



The Financial Freedom Game Plan

“Thinking Yourself to Wealth”

*By Todd Pallett
Wealth Strategist*

Description of Services

THE FOLLOWING PROFESSIONAL SERVICES ARE INCLUDED:

LOOKING AFTER “EXPATS IN ASIA”

Todd Pallett also provides personal estate planning strategies to protect families from “estate shrinkage” as an “Authorized Will Writer” in Hong Kong. Todd frequently runs wealth education seminars in Hong Kong. Todd specializes in helping all nationalities of “Expats in Asia”.

PROFESSIONAL ALLIANCES

1. Accountants
2. Art Dealers
3. Bankers and Bank Contacts
4. Buyers Advocates
5. Currency Experts
6. Financial Advisers
7. Fund Managers
8. Lawyers & Attorneys
9. Mortgage Brokers
10. Private Banking Platforms
11. Real Estate Agents
12. Solicitors & Notaries
13. Stock Brokers
14. Wellness Experts
15. Will Writers

OFFICE EXPENSES

The annual service fee will include any and all office expenses including but not limited to the following:

1. Postage
2. Photocopying
3. Printing costs
4. Travel Expenses
5. Computer Services
6. Telephone Charges
7. Mobile Phone Charges
8. Delivery & Courier Services
9. Salaried staff to assist your estate
10. All other office admin and running costs



Todd holds an investment license with the Securities and Futures Commission and holds an insurance brokers license with the Confederation of Insurance Brokers. Todd has a Bachelor of Commerce with a Property Major and is a Hong Kong Authorized Will Writer as well as an ASIC Registered Authorised Financial Adviser in Australia.

Tools for Wealth



THE 120 DAY CHECK-IN PROGRAM

The 120 Day Check-In Program is a goal-setting program that helps clients to set goals every 120 days. ***“Only what is measured is achieved”***. By meeting every 120 days you are creating wealth on purpose and you have a plan. The best athletes in the world all have coaches that either help them get better, or to have independent advice to improve their own performance. As your ***“Wealth Strategist”***, we are acting like your coach. The 120 Day Check-In Program is a cash flow based program but is NOT for investment advice. We are only concerned here with cash or liquid assets. The program provides budgeting tools and cash flow systems that let you get paid first.



THE GREAT DEFENCE SYSTEM

The Great Defence System provides all the tools for you to ensure that whilst your goal is to build wealth, the greatest loss of wealth has been because no one has planned for unexpected risks. By building a ***“Financial Fortress”*** to protect your estate from creditors, legal claims, reduction or loss of health or even the tax-man, we can protect all your years of ***“Sweat Equity”***. In team sports and business, it is a long known strategy that ***“The best offence is a GREAT DEFENCE!”*** By utilizing ***“The Estate Preservation Trinity”*** we ensure that we combine ***INSURANCE, WELLNESS*** and ***ESTATE PLANNING*** as one seamless process to ensure your entire estate flows to the correct beneficiaries intended, with the least line of resistance for probate.



THE FINANCIAL FREEDOM GAME PLAN

The Financial Freedom Game Plan is a wealth building program that utilizes both modern and “tried and true” investment strategies to get you to financial independence. The eventual goal is to reach your ***“Freedom Point”***. The Freedom Point is where you go to work because you want to...not because you have to. The time horizon and amount of money at your Freedom Point varies per client, and working with you through constant goal setting helps measure your success. Using the principles of ***“Wealth Duplication”***, we devise strategies that reflect your investment risk profile and the investment strategies vary between risk tolerance, financial knowledge and even occupations. Our unique program involves selecting the best ***“Tax Box”*** for you to begin investing...one that suits your goals, nationality and available tax jurisdictions.

The Wealth Duplication Paradigm



The Wealth Duplication Paradigm Explained

The idea of using "The Wealth Duplication Paradigm" is to achieve the definition of true wealth:

"When your assets produce equal or more PASSIVE income than your ACTIVE income!"

ACTIVE INCOME: Income you earn from salary, wages, fees, bonuses or commissions in your profession.

PASSIVE INCOME: Income your assets produce in the form of dividends, rent, interest or other forms that produce cash flow without you being present.



THE CASH FLOW COIL
 The lifeblood of the Wealth Duplication Paradigm is cash flow. Income from salary or assets over time will deduct expenses which results in cash savings being converted into investments (capital). Cash flow rises with increased salaries or revenues and falls with lump sum costs for life expenditures such as education fees for children, holidays or purchase of a new car or luxury items.

TIME
 Time represents the one commodity we all get the same amount of. However, due to many different reasons, some people reach "Financial Freedom" at 30 years of age and some reach it at 70 years of age. The key to reaching it sooner is that financially independent people have a plan and stick to their plan. By leveraging assets they will reach it sooner than people who don't.

THE RULE OF 72
 The rule of 72 is an ancient tool used by many wealthy people as a very reliable rule of thumb for expected returns on investments. The rule of 72 tells you how long it will take for you to double your money on your investment. For example... let's say that you have an investment opportunity that guarantees to pay you an annual investment return of 10% per annum

on your of 72 says to 10% which means that would double

72

money. The rule divide 72 by equals 7.2 This your money in value every

7.2years. The formula below -

$$\frac{72}{10\%} = \text{Investment doubles every } 7.2 \text{ years}$$

The rule of 72 in the Wealth Duplication Paradigm is central to the theory that by seeking growth investments over 5 to 10 year investment horizons, you will duplicate assets continuously.

ASSETS
 Choosing suitable assets for financial freedom is determined by research and having a strategy. 90% of a share portfolio's success comes down to asset allocation. Property portfolios are a fundamental ingredient in every wealthy person's estate and choosing the right property or location is key, but like shares, you make money when you buy property, not when you sell.

LIABILITIES
 OPM – Other Peoples Money is a tool to leverage your assets so that you have a leveraged return of Rule of 72. If you just save your money it will be a long time before you have enough cash to buy a property or other investments without debt. Good Debt is on property and shares and Bad Debt is on credit cards and holidays. The key is tax deductible debt on growing assets.

→TIME→



What to Expect



3 MEETINGS A YEAR EVERY 120 DAYS – Part of the 120 Day Check-In Program is a meeting with your Wealth Strategist every 120 days or 4 months. Hong Kong is a busy town but like every good personal trainer, you need to meet with your financial coach to ensure you stay on track and focused on the goal at hand.



PERSONAL BUDGET – An excel spreadsheet designed to work out your current total income and expenses for the year. The spreadsheet provides a breakdown of all your expenses in one final summary so you may see as a percentage of your income how much you are actually spending per expenses category.



THE DEBT DOMINO – Some people need to clear their “dead debt” before they undertake “good debt”. The Debt Domino is a simple formula used to calculate the quickest way to pay off all your credit cards, personal loans and any other debt that is not for investment purposes so we can free up available savings sooner.



THE DEBT DIET – A seven-day discipline to help you log all your costs and work out your “Leaky Bucket Factor”. The best way to save money is to pay yourself first, and the second best way is to attack costs with discipline. It is always surprising to find how much we spend on items we can do without.



THE SOLUTION JUICER – Put your financial problems into the “Solution Juicer” and use this worksheet to find the “Solution”. All challenges are actually the ingredients we need to design a plan to overcome them and deliver our goals. This worksheet provides the visual for finding the solution for you.



DEBIT & CREDIT CARD REGISTER – Use this register to list all your current bank and credit cards. Many clients lose their credit cards or wallets and they can't remember what cards they had or which cards we used for direct debit facilities. Use this register to never lose this information again.



THE HIGH INTEREST POOL – Once you save bundles of cash use the High Interest Pool to invest your money in high interest bearing and secure bank accounts. This account provides higher interest than normal bank accounts and will deliver cash slower than ATM's but within 7 days.

Small Steps to The 120 Day Check-In



Building wealth doesn't happen overnight and there are no magic tricks to saving money other than discipline. 80% of financial success is due to discipline and habits and only 20% has to do with financial strategies.

STEP 1

**\$1000 USD to start an
“EMERGENCY FUND”**

STEP 2

SAVE 20% OF INCOME FOR TAX BILL
Put funds into a high interest account

STEP 3

3 TO 6 MONTHS
Of expenses in savings

STEP 4

Follow 120 day system and build cash for
“EASY AS PIE FUND”

STEP 5

**MAKE REGULAR OR LUMP SUM
INVESTMENTS INTO PIE**

STEP 6

REPEAT STEPS 4 & 5
Goals determine 120 day, 6 month or 1 year cash amounts

What to Expect



CURRENT ESTATE INSURANCE PROGRAM REVIEW – Many clients are confused by the barrage of insurance policies or insurance names in the marketplace. This review is a service offered to look at your current policies and to analyze what coverage you actually have to ensure you are not doubling up on personal and company coverage.



THE ESTATE PRESERVATION TRINITY – The seamless combination of INSURANCE, ESTATE PLANNING and WELLNESS means we provide a comprehensive view of all facets of your estate to ensure that we protect your family from loss due to death, disability or critical illness and to transfer the estate to beneficiaries.



THE FINANCIAL FORTRESS – To protect your assets and your family you need to ensure that you set up the correct financial vehicles to hold and to distribute your assets as you intended them to be. The Financial Fortress utilizes “Living” and “Testamentary” trusts to pass your estate tax effectively and to minimize legal and probate costs.



THE ESTATE SHRINKAGE CALCULATOR – Insurance solves the problem of the “what if” scenarios. The shrinkage calculator provides you with the ability to see how much of your estate would be lost due to death, disability or critical illness and works out for you the exact insurance amounts needed to protect you or your family.



THE ESTATE PRESERVATION BINDER – A well planned binder that provides a full summary of your complete insurance program, with 5 folders to keep copies or originals of your WILLS, POWERS OF ATTORNEY, INSURANCE POLICIES, FINANCIAL PLANS and TRUSTS. Wills are security encoded and stored with Guardforce.



WILLS & ESTATE PLANNING CONTACT LIST – The ugly reality of some estates is that people cannot locate the Wills upon death. This contact list is a template page you can use to make copies and fax or email to members of your family or parties in your Will to alert them where your Will is located in case of emergency.



1ST CLASS WORLD WIDE INSURANCE BROKERAGE – The key to providing high quality insurance is to be independent. As a world class independent insurance brokerage, FPI has over 40 different insurance companies we can work with from Hong Kong, Australia, New Zealand, UK and the USA, enabling us to service all expats’ nationalities.



THE 10 DAY DETOX PROGRAM – Hong Kong is a fast town and our experience shows that many people are not looking after their health as they should be. We formed a “wellness” alliance with the Integrated Medicine Institute to provide health and nutritional advice to our clients. This helps clients better prepare for insurance medicals.

Small Steps to The Great Defence



Before you learn to invest and build wealth, you need to defend yourself first.

STEP 1

WRITE YOUR WILL FIRST

STEP 2

Set up your structure with the banks
SELECT YOUR TAX IN A BOX

STEP 3

BORROW FROM THE BANKS

STEP 4

CALCULATE YOUR ESTATE SHRINKAGE
How much you lose financially due to death & disability

STEP 5

PROTECT YOUR GUARANTORS & FAMILY
Use a discounted dollar to transfer your risk

STEP 6

NOMINATE THE CORRECT BENEFICIARIES
Make sure your Will and Insurance talk to each other

STEP 7

WELLNESS
Look after your health

What to Expect



THE WEALTH DUPLICATION NET WORTH MONITOR – A yearly monitor that records your net worth and how it increases every year over 7 years. The monitor comes with a signature space for you to sign every year what you calculate your net worth to be. Using rule of 72 we aim to duplicate this wealth according to your goals and focus.



YOUR FINANCIAL LIFE LINE – Every person has a different financial life line and we need to determine what your is. Based on your financial life line we can better understand when you want to be financially independent according to your income, your retirement age and the returns on your investments using the Wealth Duplication Paradigm.



THE VALUE CHAIN & YOUR OCCUPATION COMPASS – Before you know what you should do with your money you need to be clear about what is your relationship with money. Understanding your “Value Chain” will clarify your purpose and “Your Occupation Compass” will give you direction over where you will derive income.



TAX IN A BOX – The key to wealthy clients is the ability to use the “Occupation Compass” and learn to earn wealth in pre-tax dollars rather than post tax dollars. This simple step will save you thousands of dollars which can compound over time. It is key to be able to invest your capital into tax effective vehicles to control your tax nexus.



EASY AS PIE – PIE stands for PROPERTY, INTEREST and EQUITIES which are the key ingredients to baking a wealthy estate. The “Easy as PIE” worksheet leads you through a cash flow exercise and ends with calculating the final equity in your estate which is available to leverage through rule of 72. Equity is as good as cash to invest.



THE SAVINGS PLAN NURSING SYSTEM – The poor monitoring of current investment and savings plans in Hong Kong which are normally domiciled in the Isle of Man has lead to this nursing system. This service allows FPI to manage any currently latent investment plans and to review their asset allocation and revive performance potential.



THE PROPERTY PURCHASE ANALYSIS – We have created excel spreadsheets for Australian and Hong Kong property purchases only and can provide checklists, notes, advice and experts to assist you with the purchase of property in those jurisdictions as well as understanding what tax box to buy those properties along with finding suitable finance.



EXTRA EXPAT NOTES – We have extra tax and investment notes available for all expat nationalities in Hong Kong. We have experts but not limited to UK, Japanese, Australian, New Zealand, USA, Canadian, South African and French jurisdictions. Through our network of advisers we have world wide contacts to assist all other jurisdictions.

Small Steps to Financial Freedom



Building wealth doesn't happen overnight and there are no magic tricks to saving money other than discipline.

STEP 1 **SAVE 10-20% OF YOUR INCOME**

STEP 2 Follow 120 day system and build cash for
“EASY AS PIE FUND”

STEP 3 **CHOOSE YOUR TAX BOX**
Structure your investments with tax favored vehicles

STEP 4 **CALCULATE THE EQUITY IN ASSETS**
Work out comfortable gearing level of assets

STEP 5 **FOLLOW RULE OF 72 & INVEST**
Invest in assets that have duplicating growth potential

STEP 6 **PAY-OFF HOME & BAD DEBT EARLY**
Bad debt is on assets not producing an income

STEP 7 **REACH YOUR FREEDOM POINT**
Money that pays into your account before you work

Contact Us



Todd runs wealth education seminars and donates all profits from door proceeds to the “**Child Welfare Scheme**” in Nepal to build schools and day care centers for the children of Nepal. To find out more visit:

www.childwelfarescheme.org

Tools, processes and talents to help implement the initial strategies and solutions.

Here is a summary of this literature.

- ✓ **The 120 Day Check-In Program**: A cash position analysis with strategies at the beginning of every 120 days that focuses you on the goals with most priority for the year.
- ✓ **The Great Defence System**: A financial fortress program that protects your assets, income and family from financial loss due to creditors, tax or loss of health.
- ✓ **The Financial Freedom Game Plan**: Creating five-year "predictability platforms" for your personal life and asset growth so you have enough income to be free of the workforce if you so desire and to provide "*wake-up money*" so you focus on what is important rather than what is urgent. This means you have reached your "*Freedom Point!*"

The next step is to read this literature and contact me to discuss what areas interest you. I look forward to hearing your thoughts and am excited about the opportunity of working with you.