



FIDUCIAN FOCUS

SEPTEMBER 2020

The experts COVID-19 finance tips

There is no doubt we are in extraordinary times. This global pandemic has affected nearly all aspects of our lives – socially, professionally and financially. Many are anxious not just about the virus, but the resulting financial pressure and future uncertainty.

Fiducian's Financial Planners have been front-line helping our clients financially through the crisis, and have collated a few tips for how to see us through now and into the future.

1. Know where you're at right now

The impact of COVID-19 will be different for every household. Thoroughly assess your true financial position. Know exactly what is coming in and going out. Once you know that, you're in a better position to access the support you need and set a realistic budget. Whether you use a handwritten budget list, excel spreadsheet or one of the many budget apps now readily available, the important thing is to make a plan, refer to your budget regularly, stick to plan, and modify as new income or expenses arise.

2. Find out what financial help is available

The government has made available a number of financial support packages for individuals and businesses during the crisis. Find out what you're eligible for and incorporate it into your budget.

JobSeeker, could be an option for those out of work. There are also two economic support payments of \$750 each available for eligible pensioners, seniors, carers and other payment recipients. There are also other options worth investigating if you're self-employed or running a business.

3. Get familiar with your super

Superannuation assets in Australia were \$2.7 trillion as at the end of the March 2020 quarter. Taking control of your super could make a huge difference to your financial future. Do you know your balance, insurance coverage, completed your beneficiary details, reviewed your investment options? According to the ATO, 36% of Australians have multiple superannuation accounts. Consolidating those accounts alone could be saving you fees that are eating away at your balance.

4. Talk to your lender

Many lenders are offering extra support to customers facing financial hardship. Yours might have extra redraw facilities, loan pauses or other options. If you have lost income, these options can help you through a tough time.

Before you make a decision, be sure you understand any conditions and have a plan to catch up on missed payments as quickly as possible. A loan pause means that interest will still accrue on the outstanding amount, and be added to your loan balance at the end of the pause.

5. Review your loans and financial products

Now might be an ideal time to review your home loan and other debts, although it's a good habit to get into anytime. Interest rates are low, and refinancing or consolidating could save you thousands of dollars.

6. Assess the risks of accessing your super early

The government has relaxed the criteria for early release of superannuation. Eligible people are able to access up to \$10,000 before 30 June 2021. Take caution before withdrawing your super funds though as they are designed to fund your retirement. Drawing on these funds now could have a much bigger impact than you might expect as you lose the advantage of long-term compounding interest on those funds.

Our funds performance in lockdown

The global economy continues to be affected by the economic restrictions put in place by governments around the world to hold back the spread of the COVID-19 pandemic. These restrictions are what the International Monetary Fund (IMF) has termed the 'Great Lockdown', which is having even worse economic consequences than the Great Recession of 2009. It may even be the case that the current global recession is the worst the world has experienced since the Great Depression of the 1930s. In its latest report (June), the IMF is forecasting that the global economy could contract by 4.9% this year, with the advanced economies as a group forecast to contract by a staggering 8%. On the other hand, the developing world is forecast to contract by a more moderate 3% this year, with China actually forecast to grow by 1%. Next year though is expected to bring an economic rebound, with global growth forecast to be 5.4% (5% in the developed economies and 6% in the developing world).

In Australia, the virus has been relatively well contained, although at enormous cost, with both Commonwealth and State budget deficits blowing out by huge margins.

However, as the Governor of the Reserve Bank, Philip Lowe, noted on 2 June, 'it is possible that the depth of the downturn will be less than earlier expected'. In the meantime, and before the country can return to more 'normal' levels of economic activity, monetary and fiscal support remains huge, including historically low official interest rates (now only 0.25%) and the first ever use of 'quantitative easing' in this country, as well as massive government stimulus programs.

Fiducian's diversified funds are currently above benchmark for international shares, slightly overweight domestic shares, around benchmark for listed property and well underweight fixed interest sectors, while cash weightings remain well above benchmark.

Fiducian's Diversified Funds continue to provide top quartile performance as shown in the table below, with both the Growth Fund and the Ultra Growth Fund ranking first in their categories over ten years.

Fiducian Diversified Funds Performance (annualised) - July 2020	1 year	3 years	5 years	10 years
Balanced	-1.3%	4.8%	4.2%	5.8%
Capital Stable	1.1%	4.8%	4.2%	5.8%
Growth	-2.3%	6.9%	6.3%	8.7%
Ultra Growth	-1.6%	6.6%	6.8%	9.9%

- The Fiducian Technology Fund is currently ranked 1st over 1,3,5 and 10-year periods (end June 2020) on the latest Selecting super performance survey of the Top 50 International Equity Funds in Australia
- The Balanced Fund was a finalist for the Money Management Fund Manager of the Year 2020 awards in the Multi Asset-Balanced category
- Both the Fiducian Growth Fund and the Ultra Growth Fund appeared in the top-five performing wholesale funds based on the Rainmaker Information tables to end May.

The Fiducian Family

At Fiducian we pride ourselves on the community we have built through our Fiducian Family.

Fiducian Group Executive Chairman, Indy Singh, has always stated that once you become a part of the Fiducian Family, you always will be.

Women in Finance Awards 2020

Ingrid Stoker of Fiducian Financial Services is a finalist for the Women in Finance Awards 2020, Financial Planner-Adviser of the Year category.

Farewell Michael Dale

After over two decades, Michael Dale, Authorised Financial Planner at Fiducian Financial Services Sydney CBD and Area Manager has taken on the next phase of his life, with his beautiful wife Joyce, as they both now enjoy retirement together.

During his time with Fiducian, Michael has not only grown individually and professionally but has also supported many Fiducian financial planners and staff as they began their careers and grew into successful professionals.

We would like this opportunity to wish Michael the best during his retirement. Thank you for all your hard work and service Michael, your smiling face in the office will be missed.



Welcome baby Chhetri

On Friday 7 August Bishal Chhetri, Associate Financial Planner of Fiducian Sydney CBD, and his wife announced the arrival of their first born baby, Aathman Krishna Chhetri. Congratulations Bishal and your family.

Before COVID-19 restrictions were put into full effect and strong travel restrictions were implemented, Bishal's wife travelled to India. Unfortunately she has been unable to return.

Sending the Chhetri family lots of well wishes during their happy announcement.

Thank you Jackie Davies

On 18 June, Fiducian Financial Services Gosford shared a wonderful story to their Facebook page of how once you become a Fiducian client you also become part of the Fiducian family.

With concerns around COVID-19 and in the process of moving offices, Jackie Davies was calling clients to check they were ok and let them know of the new location and contact details. Little did Jackie know that her day was about to change from painting walls to becoming an impromptu nurse.

When she called an 86-year old client, he had cut his foot and couldn't stop the bleeding. Jackie immediately jumped in her car and drove over 45 minutes to the client. On arrival Jackie noticed a trail of blood through the house and several now empty rolls of toilet paper. Not only did Jackie clean the wound, dress and elevate it but stayed talking with the client for over an hour until the bleeding had stopped. Both learning more about each other than ever anticipated and even mopping up the blood from the floor before she left.

From the words of her husband, Tony Davies of Fiducian Financial Services Gosford "This woman is amazing. She could have just called an Ambulance but she went and made sure he was ok, and made a difference in his life."

We are so proud to have a network of planners and staff who are all too often going above and beyond for their clients, their Fiducian Family.

New Fiducian Financial Planners in 2020



Alexander Morgan
Fiducian Financial Services
Hobart, TAS



Allen Dickman
Fiducian Financial Services
Penrith, NSW



Audra Beerling
Fiducian Financial Services
Sunshine Coast, QLD



Justin Beamish
Fiducian Financial Services
Mentone, VIC



Kevin Tate
Fiducian Financial Services
Surrey Hills, VIC



Lyndsay Wayenberg
Fiducian Financial Services
Albury, NSW



Ross Dwyer
Fiducian Financial Services
Tuggerah, NSW



Stephen Ahern
Fiducian Financial Services
Hobart, TAS

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Make sure you include your contact details so we can contact you if you win.

Email: 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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