear what to do with fixed deposits (PIMCO) due to short-term nature
- No specific reason given for preferring cash dividends over reinvestment
- Concern about not being able to refinance a loan due to the outstanding principle being below \$500,000
- Difficulty keeping track of CDP (Central Depository) shares
- Conflict of interest between banks and clients' interests
- Difficulty finding insurance that covers exclusions
- Concern about high insurance premiums, specifically mentioning a current annual premium of \$3,007 and a projected future cost of \$22.5k per year at age 80.
- Concern about the impact of government changes on insurance plans
- Unpaid bonus from last year: \$25,000 (purpose not specified)
- Missing expenses, such as vacation costs
- Inflation concerns for travel expenses
- Avoiding running out of cash savings in retirement
- Optimizing investment drawdown strategy
- Running out of money at age 77, with a shortfall of \$204k per year

- Eradicating shortfalls to ensure sustainable retirement income
- Concern about covering expenses after retirement, including property tax, dining out, and vacation
- Concern about funding children's education, specifically computing costs for Q
- Medical costs increasing by \$4,000 (purpose not specified)
- Difficulty reducing expenses to match income
- Insufficient life insurance coverage (TBD coverage barely covers half a year of income)
- Complexity of medical conditions and exclusions in existing policies
- Concern: Mitral valve prolapse and its impact on insurance applications
- Assuming a base case of retiring at 60, with uncertainty about job security after four years
- Planning for a potential change of career or retrenchment
- No specific percentage for dividend shares mentioned, but yields around 2% to 2.5% are desired; uncertainty surrounding vested Meta shares
- Not decided what to do with vested Meta shares currently sitting in US dollar deposit account
- Concern about reduced income after age 65 due to inflation, with a specific example of \$100,000 per year currently but expecting it to be half that amount by then.
- Concern about changes in lifestyle and expenses after retirement, including possibly not driving or eating out as much.

2. Client Risk Profile

Client's risk tolerance is not explicitly mentioned in this section

3. Financial Goals

- Not mentioned in this section
- Goal: To fund kids' education, including overseas uni as needed, Timeframe: Not specified, Metrics: Not specified
- Goal: To make sure that you're adequately covered and don't end up being a burden to the rest of the family if something like that were to happen, Timeframe: Not specified, Metrics: Not specified
- Goal: For retirement, Timeframe: Simon wants to retire before age 65, Metrics: Not specified
- Goal: Long-term investment strategy, Timeframe: Not specified, Metrics: Assuming a 6% annual return
- Description: Grow wealth more than 2% per year, Timeframe: Over the course of six years, Metrics: Interest savings: \$6,003
- Goal to reorganize the hospitalization and critical illness parts of the insurance plan
- Goal to explore other insurance options

- Plan for future vacations with kids: \$60,000 per year (split into two tiers: \$20,000 for couple and \$40,000 for kids) over the next five years
- Continue to travel and explore new places without breaking the bank
- Tithing goal: \$2,000 per month (10% of income) until age 65
- University tuition fees: \$2000 per month (until this year)
- Goal: Retire with a sustainable income stream, Timeframe: 34 years (65-99), Metrics: Maintain a certain standard of living without depleting cash savings
- Goal: Retire at age 65 and maintain passive income, Timeframe: Age 65 and beyond, Metrics: No shortfall in retirement income
- Goal: Save for retirement, Timeframe: 15 years, Metrics: Double current income to \$10 million
- Goal: Fund children's education (computing and biochemistry), Timeframe: 3-4 years, Metrics: Annual expenses: \$100,000 per year for Q; 5% optimization
- Continue working until age 65 (Prospect) or age 79 (spouse)
- Maintain a comfortable lifestyle throughout retirement
- Goal: Fully cover Prospect's future income with life insurance, Timeframe: 15 years to age 65, Metrics: 4.3 million future income
- Goal: To understand how the client's pre-existing conditions will affect their future insurance applications
- Goal: Retire at 60, Timeframe: Not specified, Metrics: Assuming a base case of retiring at 60
- Goal: Change of career or retrenchment, Timeframe: Not specified, Metrics: Planning for potential changes in income and expenses
- Achieve long-term growth rate of around 2.5% through investments; diversify outside of the US due to estate duties and taxes on assets above \$60,000 (timeframe: not specified, metrics: not mentioned)
- Goal: Reduce expenses on vacations, Timeframe: Not mentioned in this section, Metrics: Currently \$40 per year, but expecting it to be lower due to inflation
- Goal: Increase expenses on public transport, Timeframe: Not mentioned in this section, Metrics: Currently \$500 per month, with an expected increase due to retirement and reduced driving

4. Current Financial Status

4.1. Assets

- Not mentioned in this section
- Amount: \$250-\$350, Purpose: Savings
- Amount: Not specified, Purpose: Investment and savings
- Type: Fixed deposits (PIMCO), Amount: Short-term, not specified, Purpose: Investment

- Type: JP Morgan US dollar bond, Amount: \$5% annual coupon, Purpose: Investment
- Amount: 400 (Meta vested looking), Purpose: Investment
- Amount: \$50,000 worth of liquid shares, Purpose: Investment
- Amount: \$50,000 (initial investment), Purpose: Generating interest and growth
- Unspecified bonus from last year: \$25,500 (purpose not specified)
- Vacation fund: \$60,000 per year (split into two tiers: \$20,000 for couple and \$40,000 for kids) over the next five years
- Wheelchair (purpose not specified): included in travel expenses
- Amount: \$155,000 per year (inclusive of bonuses), Purpose: Retirement income stream
- Amount: Not specified, Purpose: Long-term growth and retirement income
- Amount: \$322, sitting at a 2.5% interest rate, Purpose: Investment opportunity or continued earning of interest
- Amount: \$6 million (reduced from \$11 million), Purpose: Retirement savings
- Amount: \$150,000 per year, Purpose: Investment and wealth accumulation
- Australian cash builds up: Not mentioned in this section
- Investments: Liquidation of existing investments to fund retirement
- Amount: Not mentioned in this section, Purpose: Life insurance coverage
- Amount: Not mentioned in this section, Purpose: Life insurance coverage and cash value accumulation
- Type: Not mentioned in this section, Amount: Not mentioned in this section, Purpose: Not mentioned in this section
- Type: Investments, Amount: Not mentioned in this section, Purpose: To grow, be safe, and liquid for future use
- Other assets not mentioned in this section

4.2. Liabilities

- Not mentioned in this section
- Amount: \$300-\$400 (in Hong Kong, with HSBC), Terms: Monthly payments
- Amount: Not specified, Terms: Not specified
- Amount: Not specified (outstanding principle), Terms: 6% interest rate, 6 more years to go
- Amount: \$4% (annual interest rate), Terms: Not specified in this section
- Insurance premiums: \$3,007 per year (current) and projected \$22.5k per year at age 80
- Unpaid bonus from last year: \$25,000 (purpose not specified)

- Mortgage payment: Not mentioned in this section (amount and terms not specified)
- Amount: Not specified, Terms: Monthly mortgage payment (frequency not specified)
- Amount: \$204k per year, Terms: Withdrawal from CPFOA to prevent borrowing and ensure sustainable income
- Amount: \$4,000 per month, Terms: Permanent disability scenario
- TPD insurance policies: \$64,000 (purpose not specified)
- Monthly insurances payments: \$400 per month (purpose not specified)
- Amount: Not mentioned in this section, Terms: Exclusion for back-related causes of death
- Amount: Not mentioned in this section, Terms: Unknown
- Type: Not mentioned in this section, Amount: Not mentioned in this section, Terms: Not mentioned in this section
- Type: Mortgage or other debt, Amount: Not mentioned in this section, Terms: Not specified

4.3. Income

- Not mentioned in this section
- Source: Simon's income, Amount: Not specified, Frequency: Not specified
- Source: Prospect's account, Amount: \$1006 (cash), Frequency: Direct from my account
- Source: CPF (Central Provident Fund) contributions, Amount: \$950 per month, Frequency: Monthly
- Source: Prospect's income, Amount: \$20,000 per month (gross), Frequency: Monthly
- Source: Target bonus, Amount: Average: \$13 months (target amount), Frequency: Annual
- Annual living expenses: Not mentioned in this section
- Monthly income: Not mentioned in this section
- Monthly income: Not mentioned in this section (source, amount, and frequency not specified)
- Source: Dividends, Amount: \$13,000 per year, Frequency: Annual
- Source: Active income salaries, Amount: Not specified, Frequency: Monthly
- Source: CPFOA interest income, Amount: 2.5% of \$322 (approximately \$8,050), Frequency: Yearly
- Source: Current income, Amount: \$6 million (reduced from \$11 million), Frequency: Annual
- Source: Investment returns, Amount: Not specified, Frequency: Not specified
- Annual bonuses: Not mentioned in this section
- Source: Annual income, Amount: \$290,000 per year, Frequency: Annually

- Source: Not mentioned in this section, Amount: Not mentioned in this section, Frequency: Not mentioned in this section
- Source: Job income, Amount: \$300,000 per year (current salary), Frequency: Annual
- Source: Potential new career or retrenchment income, Amount: \$200,000 per year (proposed new salary), Frequency: Annual

4.4. Expenses

- Not mentioned in this section
- Amount: \$100,000 per year (purpose not specified), Frequency: Annual
- Amount: Not specified, Frequency: Not specified
- Amount: \$2550 per month, Frequency: Monthly
- Amount: Not mentioned in this section, Frequency: Not specified
- Amount: Not specified in this section, Frequency: As needed
- Annual insurance premium: \$3,007
- Projected annual insurance premium at age 80: \$22.5k (due to inflation)
- Vacation costs: \$60,000 per year (split into two tiers: \$20,000 for couple and \$40,000 for kids) over the next five years
- Travel expenses: Varies depending on destination and duration of trip
- Annual living expenses: \$100k per year
- Dining out: \$1,000 per month
- School fees: \$2000 per month (until this year)
- Tuition fees: \$2000 per month (until this year)
- Amount: Not specified, Frequency: Monthly
- Amount: \$100k per year, Purpose: Annual living expenses
- Amount: \$10,000 per month, Purpose: Not specified in the transcript
- Amount: Not specified, Frequency: Not specified
- Amount: \$100,000 per year, Frequency: Annual
- Household expenses: 20% of household income (purpose not specified)
- Vacation costs: Couple vacation is hard (amount not specified)
- Amount: Not mentioned in this section, Frequency: Unknown
- Type: Chiropractic manipulation (twice a week), Amount: Not specified, Frequency: Twice a week

- Type: Education expenses (Kai's university tuition), Amount: Not mentioned in this section, Frequency: Annual or bi-annual

5. Key Discussion Points

- Comprehensive summary of discussion point: reviewing data, identifying best practices, and areas for improvement
- Discussion about the importance of planning for kids' education and retirement
- Discussion about the need to ensure adequate coverage in case of disability or illness
- Additional details from transcript section
- Discussion on PIMCO fixed deposits and JP Morgan US dollar bond
- Discussion on dividend reinvestment vs. cash dividends
- Discussion about the CDP and its limitations
- Review of investment strategy and assumptions
- The importance of considering interest savings and growth rates when making financial decisions
- The need to balance risk tolerance with investment goals
- Discussion about the impact of government changes on insurance plans and the need for reorganization
- Review of current insurance premiums and projected future costs
- Review of financial situation and planning for future expenses and vacations
- Discussion of travel habits and budgeting strategies
- Discussion on travel expenses and inflation concerns
- Discussion on tithing goals and monthly donations
- Analyzing investment drawdown strategy and its impact on retirement income
- Evaluating the importance of cash savings in retirement planning
- Customizing retirement scenario to reflect reduced expenses and passive income
- Eradicating shortfalls to ensure sustainable retirement income
- Retirement planning and income needs
- Funding children's education and potential career paths
- The importance of monthly income or annual bonuses in retirement planning
- The impact of disability on retirement cash flow
- Review of existing insurance policies and their limitations

- Comparison of current coverage to future income needs
- Point: The client's experience with a previous agent and doctor, which led to the inclusion of pre-existing conditions in their medical records
- Point: The potential impact of these pre-existing conditions on future insurance applications
- Assuming a base case of retiring at 60 and planning for potential changes in income and expenses
- Considering the impact of retrenchment on investments and cash flow

6. Scenarios Modeled

- Not mentioned in this section
- Scenario: Scenario 1: Retirement before age 65, Assumptions: Not specified, Outcomes: Not specified
- Scenario: Long-term investment scenario with assumed 6% annual return, Assumptions: Not specified, Outcomes: Not specified
- Description: Scenario: Growing wealth more than 2% per year, Assumptions: Compounded growth rate of 2%, Outcomes: Interest savings: \$6,003
- Scenario: Current insurance premium of \$3,007 per year with a projected increase to \$22.5k at age 80 due to inflation
- Scenario: Exploring other insurance options to reduce costs
- Scenario: Planning for future vacations with kids over the next five years
- Scenario: Continuing to travel and explore new places without breaking the bank
- Scenario: Travel planning with end date of 1999 (inflation concerns discussed)
- Scenario: Drawing down investments upon retirement, Assumptions: Assumes a 34-year drawdown period (65-99), Outcomes: Maintains a sustainable income stream in retirement
- Scenario: Retirement at age 65 with passive income from CPFOA, Assumptions: No shortfall in retirement income, Outcomes: Sustainable retirement income
- Scenario: Permanent disability scenario, Assumptions: Income stops permanently; expenses increase to \$4,000 per month for long-term care, Outcomes: Impact on retirement savings and overall financial plan
- Scenario: Liquidating existing investments to fund retirement, with a focus on maintaining a comfortable lifestyle
- Scenario: Continuing to work until age 65 (Prospect) or age 79 (spouse), with a focus on maintaining a comfortable lifestyle
- Scenario: Scenario where Prospect's back condition affects life insurance claim, Assumptions: Exclusion for back-related causes of death in existing policy, Outcomes: No coverage or reduced payout
- Scenario: How different insurers might manage the client's application considering their pre-existing conditions
- Scenario: Retirement at 60 with current job income, Assumptions: Assuming four more years of working before retirement, Outcomes: Not specified

- Scenario: Change of career or retrenchment, Assumptions: Assuming a potential change in income and expenses, Outcomes: Not specified

7. Recommendations

- Not mentioned in this section
- Recommendation: To prioritize retirement planning and ensure adequate coverage in case of disability or illness, Rationale: To achieve financial security and avoid being a burden to the rest of the family
- Recommendation: Assuming a 6% annual return for long-term investments, Rationale: Based on the prospect's risk tolerance and investment goals
- Description: Continue to grow wealth through investments and avoid paying off loans too quickly, Rationale: To take advantage of compound interest and grow wealth more than 2% per year
- Recommendation to consider other insurance options and reorganize the hospitalization and critical illness parts of the plan
- Recommendation to review and adjust the plan regularly to account for changes in government policies and inflation
- Recommendation: Create a budget and track expenses to ensure accurate financial planning
- Recommendation: Consider setting aside a portion of income each month for vacation savings
- Recommendation: Review and adjust expenses for travel and titling goals
- Recommendation: Consider selling investments at a faster rate to avoid depleting cash savings, Rationale: To ensure a sustainable income stream in retirement
- Recommendation: Withdraw \$204k per year from CPFOA to prevent borrowing and ensure sustainable retirement income, Rationale: To eradicate shortfalls and maintain passive income in retirement
- Invest spare income in a diversified portfolio with a focus on long-term growth
- Prioritize funding children's education through dedicated savings plans
- Liquidate existing investments to fund retirement and maintain a comfortable lifestyle
- Continue working until age 65 (Prospect) or age 79 (spouse) to ensure long-term sustainability
- Recommendation: Review and replace existing policies to ensure adequate coverage, Rationale: Insufficient current coverage and changing medical conditions
- Recommendation: To unofficially check with different insurers to understand how they would handle the client's application
- Developing a comprehensive financial plan to ensure a secure retirement
- Considering the impact of retrenchment on investments and cash flow

8. Action Items & Next Steps

- FC will do homework after this session and come back to the Prospect with subsequent recommendations

- Item: Complete data scrubbing and gap analysis, Responsible Party: Simon, Timeline: Not specified
- Item: Follow up with banker on PIMCO fixed deposits, Responsible Party: Prospect, Timeline: Not specified
- Item: Review and adjust investment strategy as needed, Responsible Party: FC (financial advisor), Timeline: Not specified
- Item: Review and adjust investment portfolio regularly, Responsible Party: Prospect, Timeline: Ongoing
- Action item: Review and reorganize the hospitalization and critical illness parts of the insurance plan
- Action item: Explore other insurance options and consider switching plans if necessary
- Action item: Pay off unpaid bonus from last year: \$25,000 (purpose not specified)
- Action item: Review and adjust budget regularly to ensure alignment with financial goals
- Action item: Review school fees and tuition fees until this year
- Action item: Review dining out expenses and consider adjustments
- Item: Review and adjust investment portfolio to align with retirement goals, Responsible Party: FC (financial advisor), Timeline: Short-term (next meeting)
- Item: Update the CPFOA withdrawal strategy to reflect reduced expenses in retirement, Responsible Party: FC (Financial Advisor), Timeline: Next meeting or as needed
- Item: Review and update retirement plan to account for increased expenses, Responsible Party: Prospect, Timeline: Short-term (next few months)
- Specific action item: Review and adjust investment portfolio to align with retirement goals
- Specific action item: Consider purchasing additional insurance policies to mitigate risk
- Item: Analyze Prospect's existing insurance policies and their limitations, Responsible Party: FC (financial advisor), Timeline: Immediate
- Item: Develop a plan to fully cover Prospect's future income with life insurance, Responsible Party: FC (financial advisor), Timeline: Short-term
- Item: Send WhatsApp message to FC with pre-existing conditions, start date, and current status
- Action Item: Update investment portfolio to align with risk profile and goals, Responsible Party: FC (Financial Advisor), Timeline: Next meeting or within a few weeks

9. Follow-up Requirements

- FC will let the Prospect know once the recording has been scrubbed for training purposes
- Item: Review and align on cash flow or spare cash flow available for retirement and protection, Deadline: Not specified
- Follow up with Prospect to discuss next steps for PIMCO fixed deposits
- Item: Follow up on loan repayment and outstanding principle, Deadline: Not specified

- Item: Monitor and adjust hospitalization plan as needed, Deadline: Not specified in this section
- Follow-up requirement: Review and adjust the insurance plan regularly to account for changes in government policies and inflation
- Follow-up requirement: Review progress on paying off unpaid bonus from last year
- Follow-up requirement: Reassess budget and make adjustments as needed to stay on track
- Follow-up item: Review and update financial plan based on travel planning and tithing goals (deadline not specified)
- Requirement: Reassess investment drawdown strategy at next meeting, Deadline: Next meeting
- Requirement: Review and adjust household spending in retirement, Deadline: Next meeting or as needed
- Item: Reassess investment portfolio and adjust as needed, Deadline: Not specified
- Specific follow-up item: Review and update financial plan every 6-12 months
- Specific follow-up item: Monitor and adjust investment portfolio as needed
- Item: Follow up on analysis of existing policies and their limitations, Deadline: Not specified
- Requirement: FC will unofficially check with different insurers to understand how they would handle the client's application
- Follow-Up Item: Review and update financial plan based on new information, Deadline: Not specified

10. Next Meeting

- Date: Not mentioned in this section
- Time: Not mentioned in this section
- Format: In-person or virtual meeting