

SEGUE NEWS

your financial direction ➤ ISSUE 72 FEB 2010

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Planning for a healthy, wealthy and wise retirement, ensuring your income and preserving your estate, from one generation to the next



A word from Joy...

Back by popular demand!

To the many who have begged us to return to the print version of our newsletter we have

succumbed! Actually, we like it too! However, for those who like reading it on our website it will be available in the section titled (you guessed it) "Segue News."

While I'm on the subject of the website I'll take the opportunity to remind you of some of the other items you can expect to find at

www.seguel.com.au.

Firstly, for Segue clients only, under **LINKS** (requires user name & password) you will find links to:

1. Your personal share portfolio - updated daily
2. your various bank accounts and term deposits - designed to achieve the highest possible interest rates while maximizing accessibility.

...under Segue News > FYI (requires username & password required)

1. weekly market report
2. information covering financial planning matters, administration tracking and investment material
3. a budget planner
4. the Senior Australian Tax Offset Calculator
5. latest MDA Bulletin
6. the latest information relating to -
 - a. Centro MCA 17
 - b. ANZ CPS2
 - c. CBA Perls V
 - d. RFM - Chicken Fund
 - e. RFM - Riverbank
 - f. Black Rock Asset Allocation Alpha Fund
 - g. APN National Storage Property Trust

Everyone else can access information about Segue's history; our people, qualifications and services; Advisers and their qualifications; current news items; details of upcoming seminars - when and where; our vision; our values; testimonials; the planning process;

working with you; the fees; past newsletters; how to contact us... and much more.

Under **WORKING WITH YOU** you will find your own personalised risk tolerance questionnaire designed to ensure your peace of mind and a good night's sleep - critical in the planning process. Here you will also find a "getting to know you" questionnaire which combined with your own personal consultation is designed to ensure the advice you receive matches exactly with your needs, aims and objectives.



Fast Fact

Three quarters (6.2million) Australian households have access to a **COMPUTER**, and 5.5 million of these have internet access. The Australian Capital Territory has the highest proportion of **BROADBAND** connections, at 68% of households. Source Australian Bureau of Statistics.

What is happening in the market?

One of the most powerful forces behind the recent resurgence was the US Govt - not the banks.

Even though the US economy continued to struggle, much of Wall Street was minting money and looking forward to a return to hefty bonuses. Propelled by near zero interest rates, and banks bolstered with taxpayer money. Titans like Goldman Sachs and JP Morgan Chase have been making fortunes in hot areas like trading stocks and bonds rather than in the ho-hum business of lending money. Big banks have strenuously fought the efforts of Congress to subject their industry to greater regulation having been shown in the past that they can have the most frightening things happen to them and they will be thrown trillions of dollars to protect them.

However, these past two weeks financial markets in the States have been pretty gloomy - ever since President Barack Obama told the banks he was taking away their favorite profit toys, their proprietary trading desks.

If earnings don't come from the finance sector in the American economy, they will have to come from somewhere else. And just where will that be?

Obama is clearly not a fan of Goldman ingratiating itself into government circles. He is on the warpath to put Goldman and other investment banks back in their place, with the most far-reaching overhaul of Wall Street since the 1930's.

He has called for banks to stop trading their own accounts, and not own, invest or sponsor hedge funds or private equity groups.

Obama said: "too many financial firms have put taxpayer money at risk by operating hedge funds and private equity funds and making riskier investments to reap a quick reward. And these firms have taken these risks while benefiting from special financial privileges that are reserved only for banks."

Judd Gregg, who is on the Senate Banking committee said that he was a "little concerned

that this, however, is less about financial reform and more about the politics of the day and an attempt to get a populist message going and use the banks as a whipping boy which I don't think is constructive".

If ever anyone needed a whipping though, it is the banks.

Stick The Fed on that list as well.

But is Obama really going to be able to pull this one off? He is up against some real competition here. He may meet his match with the financial lobby. This is the US not China. It could be that he is show-boating to the 95% of the country that hate the financial sector right now, so that he can improve his ratings in the lead up to the US mid-term elections.

The news has kicked the markets in the guts, starting with the financials. The ASX200 opened 2% down after this news, and down for the week again. Some analysts are saying that the market will hit 4300-4500 before recovering. We watch and wait.

More need for advice

With the rising number of middle-class families taking superannuation into their own hands through SMSF's, access to the right financial advice is more critical than ever..

Did you read about the wealthy group of German pensioners who were charged with kidnapping and torturing a financial adviser who lost \$4million of their savings?

They hit him with their Zimmer frames, bound him with duct tape, bundled him into the boot of a car and took him to an isolated area where they chained him, burned him with cigarettes and broke two ribs. In the wake of the GCF it seems financial advisers have achieved pariah status.

It's human nature. We need someone to blame. The institutions that packaged up that subprime debt are too remote to earn the wrath of investors. It's much easier to hold the adviser responsible.

Sadly, this misplaced criticism of advisers could not have come at a worse time, potentially alienating the people whose need for advice has never been greater.

Financial advising is a cross between science and art, with the aim of devising a holistic strategy to meet financial goals involving legislation, tax, investing, saving, superannuation, insurance, and asset protection (estate planning). It's not just about portfolio management or stock selection for the best return. It's about total risk management, and confidence that your lifestyle plans will be met through a clear understanding of how this can be achieved.

If you or your loved ones don't currently have that confidence call Joy on 9509 1599 for a telephone consultation and/or an obligation free meeting to discuss your future. If you're over age 60 find out how a guaranteed income (Government Pension) might be added to shore up your plans – even if you have more than \$800K.

Centrelink update

More support for carers.

While many of our readers are part of the 500,000 Carers across Australia, others face the prospect sometime in the future so the recent Carer Supplement of \$600 a year is welcome. This Supplement is payable every year in July to people who are eligible for –

- Carer Payment**
- Carer Allowance**
- Both Wife Pension and Carer Allowance**
- Both Dept Vet Affairs (DVA) Partner Service Pension and Carer Allowance**
- DVA Carer Service Pension**

This payment is a permanent increase in assistance paid to carers and builds upon the Government's decision in March 2008 to extend the Utilities Allowance to Carer Payment recipients.

Managing your health to enjoy your wealth

Sick and tired of feeling sick and tired...

Sometimes staying healthy is as simple as a little basic daily maintenance. A few minutes each day can save you days of misery. Here's 7 simple tips to stay healthy, happy and on the go.

1. Exercise

It's as simple as talking a 20 minute walk every day. Both cardio and muscle strength can help the immune system.

2. Dental Hygiene

Gargling with a saline solution can greatly improve your defenses against illness and alleviate a sore throat. Use one to two tea spoons of salt for one cup of water.

3. Easy, healthy foods

Foods with natural antioxidants are a great way to help keep you in good straits. Apples, broccoli and green tea are all easy sources.

4. Positive thoughts

There's just something about believing you won't get sick. Studies have shown that positive people are less likely to show cold symptoms.

5. Lower your stress

Worrying actually causes adverse biochemical reactions in your body! Stop worrying about the things you can't change. Employ a good stress-management program.

6. A good night's sleep

It may sound obvious but multiple recent studies show that as you sleep you're fortifying your defenses. Get help if necessary to find and practice a regular sleep schedule to get better sleep.

7. Up your supplement intake

Speak to your personal health advisor about:

- Vitamin D - Researchers have found that the innate immune response to injury - the recognition of bacterial invasion and the production of antimicrobial peptides - operates through a vitamin D - dependent mechanism.
- Arginine - increases the production of nitric oxide, which can have direct benefits for healthy immune function. The results are hastened healing time of injured tissue, reduced antibiotic use, briefer hospital stays and fewer post-operative complications.
- Theanine - has been found to activate a state of preparedness in what are known as gammadelta T cells. These cells comprise a significant portion of total peripheral blood T cells and are mobilized by up to 50-times in response to bacteria
- Isoleucine - This most important antibacterial defensin, beta defensin protects against invading microbes by literally drilling holes in their membranes. Amazing, but true.
- Quercetin - Influenza viruses depend on an enzyme that their RNA codes for called neuraminidase, which quercetin has been found to inhibit. It has been found to reduce upper respiratory tract infections in humans.



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