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THE RETIREWELL REPORT

A Newsletter for Clients and Friends of Retirewell Financial Planning Vol. 15 No. 2 Summer 2012

2013 Should Surprise On The Upside

Many commentators believe that 2013 offers a more optimistic environment than 2012, as a number of key global uncertainties continue to resolve themselves positively. Australian and global share markets are not positioned for such an outcome, hence this sense of optimism.

The Four Big Fear Factors

Four major concerns have dominated world headlines in 2012, revolving around Europe, China, the US and global growth generally. How will these play out next year?

Europe

Maintaining stability in Europe is very important globally. Now that the European Stability Mechanism is in place, which allows the European Central Bank to buy European sovereign bonds and to loan directly to Euro banks, the threat of a major European collapse has been greatly reduced. The Eurozone may even achieve small positive GDP growth in 2013. Europe will continue to provide a source for dramatic headlines and markets worries as it muddles its way towards a necessary level of greater fiscal and political integration, with sub-par growth being the norm for some years yet.

China

The slowdown in Chinese economic growth (so important for Australian iron ore and coal exports) seems to have bottomed at around 7.5% of GDP. Indicators for industrial production, investments and business conditions seem to be bottoming or have improved in the last few months. The transition to new Chinese leadership headed by Xi Jinping as President and Li Keqiang as Premier has gone smoothly. The outgoing President announced a target to double GDP by 2020, which implies annual GDP growth of 7% p.a. China's catch-up potential remains immense. On a per capita basis, roads, railways, airports, living space and cars are well below US and Australian levels – see table below:

	Chinese level per person as %	
	of US level	of Aust level
Paved road network	13	11
Rail network	9	4
Airport capacity	2	14
Telephone lines	43	N/A
Living space	35	N/A
Passenger cars	5	5

Source: Bank Credit Analyst, AMP Capital

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"Bring me the most expensive toys. I think that's the best way to stimulate the economy."

Seasons Greetings

We wish you a joyful Christmas and a peaceful and more prosperous 2013. Our office will close from Monday, 24 December and re-open on Wednesday, 2 January 2013.

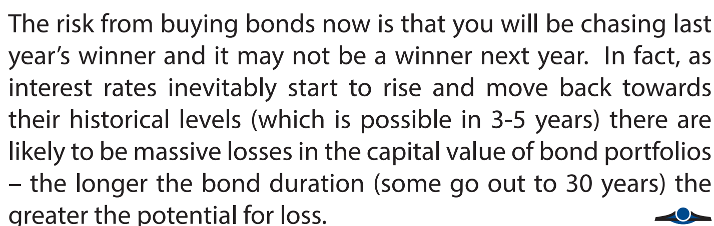
The Risk With Bonds

Over the year to 30 June 2012, Australian bonds returned 12.4% - a good return for an investment that seems so safe. But there is a sting in the tail.

Bonds are not like term deposits because bonds can be traded. Professional and institutional investors hold portfolios of bonds with different interest rates and maturity periods. If they hold them to maturity they will get their money back just like a term deposit.

Depending on their view of where interest rates are heading, they may sell a bond to another investor. In technical terms, the value of the bond will be the "present value of the future cash flows discounted at the prevailing interest rate".

What this means is that if interest rates are falling investors will be willing to pay more for the bond, so the seller makes a capital profit. Conversely, if interest rates are rising the seller will have to discount the price – after all who wants to buy a bond that returns less than you could get if you bought a new one today?



Over the last year or so, interest rates have been falling so these capital profits have been available. The question for bond investors is not what happened in the past, but what will happen going forward. If interest rates are almost as low as they are going to get, then the only way from here is up.

The risk from buying bonds now is that you will be chasing last year's winner and it may not be a winner next year. In fact, as interest rates inevitably start to rise and move back towards their historical levels (which is possible in 3-5 years) there are likely to be massive losses in the capital value of bond portfolios – the longer the bond duration (some go out to 30 years) the greater the potential for loss.

Short Memories

It is easy to assume that the big events of today are happening for the first time. Take the threat that Greece and some other European countries will default on their loans. When Governments borrow money (called sovereign debt) they always pay it, don't they?

Well, actually no. The history of Governments defaulting is long. Coincidentally, the first documented example is the Greeks 2,400 years ago. France defaulted eight times and Spain six times in the 16th and 18th centuries.

Defaults are often triggered by wars or revolutions. Japan and Italy defaulted at the start of World War II and Russia, Cuba and China defaulted after their communist revolutions. A fall in oil prices in the 1990s caused Russia to default. Argentina defaulted on all its foreign debt in 2001.

Sovereign defaults are not new. However, we believe that (Greece excepted) inflation rather than default will be used as the major tool to reduce the debt of the major developed economies in the future.

Cash Hassles For Retirees

Retirees are well known for their ability to keep their eyes on the pennies. This can be even more challenging just now.

Falling interest rates

A year ago you could get a Government-guaranteed return on a term deposit of 6%, now the best you can expect is around 4.5%. That's a 25% drop in income.

Deeming

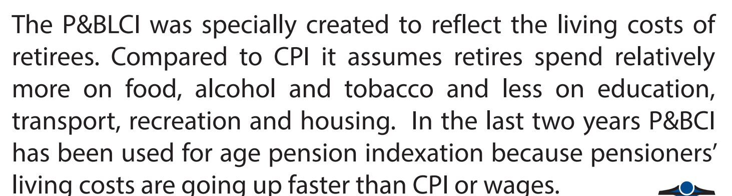
In the age pension Income test, financial assets are not assessed on their actual return but are deemed to earn a Government defined interest rate. The deeming rates are typically lower than is available on term deposits and other investments. This means retirees can earn a few extra dollars from their investments without impacting on the age pension.

Deeming rates have not changed since March 2010 in a time when interest rates have been falling. This extra earning opportunity is hard to find without considering more risky investments.

Pension indexation

The age pension is based on a wages benchmark – the full age pension for a couple is 41.76% of Male Total Average Weekly Earnings (a figure worked out by the Australian Bureau of Statistics).

The age pension is indexed on 20 March and 20 September by the higher of the Consumer Price Index (CPI) and the Pensioner and Beneficiary Living Cost Index (P&BLCI). Again both figures are determined by the ABS and it is the higher figure which is used.



The P&BLCI was specially created to reflect the living costs of retirees. Compared to CPI it assumes retires spend relatively more on food, alcohol and tobacco and less on education, transport, recreation and housing. In the last two years P&BCI has been used for age pension indexation because pensioners' living costs are going up faster than CPI or wages.

Be Happy, Be 70

The first survey of happiness produced by the British Government this year surprised everyone. It showed that 70-year-olds are as happy as 20-year-olds and happier than those in between.

Perhaps the one word that sums up why they are happy is "liberation". Seventy-year-olds are free of caring responsibilities because typically their parents have died and their children have left home. They are retired so don't have to deal with employers and deadlines. They accept themselves as they are – not as pretty, not as fit but with no need to worry about who they should be. They are what they are.

One other possible reason is that happy people live longer than miserable people. So maybe the grumpy ones have died off already and are not around to complete surveys.

Retiring Comfortably

It's always hard to know how much you need to live on in retirement. You won't pay much tax, 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. The needs of singles and couples will be different and the report differentiates between retirees accepting a modest retirement and those aspiring to 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. This group will be 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 2012 are shown in the table.

Single modest	Couple modest	Single comfortable	Couple comfortable
$22,539	$32,511	$41,090	$56,236

The age pension (including Pension Supplement) is just over $20,000 a year for a single person and just over $30,000 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

Tips For A Healthy Life

1. Take a brisk walk everyday and smile as you go.
2. Spend more time with people over 70 and under six.
3. Live with energy, enthusiasm and empathy.
4. Eat more food from living plants and less food from manufacturing plants.
5. Practice acts of random kindness.
6. Eat brekkie like a king, lunch like a prince and dinner like a teenager with a maxed out credit card.
7. Play more games and read more books than you did last year.
8. Make peace with your past so it doesn't spoil the present.
9. Remember whether today is good or bad, it will change.
10. Be happy - happy people live longer and better than miserable people.

The Search For Income

Retirees will support themselves with their investments, possibly the age pension and maybe some employment income. The age pension depends on assets and income and there are few legal opportunities to influence the Centrelink calculations. Work depends on your skills, health and the employment opportunities in your area.

So for many retirees, getting income from their investments is a key area of concern. As noted in other articles, interest rates have been falling on term deposits and it seems unlikely that bonds will repeat their good returns in 2013.

Direct property is an option with the subdued residential real estate market, however income returns after expenses are typically only 3% to 3.5%pa. The yields from direct commercial property are higher, but this type of property requires a large outlay and there can be greater risks with ongoing tenancies.

Many retirees have been frightened off shares after the collapse of share markets in the Global Financial Crisis. Retirewell has published a paper that will show you the income producing potential of shares. We can send you a copy or are happy to discuss it with you.

Key points are:

- Dividends from Australian shares are very consistent and stable.
- Dividends have increased over time as share prices have increased.
- Dividends are tax-effective because of tax credits from tax already paid by the company.
- Over the last 20 years, real returns from shares have averaged 7.8% pa assuming inflation of 3% pa. This return comprises 4.4% in dividends and 3.4% capital growth.

If investors looking for income can put the share price volatility to one side, they may be surprised to find that a quality share portfolio can pay a rising income stream with potential for good capital growth – particularly from current levels as the Australian stockmarket is still around 35% below its peak in November 2007, 5 years ago now.

Retiring Retirement

Retirement is something of a 20th century anomaly. For most of history, people didn't retire – they died or stopped work because they were physically unable to continue. In the 21st century working past the traditional retirement age is becoming the new normal.

A recent survey of older Australians showed 20% of respondents thought retirement meant no work, 20% felt it meant the end of full-time work and the rest saw it as a continuation of work – either paid or unpaid. For some people, this view may be because the GFC has damaged their wealth and they cannot afford to stop work altogether. But for many it is a lifestyle choice where flexible work can be fun as well as providing extra income and time to travel or "do their own thing". Work can give life a purpose whether it is paid or voluntary.

Apart from the attitude of these older Australians, you have to ask whether retirement is something the nation can afford. Consider some facts. In 1900 median life expectancy was age 47 and now it is over 80. (Median means the middle so 50% of people will die before age 80 and 50% will die after 80). The fastest growing age group in Australia is the over 85s.

Retiring at age 60 or 65 will mean you need to have the financial resources to support yourself for 25 to 30 years – or the Government will have to pick up the tab. It would be nice to think we are entitled to an age pension but unlike many Western countries we haven't contributed to a state-run pension scheme. The age pension is paid from current Government revenue.

An ageing population provides a dilemma for many developed nations. It is estimated that 25% of Australians will be over age 65 by 2050. We lag Japan though where 25% of the population is already over age 65 and by 2022 it is estimated that it will be 30%.

Demographers (who study population) have seen changing lifestyles with the traditional school/work/retire pattern breaking down. Many people have more than one career – it is predicted that today's school leavers will have four different careers in their lives. A trend to "cyclical retirement" is emerging.

Our current superannuation system supports this trend because you can retire at age 55 and draw a pension. It seems many people aspire to take a rest, travel, enjoy new experiences and then get re-educated to go back to work. This work would be different to their past career with less stress, more flexibility and maybe less income. But let's face it, income needs are lower when the mortgage and kids are off our hands.

Many in this age group are too talented to waste and we need their skills and knowledge in the workforce either in paid or voluntary work.

Quote From The Movie "The Best Exotic Marigold Hotel"

It will be alright in the end; and if it's not alright, it's not the end.

The Dangers Of Inflation

A little bit of inflation is not a bad thing - but a lot of inflation is very destructive. For those in the workforce, wages typically rise at close to the inflation rate or they may move to better paying positions. Your contributions to superannuation will rise with your salary helping to keep your retirement target on track.

For retirees, inflation is a real trap. The good news is that the age pension is indexed. However, returns from investments will fluctuate over time and may not keep pace with rising prices.

The maths is a bit frightening over a long period. Assume you want your retirement income to be $30,000 a year from your investments on top of the part age pension. Now as prices go up so you will need more from your investments to keep up.

The Reserve Bank's inflation target is between 2% and 3% per year. Assuming 2.5% inflation you would need your annual income to grow to $33,942 in the fifth year of retirement just to keep up with price increases. After ten years the figure is $38,403, after 20 years it is $49,158 and after 30 years it has more than doubled to $62,927.

If inflation was just one percentage point higher you would need $42,318 in the fifth year and $84,204 in the thirtieth year.

Why would inflation go up, you may ask? The risk for Australia is catching inflation from the rest of the world. The USA and Europe are struggling to get their economies out of the doldrums and already have taken interest rates as low as they can in an attempt to stimulate growth. The unconventional strategy of Quantitative Easing involves Governments buying debt from banks so that banks can lend it out to stimulate the economy. Manipulating an economy in this way is a risky strategy which could backfire and fire up inflation.

All the major developed economies (US, Europe, UK, Japan) are now struggling with high levels of government debt. There are three solutions to the problem of excessive government debt: grow the economy faster (difficult and unlikely), default on the debt (a very common response historically, but almost unthinkable for today's major nations) or to reduce the size of the debt over time, through consciously running a higher inflation rate (more insidious and less painful politically).

So we believe that higher inflation is inevitable in the future. The ability of your investments to keep pace with inflation will become a more critical issue in future planning.

"I think we should pay the electricity bill first."

Protecting Your Estate From Predators And Creditors

The increasing complexity of modern society means it is hard to protect your assets from others who want to get a share. This is particularly true on death. The press often reports on families disputing a share of deceased estates and over a quarter of the complaints heard by the Superannuation Complaints Tribunal are about who gets the deceased member's super.

This uncertainty can be reduced by the use of a **testamentary trust** set up on death under the provisions of the deceased's will. The trust will hold assets from the deceased's estate and the trustee will determine how the income and/or capital are paid to the beneficiaries. The trust structure provides many benefits.

Bankruptcy

Assets held in a testamentary trust are protected from creditors because the beneficiary does not own them personally.

Younger beneficiaries and spendthrifts

A testamentary trust can be used to exercise some control over how inheritances are paid out. This may be useful if the deceased was concerned about how younger beneficiaries would handle a large sum of money. It also could be useful where the beneficiary has a drug or gambling addiction or there is a fear that the money may be wasted.

Tax treatment of minors

Unearned income received by anyone under age 18 is taxed at penalty rates where the income is over $416 a year. However, income paid to a minor from a testamentary trust is taxed at adult rates with the normal $18,200 tax-free threshold and marginal tax rates.

Therefore, where there are minor children or grandchildren, significant tax savings can be made by investing money from an inheritance in testamentary trusts.

Relationship breakdown

The Family Court will consider all the assets of separating couples in determining an equitable property split. It will include the assets in a trust as part of the property pool, but cannot order the assets of a trust to be split between the parties.

If you are thinking a testamentary trust would be beneficial in your estate planning, there are other issues you should consider. There will be costs to run the trust and there should be sufficient assets to make it worthwhile. Life insurance is often used to make sure the wishes of the deceased can be met. A testamentary trust cannot be used to hide assets from social security means testing. In most cases, assets in a trust will be attributed to the beneficiary even if they do not personally own them.

We are all different (and so are our families). Your Retirewell adviser can help you decide if the use of a testamentary trust in your will, suits your situation.

Kids And Money

It would be much easier for parents if they could send their kids off to school and know that they would emerge with knowledge and skills in maths, English, road safety, basic mechanics, public speaking, managing money – the list goes on. Schools cannot possibly do all that and anyway some skills only parents can impart.

Managing money is one of them because your kids will copy what you do rather than what you say. If you argue about money or are secretive about it or spend recklessly, your kids will see that as normal. Whole books are written on financial literacy for kids but here are three useful tips:

Use cash

Kids need to understand that once money has been spent it's gone. Rather like a lolly jar – when you've eaten the last one there is no more. Credit and debit cards may seem like magic to kids because they always give you what you want – rather like a magic lolly jar that constantly refills. Using cash can show kids how money is not limitless.

Making choices

Money forces us to make choices – what to buy now, what to defer, what to borrow to get now. Even if you win the Lotto you will have to make choices. When children are small they learn if they make a fuss their needs will be met quickly. At some stage on the way to being a grown-up, children have to learn the idea of delayed gratification. You have to wait and work or save to get what you want. Try the test on your kids – ask them if they'd rather have a lolly now or wait 30 minutes and have two.

Being open

Talk about money to your kids. Show them what things really cost and how you can get good value for your dollars. Take them to the supermarket so they can see what milk, bread and eggs cost. Involve your kids when you talk about big money decisions such as holidays, new household goods or a new car.

All these ideas seem so simple and so obvious – but they need thought, planning and implementation by parents.

Why God Made Mums - Part 2

Answers given by 2nd grade school children to the following questions:

1. Why did God give you your mother and not some other Mum?

a. We're related.
b. God knew she likes me a lot more than other people's Mums like me.

2. What kind of little girl was your Mum?

a. My Mum has always been my Mum and none of that other stuff.
b. I don't know because I wasn't there, but my guess would be pretty bossy.
c. They say she used to be nice.

2013 Should Surprise on the Upside

Continued from Page 1

Thus the keys drivers of China's growth remain in place (via urbanisation and productivity growth) and will continue to create strong demand for our exports.

The U.S.

The media are wringing every last ounce of drama out of the "fiscal cliff", which involves the rollback of a number of earlier stimulatory measures introduced by Presidents Bush and Obama. It will result in a return to higher spending and higher taxes for the well-off from December 31, 2012. The problem is that if this occurs, US GDP will decline by US$607 billion or 4%, as against projected growth of 2% - a recession would be unavoidable.

Politicians may bluster, but they're not stupid – the "fiscal cliff" issue will be resolved, by a pragmatic combination of compromise and deferral.

The US housing recovery is gaining momentum and QE3 (using printed money to purchase long term US Government bonds) has been boosted to $85 billion a month, thus providing monetary stimulus to boost growth. All this suggests that US growth could pick up to a respectable 2.5% next year.

Global Growth and Share Markets

Global growth is on track for at least 3% growth next year – not brilliant, but not the disaster many have been fearing and factoring into the share markets. Monetary conditions remain very easy globally, which will keep interest rates down for the foreseeable future. Indeed the US Federal Reserve has promised to hold short-term interest rates to near zero till mid 2015. Less developed countries don't have the debt problems of the developed countries. Around 45% of the earnings of the US S&P 500 companies are now generated in emerging economies enjoying very strong growth. Shares remain very cheap relative to bonds as seen by a massive 6% or so gap between equity yields and bond yields. As a consequence, we believe that shares will continue to move up next year, though with considerable volatility along the way.

For many investors, it seems counter-intuitive that markets could be buoyant yet the developed economies are struggling. Yet that isn't surprising; historically, rising markets (especially equity markets) have foreshadowed economic growth, which drives earnings growth, which drives share prices.

Thought For The Day

"The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails"

William Arthur Ward

Investing For Kids

Putting money away for your children or grandchildren involves the same decision-making process as any other investment.

What are you saving for?

There are two possible answers to this question – either for expenses you will incur in the future in supporting your children (such as education costs) or as a future gift to the child at a key life milestone (as a deposit for a house or travel).

What's the goal?

It helps to set a target especially for a major expense like schools fees (ASIC estimates future private high school costs for one child could be over $200,000). It may be possible to fund fees through cash flow but a sizeable lump sum can provide security for the unexpected.

What's the strategy?

There is no one-size fits all solution. It depends on the parent's income and marginal tax rates, their attitude to investment risk, the time they have to save and the degree of flexibility required.

Some suitable investment products include online savings accounts, managed funds and direct shares. The income from these assets will be taxable and it is important to decide who owns the asset. Children are taxed at penalty rates once their unearned income exceeds $416 pa. That means they could have an investment of $6,933 earning 6% and pay no tax. If one parent or grandparent is not working they could earn income of $20,542 and pay no tax.

Insurance bonds may be an option where both parents are on high marginal tax rates. They are like managed funds run by a life insurance company and are internally taxed at 30%. Withdrawals after ten years are tax-free. They can be set up so ownership automatically passes to the child at a pre-defined age.

If parents want a guaranteed return with no tax consequences, they could allocate money to their mortgage and then use a mortgage redraw facility to meet future expenses. If the mortgage rate is 6%, a parent on the top marginal tax rate would need to earn 11.2% on an alternative investment to do better (after tax and fees).

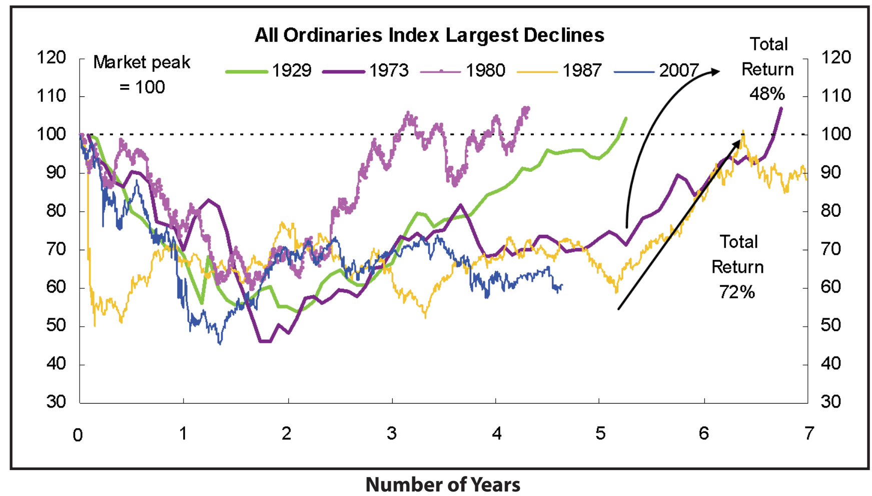
The one certainty when savings for the kids is to start early to get the benefit of compounding.

Warren Buffett Speaks...

"Over the long term, the stock market news will be good. In the 20th century, the United States endured two world wars and other traumatic and expensive military conflicts; the Depression; a dozen or so recessions and financial panics; oil shocks; a flu epidemic; and the resignation of a disgraced president. Yet the Dow rose from 66 to 11,497."

Five Years And Counting

November 2012 marked five years since the S&P/ASX200 Index reached an all time high of 6834 points. The chart shows the progress of the market during 5 previous major market downturns over the last 100 years.



Source: Datastream, IRESS, Citi Investment Research and Analysis

There are several important points to note:

1. In all previous major downturns, the market reached its previous peak within 7 years.
2. Five years on, our market is still around 34% below the previous peak.
3. In two of the previous downturns (1973 and 1987) when markets started to recover, they did so very rapidly – up by 48 % and 72% respectively over the last 18 months.

We are not suggesting that the ASX will rise by 50% over the next two years. However, we do believe that the current level of pessimism is overdone – though one can hardly blame investors, given the damage done to portfolios by the GFC and the relentless daily diet of bad news regarding the world economy, which has led to a high level of risk aversion.

However our confidence in the Australian share market is supported by a number of other factors:

- The fall in cash and fixed interest returns (term deposit rates are likely to fall below 4% over the next 6 months) makes typical share dividends of 6% - 7% (including franking credits) look very attractive indeed.
- Price earnings ratios are still well below long-term averages.
- While share prices may be volatile, share dividends are a very stable source of income.
- While the Australian economy has been the envy of the world over the last five years, our stock market has consistently under-performed.

So if our optimism is well founded, the next few years could see excellent returns from our stock market.

MARKET INDICES TO 30 NOVEMBER 2012

MARKET	INDEX	1 Mth %	6 Mths %	1 Yr % pa	2 Yrs % pa	3 Yrs % pa	5 Yrs % pa
Cash	UBS Warburg Bank Bill Index	0.25	1.75	4.09	4.55	4.56	5.00
Australian Sharemarket	S&P/ASX All Ordinaries Accumulation	0.27	11.99	13.09	2.78	2.92	-3.10
	S&P/ASX 20 Leaders Accumulation	0.84	16.97	17.94	5.73	3.77	-0.37
	S&P/ASX100 Accumulation	0.64	14.11	15.74	4.51	3.33	-2.39
	S&P/ASX300 Accumulation	0.39	12.96	14.21	3.47	2.91	-2.97
	S&P/ASX Small Ords Accumulation	-2.43	0.94	-1.20	-6.81	-1.48	-7.97
Property	S&P/ASX300 A-REIT Accumulation Index	-1.28	15.73	25.80	13.40	9.28	-10.42
Aust Fixed Interest	Aust Comm Bank All Series/All Maturities Accumulation	-0.34	3.91	10.10	9.36	8.49	8.08
International Sharemarkets	MSCI World Accumulation Index ($A) (MSCI - Morgan Stanley Capital International)	0.72	5.15	12.56	3.54	2.91	-4.44
USA	MSCI USA Accumulation Index ($A)	0.04	1.62	14.35	7.27	6.85	-1.81
UK	MSCI UK Accumulation Index ($A)	0.82	8.81	11.32	4.22	2.56	-6.04
Europe	MSCI Europe Accumulation Index ($A)	1.99	13.68	13.09	1.99	-0.96	-7.69
Japan	MSCI Japan Accumulation Index ($A)	1.76	-2.55	2.18	-8.53	-3.36	-8.92
Asia Ex Japan	MSCI Far East ex Japan Accumulation ($A)	1.98	6.67	17.96	-1.06	3.55	-3.17
International Fixed Interest	Citigroup World Govt Bond Unhedged Accumulation ($A)	-0.75	-4.94	1.90	1.03	-1.48	1.94
Inflation	CPI – Weighted Capital Cities (@ 30/9/2012)	N/A	1.90	2.01	2.71	2.77	N/A

Looking Ahead

The Global Financial Crisis has had major implications for some of the fundamentatal basics of investment decision making. The lessons learned over the last 30 years no longer provide a reliable guide to the next 10 years. We set out below a few of the changes which will challenge accepted wisdom.

Reference Point	Boom Times (1983-2007)	Period Ahead (2011-2020)
Earnings growth	Above average	Below average
Global growth driver	Leverage	Asia
Australian dollar	Below parity	Above parity
Cost of capital	Declining	Rising
Main driver of returns	Capital gains	Income growth
Lowest-risk debt	Government	High-grade corporates
Preferred risk hedge	US bonds	Income-producing assets
Asset exposure	"Growth"	"Quality"

It won't be the smartest investor that benefits from the new environment, or the fittest, but the investor who is most adaptable to change.

Thoughts On Income

"First secure an independent income, then practice virtue"

Greek proverb 300BC

"A large income is the best recipe for happiness I ever heard of'"

Jane Austen 1775-1817

"All progress is based upon a universal innate desire on the part of every organism to live beyond its income"

Samuel Butler 1835-1902

"A broken heart is a very pleasant complaint for a man in London if he has a comfortable income"

George Bernard Shaw 1856-1950

"Annual income £20, annual expenditure £19/19/6, result happiness. Annual income £20, annual expenditure £20/0/6, result misery. (Mr Micawber from David Copperfield)"

Charles Dickens 1812-1870

One of the pleasures of our business is that many of our new clients come to us because our existing clients suggest that they do. If you like what we've done for you, please tell your family, friends and colleagues about us. We promise to give them the same high quality of advice and service you have come to expect.

RETIREWELL

WEALTH MANAGEMENT SOLUTIONS

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

ALAN BAKER
MCom(FinPlan) CFP® DipFP

MARK HOLZWORTH
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