



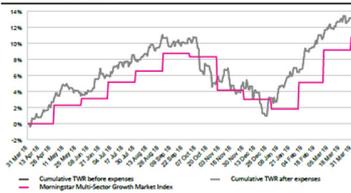
# Monthly Update

GROW YOUR WEALTH – PRIVATE WEALTH MANAGEMENT AND SEPERATELY MANAGED ACCOUNTS

## SMA Performance March 2019

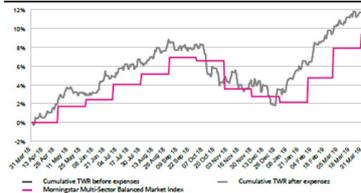
GYW Assertive SMA has outperformed its index over the past 3 years by 0.79%. As per the below chart the model tracked closely to the index for most of the year. It outperformed over the period of January to March due to a higher weighting towards Australian equities and lower weighting to cash.

Returns over time



GYW Balanced SMA has also outperformed its index by 0.47% for the past 3 year for the same reasons as the Assertive model. We expect market may pull back slightly over the coming months. Australia has a negative yield curve at present which means that we should see interest rates fall.

Returns over time



### March 2019

The Australian Market went nowhere in March 2019. We saw a pullback in the early stage of the month as investors took some profits on the back of a concern over interest rates. Australia has at present an inverted yield curve which means that long term rates are lower than short term. This would indicate that interest rates in Australia are likely to fall in the US they are expected to increase. Towards the end of the month on the back concerns about interest rates the market climbed again to be back almost where it started.



# Budget 2019

*The key take away is that average working person will get some tax relief to assist with the ever increasing cost of living in Australia.*

I was told once by my local Member that it is luck which makes people wealthy! This could not be more distant from the truth.

Most people think it is because of a great investment once again WRONG!

Wealth is created through HABITS. The wealthiest people have habits which in turn make them wealthy.

Habit one is saving, it is that easy, establish a saving habit and over time you will reach your financial goals.

The investments you choose will amplify the growth of your wealth but it is the savings that provides the foundation for continued growth.

Once you have the habit of saving you must give it time to work.

The wealthy know this to be true and have been doing it for a long time.

Below is a quick summary of the main announcements of this year's budget, more detail will come out over time. For working Australia this Budget has a number of incentives and positive outcomes in real time. Other measure will take some time to filter through.

Time may not be in the Governments side to get these measures through, with the election now on. As expected this budget is all about getting the votes. The power is now in our hands; we the voters now have the ability to decide where our country is going in the next 10 years.

## Individual Tax Cuts

Increase to low and middle income rebates (LMITO) will move up to \$1080 from \$530.

Tax Brackets will be adjusted of the next 5 years.

1. 2019 year you will save between \$400 to \$1200 in tax.
2. 2023 year you will save between \$400 and \$2500 in tax
3. 2024 all adjustments will have come through delivering tax cuts between \$500 and \$12,000 depending on your income

This will benefit more than 10 million people earning up to A\$126,000 a year.

From July 2024, the government will cut the 32.5 per cent marginal tax rate to 30 per cent, applying to all taxpayers earning between A\$45,000 and A\$200,000.

The top 5 per cent of taxpayers will pay one third of all income tax collected.

## Superannuation – work test for Non-Concessional contribution extended

People approaching retirement will be able to boost their superannuation balances, with those aged 65 and 66 years able to make voluntary contributions without satisfying the work test, from July 1 2020. Currently, people aged 65 and older must work a minimum 40 hours over a 30-day period.

People aged 65 and 66 will also be able to access the “bring forward arrangements” to make three years’ worth of non-concessional contributions (capped at A\$100,000) to their super in a single year. This currently stops at 65 years.

## Summary

This is only a quick look at some of the highlights in the budget, there will always be ongoing debate on the budget depending where you sit and how it affects you. The key take away is that average working person will get some tax relief to assist with the ever increasing cost of living in Australia.

With a large forward looking infrastructure spend we will not only see jobs created but also the moving to a more sustainable way to live into the future. The catch is will LNP be around to implement this budget?

That is up to you!



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