



FIDUCIAN FOCUS

Summer
2008

A PLAN FOR FINANCIAL SUCCESS

Becoming financially successful can be achieved by identifying where your income is coming from and where your money is being spent. This may sound like a budget, but it can be viewed more as a Spending Plan.

A Spending Plan can help you identify your costs and can be used to identify what you may need to achieve your goals. For instance a Christmas Shopping Plan can help you identify what your Christmas bill may be. By knowing this, you know the amount you need, giving you time to save the money required to spend on your Christmas Shopping Plan – saving can also be deferred spending!

This type of planning can also work for long-term goals such as retirement. Similarly, you need to determine what your retirement expenses may be. For instance, this could be based on industry surveys, which estimate that a couple wanting a comfortable retirement may need around \$48,300 p.a, or \$26,100 p.a for a more modest lifestyle. The other more accurate approach is to determine your annual costs, by placing them into a budget to record your costs, available on www.fiducianfs.com.au and of course consult your Fiducian Financial Adviser who can factor in inflation and other variables which can then form part of your overall Retirement Spending Plan.



For more information on creating a Spending Plan or to review your current retirement readiness, call and make an appointment with your Fiducian Financial Adviser.

“Before anything else, preparation is the key to success.”

Alexander Graham Bell

WHAT DOES OUR STRONG AUSTRALIAN DOLLAR MEAN FOR US?

The Australian Dollar rose by around 12% in trade-weighted terms and by 20% against the \$US (to over \$US0.93) over the year to end-October 2007. This is almost double the low-point that the \$A reached against the \$US in early 2001 (under \$US0.48). At its current level the elevated Australian currency is at least partly protecting consumers from any rises in

commodity prices, such as oil prices (which have risen 60% measured in US Dollars over the year to end-October). It also means that many imported consumer goods, from cars to televisions, have dropped in price this year. On the other hand, if the Australian Dollar falls in the future, imported goods could become more expensive, as could travel overseas.



ANTI-MONEY LAUNDERING LEGISLATION – HOW IT IMPACTS YOU

On 12 December 2007 a new stage of the Anti-Money Laundering legislation designed to help combat anti-money laundering and counter terrorism financing comes into effect under the supervision of AUSTRAC.

From this date any person, company or trust making a new investment with various types of service providers (including stock brokers, superannuation funds, managed investment funds and even those placing a bet with bookmakers and casinos) by law must provide documentation to verify their identity, known in the industry as Know Your Client (KYC).

To comply with the legislation your Financial Adviser will need to verify your name, residential address and date of birth before the investment proceeds. This conforms generally with the current requirements for opening new bank accounts. Any concerns about this can be discussed with your Fiducian Financial Adviser.

PLANNING THE 'WHAT NEXT' FOR YOUR SUPER

The new super changes make it hard to find a more tax effective investment to build your retirement wealth. Ask yourself, what other investment allows you to invest pre-tax dollars and then withdraw them tax-free once you reach age 60? Additionally, if you commence a super pension, then any investment earnings that accumulate within the pension are also tax-free.

With these benefits, it's not surprising that so much wealth is being transferred into superannuation in the search for tax-free income in retirement. However, what is not so obvious is what happens if your superannuation outlasts you? Who will be the ultimate beneficiary?

according to the rules of the fund and whether you have completed a valid binding nomination or not. A binding nomination ensures your superannuation is directed to the person you choose rather than the fund trustee.

Superannuation does not automatically form a part of your Estate, so it may not necessarily be paid out under your Will. It is important to understand that Superannuation is distributed

To find out more about the way superannuation is treated on death and to obtain a free copy of an Estate Planning Checklist, please call to make an appointment with your Fiducian Financial Adviser.

HOW TO GET YOUR FREE ESTATE PLANNING CHECKLIST

To find out more about Estate Planning, including the way superannuation is treated on death and to obtain your **Free Estate Planning Checklist**, please call your Fiducian Financial Adviser.

“Subtlety may deceive you; integrity never will.”

Oliver Goldsmith

P	R	I	N	C	I	P	A	L	B	L	G
K	R	I	C	H	E	S	C	F	T	E	D
S	P	E	C	A	P	I	T	A	L	X	O
D	W	J	O	N	Y	I	S	S	O	P	S
N	E	A	I	G	E	H	L	S	I	E	T
U	G	T	N	E	M	T	S	E	V	N	I
F	A	F	S	S	O	R	N	T	B	D	F
P	N	J	E	A	C	H	U	S	E	I	O
E	I	T	X	G	N	D	T	H	C	T	R
N	O	K	Q	V	I	N	M	L	Z	U	P
N	C	U	R	R	E	N	C	Y	A	R	M
Y	S	N	I	O	C	P	M	O	N	E	Y
H	S	A	C	S	A	V	I	N	G	S	W

FIND A WORD

Which TWO of these words occur twice in the puzzle? Which ONE of these words does not occur in the puzzle?

Assets	Expenditure	Principal
Capital	Funds	Profits
Cash	Income	Riches
Change	Investment	Savings
Coinage	Money	Treasures
Coins	Notes	Wealth
Currency	Penny	

See page 4 for answers.



MARKET OVERVIEW

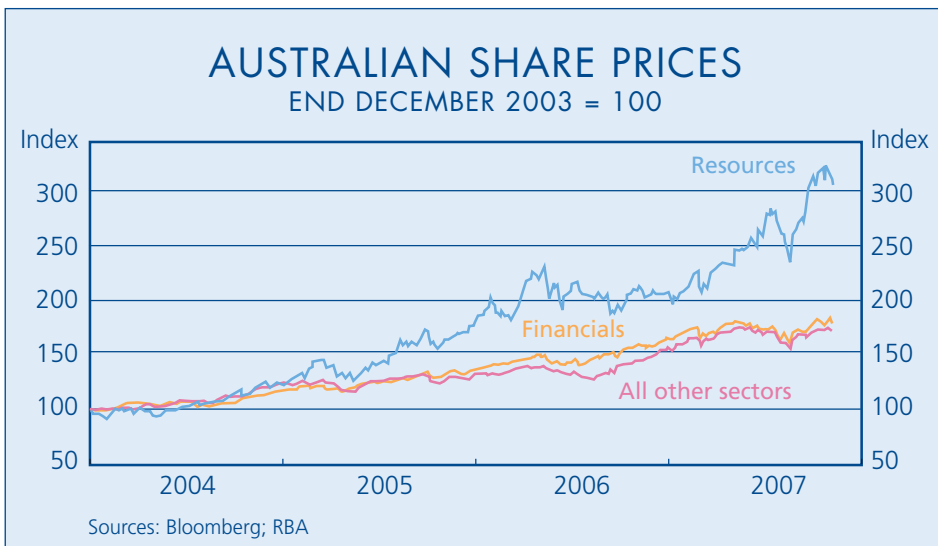
HOW IMPORTANT ARE THE DEVELOPING ECONOMIES, SUCH AS CHINA AND INDIA, TO GLOBAL GROWTH?

The developing economies have been growing at a much faster rate than the world's advanced economies for some years now. In 2006, for example, the developing economies as a group grew by around 8%, while the advanced economies grew by around 3%. Furthermore, developing economies have been steadily increasing their share of the global economic pie, from 16% in 1992 to 26% in 2006. The largest developing economy is China, which has a gross domestic product (GDP) of nearly 6% of the world's economy (\$US2.6 trillion in 2006, compared with global GDP of \$US48 trillion and US GDP of \$US13.4 trillion). India, however, remains much smaller, with GDP of well under \$US1 trillion in 2006 (all IMF data, at current market exchange rates). To put these figures into perspective, the Indian economy is currently a little larger than the Australian economy, while the Chinese economy is a little larger than the UK.

The Chinese and Indian economies, however, are important because of their rapid growth rates and because these economies are in a modernising and industrialising phase of development. China, for example, has been taking an increasing share of world trade (currently 9%, up from 3% a decade ago) and world manufacturing output (8% in 2005, up from 4% a decade previously, UNIDO data). China is consuming an even larger share of the world's output of commodities, including around 30% of the world's zinc production in 2006 and respectively, 25%, 20%, 17% and 9% of aluminium, copper, nickel and oil production. This consumption of raw materials is likely to rise over coming years.

HOW COULD THIS AFFECT THE OUTLOOK FOR THE SHARE MARKET?

The graph below shows that resources have out-performed other market sectors over recent years. Whether this can continue depends on demand from China and other developing economies.



“Money speaks sense in a language all nations understand.”

Aphra Behn

FIDUCIAN IN THE COMMUNITY

Fiducian sponsors up and coming teenage cyclist Chloe Hosking from Canberra.

Fiducian are now proud sponsors of Canberra teenager, Chloe Hosking, who is beginning to make her mark on the Australian and International cycling stage.

At the age of just 17, Chloe has already achieved a number of titles including:

- 2007 Oceania Champion for Points Score, Individual Pursuit and Team Sprint (Under 19 Women category)
- Won 2007 New Zealand Road Championship (Under 19 Women category)
- 2007 NSW Criterium Champion (Under 19 Women category)
- 2007 National Road Race Series, Round 2 (Under 19 and Elite Women)
- Gold Medal, Criterium, 2007 Australian Youth Olympic Festival

- 2007 NSW Champion for Scratch Race, Points Score and Kieran (Under 19 Women category)

In the five years of her cycling life, Chloe has won 7 national medals and after winning the monthly ClubsACT junior Sportstar three times in 2007, has recently been nominated for ClubsACT Sportstar of the Year.

As a member of the ACT Academy of Sport she now looks to progress with her cycling, aiming to compete in the 2008 Junior World Track and Road Championships in South Africa. She will then move into the senior ranks, and aim to join the AIS women's cycling team and represent Australia overseas.

Fiducian are proud to support Chloe and look forward to cheering her on from the sidelines at the 2012 Olympic Games.



Chloe Hosking surges to victory in the 2007 New Zealand Road Championship.

“ Success is steady progress toward one’s personal goals. ”

E. James ‘Jim’ Rohn

P	R	I	N	C	I	P	A	L	B	L	G
K	R	I	C	H	E	S	C	F	T	E	D
S	P	E	C	A	P	I	T	A	L	X	O
D	W	J	O	N	Y	I	S	S	O	P	S
N	E	A	I	G	E	H	L	S	I	E	T
U	G	T	N	E	M	T	S	E	V	N	I
F	A	F	S	S	O	R	N	T	B	D	F
P	N	J	E	A	C	H	U	S	E	I	O
E	I	T	X	G	N	D	T	H	C	T	R
N	O	K	Q	V	I	N	M	L	Z	U	P
N	C	U	R	R	E	N	C	Y	A	R	M
Y	S	N	I	O	C	P	M	O	N	E	Y
H	S	A	C	S	A	V	I	N	G	S	W

Answers

Coins appears twice

Treasures does not appear



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