

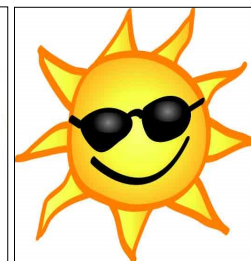
# Newsletter

Acting in Our Clients Best Interest

## Summer 2020/2021



Established 1992



Summer Sun



**Goodbye to 2020** - Take your pestilence and woes, goodbye to your lock downs, virus, and bush fires, never to return. Goodbye and good riddance

**Welcome to 2021** - With your vibrant bright colours and hope for health and prosperity. Your radiance captures us. We welcome your vitality with hope and open arms.

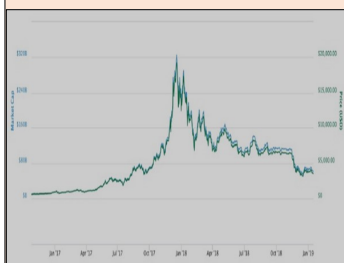


## Happy New Year



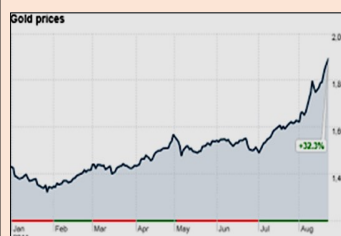
### GET RICH QUICK SCHEMES

In the past I've been asked if I know any good 'get rich quick' schemes; and yes, I do. I have also come across some 'get poor quick' schemes. Here's what know:



Bitcoin has been a candidate for both the 'Get Rich Quick' and the 'Get Poor Quick' schemes. On 14/02/2020, 1 Bitcoin was worth \$15,445, on 15/03/2020, it was worth \$8,648, on 16/12/2020 it was worth \$28,592.

Those investors who got in in February and sold in March are members of the 'Get Poor Quick' group. Those who bought in March and sold in December are members of the 'Get Rich Quick' group.



Gold, the ancient storer of wealth. Always there, always desired, particularly in times of uncertainty; during war, plague, pestilence, and Corona Virus. Not really a Get Rich Quick scheme, but if you bought in February and sold in September you would have a profit of 32.3%. So, for our purposes in this article, it is a Get Rich Quick scheme. If the vaccine is successful, then as fear subsides, the gold price may reduce. Historically, gold

has been, and will likely remain a secure and inflation proof place to store wealth.

For every one 'Get Rich Quick' schemes there is one 'Get Poor Quick' scheme.



### OVERSEAS BANK ACCOUNTS AND BITCOIN

It is estimated that US\$8 trillion is held in overseas banks globally. Some of these funds will be concealed for nefarious purposes. Others, such as residents of developing countries with unstable economies and weak institutions are looking for reliable secure ways of storing their wealth. In descending order, the top offshore account holders are the residents of 1) United Arab Emirates, 2) Venezuela, 3) Saudi Arabia, 4) Russia, 5) Greece.

Why do we have Bitcoin and other virtual currencies. Here are a some reasons:

1. Inflation – sovereign governments print more bank notes than can be supported by their economies. This causes inflation, which erodes the value of the bank notes.
2. There is seizure risk by local jurisdictions. Holders of Bitcoin eliminate these risks.
3. It's also much easier to set up a Bitcoin account and create a wallet than it is to open an overseas bank account.



**Independent Professionals Network**—Ultimate Financial Planners is a founding member of the IPN. We provide referrals to the following trusted best practice providers: Wills and Powers of Attorney, Mortgage Services, Tax Accountancy and Planning. For help please call **03 9585 7585**, [www.independentprofessionalsnetwork.com.au](http://www.independentprofessionalsnetwork.com.au)

**Victoria Un-Masked** - The masks are no longer compulsory outdoors, we can travel beyond 5 kms, enjoy social activities, be with our families, and escape the monotony of home detention plus one hour of yard time. The infections and deaths in Australia from Covid-19 have stopped rising, the companies working to produce a vaccine have indicated success. Let's hope for a healthier year ahead.

**The story of the year has been Covid19** and its effect on the health of the world and economies of the world. Closer to home, Victoria's economy has been hit hard - (see dwelling price table below).

In the panic following the pandemic, by 23rd March Australian share markets had fallen by 37%. Our view at Ultimate Financial Planners was that unlike the crash of 2008, there was nothing fundamentally wrong with the market; so there was the probability of a good rebound. Accordingly, we adopted a

Name of Fund	investment profile	Performance 30/11/2019 - 30/11/2020
Australian Super	Balanced	0.52%
Cbus	Balanced	1.93%
Vic Super	Balanced	4.80%
<b>Ultimate Financial Planners</b>	<b>Balanced</b>	<b>6.79%</b>

The results of this strategy are shown in the table above. Our ability to be flexible and adapt quickly with the support of our clients, has enabled us to honour the trust placed in us; to carefully husband the funds entrusted to us through the storm into safe harbour and profit. Thank s to all for your confidence in this strategy.

How Much Super Should You Have?				
Gender	Age	Average Balance	Balance Required Today for Comfortable Retirement	Gap
Male	30	\$25,520	\$61,000	-\$35,480
	40	\$56,792	\$154,000	-\$97,208
	50	\$111,115	\$271,000	-\$159,885
	60	\$180,944	\$430,000	-\$249,056
Female	30	\$21,765	\$61,000	-\$39,235
	40	\$46,075	\$154,000	-\$107,925
	50	\$87,634	\$271,000	-\$183,366
	60	\$154,896	\$430,000	-\$275,104



**So, how is your super doing? Are you in deficit, on track or over funded.**

If you're on track or overfunded...cool. If you're underfunded you may need to consider taking immediate action:

For the 30 year old, consider making additional contributions of 5% of your salary; that should fix it. For the average 60 yo, male or female, a plan for immediate action is required; making the maximum tax deductible contributions of \$25,000 pa could get you there.

A comfortable retirement means holidays and dining out, not yachts and expensive motor cars, and the numbers assume you're debt free and living in your own home. Whatever your age and circumstances, our planning program at Ultimate Financial planners will provide you with a pathway to make your goals a reality.

## Ups & downs

Dwelling price change, 31/12/19-31/12/20 (%)

SYD -	2.5
MEL -	-1.7
BNE -	3.2
ADL -	5.6
PER -	1.7

Nine | Chartbuilder

Data: CoreLogic

**Ultimate Financial Planners** obligation and duty is to act in the best interest of its clients at all times. We welcome your call on **03 9585 7585**, we are happy for you to drop by in person. Your initial enquiry/meeting is free.



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