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The **Importance** of Insurance

Many people shy away from insurance as the focus is on death. However, life insurance should really be called living insurance.

[Find out more](#)

Diversification Reduces Risk

Diversification is a proven technique for smoothing out market fluctuations, as well as ensuring exposure to potential returns.

[Find out more](#)



Taking Stock

By the time you reached 50 years of age, it is highly likely that your children have left home and are supporting themselves with full time employment.

[Find out more](#)

Think **long-term** when investing

When markets are volatile, and there are sharp fluctuations downward, many investors unsurprisingly become disturbed about the value of their investments.

[Find out more](#)



Tackling **stress**

Do you feel as though you are losing the battle with life's stresses?

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Teaching kids

How will your children learn to be responsible with money?

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Feng Shui Tips

The Chinese art of Feng Shui, which is often misunderstood and misspelled but is not as complicated as it may seem on the surface.

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The dead horse and modern business

The tribal wisdom of the Dakota Indians says that when you discover that you are on a dead horse, the best strategy is to dismount.

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Welcome

The Deakin Client Communiqué newsletter has been designed to share with you insights into money management, wealth creation and the need for protection thus providing a solid foundation for your future financial well being.

Through the Deakin Client Communiqué newsletter we provide information that will help to understand the complexities of the modern financial services marketplace.

Of course, it is important that you consult your Financial Adviser before undertaking any investment, wealth creation or asset and lifestyle protection programme.

The Importance of Insurance

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Many people shy away from insurance as the focus is on death. However, life insurance should really be called *living insurance*.

The benefits and peace of mind provided by life insurance protection is important because it means that if an injury, illness or death occurs, you and your family are financially secure.

When considering life insurance it's important to understand that the purpose of this product is to provide protection.

There are many reasons for taking out life insurance.

For the main income provider, life insurance is a good way to help provide the family with a stable financial future.

If you aren't the main income provider for your family, it's important to have insurance to help cover the financial burden of funeral expenses, childcare and other unforeseen expenses.

While it's difficult for many people to talk about death – by planning for it and taking out life insurance, the benefits it provides can ease the burden on your loved ones.

Life insurance can help make a difficult situation easier by providing death benefits for:

- Outstanding hospital, medical and funeral expenses
- Provide 'living income' for your family
- Provide funding to clear any debts such as the balance of the home mortgage, loans, credit cards, etc
- Unforeseen taxes
- Provide funds for private and/or tertiary education for your children

The amount and type of life insurance that you will need depends on many factors such as your individual lifestyle, profession, family needs, debts, etc.

It is always recommended that the first step should be the attainment of advice from a professional financial services adviser.

A professional financial adviser can help to develop a plan to address any unexpected situations, such as death, and provide money for your surviving family and loved ones.

Diversification Reduces Risk

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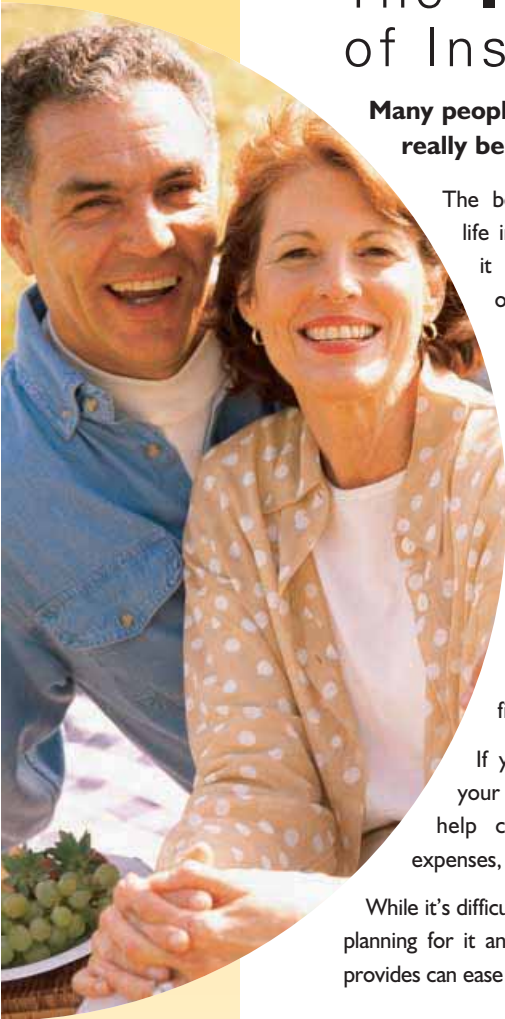
Diversification is a proven technique for smoothing out market fluctuations, as well as ensuring exposure to potential returns.

By spreading your investments over a number of different investment classes it protects you from being over-exposed to poor performance or under-exposed to good performance.

For example, if your portfolio contains a mixture of international shares, listed property trusts and fixed interest – and property is performing poorly this year, the poor returns in this class may be off set by the better performances of the other assets.

History has shown that the best thing investors can do when faced with an uncertain and volatile investment climate where there are low investment returns, is to stick with their initial investment strategy and remain focussed on their long term strategy and objectives.

A long-term perspective is often the best way to build lasting wealth.



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Taking Stock

By the time you have reached 50 years of age, it is highly likely that your children have left home and are supporting themselves with full time employment.

At this time, you will be earning a high level of income and need to take stock of your personal situation and focus on building your retirement assets.

Firstly, studies have shown that Australians can expect to live much longer in retirement than ever before.

That's the good news.

The bad news is – have we saved enough in our working lifetime to fund a worry free lifestyle in retirement?

When taking stock of your present situation, it is always advisable to seek assistance from a professional financial services adviser.

With the assistance of a financial adviser, the first step will be to prepare a realistic estimate or budget of your expenditure in retirement.


Think about the lifestyle you plan to have during retirement.

- Will you travel?
- Have a holiday home by the beach?
- Buy a new car?

A projected budget will take into account these lifestyle goals and include such costs as health insurance – which are likely to increase, and others, such as your mortgage repayments that are likely to be eliminated.

Once you have identified your anticipated expenses, determine the worth of your assets including superannuation, investments, savings, etc.

The next step will identify how long retirement assets are likely to last, considering your projected expenses and income, the size of your investments and savings and the return you can expect to earn on your assets, and your life expectancy.



The above information will immediately identify whether your retirement lifestyle goals are attainable, or if there will be a short fall.

With time on your side, and after consultation with your financial services adviser, it may be advisable to increase your superannuation contributions.

This is also a good time to evaluate the performance of your investment portfolio and if you have been too conservative, you may take a more pro-active position.

Other issues to consider at this time in your life include a review of your will, estate, appointing a person with power of attorney and the authority to make financial decisions on your behalf if you become unable to do so yourself.

Think **long-term** when investing

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When markets are volatile, and there are sharp fluctuations downward, many investors unsurprisingly become disturbed about the value of their investments.

Unfortunately, volatility is part of the investment marketplace.

But it's important to understand that the more volatile asset classes, such as shares and property, have historically produced the best returns over the long term.

And, just as markets fall sharply, they also rise rapidly and add value and wealth to the portfolios of investors in a short phase.

Set out below, are some rules and principles to be aware of when investing –

- Seek advice from a financial services professional.
- Ensure that your investment plan reflects your personal wealth creation goals
- Think medium to long term and stick to your strategy
- Don't panic when there are short-term fluctuations
- Minimize your exposure and risk through diversification

Success from investing can only be attained by having a strategy that reflects your individual situation and long term plans.

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Tackling stress

Do you feel as though you are losing the battle with life's stresses?

Do the responsibilities and pressure of work, family and home seem to be more than you can bear?

Stress occurs when we're overworked, overburdened emotionally, physically drained, and often unable to cope with everyday situations.

When we become stressed it's important to take time to step back, assess the situation and make changes to our life before the situation gets out of control and burn out results.

Get away to a quiet place and take time to identify and list those things that are causing worry, anxiety and stress.

Make a list of the commitments and responsibilities in your present life – anything that is consuming your time and energy.

At the same time, make a list of your personal strengths, assets and resources.

Ask yourself:-

- What have you done in the past when confronted by a similar situation?
- Do you have friends willing to listen, or access to counselling programmes?

If you're truly feeling burnt out and stressed, cut back as much as you can on commitments and responsibilities. It is not suggested that you walk away from life, but instead aim for some time to have some breathing space away from those sources of stress and anxiety.

When you're rested, you will be able to make better decisions and choices.

Where possible, delegate tasks and responsibilities to others. This could be for a few days or whatever time frame you feel is appropriate.

Accept help from friends, family and colleagues – but don't forget to say, "Thank you".

To help you feel better, pamper yourself – rest, exercise and eat well. Do something that gives you pleasure – have a massage, read a book, see a movie – just unwind and relax.

But if nothing seems to be working, acknowledge that you may not have all the answers and seek help – there are plenty of resources available such as support groups and counsellors that can help.

Teaching kids

How will your children learn to be responsible with money?

It certainly won't happen by magic and it is one of life's critical skills that aren't covered adequately in school.

Children have to be taught from an early age how to be financially responsible and successful when handling money and the pitfalls to avoid, such as living from one pay cheque to the next – or worse credit and debt.

Parents need to instruct children on how to develop healthy attitudes and habits for handling money. If not, children could become financially careless, not save or invest for their long term financial well being, lack money handling expertise, remain financially dependant upon you in your latter years or finance their lifestyles with debt.

Parents therefore need to communicate the importance and principles of financial responsibility to their children.

Start by discussing money at an early age and continue to do so as they grow and mature.

Encourage your children to do things for themselves, such as opening a bank account and making deposits and withdrawals.

Let them make mistakes and allow them to learn from their experiences.

Provide structure and limits, in particular the impact that choice will have on their spending and saving capabilities.

Help your children to establish a saving plan to achieve a personal goal so that they learn financial principles and the benefits of adhering to a medium or long-term plan.

By starting early, you can help your children to learn the money management skills that will make them better and more aware consumers and most importantly, financially responsible and successful investors when they reach adulthood.

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Feng Shui Tips

The Chinese art of Feng Shui, which is often misunderstood and misspelled (feng shue, feng sui, fen shui, feng shuei, feng shi, feng shiu, fenshui) is not as complicated as it may seem on the surface.

Pronounced, "Fung Shway", it was a closely guarded secret for thousands of years. Nowadays, the benefits of Feng Shui are being understood and applied by more and more people.

It is becoming a part of normal life and business activities for many Australians

Feng Shui for home interior design and office interior design is a common practice in the Far East. The many aspects of this Chinese art include building orientation, location of specific rooms, furniture arrangement, and the placement of colours, pictures and symbols to achieve a desired outcome – the creation of a harmonious environment; to improve health, wealth, harmony, longevity, career or business activities.

The key is energy (or Qi "Chee") and here are ten tips that can improve the flow, transformation, and containment of Qi in your life:

- Remove shoes before entering a home. Don't take your problems in with you.
- Cook at least one meal a day and eat at the table as a family.
- Never have knives on show – even in a block.
- Always sit or stand facing the door (or its reflection).
- Keep the toilet lid down and bathroom and laundry doors closed.
- Don't sleep under white blankets or doonas.



- Don't sleep with your feet facing the bedroom door.
- Don't sleep next to the wall that has the metre box on it.
- If your front door is in line with a tree or the door of the house opposite, place a Ba Gua mirror above the outside of the door.
- Never have a Ba Gua mirror in the house. They are far too powerful.

For many readers, some of these tips are just common sense and may have been practising the art of Feng Shui and didn't know it.

The dead horse and modern business

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The tribal wisdom of the Dakota Indians, which has been passed down from generation to generation, says that when you discover that you are on a dead horse, the best strategy is to dismount.

However we have come a long way and these days many modern business organizations employ far more advanced strategies, such as:

- Change riders
- Buy a stronger whip
- Do nothing: "This is the way we have always ridden dead horses"
- Visit other countries to see how they ride dead horses
- Perform a productivity study to see if lighter riders improve the dead horse's performance
- Hire a contractor to ride the dead horse
- Harness several dead horses together in an attempt to increase the speed
- Provide additional funding and/or training to increase

the dead horse's performance

- Appoint a committee to study the horse and assess how dead it actually is
- Re-classify the dead horse as "living-impaired"
- Develop a Strategic Plan for the management of dead horses
- Rewrite the expected performance requirements for all horses
- Modify existing standards to include dead horses
- Declare that, as the dead horse does not have to be fed, it is less costly, carries lower overheads, and therefore contributes substantially more to the bottom line than many other horses
- Promote the dead horse to a supervisory position

Important notice: The contents of this publication are of a general nature only and not been prepared to take into account any particular investor's financial situation or particular needs. The information and assumptions in this publication are provided in good faith for investors and their advisers. The contents are not to be relied upon as a substitute for financial or other professional advice – such advice should be obtained before making financial or insurance decisions. While the sources for the material are considered reliable, responsibility is not accepted for any inaccuracies, errors or omissions.



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