



nixon financial services pty ltd

A.C.N. 128 864 568

2018 Mid –Year Client Newsletter

corporate authorised representative

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Another year of growth, for all of us.....

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Deja-vu, again?

I wrote this time last year that 2016-17 was a year of 2 distinct halves, 2017-18 is just the same. Our share market travelled in very choppy waters sideways for most of July to the end of September during which it gained just under 1%. It was a frustrating time for investors, as it was the previous year at much the same period. Since then the ASX has added 7.9% to its index. As I write this note the FYTD figure is up 8.41% since 30 June last year.

On the other hand in the USA their markets have been producing strong gains over the past Financial Year despite the uncertainty in political issues that seem to abound. In the USA the Dow Jones has grown by 17.5%, whereas in the UK the FTSE has grown by 2.6% (possibly a reflection of Brexit woes) and in Asia the Hang-Sen has grown by 5.7%.

World share markets have borne the brunt of the US president's on-off and now back on again trade war with China. Both in January & February and again more recently markets have taken a dive in response to the fear of widespread disruption that could flow from a 'full-on' trade battle between the giant economies of the World.

Our portfolios tend to be biased more towards international markets than our local ASX as the researchers seem to be telling us that there is more 'upside' outside of our home market.

Pressure on the 4 major banks coming from the Financial Services Royal Commission could disrupt their profits and dividends as they work to resolve the conflict issues identified so far by the Royal Commission. Another 'market darling' is Telstra and today it announced some major initiatives which were soundly rejected by investors who sold off the stock amidst a 5.5% one day fall in its value to bring its FYTD fall to 43%.

Downsizer Superannuation Opportunity: Starting from 1 July 2018 there is a new opportunity for people over age 65 to boost their superannuation accounts by contributing up to \$300,000 from the **sale of their home post 1 July 2018**. This benefit does not apply to the sale of investment properties (with some exceptions).

Where this sale allows for the liberation of money for investment it may be injected **within 90 days** into a person's superannuation/pension plan on a tax-free basis and is not constrained by any factor relating to age or employment.

For full details give us a call, preferably before you make the sale!

Property Values under Pressure: The removal of a lot of offshore investors from our residential property market is having a big impact. Also having an impact is the increased hurdles that borrowers now face when they apply for mortgage finance.

Property values have slipped over the past 2 months and are predicted to continue to slide for some time. This is not new, it has happened before when the property market became over-heated with speculative buying pushing up prices. Markets have their own way of returning to equilibrium, it's just a matter of time. Long-term property investors should not panic, maintain your course is the first advice.

Another New Adviser

Once again we are about to add a further adviser to our team. **Michelle Abela B.Bus (FP)** has worked with us in our para-planning and client support services section for the past 9 months where she has tested her education through practical application in readiness to take up a client advice role.

Michelle's application to be granted status as an Authorised Representative of TFSA is currently under review and we would hope that sometime in July she will be duly licensed.

Mortgage Finance

Our mortgage finance service is steadily gaining traction, we have helped people to acquire finance for the purchase of a new home, investment properties and even to buy a business during the past year. Our qualified and experienced broker can help you find the right deal to suit your needs. Call us and find out for yourself.

Aged Care Entry Financial Advice growing fast.

This section of our business is growing rapidly and we **appreciate your referrals** of people that you know who are facing the need to admit a loved-one into permanent aged care.

What we do is take away all of the **financial fears** and make things much more comfortable for people who have enough emotional baggage to carry as it is! We help people enter permanent aged care with the least disruption to the financial security of the people left behind. Urban myths cloud the information that crowds this space, you hear people say **'they'll have to sell their house'** and we

say **nonsense!** We operate on a 'fee for service basis' and can truly say that there are very few (if any) times where we have not saved a person more than our fees by using our knowledge to their benefit.

Our service is **free to existing clients** and available on a fee for service basis to friends that you might like to refer on to us. You need to make sure that we get a call before any financial decisions are made though, sometimes it is very hard to undo the mistakes that ill-informed people make in haste.

Let us help you too.

Mid-Year Client Seminar: Sorry if you missed it, you really missed a beauty judging by the feedback forms that our attendees handed in at the close of the event. We had about 65 attending and from these people we have been asked for more information 38 times. This endorses the relevance of the topics covered.

We had a string of short and 'punchy' presentations on a range of hot-button topics that included the resurgence in use of insurance bonds in tax-effective ways, how much superannuation is needed to provide a comfortable retirement, getting a quality Will drawn-up or face the consequences, gearing to invest in property or an investment portfolio, and the fundamentals of aged care financing.

(If you want information on any of the topics covered please call our office.)

Then we sat back and were spell-bound by the message delivered by our guest speaker, Major Nick Munday of the Australian Army.

What a way to finish off our event.

We look forward to the new financial year.

**Bob, Casey, Joel and soon Michelle
& your support team at
nixon financial services.**

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