Print Post Approval PP424022/01054

THE RETIREWELL REPORT

A Newsletter for Clients and Friends of Retirewell Financial Planning   Vol. 17 No. 1 Summer 2014/2015

2015: Still In A Global Sweet Spot

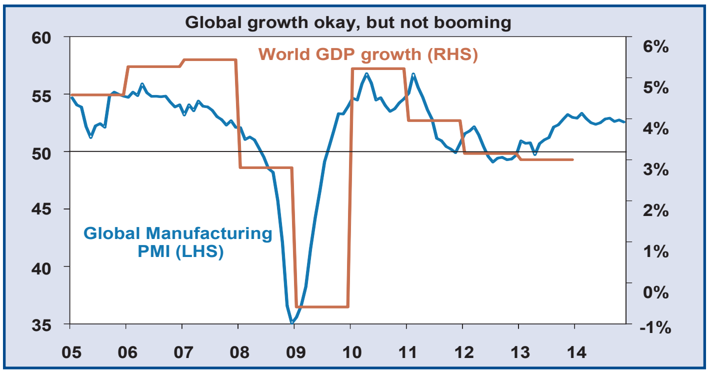
It's that time, when we take a look at what 2014 has delivered and take out our crystal ball and try to divine what 2015 may bring. The famous economist John Maynard Keynes once said "the purpose of economic forecasting is to make astrology look respectable" - but here we go anyway!

2014 has been a positive but untidy year for investors. Global economic growth has been a respectable 3.5%, but was very uneven between nations. China (with growth still over 7%) and a resurgent US kept up the momentum, whilst the Eurozone remained weak and some emerging countries have really struggled – particularly Brazil and Russia. The threat of deflation caused central banks in Japan, Europe and China to reduce official rates in the face of sub-par growth. Geopolitical threats have abounded as usual, providing abundant fuel for the headline writers. It will ever be thus - the world goes on regardless.

As always, there are a number of predictions of gloom and doom, however we believe there is good reason for cautious optimism. Global growth is likely to remain around 3.5%, ranging from 1% to 1.5% in the Eurozone and Japan, 3.5% in the US and China still at or close to 7%. Portfolios should be positioned accordingly, with confidence rather than fear. We set out some of the reasons for our view below.

Reasons for Optimism

- Leading indicators of global growth including business conditions (Purchasing Managers Index) point to continued reasonable growth.
- Uneven global growth will continue, but credit growth and inflation remain well under control. This is a bit like the late 1990s where US growth was good, but subdued conditions elsewhere kept inflation and interest rates low.



Source: Bloomberg, AMP Capital

- Falling commodity prices resulting from increases in global supply are helping with this. You may recall the oil price falling to $US10/barrel in 1998. It could conceivably now fall to $US40/barrel.
- Global interest rates are likely to remain low, with the US starting to raise rates gradually from mid-2015, but continuing monetary easing in Europe, Japan and China.

In short, the next global recession looks to be a long way off – maybe not until later this decade in accordance with the cyclical

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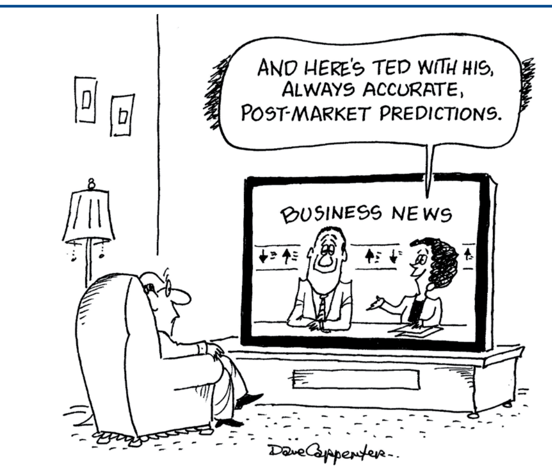
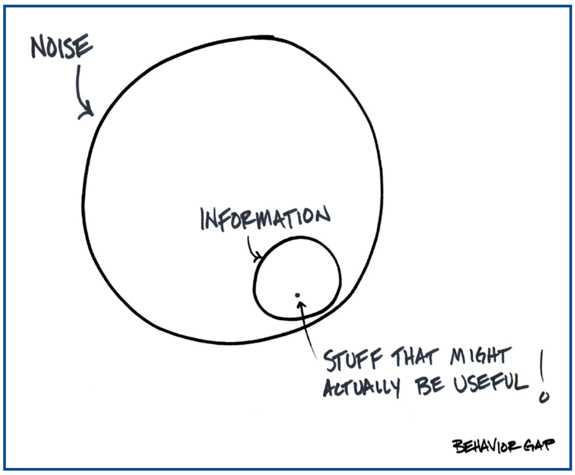


What's Inside…

Cutting Out The Noise Key To Financial Peace Of Mind

If you look just at 2014, it's been a worrying year. So many bad or disruptive things have happened. Ukraine, collapse in Chinese property markets, the end of quantitative easing in US, Ebola, global deflationary threats, protests in Hong Kong, unrest in the Middle East, plunging commodity prices ...

It's enough to make investors run for home and stay in bed. Surely this is the worst it has ever been, all this would make you believe. We must be heading for a massive loss of wealth, rising unemployment and the collapse of civilisation as we know it.



It was better in 2013, wasn't it? Well, not really, with the US Government shut-down, severe recession in Spain and Italy, Cyprus banking collapse, Syrian civil war, North Korean threats ... When you look at it, every year is the same. There is always something to worry about.

A look back at history confirms the story. Lehman Brothers collapse in 2008, Gulf Wars in 1990 and 2003, terrorist attacks in 2001, "tech wreck" in 2000, bursting of Japanese bubble economy in 1990, Chernobyl nuclear disaster in 1986, Latin American debt crisis in 1980, OPEC oil embargo in 1973...

So what's different? First, the world is more interconnected, meaning that news from afar will reach us quickly. This leads to the second difference - there is a lot more information.

This is made worse by the continued flow of mostly negative news from the media. Of course, you know the old adage that "bad news sells". The headlines trumpet "$16 billion slashed off the share market", but scarcely mention the next day when the market recovers by the same amount.

One might think that the vast increase in information through the internet would enable economies and markets to be more efficient, so that resources could be allocated more effectively leading to more rational pricing and better longer term growth and returns for investors.

Sadly, there is no evidence that this is true. Economies and markets are just as volatile as ever, and it appears that the avalanche of negative news and worries is causing many investors to become more fearful and over-react when markets fall.

Investment markets always have had to climb a "wall of worry", but humans have become adept at managing the problems. If you stand back, look at the value of share markets over the long term and plot the disasters, you will find a downward "blip" and then continued growth. In fact, since 1900, the Australian share market has risen in value in four out of every five years on average.

The overload of information investors receive easily can cause them to worry more about the short term and become more risk averse.

Our advice is:

1. Recognise that shares and other growth assets have always faced worries. Sometimes these become real problems, but often they just fade away.
2. Turn down the volume on the news. Too much information is as bad as too little.
3. Adopt a long term strategy and stick to it.
4. Remember that some of the best opportunities in investing arise when everyone else is mired in doom and gloom.

We encourage you to review your long term strategy periodically with us. We are adept at distinguishing useful information from mere noise.

Too Much Information

Many of us have recognised that consuming too much food is bad for us and have moderated our diets. Research is now showing that too much information can be also be bad for us – but in a different way.

The 24 hour news cycle and modern communications mean we are fed a continual diet of titbits – news items of trivial facts that don't really concern our lives. When next you listen to the news on the radio or TV check what really affects you. A car crash in Townsville, a hold-up in Toowoomba, an increase in parking fees in Brisbane – if you live on the Gold Coast this news is of no real value.

News is often misleading. It focuses on the sensational and distorts the way we see the world. News is often irrelevant and rather than helping us to live our lives more effectively.

News is like a bubble coming up to the surface of a pond without any discussion of what lies beneath the surface. Just once in a while you might find deeper analysis that adds to your understanding of what is really going on – such as the impact of ageing on society or developments in road safety. This type of information could actually be useful.

Continual consumption of short news "candy" is toxic to our bodies. Sensational stories can induce a feeling of panic and that triggers production of the hormone glucocorticoid which regulates the immune system. The flow on affects can include chronic stress, impaired digestion, slower growth, nervousness and susceptibility to infections.

As a species we humans build patterns or models to explain our world. We tend to hear news items that support our views – a process called 'confirmation bias'. If we believe investing in shares is risky, we will take news of a fall in the All Ords as a justification of our view. A news item about a rise in the All Ords is likely to be ignored.

News about things we cannot influence tends to make us passive. It can grind us down and make us pessimistic, desensitised, sarcastic and fatalistic.

So the news about news is all bad. It's time to avoid the daily news and be happier.

Traps With Grandfathering Rules

From 1 January 2015, account based pensions (ABP) will be treated differently in the income tests for Government benefits. The capital value of ABPs will be deemed. Currently, the deeming rates are 2% and 3.5%.

Deeming will be used for the Centrelink Income Test, the Income Test for the Commonwealth Seniors Health Card and the Income Test for Government-subsidised age care.

In introducing the new rules the Government has sought to be fair by grandfathering ABPs that are being received by income support recipients on 31 December 2014. If you continue to receive income support and have the same ABP, the old more generous rules will continue to apply. The same rules apply to long term annuities purchased with superannuation monies.

Age Pension

The age pension is means tested using an Income and an Assets Test. The test that gives the lowest age pension is the one that is used. Deeming is only relevant for the Income Test and the amount of age pension for many age pensioners is determined by the Assets Test.

At the current low deeming rates, the impact of the new rules will be small. Currently, it will apply only for single age pensioners who have financial assets between approximately $144,000 and $250,000. For couples, it will only affect those with financial assets between approximately $250,000 and $317,000. Age pensioners with assets under the lower figure will receive the full age pension and those above the upper figure will have their pension determined by the Assets Test.

It should be noted that as deeming rates rise in future, these upper limits will increase and many more part age pensioners will be disadvantaged by the new rules.

Traps
The grandfathering rules will apply if nothing changes. The new rules will apply if you:

- Switch your ABP to a new super fund
- Commute and restart your ABP in the same fund
- Add or alter a reversionary pensioner on your ABP
- Become ineligible for the age pension (for instance by returning to work so you fail the Income Test or inheriting money so you fail the Assets Test) and later reapply

Commonwealth Seniors Health Card (CSHC)

The CSHC is income tested with the income threshold being $51,500 (for singles) and $82,400 (for couples). The income paid by an account based pension that is in place at 31 December 2014 is exempt from the Income Test.

After that date, new ABPs will be deemed and the income counted in the test.

Traps
These are the same as above, with one addition. If you become ineligible for the CHSC by residing overseas for more than 19 weeks, you will come under the new rules.

Aged Care

From 1 July 2014, new rules applied for admission to Government-subsidised aged care (see separate article, New World of Aged Care). The fees payable will be based on Income and Assets Tests (which are different to Centrelink). Once again, ABPs that were in place at 31 December 2014 will be assessed under the old rules and those started after that date will be deemed.

If the resident's circumstances change (such as changing an ABP), the fees payable to the aged care centre will be reviewed.

Seek advice

The grandfathering rules are complicated. If you are considering making any changes to your ABP or think your eligibility for a Government benefit will change, get some advice before you act.

Claim Your Tax Credits

Many retirees whose main income is from a superannuation pension do not lodge a tax return.

This means there is no mechanism for them to claim the franking credits attached to dividends or managed fund distributions. If you lodge a tax return, the credits are automatically applied and refunded if the credits exceed the tax payable.

If you don't lodge a tax return and you receive franking credits from Australian shares and/or Australian share funds, you should lodge an ATO form called Refund of Franking Credits for Individuals (NAT 4098).

Franking credits from past years do not expire, so if you have not done so previously, you can claim for all past years back to 2000-2001, or your last tax return, whichever is later.

Why Australia Should Be Smiling In 2015
.... but not complacent

- We have one of the highest standards of living (7th) in the world.
- We are one of most confident nations (consumer sentiment).
- We are part of the world's fastest growing region: the Asia-Pacific.
- Our population growth is as fast or better than the world's.
- We have virtually no serious racial tensions or terrorism.
- Our unemployment is among the OECD's lowest.
- Our national debt is the lowest in the OECD as a share of GDP.
- We are the lowest taxed nation among the OECD rich countries.
- Our deficits are chronic but low within the OECD, and fixable.
- Our interest rates are low.
- Things surely won't be as dysfunctional as the Rudd/Gillard years.

Source: Ibisworld 1/12/14

New World Of Aged Care

The Government subsidises the cost of aged care – that is the fees for residential aged care accommodation (previously known as hostels and nursing homes). Currently, about 275,000 people live in aged care accommodation and about 825,000 receive support to live in their own homes. As the populations ages, these numbers will increase.

From 1 July 2014, the rules changed to give consumers more control and choice, make the system more sustainable and affordable and encourage aged care providers to invest and grow.

Key changes

Under the new rules:

- An Aged Care Assessment Team (ACAT) will make an assessment of the applicant's support needs. No distinction is made between high or low care as there was in the past.
- Residents will pay separately for accommodation and for their care.
- Residents will have greater flexibility in how they pay for their accommodation. This can be paid by a Refundable Accommodation Deposit (RAD) or Daily Accommodation Payments (DAP) or a combination of both. Aged care facilities will no longer be allowed to make deductions from a lump sum bond.
- Residents will have more time to decide how to structure accommodation payments to achieve the best outcome in their circumstances.
- The ongoing care fees will be made up of a basic daily fee, a means-tested care fee based on an Assets and an Income Test and a fee for any special services.
- Aged care providers must disclose accommodation prices on their website and on the Government's My Aged Care website. The maximum accommodation price will be $550,000 unless the aged care facility has gained Government approval for a higher figure.

Tips

The new rules continue to encourage and support older people to stay in their own home through the Home and Community Care program. Planning for a move into residential aged care is important because the need for greater support often happens suddenly because of a fall or after a period of illness. Don't leave it until the last minute.

As well as being an emotional choice, the question of whether to retain or sell the family home is an important financial decision. The home receives special treatment in the new Assets and Income Tests.

It's complicated. The Centrelink form is 32 pages long and has 144 questions. You should seek advice before making a decision.

"The four most dangerous words in investing are "this time it's different." *Sir John Templeton*

"Every accomplishment starts with a decision to try." *Unknown*

"I fear that technology will surpass our human interaction. The world will have a generation of idiots." *Albert Einstein*

How Long Will You Live?

The Australian Bureau of Statistics has just published Life Expectancy Tables for the years 2011-13. They show a continuation of the same trends that have been apparent for some years - we are living longer, and the longer you live, the longer you're likely to live.

A word of caution on what the tables mean. The figures show the average for a cohort of people of that age. Half will live longer than the stated figure and half will die before the stated figure.

Age now	Male LE	Female LE
60	83.2	86.5
65	84.2	87.1
70	85.3	87.9
75	86.8	88.9
80	88.6	90.2
85	91.1	92.1
90	94.2	94.8
95	97.9	98.3
100	102.3	102.5

Retirement has been described in three stages – active, passive and frail. A man retiring at age 65 has an average life expectancy of 19 years. Research has shown he can expect 8 years of active retirement, 7 years of passive retirement and 4 years of dependency on others for support.

Your date of death is a vital figure for retirement planning, but is a fact we can never know in advance. Your average life expectancy is a starting point but you need to consider other factors like your current health, lifestyle, family history and medical record. The website www.mylongevity.com.au has a free longevity analyser (called SHAPE) which will predict your personal life expectancy.

Knowing your predicted life expectancy is one thing, but knowing what to do with it is another. You can change some life limiting factors (such as smoking and exercise), but others are fixed (such as the longevity of your parents).

You can consider your retirement age and how you will finance a long period without employment income. If your life expectancy is 90 and you retire at age 60 that is 30 years in retirement. Can you find enough challenge and excitement over those years? We will do our best to help ensure you enjoy a comfortable living standard in retirement, whenever this occurs!

Warren Buffett Speaks...

"You shouldn't worry about daily variations in the value of your investments. Games are won by players who focus on the playing field – not by those whose eyes are glued to the scoreboard."

Super Thresholds 2014-15

Most of the superannuation thresholds are indexed at 1 July each year. As we get nearer to the end of this financial year, you may be able to adjust your strategies to utilise these higher thresholds.

Contributions

The SG rate increased from 9.25% to 9.5% of ordinary time earnings. The maximum contributions base increased to $49,430 per quarter (equivalent to $197,920 pa).

The standard concessional contribution cap increased to $30,000 per year and a special cap of $35,000 applies for people over age 49 on 30 June 2013.

The non-concessional contribution (NCC) cap is six times the standard concessional contribution cap so it increased to $180,000. The maximum that can be contributed over a three year period is now $540,000.

The small business lifetime CGT contribution cap increased to $1.355 million.

Co-contributions

To be eligible for the maximum co-contribution of $500 your adjusted taxable income must be less than $34,488. No co-contribution is payable if your income is over $49,488.

Lump sums

The taxable component of lump sums paid from super between ages 55 and 60 is taxable income, but the first $185,000 withdrawn is tax free.

Low Income Superannuation Contributions Retained

The LISC is a payment of up to $500 made by the Government to certain superannuation accounts. It is a refund of the tax payable by a superannuation fund on Superannuation Guarantee contributions. It was introduced in 2012-13 for employees on low incomes - those earning less than $37,000.

It was scrapped by the current Government, but has since been reinstated and will apply until 2016-17. There is no need to apply for the LISC as it will be automatically calculated and paid to your super fund.

If you lodge a tax return, the ATO will use that information and the contribution reports from super funds to work out how much is payable. For instance, if you earned $30,000 in 2014-15 your employer would pay SG (9.5%) of $2,850 and the super fund would deduct tax of $428. This tax would be refunded as the LISC and paid to your super.

If you don't lodge a tax return, the ATO will work out your income from the contributions reported by super funds. For instance, if your SG contributions were less than $2,850 the ATO would recognise that your income was less than $37,000 and pay a LISC of 15% of SG contributions.

The $37,000 income threshold is based on your adjusted taxable income and it is not indexed. The LISC only applies to SG contributions not to personal contributions where a tax deduction has been claimed.

LISC payments are made many months after the end of the financial year once super funds have reported to the ATO and tax returns have been processed.

It's A Dead Heat

Recent research has compared the results of an American investing in the US stock market with that of an Aussie investing in the Australian share market since 1900.

The result is that A$100 invested across the All Ords would have grown to A$148,000 including growth, dividends and inflation. For the American US$100 invested across the S&P500 index would have grown to – yes - US$148,000.

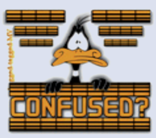
At different times, one market has surged ahead or dropped behind, but as at October 2014 it's a dead heat. For instance, the US did better in the dot.com boom of the 1990s, but the Australian market experienced a less damaging "tech wreck" crash and performed better up to 2007 because of the credit and mining boom.

There are many similarities between our two countries. Both are pluralistic democratic economies with relatively stable political, legal and social structures.

A key difference between the results is the source of economic growth. In America one-third of the growth has come from population growth and two-thirds from productivity increases. In Australia, it is the opposite, with two-thirds from population growth.

There are also differences in the source of returns. Both markets have generated real (after inflation) returns of between 6% and 7% a year. However, Australian companies have generated higher dividends and price growth but experienced higher inflation.

So for now we must share the gold medal.



1. Why is the third hand on the watch called the second hand?
2. If Webster wrote the first dictionary, where did he find the words?
3. Why do "tug" boats push their barges?
4. If work is so terrific, why do they have to pay you to do it?
5. How come abbreviated is such a long word?
6. If all the world is a stage, where is the audience sitting?
7. Why is "phonics" not spelled the way it sounds?

2015: Still In A Global Sweet Spot

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pattern that has prevailed since the 1970s of major recessions every 8-10 years - mid 1970s, early 1980s, early 1990s, early 2000s, now late 2000s?

The View on Australia

In Australia, 2014 has been a difficult year, both politically and economically. The new Abbott Government has been challenged trying to sell unpopular but necessary budget cuts, whilst our national income has been hit by collapsing commodity prices – the iron ore price has fallen close to 50%. In this environment, Australian shares underperformed relative to global shares, with only the listed property trust sector being a positive double-digit stand out. Growth was sub-par at around 2.7%. However despite all this, a typical diversified Balanced portfolio would still have provided a 5% to 7% return.

For 2015, subdued confidence will likely require further monetary stimulus by way of a lower $A and a further RBA interest rate cut. The RBA is expected to cut the cash rate to 2.25% early in 2015, with a 50% chance of another cut in the June quarter. If this occurs then improving conditions in housing construction, consumer spending, tourism, manufacturing and higher education should see GDP growth move up to around 3%. At the same time inflation is likely to remain benign. The fall in the $A is likely to continue as the $US trends up, reflecting the long-term downtrend in commodity prices and our relatively high cost base. The A$ could fall to around US75 cents, but remain little changed against the Yen and the Euro.

Implications for Investors in 2015

- The continuing “sweet spot” combination of reasonable global growth, but still low inflation and interest rates is positive for growth assets. But an eventual rate hike by the US Fed and ongoing geopolitical flare ups are likely to cause volatility. Expect higher volatility in all asset classes for years to come – some investors will find this difficult to handle and retreat to cash, to their long-term detriment.
- Global shares are likely to continue to push higher as global growth continues and monetary conditions remain easy. But sustainable future share price growth will depend on real growth in earnings, replacing P/E expansion.
- For shares at present we favour Europe (which is still cheap, unloved and likely to see more monetary easing), Japan (which will see continued monetary easing) and China (which also remains cheap) over the US (which may be constrained by a Fed rate hike) and emerging markets generally (which are cheap but problematic).
- Australian shares are likely to pick up pace as interest rates remain low and growth continues to rebalance away from resources, but will probably lag global shares again as the $A remains under pressure and commodity prices remain in a long term downtrend. AMP Capital expects the ASX 200 to rise to around 5800 by the end of 2015.
- Commodity prices may see a bounce from very oversold conditions, but excess supply for many commodities is expected to see them remain in a long term downtrend.
- Very low yields point to a soft return potential from sovereign bonds, but it’s hard to get too bearish yet in a world of too much saving, spare capacity and low inflation.
- Commercial property and infrastructure are likely to benefit from the ongoing search by investors for yield.
- Australian house prices are likely to see a continued upswing on the back of low interest rates.
- Cash and bank deposits are likely to continue to provide poor returns, with term deposit rates running around 3%.

We see equities and some alternative investments continuing to offer the best opportunities for investors, but remember that rarely a year goes by without at least one major crisis somewhere in the world. Watch out for deflationary shocks, but ultimately it is inflation, not deflation that will end this bull market – and there are few signs of it today.

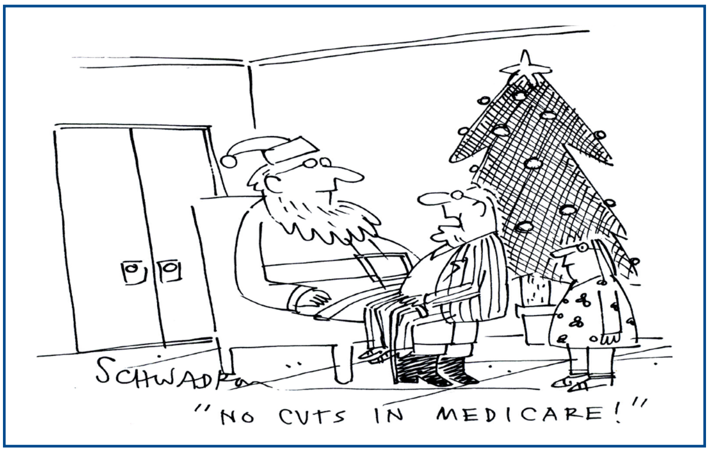
Against this background, we provide the following table of actual and forecast investment returns for the major asset classes.

Investment Returns for Major Asset Classes

Total Return %, pre fees & tax	2013 actual	2014* actual	2015 forecast
Global shares (in Aust dollars)	48.0	12.1	14.0
Global shares (in local currency)	29.2	10.9	10.0
Asian shares (in local currency)	5.8	7.1	10.0
Emerging mkt shares (local currency)	3.4	7.9	8.0
Australian shares	20.2	3.5	9.0
Global bonds (hedged into $A)	2.3	9.5	3.0
Australian bonds	2.0	8.0	3.0
Global listed property securities	5.8	26.1	9.0
Aust listed property trusts	7.1	21.6	9.0
Unlisted non-res property, estimate	8.8	8.0	9.0
Unlisted infrastructure, indicative	9.0	12.0	10.0
Aust residential property, estimate	14.5	8.0	6.0
Cash	2.9	2.5	2.3

Yr to date to Nov. Source: Thomson Reuters, Morningstar, REIA, AMP Capital

Based on the above, we would expect a diversified Balanced portfolio to provide a return in the 7% to 8% range in 2015.



A Christmas Smile

There once was a great Czar in Russia named Rudolph the Red.

He stook looking out the window of his palace one day while his wife, the Czarina Katerina, sat nearby knitting.

He turned to her and said, “Look my dear, it has begun to rain!”

Without looking up from her knitting she replied, “It’s too cold to rain. It must be snowing.”

The Czar shook his head and said, “I am the Czar of all the Russias, and Rudolph the Red knows rain, dear!”

And that my friends is how the great Christmas song came to be!

Retiring Comfortably

It's hard to know exactly how much you need for living expenses in retirement. You won't pay much if any tax (other than GST), there are concessions on some government charges and your spending patterns will change.

To help retirees, the Association of Superannuation Funds of Australia (ASFA) conducts a quarterly survey of spending by retirees.

The survey reports on four types of retiree - singles and couples who want or aspire to a modest retirement or a comfortable retirement.

"Modest" means doing better than just the age pension but still only able to afford fairly basic activities. "Comfortable" is defined as being able to pursue a broad range of leisure and recreational activities and enjoy a good standard of living. It means being able to afford to replace household goods, have private health insurance, own a reasonable car and good clothes and take domestic, and occasionally international, holiday travel.

The annual spending figures for September 2014 are shown in the table.

Single modest	Couple modest	Single comfortable	Couple comfortable
$23,489	$33,784	$42,597	$58,326

The full age pension is now $22,211.80 a year for a single person and $33,488 for a couple.

Whilst the figures are interesting in themselves, the changes over time give an idea how retirees are hit by cost increases. The spending patterns of retirees are different to the rest of society and changes in power, food, health and travel costs hit them harder. In most cases, retirees are not impacted by changes in mortgages rates or education costs.

To keep track of these figures, you can visit http://www.superannuation.asn.au/resources/retirement-standard

Punography

Jokes about German sausage are the wurst.

I know a guy who's addicted to brake fluid. He says he can stop anytime.

I'm reading a book about anti-gravity. I can't put it down.

Energizer Bunny arrested. Charged with battery.

I didn't like my beard at first. Then it grew on me.

What do you call a dinosaur with an extensive vocabulary? A thesaurus.

I wondered why the baseball was getting bigger. Then it hit me!

I stayed up all night to see where the sun went. Then it dawned on me.

Broken pencils are pointless.

MARKET INDICES TO 30 NOVEMBER 2014

MARKET	INDEX	1 Mth %	6 Mths %	1 Yr % pa	2 Yrs % pa	3 Yrs % pa	5 Yrs % pa
Cash	Bloomberg AusBond Bank 0 + Y TR $A	0.22	1.35	2.68	2.81	3.23	3.85
Australian Sharemarket	S&P/ASX All Ordinaries Accumulation	-3.20	-1.08	3.98	12.92	12.98	6.81
	S&P/ASX 20 Leaders Accumulation	-3.64	-1.41	3.88	14.87	15.88	8.07
	S&P/ASX100 Accumulation	-3.20	-0.87	4.58	14.22	14.72	7.56
	S&P/ASX300 Accumulation	-3.24	-1.13	4.04	12.97	13.38	6.82
	S&P/ASX Small Ords Accumulation	-3.81	-3.99	-1.82	-0.96	-1.04	-1.27
Property	S&P/ASX300 A-REIT Accumulation Index	0.00	11.43	19.80	15.71	18.98	11.81
Aust Fixed Interest	Aust Comm Bank All Series/All Maturities Accumulation	1.50	4.66	9.08	4.14	5.03	6.33
International Sharemarkets	MSCI World Accumulation Index ($A) (MSCI - Morgan Stanley Capital International)	5.10	11.74	17.24	30.42	24.17	13.14
USA	MSCI USA Accumulation Index ($A)	5.72	18.20	25.02	36.41	28.62	17.68
UK	MSCI UK Accumulation Index ($A)	3.79	1.47	6.99	21.03	17.70	9.59
Europe	MSCI Europe Accumulation Index ($A)	5.74	1.34	7.87	24.90	20.83	8.67
Japan	MSCI Japan Accumulation Index ($A)	3.31	11.13	5.41	26.53	17.83	7.64
Asia Ex Japan	MSCI Far East ex Japan Accumulation ($A)	3.17	11.45	11.04	17.67	17.77	8.99
International Fixed Interest	Citigroup World Govt Bond Unhedged Accumulation ($A)	2.38	4.88	6.28	7.92	5.88	2.18
Inflation	CPI – Weighted Capital Cities (@ 30/9/2014)	N/A	0.95	2.31	2.23	2.22	N/A

New Advisers Join Retirewell

Chris Delroy joined Retirewell in October, as a Senior Financial Planner specialising in superannuation and insurance. He is a Fellow of the Financial Services Institute of Australasia (Finsia) and a Financial Planner Member of the FPA, as well as a professional educator. He has a Master of Education and a Bachelor of Applied Science majoring in mathematics, as well as a Graduate Diploma of Financial Planning.

Chris will be working out of the Retirewell office in the city, as well as from offices he shares with an accountant in Albion and a lawyer in Morayfield.

Chris brings to his role a breadth of knowledge gained from previous positions with the Australian Defence Force, government and private educational institutions and large and small boutique financial services companies.

Chris is married with two adult children. He enjoys spending time with his family, bushwalking, kayaking, sailing, motorbike riding, backpacking holidays and watching rugby league and rugby union.

Adam Massey joined Alan's team in March as an Adviser with more than 10 years experience in financial services. He has replaced Donna Heard, who left Retirewell in February after 16 years of service to pursue an opportunity to further her career in Melbourne.

Adam was previously Head of Adviser Services for a national advisory firm, and has been a Technical Manager in another boutique financial planning firm. He holds a Bachelor of Business degree and a Diploma of Financial Planning, and is a Financial Planner Member of the FPA. He is married with three young children.

Himalayan Trek 'No Holiday'

Alan's client service manager, Tirtzah Hartvigsen (pictured at left in her Kathmandu cold weather gear with her Sherpa guide Nurbu), went trekking in the Everest region of Nepal in September. T tells us this was no holiday! It was two-and-a-half weeks of strenuous exercise walking up and around steep mountains, eating basic food and sleeping rough. After walking for one-and-a-half weeks, T made it to Island Peak base camp at 5,100 metres where her group camped for the night on rocky, barren ground. On the day of the summit attempt, they started at 2 am, but by the time T arrived at the high camp at 5,500 metres four hours later, she had reached her limit due to the lack of oxygen and wisely decided to descend with a Sherpa guide and wait for the others to return. The altitude T reached was higher than the nearby Everest base camp! It may not be everyone's cup of tea (pun intended), but she returned home with wonderful memories of the beautiful scenery and the friendly people, as well as a sense of achievement.

Season's Greetings

We wish you and your loved ones a very Merry Christmas and a peaceful and more prosperous 2015. Our office will close after lunch on Wednesday, 24 December and re-open on Monday, 5 January 2015.

The best compliment that we can receive is a referral to one of your friends, family or colleagues.

RETIREWELL

WEALTH MANAGEMENT SOLUTIONS

A.D. (TONY) GILLETT
CFP® FPA Fellow CDec

ALAN BAKER
MCom(FinPlan) CFP® DipFP

The Retirewell team, from left: Leeanne, Tony, Angie, Alan, Tirtzah and Adam.

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