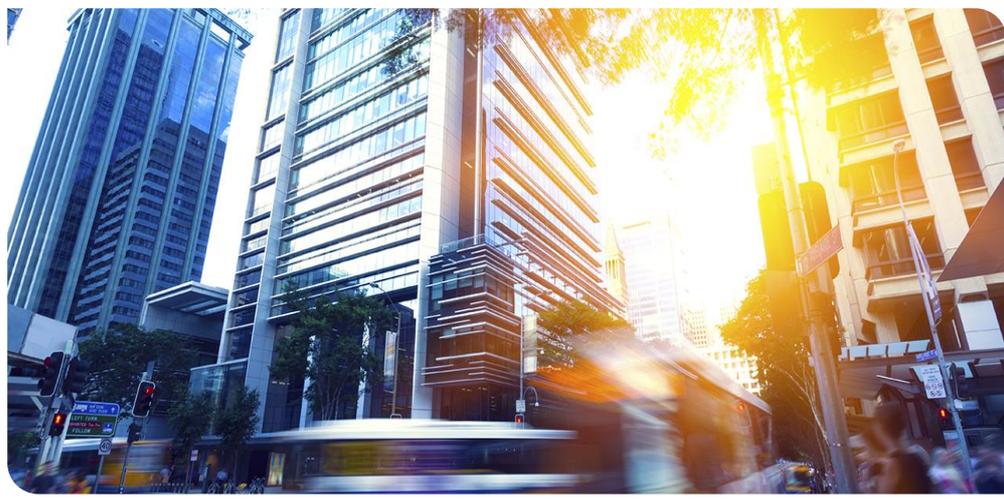




PATRON
Financial Advice



Money Matters July 2017

Welcome to the latest edition of our newsletter. We hope that you find the following articles to be informative - as we aim to help you make better financial decisions.

Economic Update July 2017



Within this month's update, we share with you a snapshot of economic occurrences both nationally and from around the globe.

Strong signs of continued world economic growth...

- Europe has shaken off its recent rocky economic road to recovery
- Signs of life in Australian employment data
- Bank tax might limit growth in the ASX 200 during FY2018

We hope you find this month's Economic Update as informative as always. If you have any feedback or would like to discuss any aspect of this report, please contact your Financial Adviser.

The Big Picture

At the start of a new financial

year, it is natural to reflect on our performance over the last one.

In just one year, Europe has gone from being 'the problem child' of world economies to a shining light, growing at above trend with past political squabbles having largely subsided.

The US has moved from a grid-locked Obama government to an economy of great hope. True, Trump is struggling to make his mark on a number of fronts but much of the economic data have been solid. If Trump can get his tax cuts, infrastructure spend and healthcare reform through, the USA economy will also run at well above trend.

China has again shown the bear market proponents to have been premature in calling the end to its strong growth path. China has announced a truly massive multi-country infrastructure project, 'One belt, one road' that will link the eastern part of Asia with the rest of the continent, Europe and Africa. With the new government taking over later in 2017, there is a reasonable expectation that they will be even better able to continue strong growth.

Not all is well. The UK was doing quite well until May called an election – which backfired on her. She has a two-year deal with a conservative Northern Ireland party (DUP) to form government and see 'Brexit' through. How she goes in negotiating Brexit is the key to the success of the UK economy.

Australia too is not yet out of the woods. Recent employment data have shown strong signs of life but not yet for long enough to call it a strong recovery. With our latest economic growth at a low +1.7% over the year, the government needs to get some runs on the board in terms of policy and it would help if the Reserve Bank came to the party with a rate cut.

Some worry about house prices – particularly in Sydney. Students of the property market would know that it is entirely normal for average house prices to be stagnant for up to a decade and then go through a period of very rapid growth as we have just seen. We had similar price growth in Sydney up until 2003 only to be followed by a shallow but elongated dip into 2013.

To continue reading please visit <http://www.infocus.com.au/news/economic-update-july-2017>.

*Ron Bewley (PhD, FASSA) – Director, Woodhall Investment Research

Estate Planning; there's no time like the present



Nobody knows what's around the corner. That's why the best time to think about planning your estate is right now. While writing a Will is an essential part of the process, there's so much more to estate planning that can ensure your wishes will be fulfilled exactly the way you want. A little planning today can make a big difference to your family's tomorrow.

It's all about your peace of mind

Estate planning is different for every person, but every plan has the same goal: peace of mind. With a proper estate plan in place, you can be confident that should you die or become unable to manage your affairs, you have everything in order. Your plan may cover your own life care instructions as well as how your assets will be managed and, ultimately, distributed according to your wishes in the most efficient and tax-effective way.

Make sure your decisions are the ones that count

Estate planning will ensure you have peace of mind knowing that:

- Your loved ones, including children, are provided for and protected.
- Your children's inheritance receives

increased protection if a relationship breaks down.

- You have received professional advice on how to structure your assets to optimise tax advantages.
- Your wishes are recorded in legally-binding documents, free from ambiguity.
- Your affairs will be managed by someone you trust when you die or are no longer able to legally manage your affairs.

There's no time like the present

The best time to think about your estate plan is right now. If something unexpected was to happen to you and you don't have an estate plan in place, your estate and your loved ones could be faced with legal disadvantages and extra costs. Not to mention added stress at an already difficult time. You should also keep in mind that your estate plan can keep evolving as your life does. Certain life events such as marriage, divorce or the birth of a child should prompt the need for estate planning advice or a review of your existing plan.

Where there's a Will...

Generally, your Will forms the basis of your estate plan. This essential document spells out your wishes for the distribution of your assets to your beneficiaries. It also allows you to:

- choose your executor
- appoint a guardian for any minor children
- establish a trust to transfer your assets tax effectively
- make specific gifts to charities
- establish a trust for minor children or another purpose.

Without a legally valid Will, known as "dying intestate", you risk your estate being distributed according to strict legislative requirements. If you don't make your wishes clear, a government-appointed executor could be left to decide who benefits from your estate.

Choosing a trusted executor An important part of writing your Will is appointing an executor. Your executor is responsible for carrying out your wishes for the entire administration of your estate,

from funeral arrangements to the ongoing management of assets until the estate is completed. Your executor - or executors - can be a family member, a trusted friend or professional, or a nominated trustee company. Their responsibilities may include:

- Confirming your Will is legally valid and, in some States, obtaining a grant of probate.
- Preparing a statement of your assets and liabilities - what you own and what you owe.
- Advising beneficiaries of their entitlements.
- Lodging tax returns, if required.
- Managing and protecting your assets prior to distribution. For example, superannuation, insurance, safekeeping of valuables and re-investment of surplus funds.
- Establishing trusts.
- Making payments or distributing assets to beneficiaries.

Enduring Power of Attorney - keeping things on track when you can't

An Enduring Power of Attorney is a key part of your estate planning. If you are no longer able to manage your own affairs due to an accident, illness or the loss of mental capacity, this legal document will ensure that someone you trust can step in when needed. In much the same way as nominating an executor, you can appoint trusted family members, friends or a professional trustee to act as your Attorney.

A trust could help preserve everything you've worked for

Apart from distributing assets through your Will, you can also choose to distribute assets via trust. A trust is a legal structure used to hold assets that can be owned in the name of an individual, family or business. Trusts generally exist to protect those assets and minimise tax with specific rules and instructions detailed in a trust deed, which is prepared by your solicitor. There are several types of trusts that may be a useful vehicle in your estate plan if you want to:

- pass on a family business
- make a gift to charity
- be flexible in distributing your assets for tax purposes
- protect and manage assets until beneficiaries reach a certain age.

Should you have any queries in relation to this newsletter, please feel free to contact our office or your adviser.



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How to set your goals



Whenever the term financial advice is mentioned it is commonly associated with an individual's financial goals. Whether you have a type of 'Christmas list' as long as your arm of things that you'd like to buy, or perhaps you've never really thought about it and just buy what you want when you want – financial goals are almost always at the forefront of your mind, you just might not know it yet.

Having a financial goal is a fantastic step in the right direction when attempting to take control of your finances. Goal setting will not only help to motivate you to make the necessary sacrifices in life, it will also act as a self-reward system, set your goal, achieve your goal then treat yourself and start again! In order to achieve your desired results it's sensible to map out how your goals can be achieved whilst you maintain your day to day life. MoneyTalk Magazine suggests creating a hierarchy of goals to cover your life span in order to understand how to prioritise and remain realistic. These should consist of three clear cut categories, explained below.

Short Term Goals – Achievable in one to two years

These will be your fun goals! Have you been craving a getaway to Fiji, do you want to take a month off work in two years and travel Europe? Do you really want a new laptop? Maybe your living-room needs re-decorating? These types of goals have relatively instant pay-offs, you can save up, buy and then be happy with your purchases. Short term goals are usually things that you really want, and could probably buy on credit if you were being impulsive. But hold off! Add a little patience to your life and it will be enjoy the satisfaction when it comes.

Medium Term Goals – Achievable in three to five years

The items designed for medium term goals are usually worth a considerable amount more than those short term goals. You might need a new car in five years, or your kitchen and bathroom will need updating. By recognizing what you know you're going to want in three to five years now, you can do yourself a favour and start saving early. Save a slice of your income every month into an account that's not easily accessible to you.

Long Term Goals – Achievable in five years plus

The ultimate goal for most people should be to retire from work with no personal or non-investment debt. Perhaps you're planning on travelling the world in your retirement? Do you want to own multiple properties that will generate an income replacement in your later years. Whatever it is that you desire, you need to imagine what you'll want and what you'll need, then plan how you're going to achieve this. The sooner the better...

A financial Adviser would be more than happy to discuss how to help you set your goals, simply call our office to arrange a chat.

Source: MoneyTalk Magazine, Dec 2016

Should you have any queries in relation to this newsletter, please feel free to contact our office or your adviser.



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