

AMBLESIDE NEWSLETTER

Spring EDITION!

WHAT'S INCLUDED

- + A word from James Kelly
- + Market update
- + Ambleside Movie Night
- + The benefits of a bucket list
- + Smart saving tips
- + Up and coming events
- + Spring recipe
- + How to find the right caravan
- + Rian's fab four!



A WORD FROM THE PRINCIPAL

Welcome to our spring newsletter and some warmer weather after a long winter.

Last fortnight we attended another presentation with Peter Thornhill in Geelong. Peter is an investment commentator who spoke for us at the Lady Bay and our Ambleside office in February this year. His investment philosophy and teachings are central to the way we do business at Ambleside. For those of you who attended the Warrnambool sessions you'll be happy to know the message has stayed the same! You can find more information on Peter Thornhill at www.motivatedmoney.com.au or his videos on YouTube.

There has been a lot of political uncertainty of late following the leadership spill within the Liberal party. We're keeping our eyes and ears out for some key policy announcements and positioning by the major parties in the lead up to the Federal election next year. Some have already been announced by the current government and include holding the age pension eligibility age at 67 and dumping the plan to cut the corporate tax rate. Others have been proposed by Labor and include eliminating negative gearing on property, reducing the capital gains discount from 50% to 25% and eliminating refunds on franking credits. We will keep you up to date with any changes or major announcements as they come to hand.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry is continuing, with an interim report due out by 30th September. To date public hearings have been held on consumer lending, financial advice, loans to small and medium enterprises, remote and regional Australians (including farming), superannuation and insurance. The findings from the commission are staggering and will no doubt result in change for many parts of the sector. There are many cases of consumers being either ignored or mistreated by financial institutions with resolution only coming after exposure by the media or through the royal commission.

Finally a note about Centrelink processing. We are finding Centrelink is becoming increasingly strict on proof of bank account transactions. They will no longer accept ATM payment slips and often want to see the account transactions that show how balances have changed between updates. We will let you know when we need the extra detail and we're about to launch a new service that will make it easier to provide this information.

MARKET UPDATE

The Australian economy grew 3.4% to the year ending 30 June 2018 which gives an average of 2.5% over the last five years. Amazingly this means the Australian economy has notched up 27 years of unbroken growth, with the last official recession being in the early 1990s and described by Paul Keating as "the recession that we had to have". This good news however isn't seen in all parts of economy with many ups and downs being seen on closer inspection.

Wage growth has remained low at 2% RBA being concerned many people are assuming more like 4% growth when they take out home mortgages. Now I'm not sure if the average person is actually plugging this percentage into a spreadsheet when they think about buying a house, but they certainly believe and expect their wages will grow enough to cover increasing expenses, which is barely the case.

Variable interest rates have been increased by three of the big four banks over the past few weeks, with Westpac +0.15%, ANZ +0.16% and CBA +0.15%. To date NAB hasn't moved although I'm inclined to think this is more of a short term publicity grab than a long term hold. Interestingly these increases have not come about from the RBA raising the cash rate, which has been on hold since August 2016 at 1.5%. Banks are blaming these out of cycle increases on increased borrowing costs as they source a large part of the money they lend from overseas. It's also incredible to note the variation in official interest rates, with a high of 17.5% seen in January 1990.

After many attempts at reining in the residential property market it seems like government and regulator policy is finally having an effect. Restrictions on investor credit have slowed the market with prices in Sydney and Melbourne falling for 10 months straight. Of interest in this area is Labor's proposed policy to scrap negative gearing if they win the next Federal election, which could further dampen the market.

There has been a mixed performance in international markets over the past few months. US markets have performed very strongly on the back of strong corporate profits, while European and Asian markets have fallen behind with concerns about President Trump increasing tariffs and restricting trade. An example of this is the concerns held by German car manufacturers Audi and BMW that a 25% tariff on their cars going into the US will make their vehicles too expensive for US consumers greatly reduce demand. On the flip side, and to show how interlinked trade is, prices of US manufactured cars are also likely to rise as many of the components are imported from overseas. President Trump has already imposed tariffs on \$50bn of goods imported from China and is proposing another \$200bn.

Australian markets have performed well with the All Ords hitting a 10 year high of 6,481 on 30th August. Sectors that have performed very strongly include communications (driven by the merger between TPD and Vodafone) and information technology.

Source: https://www.mlc.com.au/personal/blog/2018/09/economic_and_market

AFL TIPPING COMPETITION UPDATE!



THE BENEFITS OF A BUCKET LIST

With the AFL footy season done and dusted for the year, we would like to congratulate alias 'AP1' on stealing the competition with 133 points. Our top 3 on the ladder were 'AP1' on 133, 'Rude' on 132 and 'Harvey' on 130. Congratulations and a big thank you to everyone who participated in this years Ambleside Footy competition. The AFL footy tipping competition will be back next year!



AMBLESIDE'S MOVIE NIGHT!

A HUGE thanks to those who attended the movie night we hosted at the beginning of July. It was a cold and wet July evening but great to see everyone who was able to make it. If you couldn't attend, we will certainly be hosting another movie night next year and other events over the next 12 months.



It's important to take time for the things you enjoy in life—doing things you enjoy can make you feel energised and more relaxed while at the same time help to keep burnout at bay. Traditional holidays bring important benefits for stress management and life satisfaction, but for those who can't spare the time or expense for a week-long trip, 'staycations' are a viable alternative. Fitting more hobbies and fun into your lifestyle can bring a significant payoff as well. One fun and effective strategy for ensuring you take the time you need for the more fun things in life is to create a 'bucket list'. The idea behind a bucket list is to create a list of things you hope to do before you 'kick the bucket', but you can also use the idea for any deadline—say, a list of things you wish to do before you enter your next decade of life, or before the year ends.

GETTING IN TOUCH WITH YOUR VALUES

When you make a list of all the things you'd like to do it can be a springboard to becoming more aware of what's important to you. When you start thinking about what you really want to do you can find perspective on how you are currently spending your time. Making a bucket list can help you remember what you value the most.

REMEMBERING YOUR GOALS

When we feel we have lots of time ahead of us - a year, or a decade or more- we can focus too much on our day-to-day goals and less on our goals for fun, excitement, or long-term achievement. Creating and regularly reviewing a bucket list can keep us in touch with these goals and get satisfaction from checking them off when completed.

GETTING CREATIVE

Nothing gets creative juices flowing like a good brainstorming session. Creating a bucket list can help you tap into your creative part that dreams bigger, nurtures your inner child, and makes life more worthwhile.

KEEPING TRACK OF PEAK EXPERIENCES

Creating a bucket list can be inspirational. While you may not complete every item on your list, you will likely complete some and get more out of your life than if you hadn't created the list. These are the experiences you may remember the most in life and may change who you are in a positive way. However you use your bucket lists, they can be a positive experience that can be utilised to fit your needs.

5 SMART SAVING TIPS!



Now is a good time to review your current financial situation and put a plan in place for the next 12 months. While we regularly cover these points with our clients they serve as good reminder and may help someone you know.

1. Write down your financial goals and current spending

Make a note of where you'd like your finances to be this time next year. Now jot down your income and expenses for the last month. How much is left over? Are your goals realistic? It's only by taking a close look at your current financial situation that you can begin to take control of it.

2. Make a list of your lifestyle wants and needs

If you want to save or invest more money you may need to consider whether there is anything that you're willing to sacrifice to get ahead. Could you live without that overseas trip? Do you really need to update your smartphone again? It all adds up.

3. Build a budget

To ensure you're getting the most from your money, build a budget and stick to it. Finding the right balance is key. If you make your budget too restrictive you'll likely break it. Alternatively, if you make it too light you might miss out on some financial benefits. And don't worry if you're not a fan of spreadsheets; there are a range of digital tools to help you organise your finances.

4. Track your spending

Once you have a budget, it's important you stick to it. That means tracking your expenses. A great way to do this is to use a digital money tracker.

5. Pay off debt

If you're paying off multiple debts with a range of interest rates, you should consider the appropriateness of prioritising paying down the debt with the highest interest (while continuing to meet your repayment obligations in relation to your other debts). Alternatively, you may be able to combine your debts with a debt consolidation loan. If you can continue to make the same level of repayments, this may significantly reduce the amount of total interest payable and help you pay off your debt sooner.

For more information see the ASIC MoneySmart website: www.moneysmart.gov.au. This is an independent resource with great resources for budgeting, borrowing and general financial knowledge.

SPRING VEGIE LASAGNE



Ingredients:

- 30g butter
- 1/4 cup plain flour
- 1 1/2 cups milk
- 1 bunch asparagus, trimmed, thickly sliced
- 2 zucchini, cut into ribbons
- 2 green onions, trimmed, cut into 8cm lengths
- 1 bunch English spinach, trimmed
- 10 dried instant lasagne sheets
- 1 cup frozen peas
- 250g fresh ricotta
- 2 Roma tomatoes, thinly sliced
- 2/3 cup chopped fresh basil leaves
- 1 cup grated pizza cheese
- Extra basil leaves, to serve

Method

Step 1

Preheat oven to 200°C/180°C fan-forced.

Step 2

Melt butter in small saucepan over medium heat. Add flour. Cook, stirring, for 1 minute or until bubbling. Remove from heat. Gradually stir in milk until combined. Return to heat. Cook, stirring constantly, 3 minutes or until sauce boils and thickens. Remove from heat. Season with salt and pepper.

Step 3

Bring a medium saucepan of salted water to the boil. Add asparagus, zucchini and onion. Boil for 2 minutes. Remove with slotted spoon. Drain on paper towel. Add spinach to pan. Cook for 1 minute or until wilted. Remove with slotted spoon. Squeeze out excess moisture when cool enough to handle. Roughly chop.

Step 4

Cover the base of a 20cm x 28cm (8 cup- capacity) ovenproof dish with 2/3 cup white sauce. Layer 1/4 lasagna sheets trimming to fit. Layer asparagus mixture, peas and 1/3 ricotta. Top with 1/3 of remaining lasagna sheets, 1/2 spinach, and 1/2 remaining ricotta. Repeat. Top with remaining lasagna sheets and remaining white sauce. Arrange tomato and basil leaves on top. Sprinkle with cheese.

Step 5

Bake for 45 minutes or until golden and pasta is tender. Serve with extra basil leaves.

HAVE YOU GOT A RECIPE?

SHARE IT WITH US!

Either email

info@ambleside.net.au

or call us and we shall publish your cuisine in our next newsletter!





MURDER AT ANONVILLE MANOR – A DINNER

To wrap up the last financial year we headed off to Heytesbury House in Cobden to attend the 'Murder at Anonville Manor - A Dinner Party to die for' event. It's pretty much like playing Cluedo, hence why we are dressed up in character. Our hosts Kathryn and Andrew did a sensational job entertaining us for the night. We all thoroughly enjoyed the evening and it was like nothing we've ever experienced before. We HIGHLY recommend getting a small group of friends together and heading down to Cobden to experience the night for yourself. For more information, check out their website:

<http://www.heytesburyhouse.com.au/>

UP AND COMING EVENTS

Over the next couple of months be sure to keep a look out for your invite to a couple of events we are hosting before the Christmas break.

First up, we're organising a complimentary First Home Buyers workshop, where we will discuss all things you need to know about purchasing your first home. We will gather guest speakers who will share with you their knowledge and stories about the buying process. Any friends or family members who you know may be interested in attending this event are more than welcome to come along.

We will also be hosting a ladies 'High Tea' day in December, where guests will enjoy a Devonshire tea while hearing from our local Farmer Power ambassador, Courtney Guy. More details will be included on the invite.

TAX STATEMENTS!

The tax season is upon us and we're sure you're all digging through your paperwork from the last financial year. MLC tax statements are part way through being released and we expect them all to be out by early October. Please give our office a call if you have any queries.





Insurance – the battle of the titans! Stepped vs Levelled

We know that most of you would already have personal insurances in place. But for those wanting a refresh on the differences between stepped and levelled insurance premiums, read Tom's piece below.

When looking at the options in your personal insurance you have a choice as to how you would like to structure your premiums payments. They can be **stepped** or **level**. This refers to how the premium amounts you pay change over the life of the policy.

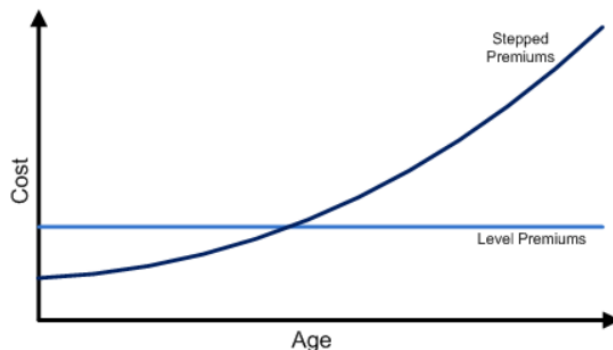
Stepped premiums tend to start cheaper, but will increase each year as you get older. Generally, these can be quite cheap and effective over the short term but they have the potential to rise aggressively in costs, especially once get to your late 40's.

Levelled premiums are more expensive than stepped in the initial years of the policy. While there are small increases over time they increase at a much slower rate and are generally more cost effective in the long term. The purpose of level policies is to allow you to hold cover that protects against long term obligations. The diagram below shows how the costs for the different types of premiums change with increasing age.

The factors that help determine the best option are:

- + Affordability of premiums
- + Reason for taking out the insurance
- + Amount of cover needed
- + Personal circumstances, including age, occupation and health

While this article gives an overview of stepped vs level premiums it's best to discuss your individual situation and requirements with us before making a decision. Your insurance should also be reviewed on a regular basis to make sure it continues to meet your needs.



We may seem like your everyday office workers by day, but by morning, the Aside Avengers (as we like to call ourselves) roll out of bed at the crack of dawn to fit in a quick workout before we head to our desks. One of our personal goals for 2018 is to get fit, so we've committed to a 45 minute session every Monday morning down at Lake Pertobe. With Tom currently studying a certificate in personal training and James' army background, this makes way for some very tough sessions. Here's a routine James took us through a few weeks back – we guarantee you'll be sore the next day!!

THE DECK OF CARDS CHALLENGE

The deck of cards workout may seem simple, but we guarantee it's tough! Each suit is assigned to an exercise for example diamonds = push-ups. Bodyweight exercises are preferred because you move quickly between exercises and need minimal equipment. Draw a card and perform the designated exercise for the number of repetitions indicated on the card, from 1 through to 10. For the picture cards these can be extra 10 reps per card, or you can do a short run instead.



We performed the following exercises:

- Hearts** - Burpees
- Diamonds** - Push ups
- Spades** - Sit ups
- Clubs** - Jump lunges

Enjoy!



MEET RIAN WHITE!

Meet our Client Services Manager, Rian White. Rian has been working within the service industry for over 15 years. Holding a degree in accounting, Rian has a knack for solving calculations before you even think about getting the calculator out.

Rian enjoys spending her spare time heading to the beach with her husband, Ian and son Max. But if it's a winter's day, chances are you'll find her in the kitchen, baking up a delicious treat for her family.

RIAN'S FAB FOUR!



Favorite food: Spicy Buffalo Wings



Favourite movie: Shrek



Pets: Dog named Titan & Cat named Willow



Favourite travel destination: Bali

PENSION AGE TO REMAIN AT 67!

In one of his first announcements as Prime Minister, Scott Morrison announced that the age pension eligibility age will remain at 67 years old, and not increase to 70. The age 70 proposal was part of the ill fated Abbot-Hockey budget of 2015.

The government is under increasing pressure to pay for the aged pension, with contributing factors such as increasing life expectancies and escalating health costs adding to the bill. The average life expectancy for Australians who are already 65 is just over 22 years for a female, and just over 19 years for a male. Although Australia has a growing population the demographics point to an ageing population, which means there are fewer people of working age paying taxes.

Despite this there is little appetite from voters to increase the age pension eligibility age. Many economic commentators believe it will eventually need to be increased, but should only apply to people currently in their 40s who have time to plan for the change.

The other factors the government can control is Aged Pension assets and income test limits. As many of you will no doubt recall it was only in January 2017 that the assets test was quite dramatically changed, with an estimated 100,000 losing all access to Age Pension and another 230,000 having their entitlement reduced.

Lookout for further policy announcements in the leadup to next years Federal election.



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HOW TO PICK THE RIGHT CARAVAN!

From pop-tops to tent trailers, motorhomes and campervans, it may seem that recreational vehicle (RV) options are endless – and they almost are. With so many models on the market, it's hard to know where to begin.

But we have some refreshing news: choosing a caravan is about you and your needs, so here are some things to think about to help narrow down the options.

TRAVEL AND USE

It may seem like common sense, but you really should consider how you intend to use your caravan before you decide on the type that's right for you. This is important as it will help determine the size, features and fittings you require.

Will you be:

- + Travelling across Australia over several months or just ducking out for a few weekend trips each year?
- + Adventuring off road or sticking to caravan parks?
- + Travelling alone or with the kids?
- + Making your caravan your new home?

Before buying a caravan, consider your proposed destinations and the amount of distance you intend to cover. This will help you figure out whether you need leaf-spring suspension or off-road capabilities.

Considering the long-term intentions for your caravan is also a good idea, since your needs may change as your family grows and your career and dreams evolve. It's a good idea to write a detailed wish list within your budget.

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TOWING

Consider the towing capacity of your current vehicle. This could potentially set a significant limitation on the size and weight of the caravan you can carry. Unless you can purchase a vehicle to suit your dream size caravan, you'll need to check your car's **towing limit** and the limitations of your driver's licence.

TYPE

Considering the variety of facilities and configurations available, it's important to think about your needs and wants in terms of size and style when you're buying a caravan. If you like the idea of 'having it all' and you can comfortably drive a large motorhome or 5th wheeler you might enjoy the added leg room and facilities these larger caravans provide.

However, if you like to travel light, then a compact tent or camper trailer can provide smaller (and more affordable) options, with easily added adjoining tent sections.

Thinking about the nature of the experience you desire will help you to decide on other aspects too. Will you require cooking facilities, or do you want to cook outside? You might also need storage space for bicycles or other equipment.

Before buying a caravan, deciding how you will use it and what features you need will make your decision so much easier.

Once you've had a think and made your wish list, be sure to peruse our caravan definitions for a basic rundown of each type of RV and then consult our caravan buying guide for specific advice based on your budget.

GENERAL ADVICE WARNING

General Advice Warning: This advice may not be suitable to you because it contains general advice that has not been tailored to your personal circumstances. Please seek personal financial advice prior to acting on this information. Before making a decision to acquire a financial product, you should obtain and read the Product Disclosure Statement (PDS) relating to that product. Opinions constitute our judgement at the time of issue and are subject to change. Neither, the Licensee or any of the National Australia group of companies, nor their employees or directors give any warranty of accuracy, nor accept any responsibility for errors or omissions in this document. The information in this document reflects our understanding of existing legislation, proposed legislation, rulings etc as at the date of issue. In some cases the information has been provided to us by third parties. While it is believed the information is accurate and reliable, this is not guaranteed in any way. Past performance is not a reliable guide to future returns.