THE COUNT REPORT

Welcoming in a new financial year

COVER STORY

As the end of the financial year approaches, it's a great time for you and your family members to check in on your finances. Make sure that you are maximising all opportunities to help your wishes come true – whatever your age.

In your 20s

Managing debt: Got an iPhone? Of course you have. Got a groovy little car? Check! Got some credit card debt? Yes, indeed. Lifestyle items are all depreciating assets. We're not saying they have no value, but they will cost you money and will not make a return. This is an excellent time to have a think about spending on appreciating assets instead.

The most obvious first step is to pay your way out of credit card debt. All of the media around interest rates tends to concentrate on mortgage rates, but if you take a look at your credit card rates you'll be in for a nasty surprise.

continued on page 4

Count

WINTER 2012 ISSUE NO. 108

A message from the CEO

David Lane

Welcome to the May edition of The Count Report.

As we find ourselves already so close to June, we thought it would be a great opportunity to remind you of opportunities you might consider, depending on your age, in our cover story, *'Welcoming in a new financial year'*. The story may remind you of topics you would like to discuss with your Count Financial Adviser.

Also in this edition, you can read about Jodie Fields, the current Australian Women's cricket captain, and a client of Talbot & Purves, a Count Member. Jodie's story highlights some of the benefits to be gained from financial advice no matter how old or young you are. By seeking advice early you can start planning your financial future and allow more time for your investments to grow.

We hope you enjoy our regular *'Market update'* with Stephen Halmarick from Colonial First State. And in *'Creating opportunities for untapped talent'* we showcase McKinley Plowman & Associates, a Count Member, employing a young man with Aspergers – with great results.

In partnership with your Count Financial Adviser, we look forward to helping you achieve your lifestyle and financial goals. If you have any questions at all, please contact your Count Financial Adviser.

Best wishes

David Lane
Count Financial Chief Executive Officer

By seeking advice early you can start planning your financial future

Market update

An economic update from Stephen Halmarick
Head of Investment Markets Research, Colonial First State

The big three...

What have been the major economic events of the past few months?

1. Changing concerns in Europe

The largest sovereign debt restructuring in history was finally announced, with Greece receiving 95.7% participation among investors after it received approvals from bond holders and made changes to bond contracts to ensure the restructure. This restructure largely removed Greece as a near-term risk for markets, with ongoing focus to remain on the implementation of austerity measures, the upcoming election in early May and the economic growth outlook.

Markets become more concerned about Spain, with the government having to renegotiate its budget deficit forecasts for 2013, with 5.3% of GDP set for 2013, from the original plan of 4.4%, although these targets remain at risk. Economic data continues to deteriorate in Spain, with the unemployment rate reaching 22.85% in Q4 2011.

2. The weather effect on the US

In the US, momentum continued although question marks remain about the impact of a warm winter on activity levels. The most likely sectors to have benefited include the labour market, housing, construction and retail. The US labour market continues to heal with the unemployment rate now at 8.2%. This has taken the total number of jobs added to the US economy to over 2 million in the past 12 months.

One area of focus for the US economy has been concerns over the oil price which has a direct impact on the consumer. Gasoline prices have been elevated in recent months.

The recovery in the US housing market remains problematic, with a stabilisation of activity at best. US existing home sales, new home sales and housing starts have all suffered from some weakness in recent months. There is the expectation that the mild winter brought activity in the housing market forward to December and January. The test for the US economic momentum will be in coming months where warmer weather is the norm.

3. China dominates economic headlines

The annual National People's Congress conference released details about the upcoming economic objectives. The GDP growth target for 2012 has been lowered to 7.5%, down from 8% in previous years. This is in line with the government target to average 7% growth during the 12th Five-Year Plan (2011-2015). This surprised some observers and comes with the continual aim to rebalance China's growth to higher quality domestic consumption, driven by technology and human capital.

In Australia

In Australia, Q4 2011 GDP data was released showing growth at a below-trend pace of +0.4% for the quarter and 2.3% for the year. Growth in the quarter was driven by an increase in household spending, inventory build-up and net exports. In contrast to the past 12 months, the income side of the economy was soft, driven by the first fall in the terms of trade (ie. the ratio of total export revenue to total import expense) since Q3 2010 and the largest fall since Q2 2009.

The labour market remains on the softer side with the unemployment rate remaining at 5.2% but employment growth at very weak levels. This once again suggests the non-mining part of the Australian economy is at a below-trend pace.

If you have any questions or concerns, please speak to your Count Financial Adviser.

continued from page 1

Welcoming in a new financial year

Investing in property: The next step, and it's a big one, is to consider hopping on to the property ladder. Is it time to begin saving seriously for a deposit? Do you know the best ways to do this? Chat with your Count Financial Adviser if you need a little help.

Saving: whether they be term deposits, managed funds or even share packages – certain assets, when well managed, can lead to greater financial wealth.

In your 30s

Superannuation: Superannuation should be on your radar, even though it feels like a long way off. The earlier you start saving, the more you can compound the savings in your super through investments over the long term.

Low and middle-income earners can take advantage of the superannuation co-contribution. If you make eligible personal contributions to your retirement savings account or your super fund, the government will match these annual contributions up to $1000 (depending on your level of income and the matching rate is proposed to halve to $500 from 1 July 2012). Conditions apply – visit the Australian Tax Office website www.ato.gov.au for more information, or speak with your Count Financial Adviser.

Trust accounts: If the pitter-patter of small feet is being heard around your house, then an option is to open a trust account for the children. This can take a number of tax-effective formats, from online savings accounts to investment bonds that are automatically transferred to the child at a pre-nominated age and which can be shaped around educational fees, to shares and managed funds. These can be useful ways to fund their future, but seek professional advice in order to minimise tax implications.

In your 40s

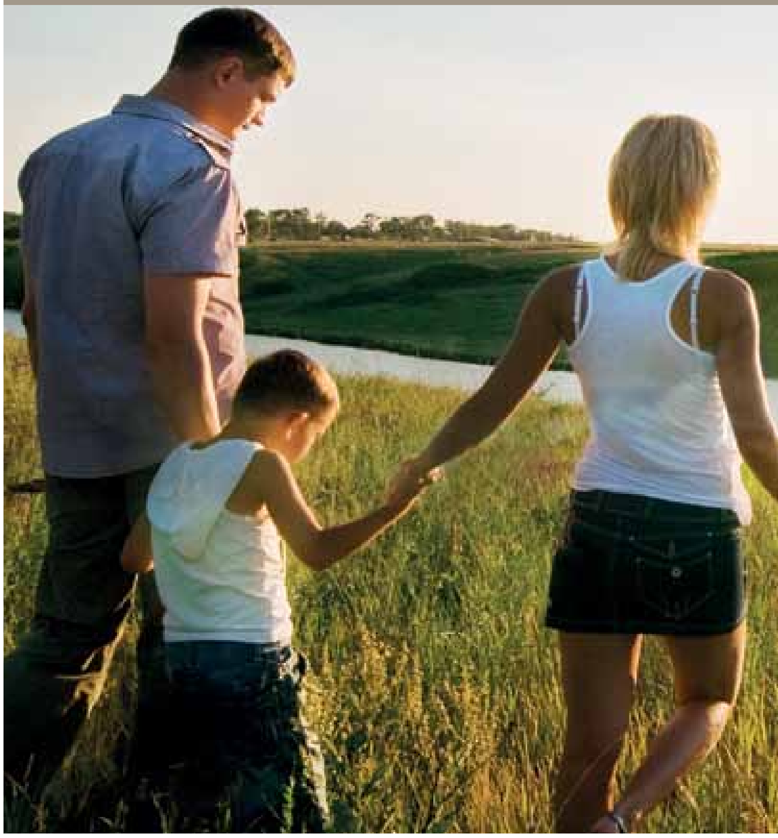
By now you are likely to have various investments. But what is the right mix for your intended lifestyle? Mid-life tends to be a turning point. Goals and aspirations from your 20s and 30s have likely been met and life in general is more complicated than it once was. Where to from here?

Net worth is an obvious starting point, but issues such as cash flow, investments and estate planning are also important areas to take stock. As health issues become more likely and the potential effects of such issues are greater, risk management via insurance products such as life insurance and income protection also become essential. And of course wealth management for retirement begins to loom large.

This is a perfect time for a full financial health check. Here's a great test – do you know where all of your finances are? Do you know exactly what you're worth? And if you were to be struck down by illness and were unable to work, do you know how long your family might be able to survive financially?

If any of these areas are unclear, it's time to take stock. And the best person to help out with big-picture planning is your Count Financial Adviser.

The best person to help out with big-picture planning is your Count Financial Adviser.



In your 50s

Retirement planning: It's now a critical time to think about wealth management for retirement. After the economic dramas of the last few years, how is your superannuation looking? Your investment plan is likely to change direction a little in order to ensure the correct allocations are made towards retirement wealth.

Fortunately the financial systems and regulations are shaped to assist with retirement wealth creation for those aged 55 and over. Special financial benefits can be found within such vehicles as account-based pensions, superannuation taxes can be reduced and salary sacrifice becomes a valuable savings and tax-minimisation tool.

If you're planning to voluntarily top up your super, then you need to be aware of contributions caps which, once exceeded, expose you to extra tax. These caps can vary year to year and will continue to change, according to government legislation, in the future.

In your 60s

Downsizing and slowing down: Now is the time to really begin welcoming the new retirement lifestyle, but it must be done carefully in order to maximise financial opportunities. If you're transitioning into retirement by cutting back on work hours, which is becoming a popular option, then an account-based pension can be a sensible way to replace lost income, reduce tax and allow your future fund to continue to grow.

If downsizing from the family home is on your mind, then financial planning is not all you'll worry about – there will also be the choice of what type of property you're moving to and where, and for what type of lifestyle.

If you're considering helping out your kids with real estate purchases or with any other form of financial gift, then you'll need to consider the implications. Your Count Financial Adviser can help with this, but most importantly will be able to take your hand and walk you through the fast-changing world of retirement planning.

In your 70s

Going the distance: The major concern now is ensuring you have enough savings to last the rest of your retirement, and constantly maximising those savings. Life experience is a priority, whether it's socialising with family and friends, travelling the globe or volunteering for work within the community. And of course health issues can also become a concern.

So where are your finances at now? Are you confident that they can get you through in the lifestyle you desire? Are you making use of all available government support? Are you looking into the right aged care options? Is your estate in order?

There are several simple steps to financial housekeeping during retirement and they are now more important than ever. One of the most basic mistakes people make is simply not realising that specific forms of government assistance are available.

You'll also likely be supporting, in one way or another, your grown kids or your grandkids and it's vital to do this in a tax-effective way.

These are just some of the ideas you might like to consider but for a full health check of your finances, your Count Financial Adviser can best help you.

Twenty20 vision

Seeking financial advice early helped Australian Women's Cricket Captain Jodie Fields overcome injury to pursue her passion – without sacrificing her future.

Photo courtesy of Cricket Australia

At 27, Jodie Fields has led a life that is all about cricket. Growing up in Toowoomba, she developed a keen love of the game from age seven, playing in boys' and men's cricket teams throughout school, then going on to play for the state women's team, Queensland Fire.

She has been a key part of the Australian Women's team for almost six years, becoming captain in June 2009. Even with this sporting success, Jodie has managed to keep her feet on the ground, using financial advice to help build the financial security she needs to follow her dreams – both inside and outside of cricket.

Overcoming injury

Despite her passion and skill, Jodie's career nearly came to an end in 2010, when she slipped while playing a cover drive at the Gabba, tearing three hamstrings off the bone.

Recovery meant surgery, six weeks in a leg brace where she couldn't work, drive or even walk, and months of rehabilitation. And just as she was starting to train again, Jodie was unlucky enough to suffer the same injury a second time, requiring more surgery and forcing her to restart her recovery from scratch.

"They could have been career ending injuries, but I never gave up hope that I could play again," says Jodie. "There were people who said that I wouldn't play again – but you have to believe in yourself."

One thing that Jodie says helped her through her recovery was having income protection insurance through Queensland Cricket, where she works as a Facilities Coordinator.

"Financially, it could have been disastrous," she says. "I had surgery twice and was off work for six weeks at each time – six weeks of income can be quite hard to cover. I've been lucky – by having support around me, it made it much easier to get by and get back to what I want to do, which is playing for Australia."

Combining work and passion

With her full-time role at Queensland Cricket and a part-time role as a Cricket Ambassador at Cricket Australia, Jodie says she's lucky to be able to combine her paid work and her passion. As women's cricket still doesn't attract the same sponsorship and salaries as the men's game, most of the Australian women's team have day jobs to make ends meet.

Even from an early age, Jodie knew she would need to look after her finances to make sure she was able to pursue her cricketing goals, as well as set herself up for life after cricket.

"I wasn't your typical teenager. I was more interested in saving for my own house at a young age."

When she was just 22, Jodie enlisted the help of a financial adviser from Talbot & Purves, a Count Member.

"I've always been interested in these things, but not knowing about them, it's good to talk to people who have the experience," she says. "Five years ago I bought a house, so I had to think about getting a loan, saving a deposit. Then I was interested in buying some shares, and needed advice on how to invest. Having an adviser has helped from an education perspective – it's helped me feel confident that I'm investing the right way."

The benefit of early advice

While many people her age may be reluctant to seek financial advice, Jodie claims that it has not only helped ensure she was supported financially while she was injured, but is helping set her up for the next phase of her life.

"In the next five years I would like to keep paying off my house, and perhaps start a business," she says.

In the meantime, Jodie has her sights set on her next big goal: captaining the Australian women's team as they defend their title in the Twenty20 World Series, to be held in Sri Lanka in September.

"It's a world ranking tournament – the goal is to go there and win."

Jodie's story illustrates some of the benefits to be gained from financial advice – no matter how old, or young, you are. In fact, seeking advice early can help to clarify future goals, so you can start to work towards them, without giving up what you love today. And of course the earlier you start planning your financial future, the more time your investments have to grow.

For more information on how financial advice could help you, contact your Count Financial Adviser.

Creating opportunities for untapped talent

A Count member's solution to an expensive and space consuming paper challenge has created an opportunity for a remarkable employee.

Photo by Frances Andrijich

Count Member, McKinley Plowman & Associates worked with the Autism Association of Western Australia's AIM Employment program to employ 19-year-old Matt Bartels to handle the company's move to electronic data storage.

Matt who has Aspergers, a form of autism characterised by difficulties with social interaction, has proven to be an invaluable member of the company's team for over a year.

McKinley Plowman director Murray McKinley said despite being a highly productive team member and having a 'virtually non-existent error rate', people like Matt often struggled to find employment.

Figures from the Australian Bureau of Statistics showed 34 per cent of people diagnosed with autism were employed in 2009 compared to 83 per cent of the working population.

"Matt arrives at work early, leaves late and always remains focused on his task," said Murray. "We've had to work hard at getting him into the habit of taking breaks and I am glad to say he is now doing this.

"Matt contributes so much to our team, yet people like him remain an untapped resource for our workforce. We are sharing our story in the hope that more opportunities will be created for people with autism."

Autism Association of WA executive manager Russell Thomas said a general lack of awareness about autism meant many employers were missing out.

Russell said there was a broad spectrum of autism disorders and many people could be successfully employed providing their skills, individual ability and strengths were matched with the right position.

Matt, who was diagnosed with Aspergers syndrome at four and a half, said the position at McKinley Plowman, which was his first job since completing his education, was "perfect for him."

To find out how you can create employment opportunities for people with a disability within your business, visit the employer's section of the Australian government website www.skills.gov.au.

CONTACT YOUR COUNT ADVISER AT:

Looking after your financial life

HEAD OFFICE: Level 19, 1 Alfred Street, Sydney NSW 2000.
P 1800 026 868. **www.count.com.au**