



CEO MESSAGE

Welcome to the June 2019 edition of RV News. The first half of this year has certainly been action packed in the economic landscape, and with the Federal election, plus exciting changes within RV.

We are a few months into operating under our own licence and, apart from a few teething issues around our portfolio reporting technology, I am pleased to say we are already seeing client and operational benefits in moving to a boutique licensee. We thank you for your continued support and patience while we work through our technology issues and adjust to new systems.

On the investment front, the first half of the year has been dominated by short term volatility in markets and global markets continue to experience above average volatility primarily due to Brexit, US-Middle East tensions and the US-China trade negotiations. In Australia, we are seeing sluggish but persistent growth in the economy, as well as falling house prices – and this continues to weigh heavily on consumer and investor confidence.

There are, however, some promising counter signs in markets and we do expect to see the recent surprise Federal election result and promising stability in Government and policy, deliver some market improvement here at home.

We have two key objectives in looking after RV clients. Firstly, to ensure your retirement savings are managed within your personal appetite for risk and achieve income and growth returns that allow you to enjoy the life you want to live. Secondly, to filter out all the noise that can often lead investors to make decisions that are ill-timed, or worse, that don't consider long-term objectives.

In this issue to RV News, Colin Lewis, our Head of Technical Services, provides an overview of the changes to superannuation after the Federal election, and how this may affect you.

If all the recent news and changes are a bit heavy to digest, have a read of the article from Justin Jones on why we all need adventure in our lives. Regardless of your age, where you are in your working life, or various investment goals – the spirit of adventure is always positive and uplifting!

I do hope you enjoy this edition of RV News and encourage you to contact your adviser and our friendly support team to answer any questions you may have, or to check in and review your financial plan in light of any changes you may have had to your personal situation. We are here to help.

Nick Brinkworth
Chief Executive Officer



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Any adventure is a worthwhile undertaking. What that adventure is, is up to you. You just have to embrace the unknown.

Why we all need adventure in our lives

Humans, by their nature, are creatures of habit. We fall into the same routine, the same patterns. We eat at the same restaurants, sit at the same desk, walk the same route to work and go about our jobs (and relationships) in the same, comfortable way. *Written by Justin Jones*

When you've got a good thing going, it's hard to justify taking a risk, that may result in failure. Jobs demand perfection giving little room to fail. Society expects you play it safe. Schools want you to walk the line.

This leads to stagnancy and an aversion to failure that keeps us from growing and ultimately holds businesses, workplaces, relationships and people from achieving their ultimate potential.

The answer...is a little more Adventure!

1. Adventure expands 'normal'

It transforms us, expands our comfort zone and helps us define our own measures of success. It allows us room to grow, develop and achieve our true potential.

2. Adventure creates curiosity

It empowers the learner inside of us. It leaves us more imaginative, inspired and unlocks the creativity in us all. Adventure reconnects us all with our childlike curiosity, activates our growth mindset and reminds us of the value of play.

3. Adventure fills your cup

Being outdoors makes you sharper, improves your wellbeing, refreshes your sense and improves your focus. Research shows that being in nature helps lower cortisol, reduce stress and improves

performance. By doing so helps you look at things from a distance and allows you to see things more clearly.

4. Adventure makes you radically resilient

It improves your cognitive and emotional flexibility, problem-solving skills and redefines what you are capable of. Adventure is like a muscle that needs to be exercised. The more we do it, the stronger we become.

5. Adventure buys you valuable time

In today's overly busy, overly scheduled, digitally addicted lives, it's even more important to create the spaces in-between, not rely on instant gratification and disconnect from time to time. Adventure forces us to slow down, empowers time-out, limits distractions,

improves patience, creates space for deep thinking, creativity and ideation.

6. Adventure builds up your tribe

It is the largest level playing field on earth and enables everyone to see the

“Adventure reconnects us all with our childlike curiosity, activates our growth mindset and reminds us of the value of play.”

world and each other in a new way. Nature draws people together and helps foster social ties, healing and unity. It builds team cohesion and emotional intelligence. Adventure doesn't judge what clothes you wear, your gender, your age, race or color – it embraces diversity and helps build thriving teams.

7. Adventure is relative

“Adventure is an activity with an unknown outcome.”

Adventure is anything you make of it, anything that pushes you beyond your normal routine, your normal life, your normal world view. It is intensely personal, guided by your interests, skills and desires.

Any adventure is a worthwhile undertaking. What that adventure is, is up to you. You just have to embrace the unknown, 'choose your own (micro to mammoth) adventure' and decide to adopt an adventurous mindset.

“What is it you are going to do with your one wild and precious life?”

www.thejonesys.com



ABOUT THE JONESYS

- The Jonesys are a modern-day family of adventurers trying to settle down differently and build a life of adventure. Justin, Lauren and their daughter Morgan, The Jonesys, are pioneers for settling down differently and merging an adventurous life with a family life. The family set out on an expedition to prove that adventure doesn't have to stop where family begins. With their one-year-old daughter Morgan, Lauren and Justin walked 1800km on a self-supported expedition from the centre of Australia to the south coast proving family can not only co-exist, but thrive with adventure.
- Justin is Australia's pre-eminent Explorer, key-note speaker, adventure thinker and storyteller. Over the past 18 years he has made a career of undertaking huge, epic, record setting expeditions around the world and sharing these on the stage and on screen. He's kayaked across the Tasman Sea from Australia to New Zealand and

become the first to ski to the South Pole and back. He currently holds two Guinness World Records and holds a place as one of Australia's 50 Greatest Explorers of all time, all achieved before his thirties!

- Lauren Jones has spent the last fifteen years climbing corporate ladders not mountains. She's worked in executive strategy and sustainability roles in a large corporates globally. Lauren has a Bachelor of Business Administration (Accounting and Finance) from the University of Washington (USA) and a Masters in Sustainable Development from the University of New South Wales (Australia). She's an advocate of using the power of business and adventure to solve pressing social and environmental problems.

Is a transition to retirement income stream still worthwhile?

By Colin Lewis, Head of Technical Services



A transition to retirement income stream (TRIS) provides access to your superannuation whilst still working once you reach preservation age.

TRISs were introduced by the Howard Government back in 2005 to help people 'transition into retirement' by allowing them to use their preserved super to supplement their reduced income resulting from scaling back their work hours. However, few TRISs were actually used for this purpose.

Anyone from preservation age, currently age 57, can commence a TRIS as there's no requirement to reduce work hours.

A popular strategy until 30 June 2017 was to offset the amount taken as a pension by salary sacrificing or making tax-deductible contributions to super – the power of a TRIS came from the tax arbitrage that resulted by moving from the taxable accumulation phase into the tax-free pension phase.

The superannuation reforms from 1 July 2017 impacting TRISs changed all this. Their attraction has worn off as fund earnings on investments supporting a TRIS are now taxed at 15% (unless in retirement phase). However, some positive features remain, e.g. tax-free pension payments from age 60. Also, SMSFs can offset any franking credits against tax payable and the fund may get a refund of excess franking credits.

So, is it still worthwhile commencing a TRIS?



To read more of this article visit www.retirevic.com.au/news

The superannuation landscape post-election

By Colin Lewis, Head of Technical Services

Catch-up concessional contributions

From 1 July 2018, you can carry forward any unused concessional contributions caps amount on a rolling five-year basis. However, you can only make additional concessional contributions in a financial year if your total super balance is less than \$500,000 (unindexed) at the previous 30 June.



The first time any unused concessional contributions cap amount may be applied is from 1 July 2019. This also only applies to unused cap amount starting this financial year of 2018/19. Any unused amounts from previous years have been lost.

New work test exemption

This allows you to make voluntary contributions if you do not satisfy the work test if you are aged 65-74, provided:

- You satisfy the work test in the financial year prior to the financial year prior to the financial year in which the contribution is made
- Your total super balance is less than \$300,000 at the previous 30 June
- No contribution has been made under the work test exemption in a previous financial year.

Effective from 1 July 2019, if you are retiring this financial year (2018/19), you may still be able to contribute next financially ear (2019/20), despite not being gainfully employed next year.

If you have any questions about this, please contact your RV Adviser directly.

Small Change



MAKE AN APPOINTMENT:

To arrange an appointment with your RV adviser please phone 03 9820 8088



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