

Your Super—Who to Nominate as Your Beneficiary

Nominating your super beneficiary is something you just before you pass away. A person may be wholly or have most likely been asked to do if you have a partially financially dependent on you. superannuation fund.

But, super fund trustees can only pay your super death benefit to eligible dependants or to your legal personal representative (LPR) who is generally the executor of your will.

There are important things you should be aware of regarding super dependants.

Who can you nominate as a super dependant?

Spouse

A spouse includes a legally married spouse or de facto spouse, both same sex and opposite sex. A spouse can be a person you're legally married to but estranged or separated from. So, if you haven't formally ended a marriage, your husband or wife is still considered your dependant under superannuation law. And, while you can't be legally married to two people, it is still possible to have two spouses—a legally married spouse and a de facto spouse.

Child

A child includes an adopted child or step-child. Even though a step-child is included in the definition of a child, if you end the relationship with the natural parent or the natural parent dies, the child is no longer considered your step-child.

However, they may still be considered a financial dependant or in an interdependency relationship with you and could therefore continue to be a beneficiary of your super.

Financial Dependand

Generally, a person is financially dependent on you if they have relied on you for necessary financial support

Interdependency relationship

Two people have an interdependency relationship if they live together and have a close personal relationship. One or each of them must also provide financial support to the other and at least one of each of them needs to provide domestic and personal care to the other.

Two people may still have an interdependency relationship if they do not live together but have a close personal relationship. For example, if they're separated due to disability or illness or due to a temporary absence, such as overseas employment.

Who is not a dependant?

Generally, your parents, siblings or friends who don't live with you and who are not financially dependent on you or in an interdependency relationship with you, are not dependants.

If you do not have a dependant you should direct your super to your LPR and prepare a Will which outlines your wishes.

Legal Personal Representative

An LPR is the person responsible for ensuring that various tasks are carried out on your behalf when you die. If you nominate your LPR as the beneficiary of your superannuation, you are nominating the executor of your Will or if you die without a Will, the administrator of your estate. Your Will should outline the proportions and the people you wish your estate, including your super, to go to.

For assistance in how to nominate your super beneficiaries your financial adviser will be able to help.

(Source: RI Advice)



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Jeff's Jottings

Yet another year draws to a close, and what an interesting year it has been.

We have seen interest rates rise at a steady pace this year—official rate 3.10% and counting - and judging by how things are heading, the RBA may persist with tightening until at least May 2023, in a bid to slow inflation.

The weather has thrown quite the curve ball this year; the wettest in a while, with the rainfall for Queensland being 158% of the 1961—1990 average and the wettest October since 2017.

Australian share markets had their highest surge in six months during the month of November. Although market returns for 2022 weren't as buoyant as 2021 (a strong year leading to record highs), especially after the market dip earlier in the year, it does show us that markets can and will, bounce back.

So what will the year ahead bring? Whilst nothing is ever guaranteed, 2023 certainly looks promising, reminding us that investing is all about time in the market and not timing the market, as some believe.

I'd finally like to take this opportunity to thank all of our wonderful clients for your support throughout the year. We wish you a safe and happy holiday season and we look forward to working with you in 2023.



Jeff English

CEO and Senior Financial Adviser

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Market Update

Most global markets had a strong month in October as interest rate rises were milder than expected.

WHAT HAPPENED IN OCTOBER?

- Some central banks started to moderate the pace of their interest rate rises.
- The RBA raised its target cash rate by 0.25% which was milder than expected.
- The Federal Reserve continues its attempts to control high inflation amidst signs of slowing economic growth.
- The US technology giants reported disappointing earnings.
- Bond yields stabilised after sharp rises, while most share markets rose strongly.

WHY DID THESE THINGS HAPPEN?

After a series of strong interest rate rises at the start of 2022, the rate rises in October were milder than expected. The Reserve Bank of Australia raised its target cash rate by 0.25% to 2.60% on the 4th October. This was softer than the expected 0.50% rise.

The Reserve Bank of Australia acknowledged that the cash rate has been increased substantially in a short period of time, yet further interest rate increases are expected over the period ahead.

The Bank of Canada made a similar decision in October and delivered a 0.50% rate rise, opposed to the anticipated 0.75% rise. Both central banks are attempting to strike a balance between high

inflation and slowing economic growth.

In the US, persistently high inflation and further signs of slowing economic growth has put the Federal Reserve in an increasingly difficult position. Comments from senior Federal Reserve officials in October generally followed the consensus that rates will have to rise further in order to reduce inflation.

Continued signs that economic growth is slowing has been seen in the housing market and the pace of job creation. Despite these signs, economic growth is still at a reasonably robust level. On a positive note, the labour market is still strong and is supporting consumer spending.

US technology giants, namely META, Amazon, Alphabet, and Microsoft, all reported poor results in the September quarter reporting season. Apple was a rare bright spot with their Mac and Wearables being their standout segments. After this news, some mega-cap technology stocks are now trading at attractive valuations relative to their historical averages.

Bond yields fell in October after rising and reaching their peak towards the end of the month. In contrast, developed equity markets rose strongly in October. In the US, the S&P 500 rose 8.0% with the rise concentrated in the second half of the month.

The technology dominated NASDAQ rose 3.9% despite poor earnings from the mega-cap US technology stocks. In Europe, the European equity indices performed strongly in October with the EuroSTOXX rising by 7.9%.

In Australia, the All Ordinaries rose 5.6% although

Mexican Taco Chopped Salad

For dinner on a hot day this summer, this salad is simple, yet zesty and refreshing.

Ingredients:

- 3 Corn cobs
- 2 Tbspn fresh lime juice
- 4 green shallots, sliced
- 2—3 baby gem lettuce, leaves separated, and torn (if large)
- 400g can black beans, drained
- 1 red capsicum, deseeded and thinly sliced
- 1 large avocado, cut into wedges
- 100g cheese flavoured corn chips

Lime Sour Cream Dressing

- 1/2 cup sour cream
- 1 1/2 Tbspn fresh lime juice
- 2 Tbspn chopped fresh coriander leaves

Method:

1. To make dressing, whisk all ingredients in a small bowl until combined. Cover. Place in fridge until ready to serve.
2. Preheat barbecue grill or chargrill pan on high. Cook corncobs, turning occasionally for 10 minutes until tender and lightly charred. Set aside until cool enough to handle.
3. Use a small sharp knife to cut down length of corn cobs, close to the core, to remove kernels. Transfer kernels to bowl. Add the lime juice, season, and toss to combine.
4. Arrange the shallots down the centre of a 30cm square serving plate. Arrange lettuce, corn, black beans, capsicum, avocado and corn chips in rows on either side of the shallot.
5. Toss the salad and divide amongst serving plates. Dollop over dressing.

(Source: www.taste.com.au)



not as strongly as most developed markets. Banks surged by more than 14.4% with the milder than expected cash rate rise.

WHERE TO FROM HERE?

It's encouraging to see a moderation in interest rate rises from the Reserve Bank of Australia and Bank of Canada. These are reasonable pointers to the direction of other central banks, although the timing is to be determined.

There's still a lot of uncertainty about the adverse impact of higher interest rates on the economy and corporate earnings. With inflation still

running high in the US and clear signs that economic growth is slowing, more interest rate hikes are expected although at a more moderate pace.

The poor earnings reported from the mega-cap technology stocks served as a timely reminder that stocks, especially highly valued growth stocks, are vulnerable to slower earnings growth. This means further volatility in share markets appears to be expected as economic conditions continue to even out.

(Source: Colonial First State)

Watch Out For Online Shopping Scams this Holiday Season

Losses to online shopping scams increase in the lead up to Christmas, and Scamwatch is warning Australians to be careful when buying gifts this holiday season.

Scammers create fake websites that look like genuine online stores, offering products at very low prices and victims will either receive a fake item or nothing at all. Reports of online shopping scams involving consumer goods such as shoes, phones, computers and toys continue to be high. But the most common thing people were trying to buy when they were scammed was puppies and other pets.

Another scam to be aware of if you have made a recent purchase online is fake parcel delivery notifications via text message or email.

More information on scams is available on the Scamwatch website, including how to make a report or where to get help. Be careful this holiday season.

(Source: Scamwatch.com.au)



Referrer of The Year

As you may already be aware, here at RetireInvest we thrive on providing solid financial advice and great service. We love it so much that when we receive referrals from existing clients, it validates what we already know—that sound financial advice is hard to beat.

As a token of our appreciation to those clients that refer us to their friends and family, we like to offer a \$20 gift card as a thank you. At the end of each year, all referrers go into the draw to win our 'Referrer of the Year' prize.

A big congratulations to our 2022 'Referrer of the Year' recipient winner, Carlo.

Congratulations Carlo, we hope you enjoy the prize!



Success Through Small Steps

Financial success is often made by taking small steps to get there. It may seem daunting and overwhelming but like anything, if you have a professional guiding you along the way, small steps can lead to something great.

STEP 1: SEEK ADVICE

It's hard to achieve great success without a team of experts behind you and your wealth is no different. Getting professional financial advice means your adviser can work through a myriad of options with you and implement a strategy aligned closely to your financial goals. Retirement planning, tax-effective super strategies, investments and estate planning? Your financial adviser can help.

STEP 2: UNDERSTAND WHAT ROLE RISK PLAYS

One of the first things your financial adviser will do is work out your risk profile, which they will check at regular review meetings. Why? Because risk is related to return, and this will help drive the recommendations they make to you in terms of your financial plan. Generally, the higher the risk, the higher the return. While some people like higher risk investments because they have the potential to deliver higher returns, others prefer less risky investments. It's important to remember that markets are cyclical and shares are a long-term investment so if the market wobbles, your financial adviser is best placed to keep an eye on your investments and determine if they remain aligned to your overall financial strategy.

STEP 3: CHECK YOUR SUPER

Your superannuation could be your largest asset, other than your own home. Given it's such a large sum that you have been contributing to for years and years, and you are relying on it to sustain you in your retirement, isn't it something you want to get right? Sure, it's a long-term investment, but it's important that it is invested in-line with your risk profile and financial goals. And you do have options. As well as your employer contribution, you can kick in a bit extra through salary sacrificing. Contributing more to super will not only boost your account balance, it could reduce the amount of tax you pay.

STEP 4: STICK TO A BUDGET

Sounds boring, right? But a budget is not boring, it's empowering!! Setting a realistic budget helps you understand where your money is going, what can be trimmed and where you can invest to save for your future. Understanding your overall financial health and having a budget aligned to your financial goals gives you a real understanding of the benefits of working with a financial adviser. You can start to see a real change in your circumstances. Having a budget doesn't mean giving up things you want, it just means you plan for them and you make sure you can afford them before you spend the money. Setting and sticking to a budget is really the simplest way to help you get ahead.

So if you would like to take that first small step, contact a professional financial adviser. (Source: RI Article Hub)

SMALL STEPS TO GREAT SUCCESS

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Office Closure Dates

Please note our office will be closed over the following dates:



Closed from
23rd December 2022,
reopening 3rd January
2023.



Closed Australia Day 26th
January 2023

Whilst our office will be closed over these dates, please feel free to leave us a voice message and we will attend to it on our return to the office.

Alternatively, please email any queries to:

enquiries@ritcoastal.com.au

Wishing all of our wonderful clients a happy and safe holiday season. We look forward to seeing you in the New Year.

