

QUARTERLY UPDATE



Company Update

As the end of year draws near, we would like to take this opportunity to thank all of you for an amazing year and your continued support. We are grateful for the opportunity to work with, *and for* you. Whilst this year has seen many challenges, there have also been a multitude of victories for us including:

1. **Virtual Client Meetings** – From the ease of your own home, we have continued our engagement with you.
2. **Border restrictions** – These have now eased from December (to most states!).
3. **Expansion of Business** – As of December, Gonca (pronounced ***Goncha***) will commence her Professional Year and will be undertaking supervised work and training by Gina. You will be seeing more of her during our interactions in the New Year!

Lastly, please be aware that the Integrum office will **be closed** during the holiday period from **Wednesday 23 December 2020**, returning for the new year on **Monday 11 January 2021**. During this period, we will have limited access to our emails. For **emergencies**, you may contact us on our office number directly.

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Preparing kids for their financial future

In an era where many of our daily financial transactions are invisible, understanding money, the source of money and the circulation of it in our financial system, is increasingly complex, particularly for children. Few kids these days ever see the money their parents earn from their work. Salaries are transferred electronically, as is the payment of bills, online shopping, our UBER rides, etc. People use their phones to 'tap and pay.' Money is not as tangible as it used to be. ²

Generally, the advice is to hand some financial responsibility over to your children: allow them to manage finances attributed to them, make them work at home for their 'extras' money, and encourage them to get a part time job while they are in school. All creating an invaluable experience! ³

Why Super Balance Fluctuate¹

Should you worry if your super balance is fluctuating? The answer depends on whether your super choices are aligned to your needs. For many Australian super investors, **COVID-19** may have caused your super balance to change overnight.

Impact depends on how your money's invested: In 2020 super balances haven't just fluctuated downwards. As Governments and central banks flung masses of cash at the problem, share prices soared back up.

Higher returns mean more movement: The crucial point is that this movement—the volatility—is the price you pay for higher returns.

Determining your comfort level with volatility: Every person's super plan is different. If you've got a long time till retirement and you can look past short-term changes in your super balance, you may find that taking a more aggressive approach with your investment options is ok. This means your portfolio would have greater exposure to higher risk assets like shares and property than those with lower risk, cash and fixed income. As you get closer to retirement, or if your super is all you have to rely on in retirement, a more stable super balance could be desirable so more conservative investment options may suit you.

Take control of your super: The best thing you can do is review your investment options and make sure they're tuned to suit your age, attitude to risk, current financial circumstances and long-term plans. Speaking with a financial adviser might make that review even more effective.



Staying Safe Online⁵

Financial cybercrime is on the rise in Australia, as the increasing use of technology such as online banking and social media makes it an attractive target for criminals. Despite increasingly sophisticated methods being used, there are several things you can do to help you and your family stay safe online.

1. Do not divulge personal information when requested via email. Verify any such request using a different channel (such as a phone call).
2. Beware of emails asking for financial information. Banks, super funds, and other financial providers will never ask their customers to email personal financial information or login details for secure websites.
3. Restrict use of public Wi-Fi to web browsing. An open Wi-Fi network can be used to intercept communications between your devices and the internet, such as usernames, passwords, and financial information
4. Choose a strong password. A good password is easy for you to remember but difficult for anyone else to guess. Avoid using the same password across multiple services – if you use a lot of digital services, consider use of a password manager that stores data on your local device. It is also best practice to change passwords for critical services every few months.

Why do Premiums Increase?⁴

You may have noticed your life insurance premiums may increase from time-to-time. Premiums increase primarily for three reasons.

Indexation Benefit

The amount of cover you hold increases each year in line with the cost of living, ensuring that your cover maintains real value. This benefit is built into many policies.

Stepped Premium Type

If you have chosen stepped premiums, your premium may increase in line with your age. This is because as you get older, the probability of you making a claim increase. From age 50, premium increases can be quite steep if you retain your original level of cover.

Product repricing

Life insurance may need to be repriced over time to cover the cost of claims while also ensuring it remains competitive. Insurance companies use rate tables to calculate the cost of providing cover per dollar. Rates are influenced by several factors, namely interest rates and claims. Changes made may result in premiums going up or down. If this is the case, you should be notified at least 30 days prior to renewal.



WE ARE HERE TO HELP!

If you have any questions regarding information within the above articles, please speak with Gina or Gonca directly on 07 5655 6194, or you can email us at clientservices@integrumadvice.com.au

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