



Spring Newsletter

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A NOTE FROM MURDO

With Spring very much in the air, it's maybe an appropriate time to look at what's happened to the economic "green shoots".

While they haven't yet turned into verdant financial pastures, neither is it the desolate, economic dust-bowl that was being predicted in the media just a few months ago. In fact Australia has fared better than pretty much any other global economy, thanks primarily to the massive momentum of the Chinese and Indian economies helping carry us through.

Those investors who stuck to their long-term strategies will certainly still have experienced a decline in their investments but they will now be participating in a significant recovery.

For those who abandoned their discipline and sold investments at a low point, many are now too scarred by events to rejoin the market, and for those who hesitated to re-enter, the recovery may already have left them behind.

CONRAD'S VIEW

In light of the above and knowing that this is a point of strong interest we have included below some comments provided by Conrad Burge, Fiducian's Investment Manager in his recent Quarterly Strategy Report.

"The global economy is still suffering from the effects of the 'Great Recession' (the worst since the Great Depression of the 1930s) although global conditions have certainly moderated. Many economies appear likely to emerge from their recessionary status within the next few months. However any move towards full recovery and the resumption of a "growth" path will remain extremely tentative at this stage.

It has only been through the use of massive government spending programs that a far worse recession has been averted and in turn this may have created further problems, in that many economies have experienced

massive increases in the levels of their government debt.

However we believe that restoring growth will continue to be the major focus in the major economies for some time to come.

There are strong indications of a recovery of confidence in the economic outlook. This has been exemplified by the move back into equities which have been experienced within global markets.

Over the last 6-months the US S&P500 index has risen 50%, the UK is up 38%, the German market by 47%, and the Australian market is up by over 40%.

From this point on though it's likely that the key factor influencing the market's ongoing recovery will be the outlook for corporate earnings. This in turn will depend on a continuing worldwide economic recovery.

This appears likely to steadily improve, over at least the short to medium-term, and should bode well for equity market prospects even if we can also expect increased volatility."

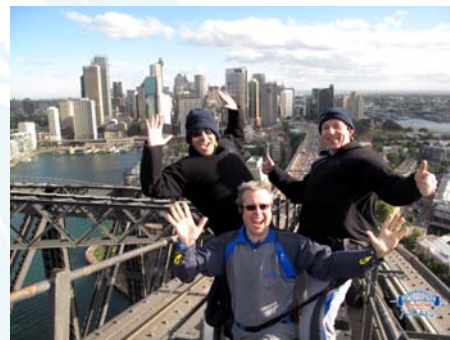
Should you wish to receive a copy of Conrad's full "Quarterly Strategy Report" or if you think you know someone who might benefit from this information please contact us and we will send this out to you.

YOUR PHOTOS

Well this time around it's Murdo's turn to get his photo in the newsletter.

Fiducian recently held its Annual Conference in Sydney. For the network of Fiducian Advisers and staff it was an excellent opportunity to look to the future and consider the events that will help shape the investment and finance world over the next 12 months.

As part of the conference we engaged in a team-building trip up the Sydney Harbour Bridge on the famous Bridgeclimb.



(That's Murdo in front doing a very mediocre Al Jolson impersonation... "Mamee!")

The morning of the climb, Sydney and the bridge were enveloped in a spectacular dust storm. However by the time we climbed the bridge in the early afternoon the dust had dispersed, leaving us with very windy but spectacular views.

SPECIAL DEALS!

Recently while catching up with one of my clients (g'day Andy) I was intrigued to learn that the current glut of Australian and New Zealand wine has left some very prominent wine companies with large quantities of top-shelf wines unsold.

Rather than just pour these down the drain, many are now bottling this wine under another label and selling it at a bargain price. By doing so they still get a return on their investment, but aren't tarnishing the brand through discounting.

In a generous gesture the "Bottle-O on Beaumont" are offering Fiducian clients special discounts when they purchase the following wines at the Bottle-O:

Crayfish Bay- a New Zealand sauvignon blanc from Marlborough, normally sells at around \$25 under another label, but is presently in store at \$9.99 single and \$8.99 in a 6 bottle buy, however they are offering Fiducian clients a special deal and it's available at \$7.99.

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Yalumba "The Scribbler" - a Barossa Valley blend of cabernet sauvignon and shiraz from Australia's oldest family owned winery. Deliciously smooth and full bodied with great flavour. Normally \$21.99 it is in store for \$18.99 single and \$15.99 for 6, however as a Fiducian Special it's just \$13.99.

Just mention you want the "Fiducian price" and get a bargain on a bargain!

CENTRELINK - AGE PENSION

September normally brings a regular indexation of Centrelink payments. However those with pensions have benefited from the introduction of the Government's announced budget measures after the 20th September.

From this date the maximum single Age Pension benefit has increased to \$671.90 per fortnight. This amount includes a pension supplement of \$56.10 per fortnight. For couples, the maximum age pension benefit has increased to \$1013.00 (combined) or \$506.50 (each). This includes a new pension supplement of \$84.60 (combined) or \$42.30 (each).

This new Pension Supplement consolidates the:

- GST Pension Supplement
- Pharmaceutical Allowance
- Utilities Allowance
- Telephone Allowance.

The increases for the single Age Pension will in future also be pegged to AWOTE so that it will remain at 27.7% of the male Total Average Weekly Earnings (increase from the current 25%).

The new Pension Supplement also applies to the:

- Disability Support Pension,
- Carer Payment,
- Bereavement Allowance,
- Widow B Pension,
- Wife Pension,

- Income Support Supplement; and
- War Widows and Widowers

Widow Allowees, Partner Allowees and other income support recipients over Age Pension age will also be eligible for the new Pension Supplement.

Income Test Changes

The taper that applies to any income you earn (real or deemed) also increased from 40 to 50 cents in the dollar for single pensioners and from 20 to 25 cents in the dollar for each member of a pensioner couple. This will effectively reduce the amount of income a pensioner can earn while still claiming a part pension.

REFUNDING FRANKING CREDITS

Many Australians received shares through the demutualisation of companies such as AMP, NRMA, and NIB and the floating of companies like the Commonwealth Bank and Telstra.

One aspect of the Australian Taxation System which separates it from many other countries is the attachment of franking credits to many dividends paid by Australian companies like those mentioned above.

If you are retired and no longer need to complete a tax-return then it is possible to claim a refund of franking credits directly from the Australian Tax Office.

How to Claim

The process of claiming is quite simple and, should you have missed out on claiming this in previous years then, it is possible to claim a refund going back several years.

This refund applies to franking credits attached to dividends paid to a resident individual on or after 1 July 2000.

The refund is available on lodging the appropriate form "Application for Refund of Franking Credits for Individuals" and we can

help you to do this. Just give us a call.

XMAS PARTY 2009

We have also set the date for this year's annual Christmas bash so please keep Tuesday 8th December free. We will be returning to The Beach Hotel in Merewether again this year since they have looked after us so well in the previous years.

I look forward to catching up with you again in the near future

Best Regards - Murdo

CRYPTIC QUESTION

What word is an anagram of Monday?

The first person to call the office with the correct answer will win a special prize.

The answer from Autumn Newsletter's Cryptic Question was:

Sky Diving

Unfortunately there was no winner last quarter so we have two prizes up for grabs this quarter

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If you would like to receive this newsletter electronically, please let us know by sending an e-mail request to one of the following:

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If you know a friend or relative that you feel may benefit from receiving this newsletter please ask them to send their details to us by e-mail or to:

Fiducian Financial Services
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