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TOP 3 YEAR END TIPS

Planning for the end of the financial year can provide a number of benefits. Below are three of our top tips:

1. Maximise your Concessional Contributions to Super

Making salary sacrifice contributions into superannuation is an effective way to increase the amount saved for your retirement. These contributions are classed as concessional contributions and taxed at 15% rather than your marginal tax rate. The less paid in tax, the more invested for retirement.

2. Re-Start your Transition To Retirement (TTR) Pension

Where you have been salary sacrificing as part of your current TTR strategy, re-starting your TTR pension by combining the

money within your superannuation account will help to maximise next year's pension payment. This may allow you to salary sacrifice more to super next year without affecting your take home pay.

3. Pre-Pay Deductible Expenses

From 1 July 2010 some income tax rate changes will commence. As such, bringing forward any deductible expenses can reduce the net after-tax cost of these expenses. Two common deductible expenses include interest on deductible loans and income protection insurance premiums.

For more information on which strategy is best for you please contact a Fiducian Financial Adviser.

BPAY SUPER CONTRIBUTIONS



The simplest and quickest way to make contributions into the Fiducian Superannuation Service is to make contributions via BPay. The facility can be used to make all contribution types including employer and personal contributions.

Using BPay can be a great time saver and ensures all contributions are received on a timely basis, thereby eliminating the worry of cheques being lost in the post.

Please contact your Fiducian Financial Adviser for additional details and benefits on making BPay contributions into your Fiducian Superannuation Account.

FEDERAL BUDGET 2010 HIGHLIGHTS

On Tuesday 11 May 2010 the Treasurer, Wayne Swan, delivered his third Federal Budget. Some of the key tax and superannuation proposals were:

• TAX CUT RATES

Current Tax Thresholds		Tax Threshold from 1 July 2010	
Income Range (\$ p.a.)	Tax Rate	Income Range (\$ p.a.)	Tax Rate
0 - 6,000	0%	0 - 6,000	0%
6,001 - 35,000	15%	6,001 - 37,000	15%
35,001 - 80,000	30%	37,001 - 80,000	30%
80,001 - 180,000	38%	80,001 - 180,000	37%
180,001+	45%	180,001+	45%

Additionally, the standard Company Tax rate will be reduced by 1% for two consecutive years starting from 1 July 2013, so the tax rate for 2014/15 will be 28%. Importantly eligible small business will be eligible for the reduced company tax rate of 28% from 1 July 2012.

• INCREASE THE LOW INCOME TAX OFFSET AMOUNT

From 1 July 2010, the Low Income Tax Offset will increase from \$1,350 to \$1,500 raising the effective tax-free threshold to \$16,000 p.a.

• INDEXED MEDICARE LEVY THRESHOLDS

The Medicare Low Income Levy for the current financial year is to be increased to \$18,488 for individuals and \$31,196 for families. The additional threshold for each dependant child increases to \$2,865. For pensioners below Age Pension age the Medicare Levy threshold will increase to \$27,697.

• INCREASED NET MEDICAL EXPENSES TAX OFFSET

From 1 July 2010, the threshold above which a taxpayer can claim the net medical expense tax offset will increase to \$2,000 (indexed with CPI from 1 July 2011).

• STANDARD TAX DEDUCTION FOR WORK AND TAX ACCOUNTING EXPENSES.

From 1 July 2012, taxpayers will have the option to claim a standard deduction amount for work and tax related expenses. It is expected that in the year of introduction it will be \$500, with the amount increasing to \$1,000 in the following years.

• 50% TAX DISCOUNT ON INTEREST

From 1 July 2011, only 50% of the first \$1,000 of interest earned on bank accounts, bonds, debentures and annuity products will be taxable. Interest earned above the \$1,000 threshold will continue to be fully taxed.

• SUPERANNUATION CO-CONTRIBUTION MATCHING PERMANENTLY RETAINED AT 100%

The Government Co-contribution matching rate is to be permanently maintained at 100% (capped at \$1,000). In addition, the income threshold at which the maximum rate decreases will be frozen until the 2012/13 financial year.

• HIGHER CONCESSIONAL CONTRIBUTIONS FOR THOSE WITH A SUPER BALANCE UNDER \$500,000

From 1 July 2012, the Concessional Contributions cap for those aged 50 or above will be increased to \$50,000 (indexed) for those with combined superannuation balances of less than \$500,000.

• INCREASED SUPERANNUATION GUARANTEE SUPPORT

From 1 July 2013 the maximum age for which SG is payable is increased to 75 years of age. In addition the 9% Superannuation Guarantee on 1 July 2013 by 0.25% for the first 2 years and then by a further 0.50% each year thereafter until the rate reaches 12% on 1 July 2019.

Financial year	SG Rate
Up to 2012/13	9.00%
2013/14	9.25%
2014/15	9.50%
2015/16	10.00%
2016/17	10.50%
2017/18	11.00%
2018/19	11.50%
2019/20	12.00%

Please contact your Fiducian Financial Adviser if you would like to discuss the impact of these announcements.

ONLINE STATEMENTS

Copies of Client statements for the Fiducian Superannuation Service, Fiducian Investment Service and Fiducian Corporate Superannuation are now available on www.fiducian.com.au. At this stage, you

will also continue to receive copies of your statements in the post.

To access copies of your statement you will need to login to the secure section of Fiducian Online, under the 'Statements' tab.



To register for Fiducian Online please contact your Fiducian Financial Adviser.

REAL ESTATE INVESTMENT – BACK TO BASICS & LOOKING GOOD

Stuart Cartledge, Managing Director, Phoenix Portfolios Pty Ltd

Australia has led the world in its propensity to hold commercial real estate in structures such as trusts – some listed, some unlisted. The Fiducian Property Securities Fund holds its exposure to property through listed securities, now known as Australian Real Estate Investment Trusts (A-REITs).

A-REITs own some of the best commercial real estate in Australia. Examples include Sydney CBD office assets such as the MLC Centre in Martin Place and Grosvenor Place in George St. Retail assets owned by A-REITs include Chadstone in Melbourne, Westfield Bondi Junction in Sydney and Queen Street Mall in Brisbane.

Despite relatively stable rental income streams and high quality assets in many cases, A-REITs have had a highly volatile share price history. For example, in the 10-year period ending December 2007, the sector produced the highest returns of all traditional asset classes. However, in 2008 and early 2009, during the so-called Global Financial Crisis (GFC), we saw an unprecedented sell-off and the sector fell over 75% from peak to trough before rallying once again in the last 12 months.

The GFC did expose some weaknesses in the structure of the listed property sector, including high levels of debt, which became excessive once asset values began to fall significantly. The good news is that the sector has taken its medicine, which has taken many forms including:

- The issuance of more equity capital
- An increase in retained earnings through a reduction in distributions
- The sale of some investment properties
- The postponement of non-essential capital expenditure
- The postponement of some development projects

The result is a sector now with much lower gearing, and less exposure to funds management businesses and development projects with risky earnings profiles.

Where to from here?

Fundamentally, the listed property sector is in good shape. Because of the postponement of many development projects during the GFC, we do not now face the level of over-supply that we saw in the early 1990s. Although office building vacancy rates have risen somewhat, they remain in single digit territory.

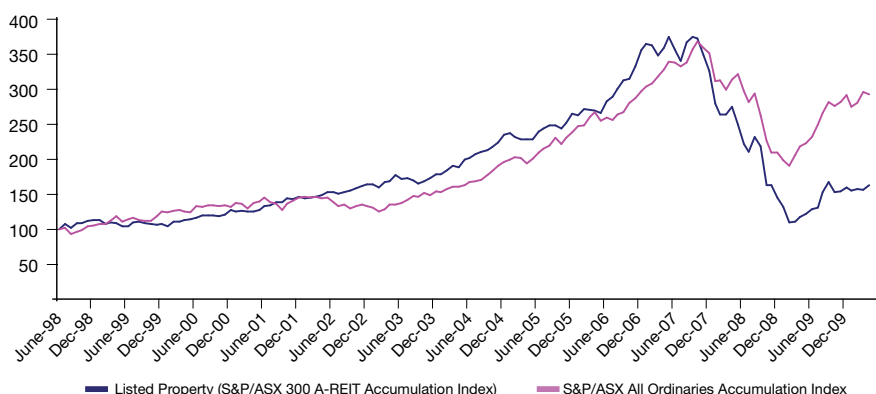
Commercial property values have stopped falling and in some cases have even begun to rise. As the sector's transformation becomes more fully recognised, it will once again become sought after for the unique risk – return characteristics that define property.

For investors seeking property-like characteristics, coupled with the advantages of liquidity and substantial diversity, the listed property sector and the Fiducian Property Securities Fund in particular provides all of this.



“Because of the postponement of many development projects during the GFC, we do not now face the level of over-supply that we saw in the early 1990s.”

Total Returns over the 10 years to end-April 2010



FIDUCIAN IN THE COMMUNITY

MALTESE RADIO PROGRAM

For the fourth year in a row, Fiducian is proud to be continuing our sponsorship with the Maltese Community Radio



Program. The Community program is broadcast at 10:00am every Sunday on 2GLF 89.3 FM. Our sponsorship with the generous support of local volunteers, mainly retirees, ensures the successful airing of the program. Sydney listeners can tune in to hear Fiducian Financial Adviser, Marie Louise Muscat every 3rd Sunday of each month.

SOUTH BURNIE BOWLING CLUB SPONSORSHIP

Fiducian is very pleased to be sponsoring the South Burnie (Tasmania) Lawn Bowls Club for the 2010 bowls season. The bowling club is one of the biggest bowling clubs in Tasmania with four outdoor turf greens and is regarded as one of the best greens in Tasmania. Fiducian's sponsorship also supports the Club's 'Bowls for Life' Corporate Competition that runs every Wednesday evening for the 16 weeks over summer. The competition attracts 200-250 players including the 'Fiducian Flippers' Team who proudly took home the winners trophy last summer. Burnie



Philip Reid and Kingsley Wright with the Fiducian sign at the South Burnie Bowling Club

Fiducian Financial Adviser, Philip Reid says "we look forward to many more events with the South Burnie Bowls Club".

'FIDUCIAN YOUR CITY' PROGRAM



The 2009 Fiducian Your City Group before their Captain Cook Harbour Cruise

Through our involvement with the Rotary Club of Sydney, Fiducian proudly welcomed back another 20 children from rural NSW for a fun filled week of education and sight seeing in the big city of Sydney called the 'Fiducian Your City' Program. This is Fiducian's third year as major sponsors (and fifth year running as supporters) of the successful project.

Teachers have reported that some students have returned from previous year groups as different people with the program providing a real turning point in their personal development. Fiducian Financial Adviser Rex Doughty says that although this program has been part of the Sydney Rotary calendar

for many many years, it lacked a major financial patron and it was a real shot in the arm when Fiducian agreed to step in. It allowed the club to confirm more modest assistance from other organisations and members and to thus secure the viability of the program for years to come. The kids just love it!



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