

AMBLESIDE NEWSLETTER

AUTUMN EDITION
MARCH 2021

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- + Market update
- + Supplement payment update
- + Footy tipping competition is back!
- + Is pet insurance worth it?
- + Ros' roast vegetable frittata
- + How to practice mindfulness



A WORD FROM THE PRINCIPAL

Welcome to our autumn newsletter. First I would like to welcome Ros to the office, who started as our Administration Officer late last year. Previous to Ros, Brooke worked in this role and last week we had a visit from Brooke and her three week old baby boy Huey. They are both doing very well.

Caitlin is in the final stages of planning a well earned long service leave road trip to Western Australia over April to June this year. This is of course made all the harder by frequent border closures but we're confident they'll be able to get away. The team has got plans in place to cover Caitlin's absence and we wish Caitlin and Josh all the best for what will be the trip of a lifetime. Thanks for all the travel advice already received as many of you have recounted stories travelling that side of the country.

We all hope the rolling lockdowns will become a thing of the past as we pass the 12 month mark since COVID-19 started in Australia. Most business sectors seem to be recovering, with the notable exceptions of tourism and international travel. With the Jobseeker supplement and Jobkeeper due to end in late March the government has just announced a tourism package of grants and loans. There are now less than 1 million people on Jobkeeper, however a disproportionate number are in tourism related areas.

The financial advice profession is continuing to progress at a fast rate following the Banking Royal Commission in 2019. Later in the newsletter I have got an update on the NAB sale to IOOF, and correspondence you may receive regarding fee refunds and compensation.

Thank you to the Warrnambool Lawn Tennis club for running another great corporate bowls competition this year. Ambleside had a bit more success this year and ended up mid pack (instead of closer to the bottom!) Things nearly got derailed with the snap lockdown in the middle but thankfully this was short lived.

The Royal Commission into Aged Care Quality and Safety released their final report on 26th February 2021. The findings were largely foreshadowed in the interim report released October 2019, but it still made for difficult reading.

The bottom line is the sector is chronically underfunded. This is evident in low wages, low staff to resident ratios and reports the average daily spend on meals was \$6 per person. It is also exasperated because many centres are run by private enterprises, who aim to maximise return to shareholders.

The government has committed to 'fixing' the system, however there have been 18 major enquiries, with similar findings, since 1997. We will watch the government's response with interest.

MARKET UPDATE

The ASX200 index is currently at 6740 and continuing to recover from the COVID crisis. It was 12 months ago that we were in the grip of the COVID market crash, with the market losing 39% between 20th February and 23rd March 2020, where it bottomed out at 4,402.

Fast forward to 2021 and most economic sectors are recovering strongly. The outlook for this year is strong, but it hinges on the successful rollout of the vaccine. The biggest threat is considered to be a 'mutant' virus strain that's resistant to current vaccines. Although the vaccines can be reprogrammed, and its likely we'll need a booster each year, the logistics of getting a new batch out quickly could mean further economic shutdowns if the current vaccines aren't effective.

Over the month of February the majority of Australian companies released their interim earnings, which covers the period of July – December 2021. These earnings will soon turn into dividends which will be paid to fund holders. Overall the reporting period was better than expected. Companies that did well include Afterpay, the banks, mining companies and electrical retailers such as JB HiFi and Kogan. Predictably those that didn't do so well include Qantas and Flight Centre. These results highlight the uneven recovery from COVID.

We are seeing housing prices rebound strongly, especially in regional areas as people look for other options outside capital cities and the prospect of working from home, at least part time, looks like a permanent option. In Warrnambool the median price change has increased 9.6% over the last 12 months, which compares to a 4.3% rise nationally.

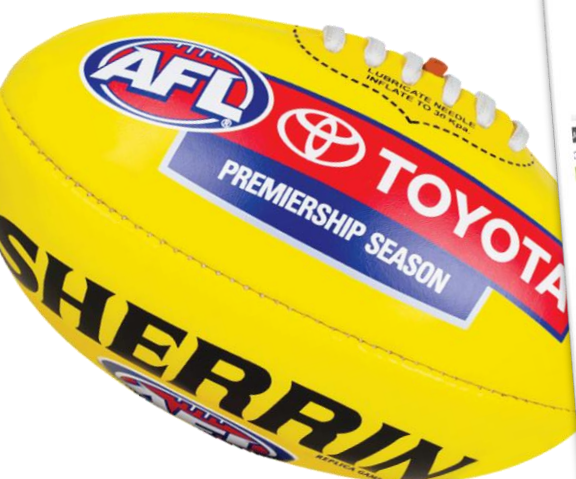
CAITLIN ON LEAVE!

Time sure does fly, with Caitlin coming up to her 10 years of being a part of the Ambleside team. To celebrate (and enjoy a well-earned break) Caitlin is taking long service leave this year, from 29th March until 21st June. Caitlin and Josh will be travelling around Western Australia, taking in all the sites. During Caitlin's leave, James will be available to service your needs, so you can rest assured its business as usual. We wish Caitlin all the best on her trip!

AMBLESIDE'S FOOTY TIPPING REMINDER

Just a reminder, if you haven't already, please get your footy tips in for our 2021 competition. The first game starts on Thursday the 18th March. Give Ros a call at the office if you need help getting your tips in!

Go to the link below:
<https://www.footytipping.net.au/cgi-bin/ambleside/comp.cgi>



MEET ROS!

Ros joined our team at the end of 2020 and has already settled into her new role as Administration Officer. A local to Warrnambool, outside of work Ros enjoys socialising and having a laugh with family and friends, gardening, relaxing with a good movie or a book. To get to know Ros a little better, check out her fab four!

ROS' FAB FOUR!

FOOD – Chocolate - any sort except for Cherry Ripes or Fruit and Nut LOL!

TRAVEL - New Zealand

PET NAMES Ellie, Dotti (2 female Border Collies) and Taj (female cat)

SONG - American Pie





MLC SALE UPDATE

National Australia Bank is progressing with the sale of MLC to listed company IOOF. In the aftermath of the Hayne banking royal commission released in 2019; Commonwealth Bank, Westpac, National Australia Bank and ANZ have all announced to varying extents, their withdrawal from providing financial advice and investment management. They point to rising regulatory costs and dwindling profit margins.

The sale requires regulatory approval, and it is hoped this will be completed by mid-March. This then clears the way for the sale to go through by the end of this financial year. You will continue to see the MLC brand after this time but there will be a number of changes behind the scenes.

Looking back, MLC Insurance was sold to Nippon Life (a large Japanese insurer) in 2016, with NAB retaining 20%. As part of this deal Nippon life was licensed to use the 'MLC' name and this will continue into the future. MLC Insurance is not part of the IOOF deal.

Many of you will have investments managed by MLC. This part of MLC will be sold to IOOF, but the MLC name and the investment management team will move to IOOF. This part of MLC is renowned within the industry as being particularly strong and we do not expect to see any changes in this area. Your funds will continue to be professionally managed by the same team that does this today.

The final part is the licensing, or authorising, of financial advisers, such as the team at Ambleside. MLC will soon stop this role and we will be moving to IOOF.

There will be no change to the way you get advice from us, however you will receive correspondence over the coming months notifying you of this change.

Change seems to be a constant factor in all our lives but we're confident the sale of MLC is a step forward with most of changes occurring behind the scenes.

Please let us know if you have any queries on the sale process.

MLC FEE REVIEWS

As part of the Banking Royal Commission there were many instances identified across the industry of clients not being charged the correct fees. This problem extends back over the last 15 years and includes clients who were charged a fee but received no service; clients who left their adviser but were continued to be charged a fee; and clients who passed away and were continued to be charged a fee.

All the big banks, including MLC and NAB, have poured millions of dollars into auditing files and identifying who should be refunded. The corporate regulator, ASIC, is also becoming increasingly frustrated at how long this taking and pressuring the banks to complete this work.

As a result MLC and other banks have taken the decision to automatically refund some clients who have received financial advice over the last 15 years. MLC believes that it is cheaper, easier and quicker to make these automatic payments rather than individually audit each file. We've heard many stories across the industry where perfectly satisfied clients have received cheques in mail when they didn't even raise a concern. These clients were of course very happy to receive the extra money!

This process is being controlled by MLC and the team at Ambleside does not know who, if anyone, will be part of this program. The refund will target people who held a particular investment or platform at a particular time.

If you do receive correspondence on this matter and have any queries please contact our office.



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COVID-19 SUPPLEMENT PAYMENT

In response to the COVID-19 pandemic some Centrelink benefits, for example Jobseeker and age pension, have been receiving temporary supplements or payments, on top of the normal benefit.

This Jobseeker supplement is ending 31 March 2021, however from 1 April 2021 the following payments will increase by \$50 per fortnight:

- JobSeeker Payment
- Youth Allowance
- Parenting Payment
- Austudy
- ABSTUDY Living Allowance
- Special Benefit
- Widow Allowance
- Partner Allowance
- Farm Household Allowance.

Centrelink is also changing the income free area for JobSeeker Payment, Farm Household Allowance, Parenting Payment (Partnered) and Youth Allowance for job seekers.

From 1 April 2021, you can earn \$150 per fortnight before it impacts your payment. The increase will however, be paired with stricter eligibility and mutual obligation requirements.

In the first instance, there will be a requirement for JobSeekers to attend face-to-face appointments with their providers and the number of job searches a JobSeeker is obliged to conduct per month will also increase to 15 - up from eight during the pandemic. As of July 1, that will increase again to 20 searches per month, as was required pre-pandemic.

LAWN BOWLS CORPORATE CUP!

During the month of February, we participated in the Corporate Bowls competition down at the Wannambool Lawn Tennis Bowls Club. Although the tournament was cut short, due to COVID-19 restrictions, we still got a few good bowls in! Big thanks to Marian and Rob for helping to organise the event each week, it was great fun!





CAITLIN WALKER - PET INSURANCE, IS IT WORTH IT?

Most of us have a furry friend in our life and one question we are getting asked at the moment is, “*is pet insurance worth it?*”. In this article Caitlin takes you through some facts to help you make up your mind.

What does pet insurance actually cover?

Similar to other insurance policies, there are different levels you can choose from:

- *Accidental injury* – this can cover broken bones, flesh wounds or snake bites.
- *Illness* – this can cover infections, upset stomachs and skin conditions.
- *Accident and illness* – you guessed it! This covers all of the above.

What isn't covered by pet insurance?

- Pre-existing conditions that your pet experienced before you took out the insurance or during the waiting period
- Behavioral problems
- Elective procedures

- Pregnancy
- Grooming
- Food and diet products and services

Like other insurance, there could be waiting periods before you can make a claim for your pets' accident or illness and some covers may not cover your pet if there are too young or too old.

How much does it cost?

There are a few things to consider when looking at price:

- *Excess* – generally speaking, the higher the excess the lower the premium .
- *Age* – older pets may have a higher premium as they are more at risk of suffering an illness or accident.
- *Breed* – Some breeds have hereditary conditions which could mean a higher premium.
- *Number of pets* – You may be able to get a discount if you are getting cover for more than 1 pet.

At the end of the day, pet insurance is a personal decision, if it gives you peace of mind that you will be able to afford to cover the cost if something was too happy to your loved furry friend then go for it. If not, that's ok too.



HOW TO PRACTISE MINDFULNESS

The busy and uncertain world we live in, can bring about stress and anxiety, so it is important we all look after ourselves, both physically and mentally.

When you are feeling distracted, practising mindfulness is a great way to improve your headspace. Here are a few tips to help you practise mindfulness and move towards a healthier headspace.

1. Observe your breathing. Take a few minutes from your day to focus on your breathing. It's important to remember that mindfulness isn't a once off kind of thing. It takes time and practice to develop it. You can start to practise your breathing by taking some deep breaths, in and out.

2. Go for a nature walk. Going for a walk can be good exercise, but it's easy being distracted when we're caught up in our thoughts. As you walk, pay attention to the lifting and falling of your feet. Notice the movement in your legs and body. And if you find your thoughts wandering, bring them back to the sensation of your movement.

3. Take mini breaks throughout the day. If you are finding it difficult to be still, it is important to take time out of your day which can be done through mini breaks. To make the most this time, sit down comfortably and focus your attention fully on the feeling of your feet touching the floor, or your bottom on the chair.

You can also get your senses involved, and focus in on what you can smell, see, hear, feel or taste at the present moment. Take at least a few minutes to pay attention to your body instead of what you've been doing.

4. Avoid doing too many things at once. Have you ever started doing something only to have forgotten what you're doing? Sometimes our brains can get a little fuzzy and we get side-tracked. Doing too many things can be distracting, so it's best to limit yourself to doing one task at time.

5. Create a journal. Keeping a journal can be a great way to reflect on your thoughts and feelings in a completely private and safe way. You could consider a bullet journal or just write down how you're feeling each day. This helps you to track your mood overtime and causes you to reflect on how you're feeling each day.

6. Check out these mindfulness apps. Search on your smartphone for these great online tools: Smiling Mind, Headspace, Clam, Stop Breath and Think, Insight Timer.

Mindfulness is about being aware of what's going on around you. It doesn't mean that you have to practise for 20 minutes. But you can set aside time each day to help you practise it.

Source: <https://headspace.org.au/blog/6-ways-to-practise-mindfulness/>

GENERAL ADVICE WARNING

Any advice or information in this publication is of a general nature only and has not taken into account your personal circumstances, needs or objectives. Because of that, before acting on the advice, you should consider its appropriateness to you, having regard to your objectives, financial situation or needs. Past performance is not a reliable guide to future returns.

ROS' ROAST VEGETABLE FRITTATA

Ingredients:

500g sweet potato, peeled, cubed

500g zucchini, cut into chunks

1 large red capsicum, seeded, cubed

1 red onion, cut into wedges

100g reduced-fat feta

6 eggs

60g baby spinach leaves

125g cherry tomatoes, halved (can be added into frittata or served as side salad)

Balsamic vinegar, to drizzle

Method:

1. Preheat oven to hot, 200C. Line large oven tray with baking paper.
2. Arrange vegetables in single layer on tray and spray with oil. Bake lightly for 25-30 minutes until tender and lightly browned. Cool.
3. Transfer vegetables to a large bowl. Add feta, tossing to combine. Spray a quiche tray with cooking oil and add vegetable mixture, spreading evenly.
4. Pour eggs over vegetables. Lightly blend together. Cook frittata on medium heat until cooked and lightly golden.
5. Cut into wedges and serve with the spinach and tomatoes drizzled with balsamic vinegar. (Vegetables can be roasted up to 2 days ahead and keep them, covered in the fridge)

