

Dealing with Change

Change can be confronting; we understand that there are concerns when circumstances change. A feeling of loss of control, and some degree of feeling helpless. Covid has exacerbated this.

Our experienced Paysafe team have more than 100 years combined of experience with change. Market corrections, wars, now even pandemics. We have been there and done that for over 34 years.

So, if you are feeling a little worried or anxious, please feel free to reach out.

We are a phone call away and the helpful staff at Paysafe are ready and capable of providing reassurance.

Call us if you need us. There are no silly questions. Just ones needing answers.



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A Time of Change?

Epidemics are not new; they are an integral part of human history. Many have had confronting if descriptive names. The Black Death, Bubonic Plague, Smallpox, the Sweating Sickness. In the 20th Century many were conquered but all hugely impacted human society. The greatest epidemic in terms of world scale and disruption of human societies was the Spanish Flu post WW1. Post WW2, TB, Polio, and Aids, despite the fear they caused, did not impact the whole structure of our societies. Then there was Covid 19. We have never experienced such disruption in how we have had to live our lives. During Covid and its restrictions, we all constantly found ourselves having to reorganize how we got things done and careful business planning was often undone by unforeseen events.

Mid Covid, at the start of 2021, we lost two very experienced and much-loved staff members to retirement, Marian and Kath. We are now back in the office and back to semi-normality. We have been blessed by Lesley and Fiona taking on huge responsibilities to make sure that we continued to provide you with care and service. They have been amazing. We have also now added Christine to our team, and she has fitted in well.

NEW FACES: We have been concerned to make sure that we could continue to provide advice and care to our clients going forward.

The Chinese have a curse which goes simply "may you live in interesting times", however, with all difficulty comes opportunity, and success often depends on having the vision to see the opportunity presented by serendipity and act on it.

Serendipity presented us with such an opportunity, and we can now announce that we have been able to bring a greater range of talent and financial specialties into Paysafe. Andrew Bowring joins us as a senior adviser and partner. His expertise includes Aged Care Specialty, Estate Planning Specialty and a very high literacy and expertise in the IT area as applied to financial services. IT has been driving how financial services are conducted for some time, but it has become even more vital because of legislative changes and Covid driven change. The merging of Andrew's business with Paysafe and with him joining as a partner gives us both greater capacity in what we can offer in terms of care and advice and ensures continuity for our clients. It will also mean an expansion of IT driven services to cope with new demands from rule changes.

Time for a Review?

Following the Royal Commission there have been many rule changes.

One that impacts our relationship with you is a requirement that you receive an Annual Review.

In the past, we have done this via our reviews of your portfolios and our switch or restructure recommendations and by reports and interviews in person or by telephone. Because many clients of banks did not receive such advice the requirement now is, if you pay us a fee, which is now essentially the only way we can now be remunerated, then you MUST have your investments, your strategy and your goals and objectives reviewed at least annually.

For those who did not receive review and advice this may be a welcome change – we have always held that every financial strategy should be reviewed yearly because the world is a constantly changing place.

However, we realize that dealing with a review can be a bit of a pain and intrusive. If it's not broken why fix it? We do not have a choice.

To augment the review /switches, interviews etc. which you have been used to, and in recognition of ongoing covid problems, we will now additionally offer a review service either in person, via a zoom video link (if you have a computer and a camera) or by phone.

We will try to provide you with plenty of notice for your review date. However, if you wish you can ask for a review outside of our review cycle. Remember that we are here to help. We will as always follow up on any request about your portfolio.



Getting to Know Andrew Bowring

Andrew joins us with 35 years experience as an Adviser. Here's a bit more about him.

Andrew:

Andrew obtained a Bachelor of Economics from Sydney University in 1982. After working with several major Insurance companies, he started in the financial planning industry in 1987, in his words, "a baptism of fire" as he was just in time for the great crash of 1987. His career parallels Rod and Noel's with the added advantage of youth.

Andrew built a most successful business in Sydney which he sold in 2010. His kids had all grown up and headed in their own directions. He is married to a Melbourne girl so with his wife having an aging Mum in Melbourne, it became their destination of choice.

Since arriving in Melbourne Andrew has worked on his golf handicap (currently playing off 11) and worked in a variety of financial planning roles. The last being running a successful advice practice which now joins with Paysafe to form an expanded practice. The expanded skill set, and resource base will benefit our clients going forward.

As we dilute as part of the business our clients will continue to be looked after and receive the care and advice that they need. We know that Andrew's areas of additional expertise are becoming more important for many of our clients.

Andrew also brings with him a new team member, Cigi Cini, who is an adviser assistant with very considerable experience and who will greatly help us with our delivery of service. Many of you will have met them if you have come into the office after July 1.

Over time you will see Andrew becoming more and more involved in your financial life as we move to a diminished role. We know that you will be in very capable hands. Of course, we will be available to discuss the changes with you and you can feel free to talk to Andrew at any time.

Serendipity? Continuity for our clients has been an ongoing concern for us however we were never quite able to find the right

combination we wanted of talent, knowledge, experience, client care rapport, ethics, and a capacity to run a business. As directors of Advocate Advisory, we had come to know Andrew and his very considerable talents, but he was running a successful business and seemed out of reach. Nonetheless nothing ventured nothing gained. Paysafe started discussions with Andrew about a year ago. This was where we got lucky, as Andrew commented, "I was really looking for the next great challenge in my life. So, after considerable discussions, we decided that my involvement was a move that would benefit all." We concur.

Andrew is a great acquisition for Paysafe and our clients. He will fill his role with ease, and his relaxed yet conscientious approach and his strong communication skills are very much what you are used to. He also speaks fluent "Golf," so he has a common interest with many of our clients.



Cigi

Cigi (pronounced CeeGee) has also joined Paysafe and brings with her 16 years' experience working in the financial services sector. Cigi has worked closely with Andrew for the past 4 years and joins us as a Client Care Manager.

Cigi has a background in financial services having worked at both AMP and NAB in major roles.

She has two children aged 6 & 5 and so fits the Paysafe family first model.

She relaxes, when possible, with sewing. Cigi's knowledge base and empathetic phone manner means she is able to assist you with pretty much all your queries or pass them on to be dealt with.

She views the challenge of taking on her new role at Paysafe, with such a large and diverse client base, as essentially a practical challenge.

Commenting, "Well the hardest part is trying to get familiar with the clients as quickly as possible. I kind of pride myself on knowing who it is I am dealing with, understanding how they like to be communicated with and a little more about them really". So far so good.

Cigi is passionate about ensuring that clients continue to feel a part of the Paysafe family and will make sure that our care for you continues to be responsive and positive. As all our staff have done over the years.

Why do I get all this Paperwork?

Sir Humphrey," A strong government needs a popular Prime Minister." Hacker, "How true!" Sir Humphrey," I think you should do something really popular." And so.

Since the Royal Commission into Banking and Financial Services in 2018 and the changes from the Future of Financial Reforms (FOFA) we, by law, must provide you with certain documents.

These include a Statement of Advice (SOA) whenever we alter your investments. It also includes a Fee Consent Form (s) that needs to be signed every year by you to consent to our fees.

We would much prefer NOT to have to send you all the documents that we do but we have no choice in the matter – their law is the law.

Everything we do send is

Super Update The End of the Work Test

What is one of the most important changes to super in years was passed in the dying days of the Morrison government. It extends the period when contributions may be made to super from ordinary monies without a work test. For many this will mean that monies which could not be placed in super after downsizing or inheritance may now be placed in super.

For persons aged 65-74 there was a requirement that in order to make a super contribution they needed to prove that they were in fact working at least 30hrs in a given month. Since July 1st, 2022, this requirement has been removed.

An example, - Robert is aged 70 and fully retired. He inherits \$250,000 from his brother. Previously he could not contribute those funds to his super – now he can make a full, unrestricted contribution to his super.

His limit is \$110,000 per year, but he can use the "bring forward" provisions to make 3 years contribution in one year increasing his limit to \$330,000.

More Super News

Changes that have been announced with regard to super contributions for "Downsizers"

From 1 July 2022, if you're aged 60 years or older you may be eligible to make a downsizer contribution of up to \$300,000 to a complying super fund. Your spouse, provided they are also aged 60 years or older, can also make downsizer contributions to their own super, of up to \$300,000,

from the same proceeds, even if they are not an owner of the property.

So, if you sell your home, and you have owned it for 10 years or more, you are eligible to make a downsizer contribution. This allows you to boost your super and to preserve your funds in a concessional taxed environment.

Call the office if you need to know



Tell your Friends

Don't forget to tell your friends about Paysafe.

We are always available to help family and friends achieve their financial goals – so please pass the good news on!

News Tidbits

- **Super fund performance at an 8 year low**

Most institutional superannuation funds failed to deliver a positive return in 2021-22 with the average return at about -4%. A reflection of markets and geopolitics.

- **Inflation is the BIG News**

It has been a while, but inflation is the hot topic again in 2022. Supply shortages and excess demand caused by Covid is causing inflation to spike between 6-9% in most developed countries.

- **Global Growth is slowing down**

With the war in the Ukraine the IMF has reduced global growth prospects down from 4.5% to 3.5%, lower growth means lower investment returns, so we need to lower our expectations for some time yet.

- **Some good news for investors – Interest rates are rising**

If you don't have a mortgage then you will be pleased to see rates going up again – at last a decent rate on a Term Deposit.

Paysafe News Winter 2022

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