



FIDUCIAN FOCUS

Spring 2018

The Rise of Technology

Technology driven advances and the pace of innovation are the defining megatrend of our era. Developments in robotics and automation are continuing to change many industries and are having an impact on the way we work and live.

Fiducian's Technology Fund offers investors the opportunity to invest in technology by capturing growth in companies at the forefront of the technological revolution.



Changing the way we work and live

Technology developments really are changing the way we live and work. The first air flight was in 1903, the first commercial jet in 1949, the first man on the moon in 1969. The mobile phone in 1973 was the size and weight of a house brick and carried in a small suitcase. Today, our mobiles have multimedia functionality for messaging, emails, movies, music and photos.

Technological developments are certainly not confined to telecommunications; in fact, new technologies are heralding enormous changes in a wide range of industries globally. In 2001, the human genome was analysed and decoded at a cost of over \$US95 million. Today, there are companies that can do it for less than US\$1,000, which may have groundbreaking ramifications for preventing ageing, increasing food production and treating food ailments. There are huge strides continuously being made in technology, which could change the way we live, think and function over the next decade and beyond.

A 21st century touch to investing

The Fiducian Technology fund aims to provide an opportunity to invest in companies that are involved at various stages of technological development and in commercial production, in whichever country they originate, to ensure that investors can share in the profits these companies have the potential to generate in the near-future and longer-term. The fund's focus amongst other leading edge technologies is to find companies that are involved in BRAIN technologies (Biotechnology, Robotics, Artificial Intelligence and Nanotechnology).

How the Technology Fund has performed

The Technology Fund and its underlying securities have been recognised by investors. As Table 1 shows, the results over the last 10 years have been impressive. To 30 June 2018 the fund has ranked 1st out of 50 surveyed international equities funds for the 3, 5, 7 and 10 year periods (SelectingSuper performance charts).

Table 1: Fiducian Technology Fund

Source: SelectingSuper Performance Table to 30 June 2018
Retirement Products – International Equity Investment Options

3 years	Rank	5 years	Rank	7 years	Rank	10 years	Rank
16.0%	1	23.0%	1	22.1%	1	15.3%	1

For more information about the Technology Fund, have a chat with your Fiducian financial planner.

Past performance is not indicative of future performance and the Fiducian Group does not guarantee the performance of the Funds or any specific rate of return. The information provided here is general in nature. It does not purport to be advice and should not be relied on as such.

Downsizer Contributions

From 1 July this year, the new downsizer rules provide an important opportunity for clients aged 65 and older to contribute sale proceeds from their main residence to superannuation. A client can contribute up to \$300,000 regardless of their work status or total superannuation balance. It will not be considered a concessional or non-concessional contribution, rather it is its own class of contribution, a downsizer contribution.

Who can make a downsizer contribution?

To make a downsizer contribution:

- the client must be aged 65 or older,
- the contributor must qualify for a full or partial CGT main residence exemption on the sale of the property,
- the 10-year ownership rule must be met,
- the contribution must be equal to all, or part, of the capital proceeds from the sale of an interest in a dwelling held by the client or their spouse; and
- the contribution cannot exceed the downsizer contribution cap.

The spouse's property

A downsizer contribution can still be made where the disposed-of dwelling was owned by the client's spouse, but not by the client. If this is the case, the client must have been able to qualify for a full or partial CGT main residence exemption on the property had they owned part of the property.

Example

Alice is the sole owner of her home, 10 Cheshire Ave, which she bought in 2001. Alice is divorced and met her current de facto partner, Pat, in 2012. Pat moved into 10 Cheshire Ave with Alice in 2013. Pat does not own any other property, keeps his belongings at Cheshire Ave, has changed his address on the Electoral Roll to Cheshire Ave and has had his mail redirected to Cheshire Ave.

Alice sells 10 Cheshire Ave in December 2018 when both she and Pat are 67. Alice can make a downsizer contribution using the proceeds of the sale. Pat may also make a downsizer contribution with the proceeds as it is considered his main residence as well.

Downsizer cap and limit

Downsizer contributions for an individual cannot exceed \$300,000. That said, each member of a couple, if eligible, can make downsizer contributions from the proceeds of the same property up to the \$300,000 limit. This may allow up to \$600,000 in downsizer contributions to be made by a couple when their home is sold.

Example

Berwick (67) and Helena (70) are retirees who decide to downsize. They sell their family home, originally purchased in 1997, for \$1.4 million and purchase a unit nearer the city for \$900,000. After costs, Berwick and Helena have \$450,000 to invest.

Helena contributes \$300,000 to her super, and Berwick \$150,000 to his, as downsizer contributions.

Considerations when making a downsizer contribution

There are situations where the flexibility a downsizer contribution can provide would be advantageous, but we also strongly recommend professional financial advice with respect to eligibility and any impact on pensions being received or pending.



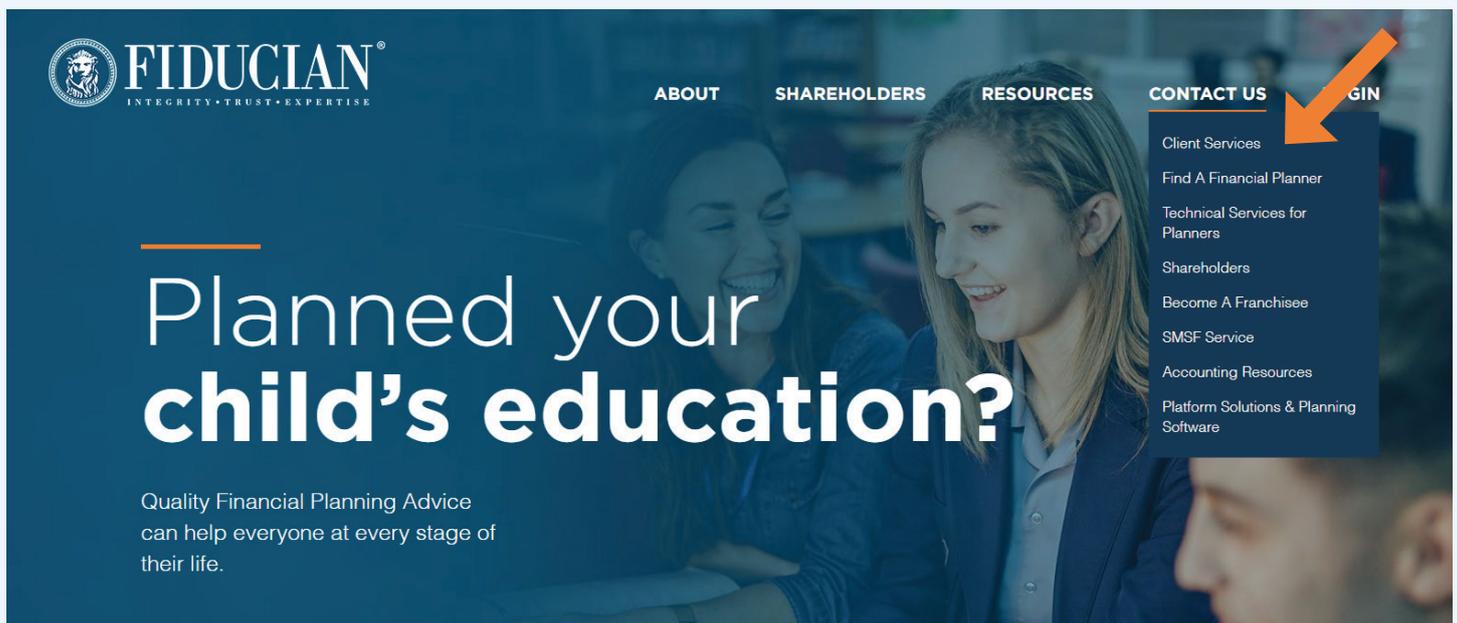
Fiducian's new website www.fiducian.com.au

You may have noticed that Fiducian recently redesigned its website.

Client Services

Client Services contact number is located under Contact Us on the top toolbar. Click on Client Services to gain support from our experienced support team on:

- Pension account balances
- Centrelink enquiries
- Fiducian Online enquiries



Client Login

To access your account on Fiducian Online, click on Login on the top toolbar, then Client Login.



Client and Community Events



Fiducian Financial Services Pty Ltd
 ABN 46 094 765 134
 AFS and Australian Credit Licence No. 231103
 Level 4, 1 York Street, Sydney NSW 2000

Correspondence
 GPO Box 4175
 Sydney NSW 2001

Telephone: 02 8298 4600
 Client Services: 1800 653 263
 Fax: 02 8298 4611
 Email: info@fiducian.com.au
www.fiducian.com.au

Your local Fiducian Financial Services Representative is:

DISCLAIMER:

Information in this newsletter is general in nature. It is NOT a recommendation or offer to anyone to invest and has not been prepared on the basis of the financial or investment profile of any particular person. It is important that you do not make any investment decision on the basis of this information without first assessing its suitability for your own objectives, financial situation or particular needs. A Fiducian Financial Services Financial Planner can assist you to do this.

Information of a financial, investment or legal nature is based on research and our understanding of the subject matter and of the law at the date of publication. We have used all care in its preparation but to the maximum extent of the law, disclaim any liability for errors and omissions. Fiducian Financial Services Pty Ltd ABN 46 094 765 134 AFS Licence No: 231103, its representatives and other members of the Fiducian Group accept no liability for any loss suffered by anyone who has acted on any information or advice in this document.

PRIVACY:

Personal information held by Fiducian Group and their affiliates may have been used to enable you to receive this publication. If you do not wish your personal information to be used for this purpose in the future please advise us via mail, telephone or email to the address noted on the back page of this newsletter.