



Advanced Wealth Management For Business Owners

Presented by: Michael Bova,
Family Wealth Advisory

Thursday 21st September 2023

NSW Leaders





Disclaimer

Michael is an authorised representative of The Family Wealth Advisory Group Pty Limited AFSL 500323.

Any advice in this presentation is of a general nature only and does not take into account the objectives, financial situation or needs of any particular person.

Before making any decision, you should consider the appropriateness of the advice with regard to those matters



Name one personal skill or attribute that has most helped you in managing both your business and personal wealth

14 responses

open minded good crm system
resilience a good accountant
curiosity budget story telling
drive discipline
organisation skills ask for help
breathing understanding others
experience

If you had to focus on one personal financial goal for the next year, what would it be? (e.g., buying property, increasing savings, etc.)

24 responses

Growth

Diversification

Increase savings account

Asset protection

Proprty

Kids education

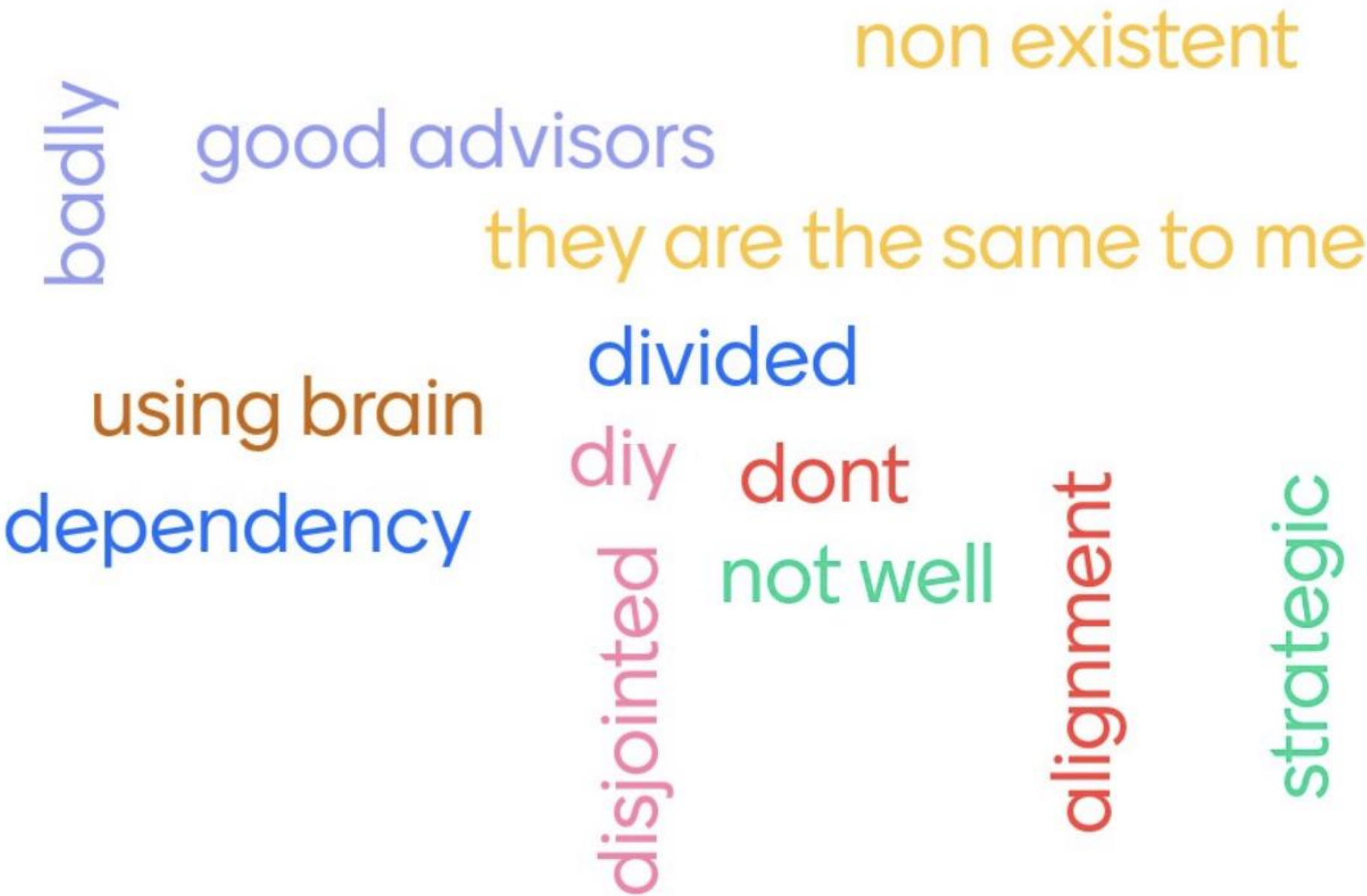
Buying properties

Out pacing inflation

invest in a business

In one word, describe your current approach to managing the synergy between your personal and business wealth?

13 responses





Agenda

- Advanced Treasury
- Superannuation Strategies
- Bucket Company Strategy
- Investment Bonds
- Family Trust
- Risk Management
- Success Stories
- Q&A

Advanced Treasury

- Protect Business Cash (Holding company)
- Centralise Cash into Single account to facilitate better liquidity management
- Use Revolving Credit Facilities & Supply Chain Finance where appropriate (avoid lazy balance sheet)
- Match Cash with Liabilities, then allocate Surplus Cash to:
 - Money Market Instruments (Treasury Notes, Bank Bills and Term Deposits)
 - Personal Investments

If you could change one thing about your current superannuation strategy, what would it be?

16 responses

I want to be able to access my super earlier

Be intentional

Less insurance

Increase contributions.

Contributing more earlier

More aware at an earlier age

Switch to SMSF

Put more money in it

None at the moment



Superannuation Strategies

- Tax Benefits of Superannuation (15% Accumulation, 10% CGT and 0% Pension)
- Max member balance of \$1.9m
- Self Managed Super Funds
 - Up to six members (\$11.4m)
 - Owning business real property through SMSF
 - Borrowing in SMSF through LRBA or Unit Trust



Bucket Company Strategy

- Deferring tax through a bucket company held by a family trust
- Caps tax at 30%
- Company does not receive CGT discount
- Paying dividends to retirees to avoid top-up tax



Investment Bonds

- Caps tax at 30%
- Tax optimised strategies reduce tax even lower
- Great for Individuals on MTR 47%
- Family Trust, helps manage distributable Income
- Asset Protection; Great for business owners
- 10-year rule
- Estate Planning



Family Trust

- Asset protection (business & personal)
- Tax Planning (CGT Discount, split income)
- Rules can be written into Trust Deed, allowing for intergenerational wealth transfer
- Succession Planning - Family Trust assets fall outside estate (except NSW Notional Estate); pass on control, no taxing event
- Investment Bond to manage distributable income



Risk Management

- General Insurance
- Key Person cover
- Shareholder Agreement
- Buy Sell cover
- Estate planning strategy to capture Life Policy



Success Stories

- Case study 1: A successful approach
 - Grew Family Business slowly
 - Used profits to acquire commercial properties to support family business
 - Sold Business and used proceeds to diversify family wealth outside of property
 - Created Intergenerational Wealth
- Case study 2: Lessons from a less successful approach
 - Went all in on business; reinvested all profits back into business, chasing growth
 - No diversification of wealth outside of business
 - Black swan event, lost everything





Q&A

- Opening the floor for questions





Thank You

Thank you for your time

Michael Bova

Family Wealth Advisory

michael.bova@familywealthadvisory.com.au

0410 510 570