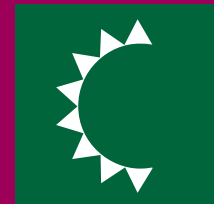


# Financial Planning NEWS



Chifley Financial Services Update

April 2005

## Why is a Will important?

**What would have happened if you'd passed away yesterday? Would your hard-earned assets be distributed in the way you want, to the people you want?**

A Will is a legally recognised document that sets out how you would like your assets to be distributed after your death.

If you die without leaving a valid Will, you die intestate, a situation which can have a huge emotional and financial impact on your family. It means that someone, usually one of your relatives, has to apply for Letters of Administration from the court to deal with your estate. "The administrator then has to distribute the estate in accordance with the statutory rules of intestacy, not how you think it should be distributed," warns Anuj Shangle, one of a team of Financial Planners available to help you.

Consider the following situations:

**Case 1** - Jan (aged 60) lived in a de facto relationship with her partner John (aged 65) in New South Wales. John passes away without leaving a Will. His two adult children from his former marriage applied for the Letters of Administration, both certain that they would be entitled to his home and other investments. The children were shocked to hear that Jan, being a de facto (in NSW, "spouse" for the purposes of intestacy rules, includes a de facto spouse) was entitled to the family home and a share of the remaining estate. Proper planning would have ensured that the assets



would have been distributed in whatever way John would have wanted and not according to a statutory formula set by the state.

**Case 2** - Jack (aged 55) and Jill (aged 50) had one daughter Jeannie, aged 20, when Jack died. Jack and Jill had owned their home. The house passed to Jill when Jack died. Jill then married Bob and her existing Will became ineffective. She did not make a new Will. Some years later Jill passed away. The home, now worth \$500,000, went to Bob (as per the NSW intestacy rules), which was not Jill's intention. Jeannie only received a nominal amount on her mother's death, being the value of assets other than the home. This all could have been avoided by having a proper Will in place.

### We can help you

The Fair Go Will Service, brought to you by the Fair Go program, provides you with two options for creating your Will online.

The first option, called the Do-It-Yourself Will, is a lawyer-approved tool written in plain English with step-by-step directions. The end result is a document ready for signing and witnessing. You

can also update and reprint your Will whenever you like.

For those requiring greater peace of mind, Fair Go also offers another option, the Solicitor Will. At the end of this process, your document is submitted electronically to a solicitor for legal checking and approval, and the solicitor will contact you within two working days if any issues need to be addressed.

**Until the end of May 2005, the Fair Go Member Benefits Program is offering a special deal.**

Take a look at these great deals on our DIY and Solicitor Wills for both singles and couples:

Will type	Standard pricing	FAIR GO special offer
DIY Will	Single \$20 Couple \$32	Single \$8 Couple \$20
Solicitor Will	Single \$108 Couple \$176	Single \$96 Couple \$164

To take advantage of this offer go to [www.chifley.com](http://www.chifley.com) and click on the Fair Go Will Service. **When you get to the Promotional Code section, enter this code: 5901034724.** But be quick as this offer is only valid until 31 May 2005.

### Need further advice?

If you require further information or you have more complicated estate planning needs, please contact Chifley Financial Services on 1800 800 002. One of our Financial Planners can work with you to determine the best possible approach to leaving your estate in the way you want, to the people you want.

# Seminars

Would you like to have a better understanding of how to manage your money, increase your savings or improve your investment portfolio?

As a valued Chifley client, you can attend a FREE wealth creation seminar. To book your place on one of the dates below, contact Member Services on 1800 067 059.

12-Apr	Tamworth
13-Apr	Armidale
14-Apr	Coffs
9-May	Orange
10-May	Forbes
11-May	Cowra
12-May	Bathurst
8-Jun	Parramatta
28-Jun	Sydney Metro
20-Jul	Nowra
3-Aug	Wollongong
17-Aug	Broken Hill
30-Aug	Gosford
31-Aug	Newcastle
1-Sep	Muswellbrook
7-Sep	Liverpool
12-Oct	Wagga Wagga
19-Oct	Kogarah
9-Nov	Sydney Metro
23-Nov	Penrith
6-Dec	Dee Why

Note: Sessions run from 5.30 pm to 8.00 pm

# Have your children or grandchildren looked into Chifley's low-interest home loan?

Chifley is in the business of helping Australians plan a better financial future for themselves and their family. And, one of the ways we can do this is through Chifley Home Loans, set up to provide home loans that represent true value. There's no application or monthly account keeping fees and we offer a low interest rate.

We've even made it easy to compare how our home loans stack up:

- Application Fee - \$0\*
- Monthly Account Keeping Fee - \$0

**Note:**

\* All fees and charges including full details of the matters set out below will be disclosed in any loan contract. Loan setup: There will be additional costs and charges and the amount payable will depend on whether or not the loan proceeds. Although there is no loan document preparation fee, some charges such as valuation fees and costs charged by the lender's solicitors are payable. These charges may be non-refundable should the loan be approved and not proceeded with. Early repayment: An early repayment fee may be payable.

\*\* With the Home Loan Plus product only (conditions apply).

Chifley Home Loans are provided through an agreement with AMS Limited (AMS) which is responsible for arranging of loans and product development. Effective 1 December 2003, AMS has appointed as its agent AFIG Wholesale Pty Limited (AFIG) as Mortgage Servicer to manage the processing and administration functions. Chifley Financial Services Limited (ABN 75 053 704 706) does not guarantee the obligations of AMS Limited or any of its appointed agents (i.e. AFIG). Chifley Financial Services Limited is an Australian Financial Services Licensee (AFSL 231148).

- Split Loan Fee - \$0
- Electronic Redraw Fee - \$0
- Redraw facility - Yes
- No hidden or extra fees
- Maximum Term - 30 years\*\*
- Maximum Loan - up to 97% of property value\*\*

As a valued client of Chifley, we can offer you, your friends and family access to our no-nonsense Chifley Home Loan range. For more information contact 1800 800 002 or visit [www.chifley.com](http://www.chifley.com)

## Regional Offices

Branches details are:

**Lismore**

**Address:** 81-83 Molesworth Street  
**Phone:** 02 6627 5802  
**Fax:** 02 6627 5800

**Newcastle**

**Address:** 235 Darby Street, Cooks Hill  
**Phone:** (02) 4929 8200  
**Fax:** (02) 4929 8210

**Orange**

**Address:** 187 Summer Street  
**Phone:** 02 6360 1622  
**Fax:** 02 6360 1522

**Sydney**

**Address:** 28 Margaret Street Sydney  
**Phone:** 02 8234 6009  
**Fax:** 02 9279 4130

**Wagga Wagga**

**Address:** 2/209 Baylis Street  
**Phone:** 02 6292 8000  
**Fax:** 02 6926 8010



**Wollongong**

**Address:** Shop 2 & 3/60 Burelli Street  
**Phone:** 02 4224 8000  
**Fax:** 02 4224 8010

**Albury\***

429 Swift Street

**Goulburn \***

148 Auburn Street Goulburn

\*Note: Albury and Goulburn satellite offices are staffed one day per month - bookings are essential on 1800 800 002.

## Will you lose out by going back to work part-time?

**Going back to work part-time, after you have retired, doesn't necessarily mean losing out on your retirement benefits. In many cases, it might actually improve your financial position in retirement.**

"Going back to work does not preclude you from claiming the Government's Age Pension. You might just receive less of it," says Geoff Symington, Retirement Planning Manager at Chifley. "Receiving part-time income will generally lower the amount of Age Pension you are entitled to and this could be considered an extra form of 'tax' on your employment income."

Geoff strongly advises consulting a Financial Planner before re-joining the workforce.

"There are a number of factors to consider. Our financial plans are flexible and we are able to, in most cases, restructure your superannuation income to adjust for the additional income that you will receive from your employment," he says.

"It is also sometimes possible to reduce the allocated pension income you receive. In some cases, it might also be possible to do a roll back of your allocated pension. That means your pension will last longer or provide you with a better lifestyle. You benefit by limiting the draw down on your own retirement capital."

But Geoff cautions: "It's important to be aware that bringing in part-time earnings could have an impact on the social security benefits received by your partner."

He adds that anyone can contribute to superannuation up until the age of 65, but you need to be working at least part-time to be able to contribute from age 65 onwards (up until the age of 75). And, if you do contribute to super, you may also be eligible for the Government's co-contribution scheme which can amount to up to \$1,500 a year (available prior to turning 71).

He points out, however, that after you turn 70, your employer is not obliged to pay the compulsory 9 per cent Superannuation Guarantee on your behalf and you are not entitled to a tax deduction on the superannuation contributions you make.

If you would like financial advice on going back to work part-time, please contact Chifley Financial Services on 1800 800 002. **We're here to help you!**



## About your fund managers

Chifley and the Schemes' Trustees are committed to bringing retired members the same low-fee, high-value service that they enjoyed as members when they were working. That's why the same investment approach - the multi-manager approach - is used to manage your money once you have retired and transferred your retirement savings to the Allocated Pension Plan.



The Trustees' decision to utilise the multi-manager approach or, in other words, to use the specialist skills of a variety of managers, is based on research that has found that several carefully selected investment managers will produce a better result, more consistently and with lower volatility, than a single manager over any reasonable period.

One of the carefully selected fund managers looking after your Australian share investments is ABN AMRO Asset Management (Australia), a subsidiary of one of the 20 largest financial institutions in the world.

Headquartered in Amsterdam, ABN AMRO has been managing funds since 1933 and now operates in 30 countries, looking after around A\$289 billion in assets. It opened its doors for business in Australia in 1996 and by the end of last year, looked after A\$4.2 billion in local assets, including A\$2.2 billion in Australian shares.

The Australian Equity team at ABM AMRO is headed by Andrew King, who has over 18 years of investment experience. His team also consists of two portfolio managers and four analysts.

ABN AMRO's approach to Australian share investing is based on the belief that superior long-term performance is driven by above-average, sustainable earnings growth. ABN AMRO uses a "growth" style of investing, which means it places more emphasis on factors such as earnings growth and productivity growth when choosing companies to invest in. Growth managers do not mind paying full price - or even a premium - for stocks which they believe will show strong growth in the future. Typically, companies chosen by growth managers offer products or services that are in demand, have solid business plans and management teams, and a healthy financial picture.

In addition to its ability to perform, ABN AMRO was chosen because its style complements that of our other Australian share managers, such as Perennial, which is a value manager. In contrast to growth managers, value managers seek companies that look inexpensive.

# How have investment markets performed?

The big economic news during the March 2005 quarter was rising interest rates. These, together with higher crude oil prices and signs of growing inflation, had investors in Australia and overseas worried.

The Reserve Bank of Australia raised interest rates for the first time since December 2003. There were also signs of an economic slow down in Australia with figures showing that the economic growth rate in the last quarter of 2004 was the weakest in over three years.

Business confidence reached its highest level in 13 years in January, but then sagged to lows not seen since August 2004. Consumer confidence also fell dramatically.

Overseas, the US also faced two interest rate rises during the quarter while US economic growth for 2004 also came in lower than expected.

## Australian shares

Australian shares hit new highs in early March, bolstered by strong performances from the energy and materials sectors as well as a positive reporting season in February where

companies tended to report on the higher side of expectations.

However, share prices came off towards the end of March after the market's enthusiasm was dampened by the interest rate hikes here and in the US as well as growing inflation fears and rising bond yields.

A 10-month unbroken run of positive returns for Australian shares came to a halt with the S&P/ASX 200 Accumulation Index falling overall by 0.9% in March. As a result, this index ended the quarter only 2.7% higher.

## International shares

The interest rate hikes, higher crude oil prices, earnings downgrades and inflation worries weakened the outlook of US sharemarkets. The S&P500 and the Dow Jones Industrial Index both fell 2.6% during the quarter, whilst the NASDAQ (-8.1%) suffered the greatest drop of all US share indices.

International shares, as measured by the MSCI World ex-Aust, came off 1% in March, limiting their growth for the quarter to 0.4%. The Japanese sharemarket, the only major market not

to fall in March, ended the quarter 1.9% firmer. European shares dipped slightly in March, but beat other regions with a 4.7% gain for the quarter.

## Listed Property

The long run of good returns from Australian Listed Property Trusts (LPT) came to a halt with LPTs under performing (down 3.2%) the sharemarket in the quarter due to the interest rate hike and disappointing earnings news from LPTs.

## Fixed Interest and currencies

Interest rate rises and inflation fears left their mark on both the local and US bond markets and led to rising bond yields. Australian 10-year bond yields edged up from 5.33% to 5.67% over the quarter while 90-day bank bill yields rose from 5.45% to 5.93%.

During the quarter, the Australian dollar weakened against the US dollar. Most of the drop came in March after a US interest rate rise strengthened the US dollar. By the quarter's end, the Australian dollar had lost 1% against the US dollar, but had strengthened against most other major currencies.

This document was prepared for the exclusive use of members of the Australian Public Superannuation Fund and for Chifley Financial Services. Any advice in this document is provided by Chifley Financial Services Limited (ABN 75 053 704 706) as trustee of the Australian Public Superannuation Fund and as an Australian Financial Services Licensee (AFSL 231148).

Please note that the information contained herein is of a general nature only. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether the advice is appropriate to your individual investment objectives, financial situation and particular needs. Before making any investment decision, you should seek the assistance of a professional adviser.

**Chifley Financial Services**  
Ground Floor  
28 Margaret Street  
Sydney

Postal address:  
PO Box N180  
Grosvenor Place  
NSW 1220

T: 1800 800 002  
F: 02 9279 4130  
[www.chifley.com](http://www.chifley.com)

