



## Market Wrap

Statements are now circulating giving rise to an opportunity to discuss the issues investors have faced so far this year.

It has been a very volatile half year with markets gaining and retreating as investor confidence rises and falls. Many of the issues in the background are the result of a short term focus and this has created higher levels of volatility than normal, although not entirely unexpected. We should continue to expect this volatility as many economic issues persist around the world. Until there is sustained growth in the major economies, it is difficult to see markets having any other reaction. However, as always, we aspire to the longer term view that the global economic issues will be resolved and economic growth will return. This will eventually result in more comfortable results for investors with time, patience and quality being very important.

Of particular importance in the June Quarter was the European Debt Crisis involving Greece, Spain and Portugal coming very close to defaulting on debt repayments, and secondly the announcement of the proposed Resources Super Profits Tax by the Government. Each of these issues sparked a negative response from investors and fear started turning stock markets downwards. Although Australia seemed distant from the European issues, the infection of fear spread quite quickly around the globe as the renewed fear of prolonged economic instability consumed and overrode other more positive market news at that time.

The Australian markets, which have done very well on the back of resource companies throughout the GFC then reacted poorly to a proposal to tax these companies at a much higher rate. Whether the proposal is right or wrong, the pending implementation prompted investors to review income streams from resource companies and revalue positions based on lower after tax incomes. This added fuel to the fire of the European issues and resulted in the compounding of poor market sentiment which by the end of June had taken markets back to where they were around November 2009.

As a result, over a period of two months (May and June) we saw a significant market impact. Since then, more positive results have come from company earnings, the International Monetary Fund has lifted it's economic growth forecasts and we have been through a very closely fought Federal election. Some investor confidence has returned, and the markets have lifted reasonably through July, August and September.

We take the good with the bad. We don't like the bad, but importantly having the awareness that growth investments such as property and shares are subject to both positive and negative movements allows us to remain calm and focussed through the turmoil.

The importance of having an adviser relationship is even more valuable in these volatile times. Someone to listen, discuss the issues and help you make the decisions that need to be made. We continue to help our clients like no other can. We're here to support you.

## Fiducian Online

Many clients are already aware that details of accounts are available from our web site. In case you didn't know, Fiducian Online provides information on your accounts in a similar manner to how it is displayed on your statements.

Fiducian Online is simple to use. Just go to [www.fiducianfs.com.au](http://www.fiducianfs.com.au) and click on the Fiducian Online button on the bottom right corner. Have your account details with you and you will be able to go through the registration process quite quickly.

Once complete, you will have access to your up-to-date portfolio details, including valuations and online copies of investment and tax statements.

Whilst there, navigate to our local web site for other handy information. Why not send the link to some friends or family who also could benefit from our advice?



## Christmas Party

We have booked our annual Christmas Party for 16 December and are busy organising the night at the Beach Hotel Merewether. Mark your calendar now to ensure you can come along. It's always a great night out and a reasonably casual affair. We will be running our Trivia competition and some other entertainment as well.

## **Centrelink Increases**

Centrelink implement adjustments to payment rates from 20 September resulting in increased payments to most recipients of pensions and allowances. For more information on these updates contact us.

## **State Superannuation Pension Increases**

Clients in receipt of State Superannuation Pensions will receive annual indexation increases in October. Those also in receipt of Centrelink entitlements do not need to inform Centrelink of the change as information is shared between the agencies automatically updating your details.

## **A Tribute**

You may or may not have noticed that the Winter edition of Fiducian Hunter News was absent. Unfortunately my Dad passed away at the beginning of July and as a result that edition was forfeited to allow me time to assist my family.

Dad used to be a strong and confident man, but due to illness the last few years of his life was more difficult. He struggled with emphysema for a long time and as an active person was very frustrated with his decreasing ability. Whether he developed the condition because of smoking or working with asbestos whilst with the RAAF is unknown, but it is not, like any disease, one that allows freedom of life in its latter stages.

It's always difficult losing someone, and the closer they are the more painful it is. Why, is the question? I didn't have the closest relationship with my Dad. He was difficult and opinionated, stubborn and set in his ways. It was his way or the highway, but he always won out in the end. Maybe we are too alike, because I see the same traits in myself? I see the same traits in my boys too. But in the end he was always there and anytime I asked he offered help or a word of advice, whether I wanted to hear it or not. I'll miss that.

Looking back at his life he achieved so many things. Adventure, innovation, leadership, family, music, design and management – the list goes on and on. From being brought up in the war years in Sydney, through various jobs in the RAAF, learning mechanics and ending up with what is now known as the Environmental Protection Authority, there is a stamp of his personality left on all the people he involved himself with.

It wasn't until his funeral that I realised how many people that actually was and it's always that occasion where these very people communicate their recognition onto family. It pleased me to know this as I'm sure it would have pleased Dad as well. And as for the pain of a loss, well it does get better with time, but as I've heard others say, the memories are invaluable.

One of the funniest things happened only last Christmas when we travelled up to Taree to visit Mum and Dad. See, Dad hated loud noises, particularly high pitched sudden loud noises. Little Max loves cars and Dad had accumulated quite a collection of collectable cars. "They aren't toys" he would say to Max. Well, Max, having a bit of a stubborn and mischievous nature himself decided to deliver some punishment to his Poppy by letting rip a high pitch deafening squeal to note his objection of not being allowed to play with a certain car. Dad stuck his fingers in his ears, which Max thought was hilarious, so he did it again, just to get the reaction. Dad gave him the car, and said "don't break it". Max smiled, Dad smiled back and all is good with the world – they both got what they wanted.

## **Do Your Children Have a Financial Plan?**

Many of my clients talk about their children and I thought this important question, 'Do your Children have a Financial Plan?' was worth further discussion.

I believe many parents have adult children who need help and advice to pay off credit cards, save to travel overseas, save for a home deposit, make use of their savings or even a need to start a budget and savings plan.

Establishing a personalised financial plan can help reach these financial and lifestyle goals. I also help with Superannuation investment and consolidation, and personal and income insurance that will ensure income and assets are protected.

If you have a son or daughter you believe can benefit from my advice, please feel free to pass on my details, get them to call me or pass their details to me so I can contact them to set up a complimentary initial consultation.

The only thing to do with good advice is pass it on; it is only so much use to oneself. Are you passing on the Fiducian message?

## **Final Say**

As time rolls by we evaluate the past and await the future. Planning for our future is always of upmost importance and having a contingency plan in place to cope with unexpected events is extremely important too.

Take advantage of your annual review to discuss any changes in your position, or any enhancements you are considering. Our review process is there to ensure that you are up-to-date and well positioned and above all comfortable with your investment strategy. When we send you the questionnaire, don't hesitate, update the information, get it back to us and we'll do the rest for you.

As always, please feel free to contact us at any time to discuss your position. We're always happy to help.

Our next publication is scheduled for release in Summer (along with the Summer issue of Fiducian Focus).

Keep an eye out for it in the mail or on the website below.

## **Quote of the Quarter**

"A journey of a thousand miles starts with a single step."  
(Lau Tsu)

Wishing you all the best until next time,

**Shane Pinkerton** Adv Dip FS (FP) JP  
Executive Financial Adviser  
**Authorised Representative** (ARN 237602)  
**Fiducian Financial Services Pty Ltd**  
AFSL 231103

Planning for your future takes Expertise. Planning your finances needs integrity and trust. Fortunately we have all three. Fiducian, we give you Quality Financial Advice.

### **Receiving This Publication**

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