

## THE BAREFOOT STEPS ON ONE PAGE



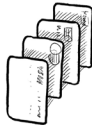
### STEP 1

SCHEDULE A MONTHLY  
BAREFOOT DATE NIGHT



### STEP 2

SET UP YOUR  
BUCKETS



### STEP 3

DOMINO YOUR  
DEBTS



### STEP 4

BUY YOUR HOME



### STEP 5

INCREASE YOUR SUPER  
TO 15 PER CENT



### STEP 6

BOOST YOUR MOJO  
TO THREE MONTHS



### STEP 7

GET THE BANKER  
OFF YOUR BACK



### STEP 8

NAIL YOUR  
RETIREMENT  
NUMBER

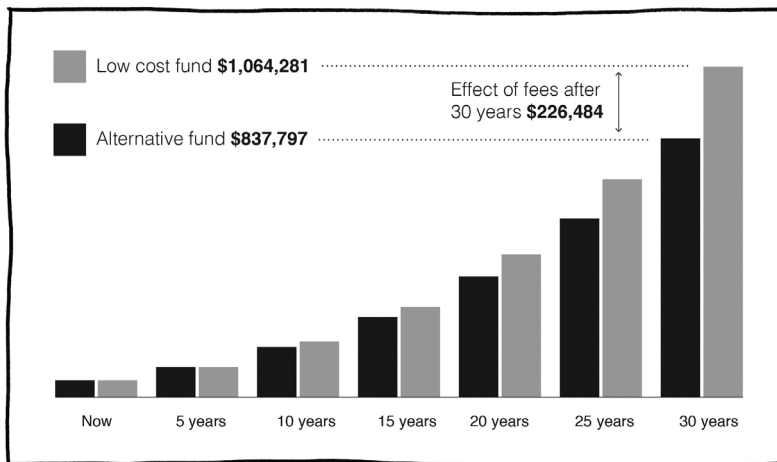


### STEP 9

LEAVE A LEGACY

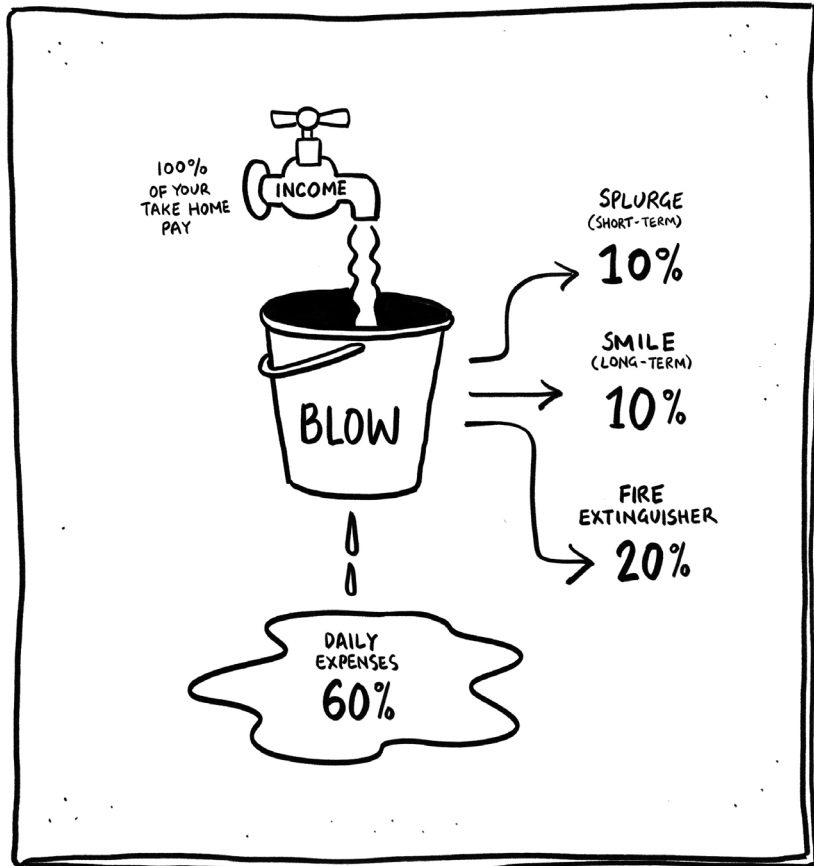
## The \$226,484 difference

In this graph, 'your fund' is the higher fee one, and the 'alternative fund' is the lower fee one.

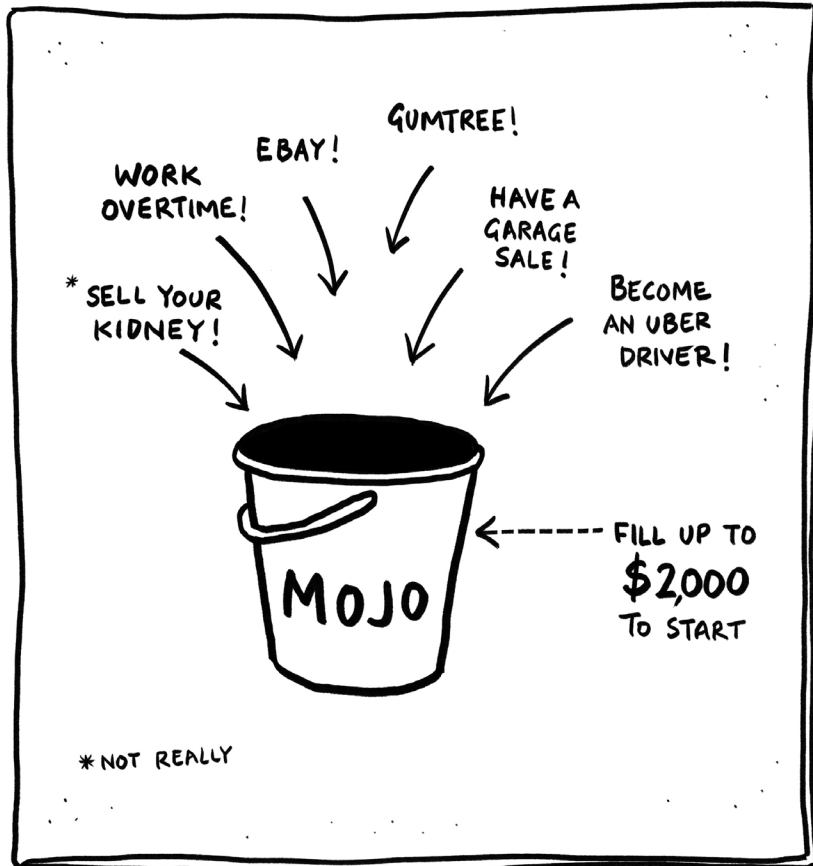


Source: ASIC MoneySmart Managed Fund Fees Calculator. This is not a typical managed fund scenario and should be used for the purpose of comparing the impact of fees in a hypothetical situation only.

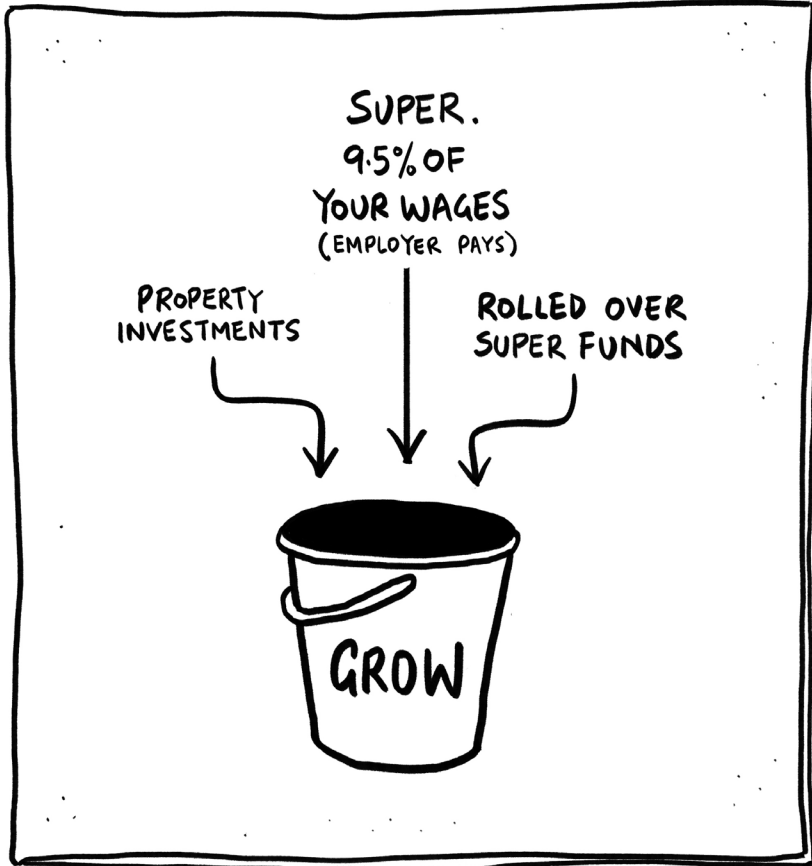
## The Blow Bucket



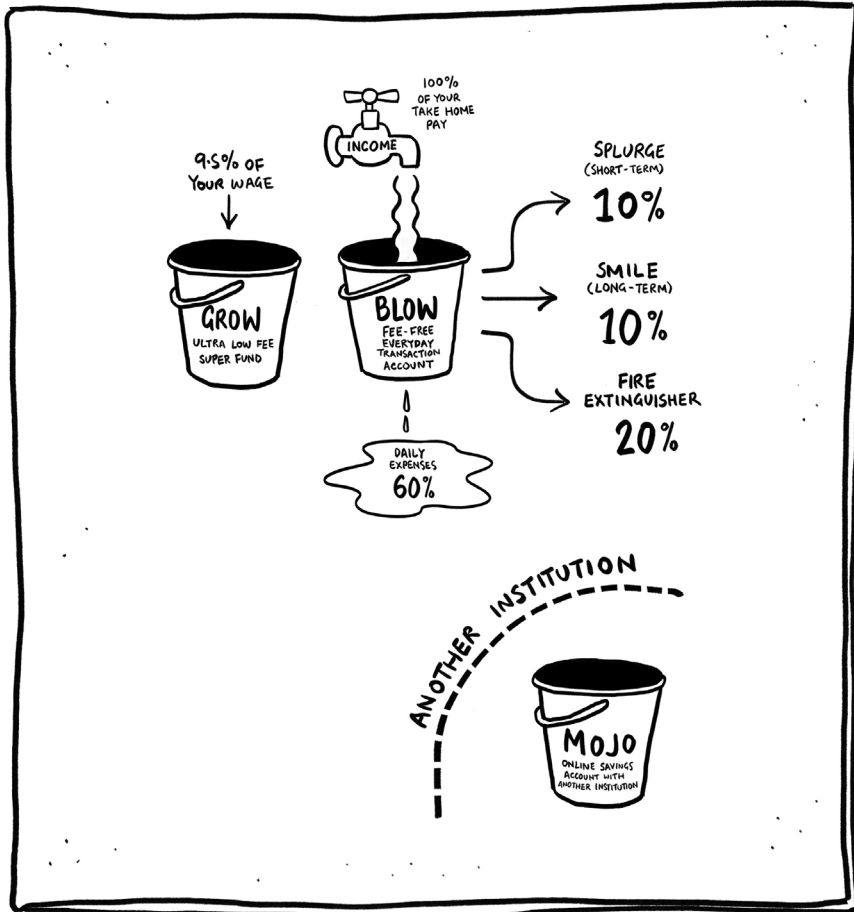
## The Mojo Bucket



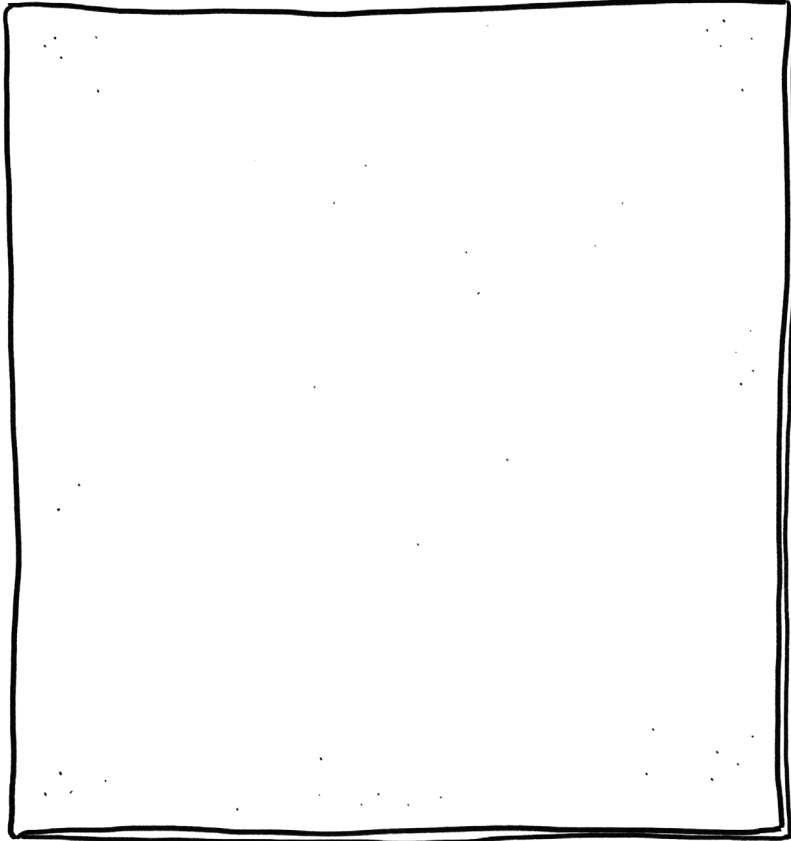
## The Grow Bucket



## Putting it all together



# DRAW YOUR OWN SERViette STRATEGY



Put in your numbers, name your accounts, and actually see where your money is going.

Now you have a simple, visual plan.

Now you are in control.

## Domino 1: Calculate

Write down all your debts—credit cards, car loans, parking fines, money you owe to friends.

Name of debt	Total amount	Interest rate	Monthly minimum
			Total:



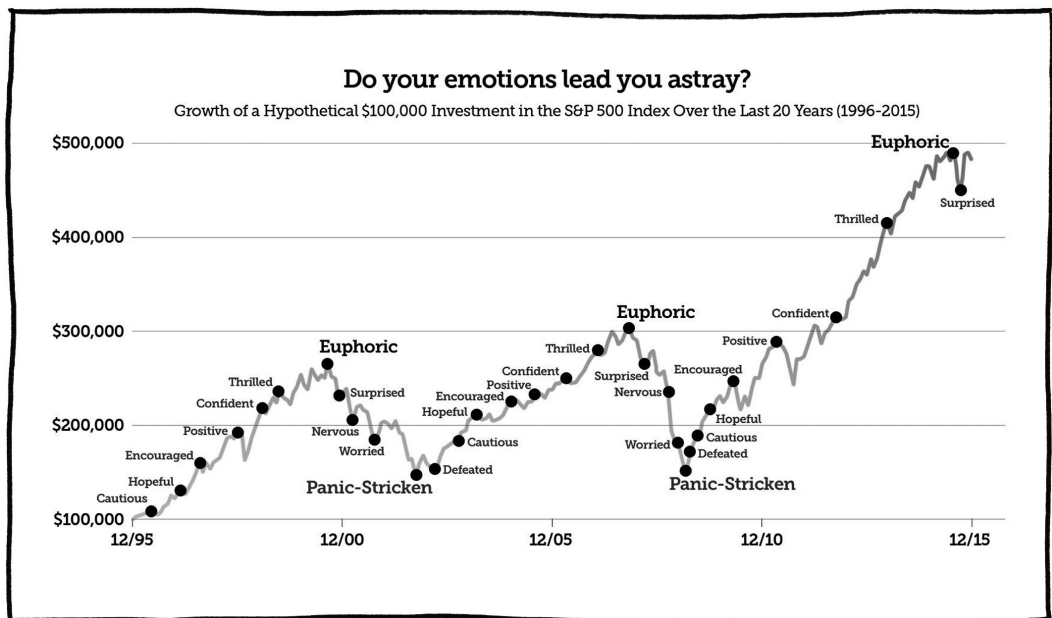
## Domino 4: Detonate

Rearrange your list of debts from smallest to largest. (Yes, it's the same table you used to calculate your debt, but this time you're ranking the debts by size.)

Name of debt	Total amount	Interest rate	Monthly minimum
			Total:

## Leave your emotions at the door

This chart from one of the world's biggest fund managers, BlackRock, nails how most investors behave.



Sources: BlackRock; Informa Investment Solutions. The information provided is for illustrative purposes only.

As this table shows, the longer you invest, the longer your money has to grow through the magic of compound interest (remember: this is when you reinvest your earnings so you earn interest on your interest).

**The power of starting (and compound interest)**

If you invest ...	... \$0 a month	... \$100 a month	... \$500 a month	... \$1000 a month
After 5 years you'll have ...	0	\$7,040	\$35,200	\$70,399
After 10 years you'll have ...	0	\$17,384	\$86,919	\$173,839
After 25 years you'll have ...	0	\$87,727	\$438,636	\$877,271

Based on an 8 per cent return.

## Faceplanting on a treadmill

Have a look at this 'shopping list' and see how prices have increased since the 1970s.

	1970s	1980s	1990s	2000s	2016
Average wage	\$7500	\$10,400	\$23,400	\$46,800	\$80,000
Milk, 1 litre	\$0.30	\$0.68	\$1.03	\$1.40	\$1.36
Loaf of bread	\$0.24	\$0.89	\$1.67	\$2.30	\$2.36
Rump steak, 1kg	\$3.24	\$7.64	\$12.62	\$12.50	\$22.00
House price, Victoria	\$37,000	\$75,000	\$131,000	\$299,000	\$685,000
Car, Holden	\$2,538	\$9,046	\$24,587	\$28,330	\$38,000

## The future is going to be expensive

Look at this new ‘shopping list’ and pick the decade you’re likely to die in. (So I don’t completely freak you out, I’ve used a conservative 3 per cent inflation, not the historical 5.5 per cent.)

### The future is going to be expensive

	2026	2036	2046	2056	2066	2076
Average wage	\$107,513	\$144,489	\$194,181	\$260,963	\$350,712	\$471,328
Milk, 1 litre	\$1.83	\$2.46	\$3.30	\$4.40	\$5.96	\$8.01
Loaf of bread	\$3.17	\$4.26	\$5.73	\$7.70	\$10.35	\$13.90
Rump steak, 1kg	\$29.57	\$39.73	\$53.40	\$71.76	\$96.45	\$129.62
House price, Victoria	\$920,583	\$1,237,186	\$1,662,675	\$2,234,496	\$3,002,976	\$4,035,748
Car, Holden	\$51,741	\$69,535	\$93,450	\$125,588	\$168,780	\$226,827

Assumes 3 per cent per annum inflation.

## The property investor

### Paula's Property Investment

Purchase price: 2-bedroom flat	\$585,000
Stamp Duty	\$30,170
Transfer and Legals	\$3,074
Total cost of unit	\$618,244
Paula puts down a \$91,744 to cover the 10 per cent deposit, and stamp duty and legals.	
Annual income: \$450 per week, for 52 weeks a year:	\$23 400 per year
<b>Cost:</b>	
Interest only loan at 4.25%	\$22,377 per year
Lenders Mortgage Insurance (annualised)	\$1,425 per year
Property management fees	\$1,850 per year
Insurance	\$600 per year
Accounting	\$350 per year
Body corporate	\$2,000 per year
Council and water rates	\$1,300 per year
<b>Maintenance</b>	\$1,500 per year
<b>Total yearly costs</b>	<b>\$31,402 per year</b>
<b>Total yearly loss</b>	<b>\$5,121 (after the negative gearing benefit)</b>

\*Based on an annual income of \$78 832.

## Lower income earners

When you get your dividend reinvestment plan (DRP) letter in the mail, tick 'full participation'.

**AUSTRALIAN FOUNDATION INVESTMENT COMPANY**  
ABN 58 004 147 120

Registered Name: Alan John Wilson  
Registered Address: \_\_\_\_\_

Return your information:  
Online: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)  
By Mail: [Companyshare Investor Services](mailto:Companyshare Investor Services)  
GPO Box 2075 Melbourne Victoria 3001

Enquiries:  
(within Australia) 1300 602 270  
(internationally) +61 3 9415 4373

Securityholder Reference Number (SRN) or  
Holder Identification Number (HIN) \_\_\_\_\_

☒ For your security keep your SRN/HIN confidential

**Dividend Reinvestment Plan (DRP)**

Use a blue ballpoint pen to fill in the boxes. Where a double is required, mark the box with an 'X'.

**A Notice of Variation**  
We elect to vary our participation in the Dividend Reinvestment Plan as follows:

☒ FULL PARTICIPATION - including any further acquisitions  
OR  
☐ PARTIAL PARTICIPATION - Please specify the number of securities to participate in the DRP: \_\_\_\_\_  
☐ TERMINATE PARTICIPATION - if you wish to cancel your participation.

**B Sign Here - This section must be signed for your instructions to be executed.**  
This authorises you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our security. Where I/we have indicated participation in the DRP, I/we hereby agree to be bound by the Terms and Conditions of the DRP.

Individual or Securityholder 1: Alan Wilson Director  
Securityholder 2: \_\_\_\_\_ Director/Company Secretary  
Securityholder 3: \_\_\_\_\_ Sole Director and Sole Company Secretary

Date - Day: 01 / Month: 12 / Year: 2016

Note: When signed under Power of Attorney, the attorney states that they have not received notice of revocation. Companyshare Investor Services Pty Limited needs to sight a certification of the Power of Attorney.

AFI 03DI

## The miracle of compound interest

This chart tells the story of yours and your mate's investment.

Age	You invest:		Your friend invests:	
15	\$5,000	\$5,500		
16	\$5,000	\$11,550		
17	\$5,000	\$18,205		
18	\$5,000	\$25,526		
19	\$5,000	\$33,578		
20	\$5,000	\$42,436		
21	\$5,000	\$52,179		
22	\$5,000	\$62,897		
23	\$5,000	\$74,687		
24	\$5,000	\$87,656		
25		\$96,421	\$5,000	\$5,500
26		\$106,064	\$5,000	\$11,550
27		\$116,670	\$5,000	\$18,205
28		\$128,337	\$5,000	\$25,526
29		\$141,171	\$5,000	\$33,578
30		\$155,288	\$5,000	\$42,436
31		\$170,816	\$5,000	\$52,179
32		\$187,898	\$5,000	\$62,897
33		\$206,688	\$5,000	\$74,687
34		\$227,357	\$5,000	\$87,656
35		\$250,092	\$5,000	\$101,921
36		\$275,102	\$5,000	\$117,614
37		\$302,612	\$5,000	\$134,875
38		\$332,873	\$5,000	\$153,862
39		\$366,160	\$5,000	\$174,749
40		\$402,776	\$5,000	\$197,724
41		\$443,054	\$5,000	\$222,996
42		\$487,359	\$5,000	\$250,795
43		\$536,095	\$5,000	\$281,375
44		\$589,705	\$5,000	\$315,012
45		\$648,675	\$5,000	\$352,014
46		\$713,543	\$5,000	\$392,715
47		\$784,897	\$5,000	\$437,487
48		\$863,387	\$5,000	\$486,735
49		\$949,725	\$5,000	\$540,909
50		\$1,044,698	\$5,000	\$600,500
51		\$1,149,167	\$5,000	\$666,050
52		\$1,264,084	\$5,000	\$738,155
53		\$1,390,493	\$5,000	\$817,470
54		\$1,529,542	\$5,000	\$904,717
55		\$1,682,496	\$5,000	\$1,000,689
56		\$1,850,746	\$5,000	\$1,106,258
57		\$2,035,820	\$5,000	\$1,222,383
58		\$2,239,402	\$5,000	\$1,350,122
59		\$2,463,343	\$5,000	\$1,490,634
60		\$2,709,677	\$5,000	\$1,645,197