



# FIDUCIAN FOCUS

February 2021

## 2021 Address from Robby Southall

We have finally reached 2021 and seen an end of what some may describe as a 'difficult year' that was 2020, to say it lightly. Throughout 2020 we have all faced our own challenges, barriers, dark days and struggles however, I would like to believe we have all hit some wins too. For me, I endured the Melbourne Covid19 lockdown, just like millions of others, and looked for some positives to take out of it. It was undoubtedly the extra time I got to spend with my family, while I love and really enjoy my work, getting to see and meet new financial planners and industry experts every week, it does mean a lot of time away from home. So while I am still working from home it is this extra time with my family that is definitely a personal win for me.

I did miss our client Christmas functions across the country where we have an opportunity to meet and speak with so many of our terrific clients. We are planning some special functions in 2021 to make up for it.

**Robby Southall,**  
Executive Chairman, Fiducian Financial Services

At Fiducian we have achieved some amazing wins in 2020 also. We took on 10 new financial planners in both salaried and franchise positions. The Fiducian Group's end of financial year records reported an 11% growth in Funds under Advice from Fiducian Financial Services and 97% in FUMAA\* over the past five years. More recently, in November the Fiducian Funds provided outstanding results with four diversified funds performing in the top quartile. And on top of all that we conducted our 2020 Client Survey which saw that over 83% of clients are happy with our service, 88% of clients state their financial planner is helpful and 76% of clients would be happy to recommend us to their family or friends.

To sign off I would personally like to thank all of the Fiducian Family across Fiducian Financial Services, Fiducian Group and all other avenues of the business, for the outstanding effort and work you all continuously put in for not only each other but for our valued clients. Together we can make 2021 stronger than ever.

\*FUMAA – Funds Under Management  
Advice and Administration

**Robby has signed up to Vinnie's CEO Sleepout 2021, Melbourne.  
To be held on 17 June. Robby will brave the cold Melbourne night to help  
raise awareness and funds for thousands of homeless Australia's. Help Robby  
provide a better future to homeless Australian's by donating here today.**



# Financial Market Overview

The Australian economy has been heavily affected despite the fact that Covid-19 had almost been eliminated from Australia towards the end of 2020, until we saw recently more cases emerge.

Both Commonwealth and State budget deficits have blown out by huge margins and national debt is forecast to grow dramatically (with net debt forecast to reach 36% of GDP by the end of the 2020-21 financial year). Ongoing monetary and fiscal support will be required for some time, with the [Reserve Bank of Australia](#) likely to keep interest rates historically low. Large fiscal support measures, including special unemployment relief programs like [Job Keeper](#), as well as grants and loans to businesses and individuals, could also be needed well into this year.

Most share markets followed the previous year's 'bull run' with a heavy setback in March 2020 due to the spread of the coronavirus. Since then however, share markets have been recovering so that from 1 January to 25 November 2020, the broad US market (S&P500) was up 12%, the technology-focused US Nasdaq index was up an impressive 35%, Japan was up 11% and

China 10%; while the German and Australian markets were unchanged and the UK and French markets were down by 15% and 7% respectively. Major share markets though could have further upside, assuming expansionary monetary and fiscal measures remain in place.

Major sovereign bond markets saw yields reach record lows in March 2020. Yields then began to rise before central banks intervened to hold rates down in order to lift economic activity. The US 10-year Treasury bond yield fell to an historic low of 0.54% on 9 March and was still only 0.88% on 25 November. The Australian 10-year bond yield similarly was 0.57% on 8 March and 0.93% on 25 November. Most bond markets continue to look expensive.

Fiducian's diversified funds delivered [stellar performance for December 2020](#). We are currently above benchmark for international and domestic shares, slightly above benchmark for listed property and well underweight fixed interest sectors, while cash weightings remain well above benchmark.

## Fiducian Diversified Fund Returns to 31 December 2020

	3 years	5 years	7 years	10 years
<i>Fiducian Capital Stable Fund</i>	5.3%	5.3%	5.6%	6.1%
<i>Fiducian Balanced Fund</i>	7.8%	8.5%	8.6%	8.7%
<i>Fiducian Growth Fund</i>	8.4%	9.2%	9.4%	9.4%
<i>Fiducian Ultra Growth Fund</i>	8.6%	9.9%	10.9%	10.5%

Rates over one year are annualised.

Rates are net of investment management fees and are not adjusted for tax.

Past performance is not a reliable indicator of future performance and Fiducian Group does not guarantee the performance of the Funds or any specific rate of return.

## Stellar performance from Fiducian's diversified funds

Four diversified funds. Four top quartile rankings.



## Is redundancy your ticket to early retirement?

When redundancy is on the table, taking a severance package and early retirement can be very appealing. But is it the right decision for you?

We talked to Fiducian Financial Planner, Shane Pinkerton, from Fiducian Financial Services Hunter, about what you need to consider when looking at redundancy as an early retirement strategy.

### What should you think about when you're offered redundancy, regardless of your age?

When a redundancy is on offer it's a time to weigh up your options for the future. Is it time for a change? Will you gain new employment easily? Is this an opportunity to pay down debt, or retire earlier than you expected? All these are normal thoughts when a redundancy is tabled.

This is a time to sit down and think about what's important to you and how taking the payment, or continuing work will fit your individual situation.

Firstly, your length of service with your employer will determine the amount of the overall payment, along with accrued entitlements of Annual Leave and Long Service Leave. There may be additional payments such as a Completion Bonus for workplaces that need to stay open for a certain period of time to encourage some employees to stay on longer. Other employers might be closing down completely so the choices are more limited.

Whatever the case, you need to think about how this will affect your life going forward. If you're younger and confident in getting another job, the redundancy payment can be a step forward financially that will allow you to pay down debts like a home loan, personal loan or credit card. It's important when you get a new job to make use of the previous repayments, to make sure you capitalise on the opportunity rather than absorb those payments into normal living. Something like an Investment Savings Plan or Salary Sacrifice into your Superannuation can be a great place to start.

When you're closer to retirement age, redundancy could just be the early retirement ticket. If you have a long period of service and were already looking towards the finish line, the payout could give you that boost to make it there a little bit earlier. The longer your employment service is, the higher the tax-free portion of the severance payment will be which means more money towards that planned retirement goal.

Financial planning helps look at all the details involved in the options available to you, and then assist you in making decisions that are comfortable and suitable to your own situation. There's a saying 'the devil is in the detail'. This is where a financial planner is most valuable, having knowledge and experience in dealing with the finer points of payouts, explaining your options in a more simplified and easy to understand way, and then guiding you through the process of assessing what's best for you.

# Welcome to the Fiducian Family

Pradip Parmar, Principal - Fiducian Financial Services, Parramatta NSW

James Ballin, Financial Planner - Fiducian Financial Services, Toowoomba QLD

Nicky Ioannidis, Financial Planner - Fiducian Financial Services, Doncaster VIC

Rodney Lavin, Financial Planner - Fiducian Financial Services, Traralgon VIC

Luis Silva, Financial Planner - Fiducian Financial Services, Canberra ACT

## Financial Planner of the Year Awards 2020



**Jeffrey Frame**  
Financial Planner  
of the Year Winner



**Lonnie Weeks**  
Financial Planner of the Year  
1st Runner up



**Drew Kirby**  
Financial Planner of the Year  
2nd Runner up



**Stephen Batchelor**  
Compliance Winner



**Bishal Chhetri**  
Improvement & Dedication Winner

## Win a \$100 Gift Card

Go in the running to win a \$100 Gift Card.

You can submit your Fiducian financial planning journey, and how your financial planner has helped you gain more financial confidence by email, Facebook or post and automatically go in the running to win a \$100 gift card.\*



**\$100**  
GIFT CARD

**Email:** [marketing@fiducian.com.au](mailto:marketing@fiducian.com.au) **Subject:** Hear my story - Fiducian Focus

**Facebook:** @fiducianfs - send us a message or tag us in your post using hashtag #hearmystory

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