

## WELCOME

to the Spring 2018 edition of RV News.

We thought we would focus this edition on the impact of technology on the way we work and the way we live our lives. No-one could have possibly predicted the pace of change and disruption that all of us are having to deal with, and as we know, the rise and rise of automation, artificial intelligence, the internet and mobile technology is permeating every facet of society.

There are clearly some negatives in the way people are choosing to engage with technology, and there is no doubt that many businesses in traditional industries are being disrupted and forced to think differently. But, it is hard to argue the benefits that technology brings to our lifestyles via innovation in areas such as transport, medicine, information sharing, entertainment and communication. In fact, the World Economic Forum predicts that some 65% of children entering primary school today, will likely work in jobs that current don't exist!

This edition of RV news includes an extract from Hamish Douglass, the CEO of Magellan Asset Management, who talks about the huge (and often unexpected) impact of technology on historically dominant businesses. We also have a story on a new type of investment structure called 'Managed Accounts', which use new technologies to potentially deliver a better investment experience for clients.

On the theme of change and improvement, we are also excited to share with you our refreshed brand and our new website, which went live in August.

We are also delighted to talk to one of our valued clients, Dan Becker, who makes a real difference via his work at the Youth Referral and Independent Person Program here in Melbourne.

And finally, we share our thoughts about the current Banking Royal Commission, which is will no doubt be a catalyst for change in the way our large financial institutions in Australia behave.

We thank you again for your loyalty and support, and particularly thank those who have referred friends and colleagues to the RV family. We look forward to continuing to guide all our clients towards the life they want to live in retirement.

All the best

**Nick Brinkworth CFP MAF**  
Managing Director

## Our New Logo and Website

We're excited to share some great news with you – RV has a new logo and a refreshed website!



### Why a new logo?

As our clients grow, so does our brand, so we felt it was time to create a fresh new feel around the business. Our new brand uses the same blue and green colour scheme we have always had in order to reflect our proud heritage, but its just been reshaped to look a little more contemporary.

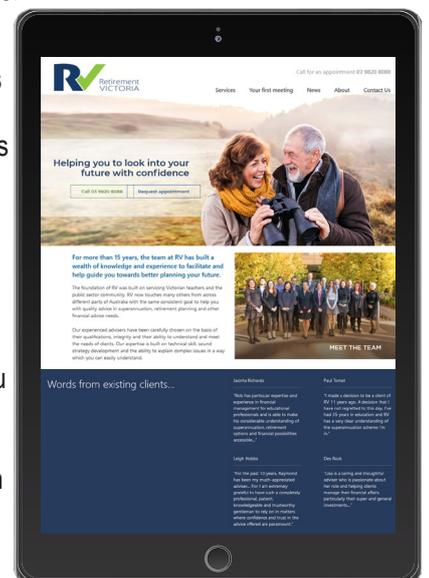
### What's different with the new website?

The new website is designed to be much easier to navigate, whether you access it via a computer, a tablet or your smartphone. The layout is less cluttered and shows that RV is more than just a company. When you log in, you'll see the actual faces of the people in our team, who are focused every day on ensuring your retirement planning is in good hands. You'll also see your adviser and their profile page, in addition to the paraplanners who help them and our Client Service Officers who you speak to from time to time.

### What's next?

Nothing has changed at RV. We still offer the same service and it's the same people. But now we're more visible and hopefully more approachable. You'll continue to receive regular news updates through RV News.

We are always listening and looking for new ways to make improvements. In fact, our new website is in response to feedback we received in the client survey we did back in February. We are also exploring new options on how to best bring 'RV News' to you. Maybe you prefer the print version or perhaps you prefer a simple email that you can read leisurely on your iPad? We're looking at the most efficient way to deliver news to you, so you remain up to date on current news and affairs relating to your retirement planning.



# Managed Accounts

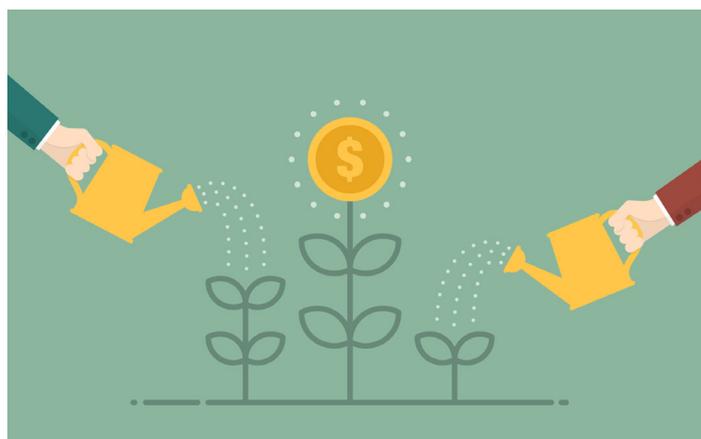
Most of our clients will be aware of (and have investments in) managed *funds*. Managed funds are an investment vehicle that pools together money from different investors into one fund, that is then invested and controlled by a professional investment manager. But what is a managed *account*?

Managed Accounts utilise new investment administration technology that allows investors to directly invest (ie. not through a fund) in a range of securities and asset classes which may include listed Australian shares, units in managed funds and cash, while maintaining the benefits of professional investment management across all the investments. In a managed account, instead of buying units in a fund, you hold the investments directly and a professional investment manager actively selects investments in line with an investment objective and philosophy which align to your personal goals. A Managed Account typically provides an investor with all of the features of investing in a managed fund, plus additional transparency and tax benefits of directly holding Australian shares.

One of the big benefits we see at RV in using managed accounts, is what we call 'real time active management' of your portfolio. In other words, managed accounts give your adviser the ability to implement underlying investment changes to your portfolio quickly and efficiently. If your adviser, with the support of our professional investment consultants and research providers, identifies the need to replace one asset (direct share or fund) within the managed account, with another, it can be done instantly and across all the clients in that portfolio at once. For example, if we determine that one international equity manager needs to be replaced due to poor performance, cost or other factors, we can simply replace that manager with a new one, without the need to get you in to sign a whole lot of paperwork.

Some of the other advantages that managed accounts have over managed funds include:

- The opportunity to directly invest in Australian shares at a lower cost, with the added benefit of professional investment management.
- The ability to exclude certain assets from a portfolio. For example, if there is concern from a client about the social or environmental actions of a company, it could be excluded from that client's portfolio.



- All investments, transactions and fees can be viewed securely online, including full transparency of the Australian shares you own (not just the 'Top 10' that typical managed funds show in their reports).
- Consolidated reporting to simplify your paperwork.

At RV, we have started to investigate a selection of quality managed account solutions which may benefit some of our clients. But, whilst there are many benefits to investing via a managed account they are not always the best solution for everyone. Like all financial products, it is important to understand not only the benefits but also the risks. If we feel managed accounts may be appropriate for your circumstances and needs, we will talk to you about these types of portfolios at your next review.

## Banking Royal Commission

Retirement Victoria firmly believes in quality financial advice and professionalism of advisers, and that's why we feel it's important to comment on the Royal Commission which has been making media headlines.

Newspapers have been full of reporting from the Banking Royal Commission – officially known as the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. The Commission was set up, as the name suggests, to determine whether any conduct by financial services entities might have amounted to misconduct. The main focus is on the big four banks and AMP, although smaller financial services firms have also been required to appear. The focus of the Commission is to identify conduct, practices and behaviour that falls below community standards. It is unfortunate that there have been many historical examples of this conduct evidenced at the Commission.

Commissioner Hayne has the power to make recommendations as to the adequacy of existing laws and regulation, including self-regulation and codes of industry conduct relating to the provision of banking, superannuation and financial services. We will not know of the final findings and recommendations resulting from the hearings of the Commission, until February 2019, with an interim report due on 30 September.

RV has a proud history of quality advice and service but actively supports improvements to quality advice and professionalism across all of the financial planning industry.



## Client Profile: Dan Becker, Independent Person

To anyone who reads a newspaper or watches the nightly news it can seem as if youth crime is an uncontrollable epidemic and society is all too lenient on young offenders. But for retired school teacher and RV client Dan Becker, now working on the front line of the criminal justice system, the picture is less clear cut.

Dan, 67, has been a volunteer with Victoria's Youth Referral and Independent Person Program (YRIPP) for five years. Under Victorian law, an adult must accompany anyone aged under 18 who is being questioned by the police, and as an 'Independent Person' (IP), Dan sits in on police interviews with young people when a parent isn't available.

"I retired from 35 years of high school teaching when I was 57, to take advantage of my superannuation," says Dan. "I then did volunteer work in schools, but eventually realised I'd had enough of the school system. Then I read about the YRIPP in a newspaper at my local gym."

Dan finds interacting with these often troubled young people to be very revealing. "Sometimes I sit talking with the kids for hours after the interview, perhaps waiting for a bail justice to arrive. And you can always see why they're off the rails a bit. Upbringing, dislocated family, lack of male role models, kids forced out of their home – there are always reasons. But they treat me with huge respect because I'm there to help them, and that's gratifying."

According to Dan, being an YRIPP volunteer isn't for everyone. "There are very stressful situations. Some of these young people are facing allegations of shop theft or squabbles at school, but some are accused of rape, murder, armed robbery. I saw one young person at a police station covered in blood after an apparently vigorous arrest process. Fortunately, we have excellent back up support when problems arise.

The IP's role finishes once the young person is released or formally remanded in custody. "That's the end of it," says Dan. "We're not counsellors; we have to keep our distance. Once, a young person I'd talked to in the police station found me later on Facebook and sent me a friend request. I declined, obviously, but it was hard... imagine, this poor kid was so desperate for an adult to talk to that she wanted me, a 65-year-old bloke, as a Facebook friend."



Even after attending around 400 police interviews, Dan plans to continue with the YRIPP for some time yet. Aside from his volunteer work, he enjoys an active retirement. "I'm in good health and I love my movies, sport, and art galleries. We travel interstate to see my son and try to have an overseas trip every year, including a recent visit to Japan."

Dan is also an avid reader of crime novels – but now knows that the reality of youth crime is rather different from its portrayal in books and in the media. "I live in a very quiet suburb, so volunteering has really opened my eyes to what's happening in the wider world. Also, I feel like I'm contributing to the functioning of the police and legal system – and I'm helping young people at a very unpleasant time for them."

To learn more about volunteering with the Youth Referral and Independent Person Program visit [www.cmy.net.au/yripp](http://www.cmy.net.au/yripp)

\* A person's superannuation preservation age (the date they can access their super, provided certain other conditions are met) depends on their date of birth. Anyone born after 1 July 1964 has a preservation age of 60.

## SMALL CHANGE

**Save the date:** Our annual 'Keeping you in Touch' end of year client briefing is all locked away and we are excited to bring to all our clients a mix of informative and entertaining investment and lifestyle speakers.

Please put **Friday December 7th**, 2018 in your diary for another great event at the Bayview Eden Hotel, just down the road from the RV offices, at 6 Queens Rd, Melbourne. We look forward to seeing you all there!

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