



Newsletter

Welcome

Welcome to the Winter issue of our newsletter.

We're excited to announce that Financial Spectrum will be competing in the Sydney Business Awards 2010. The Awards are run every year to recognise excellence in small business. Voting opens on the 16th June so we hope you'll lend your support by voting for us. More information including how to vote will be sent out shortly.

Financial Spectrum is now on Facebook and Twitter where we will be updating regularly with comments, articles and ebooks on a range of topics. Be sure to add us.

We'd like to officially welcome our new financial planner James Brescia. James brings some great knowledge and experience to the team as well as a passion for helping clients. He replaces Simon Backman who has returned home to QLD.

Enjoy!

Kind regards,

The Financial Spectrum team

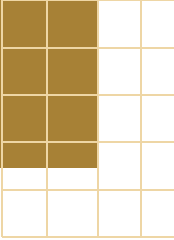
Winter 2010

In this issue...

- > Latest economic update.
- > Ethical investing. If you're passionate about world issues such as climate change ethical investing can give you the ability to support socially responsible causes whilst earning the rewards of investing.
- > The top mistakes not to make in your will. Getting your will right can help save a lot of heartache and stress for your loved ones.
- > An introduction to scuba diving and how to start exploring the wonders of the deep



Economic Update



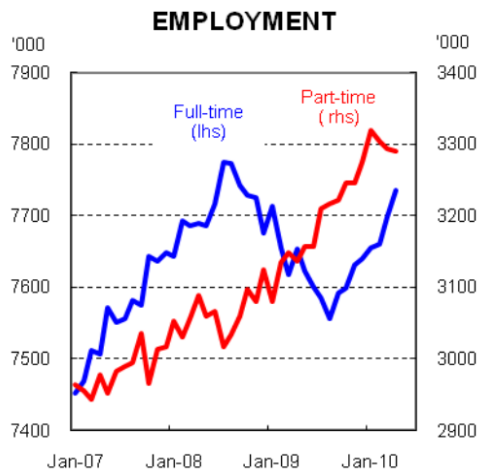
Dramatic Improvement to the Budget Outlook

Since the Budget 2009, the financial outlook has changed significantly. Expectations of a nasty recession that would negatively impact upon the Budget proved to be unfounded and recovery has been sooner and larger than was predicted. This has meant that the Budget 2010 has outlined a much more positive outlook with the expectation of returning to surplus in 2012/13 - three years sooner than previously anticipated.

Did you receive our [Budget Review 2010](#)? If not, check out our online version with all the major highlights of the Budget and how they might effect you.

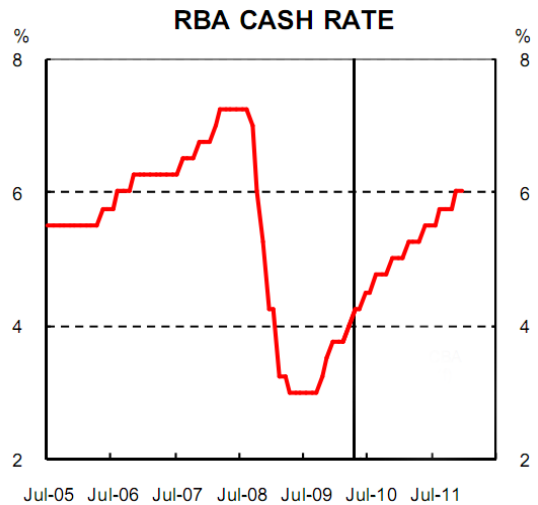
A Rise in Employment Figures

Employment rose in April by 33,700, with full-time jobs up 37,500 and part-time jobs down 3,900. The unemployment rate is currently 5.4% which is low in comparison to 9.9% in the USA, 8% in the UK and 10% in the EU. Victoria and NSW are leading the employment recovery, with each adding 110,000 and 62,000 jobs respectively over the past year.



RBA and interest rates

The Reserve Bank of Australia (RBA) lifted the cash rate to 4½%. Economists are predicting a 5% cash rate by the end of the year, increasing to 6% in 2011.



In an ever-changing and complex world, seeking professional advice can help guide you through the maze. We invite you to contact us to explore the opportunities available to you.

Call your adviser today on 02 8238 0888

Source: Commonwealth Research, Australian Economic Perspective.

> Ethical Investing

How your investments can make a difference to the world

Issues such as climate change, uranium mining, child labour, and human rights are all contentious issues however many of us feel powerless to make a difference. One way you may not have considered is through Sustainable Responsible Investment (SRI).

SRI is a type of investing which considers social and environmental factors as well as financial factors in investment decision making. You might also see it referred to as “green investing” or “responsible investing”. The idea is that by investing in companies and funds that are more socially responsible, that you can make a positive contribution to world issues such as global warming whilst at the same time receiving financial gains through investing.

SRI's were initially developed in response to the need for people of Jewish, Christian and Islamic faiths to avoid investments which contravened their religious beliefs. Since that time however, there has been a greater consumer demand for more environmental and socially conscious businesses. In the 2006 financial year alone, SRI-managed portfolios increased by 56% in Australia*.

What types of things are invested in?

So, what types of investments are SRI friendly? Here are some examples:



SRI thumbs up:

- wind farming and renewable energies
- health care
- waste management
- organic foods



SRI thumbs down:

- gambling
- mining and resources
- armaments



Does Sustainable Responsible Investment (SRI) necessarily mean lower returns?

Many people associate more socially responsible investing with lower investment returns. But is this necessarily the case?

The research over the past few years indicates that yes, mainstream funds do perform better than SRI's on average, but not by much. The explanation for this slight underperformance is likely to be due to the fact that ethical funds are less likely to invest in the resources sector which continues to perform well in Australia.

Are all “ethical” funds as ethical as each other?

Without a set standard in Australia it is difficult to compare investments at face value. It is important that you read the Product Disclosure Statement (PDS) carefully to ensure that the companies and sectors that are being invested in are aligned with your own ethical values.

Could SRI's be the right thing for you?

The choice to invest in socially responsible investment funds needs to be considered in relation to your own ethical values as well as your portfolio and financial planning goals for the future. Remember that SRI's may not perform quite as well as more traditional investments—you should consider this in your decision making.

If you're passionate about investing to Sustainable Responsible Investments, be sure to discuss this with your Financial Spectrum financial adviser who can help assess whether these types of investments might be a right fit for your situation.

If you're passionate about environmental and social issues SRI's might be the right thing for you. Financial Spectrum financial advisers can help you decide whether it might be the right strategy for your situation.

Call an adviser today on 02 8238 0888

*Sustainable Responsible Investment in Australia 2006. Ethical Investment Association



> Where there's a will...

The common mistakes to avoid in your will

Almost half of all Australians do not have a will. This is concerning as this leaves many families and loved ones exposed to the stresses of managing an estate without one.

Having a will is always better than not having one, however there are some common mistakes that can be best avoided:

✘ Up to date?

Times change, relationships change, circumstances change. A will should be reviewed at least every five years to ensure that it is up to date and stays relevant. A will should also be updated whenever there is a major family event such as a birth, a death, or a marriage.

✘ Signed, sealed, delivered

If a will is not signed or witnessed properly it can be rendered invalid. Each state has some slightly different rules about how wills need to be signed and witnessed but generally they require two adult witnesses who are not potential beneficiaries.

✘ Hide and seek

After a death, finding where the deceased put important papers can be a challenge! Ensure that you tell your family members where your will is located so that they are able to find it in the event of your death. A will is no good to anyone if no one is able to locate it!

Ideally, you should have several copies of your will. The original should be stored in a secure place such as in a safe deposit box or with your lawyer. You may also like to consider giving a copy to your chosen executor.

✘ Priceless possessions

When it comes to writing your will, remember not to overlook smaller items which may not necessarily have monetary value, but have sentimental value to your loved ones. Often it is small personal items such as photographs, jewellery and family heirlooms which cause the most grief in families when specific bequests have not been made. You should make a list of all your sentimental items and write specific bequests about to whom those items should be given or give provision in the will for beneficiaries to be able to choose between alternate items,

✘ Executive orders

Many people appoint executors of their will who are not suitable for the job. You should ensure that your chosen executor is someone who is responsible, trustworthy, and physically able to fulfill the role (consider age and geographic location—e.g someone living overseas will find it difficult to fulfill their duties as an executor). If you're keen to elect someone as your executor you should discuss this with them in advance to make sure that they're happy to fulfill the role. In addition, you may also like to consider appointing an independent person such as your lawyer as a co-executor.

✘ DIY?

Using a do-it-yourself will kit is one of the most popular methods of writing a will in Australia however unless your situation is very straightforward you should be aware of the risks involved in writing your own will. Often the wording can often lend itself to misinterpretation. Many court cases about wills arise where people have used a DIY will kit and there is ambiguity. The advantages of getting a will drawn up professionally is that you can limit the risk of the will containing ambiguity and the chance of someone contesting it on these grounds. Of course, having your will drawn up professionally is more costly but this cost would be small in relation to the possible future cost of a court case.

✘ Final word

Another issue which is a common source of family dispute are funeral arrangements. If you have specific wishes about whether you want to be buried or cremated, what type of service you want etc then you should specify these in your will. This avoids any family conflict by clearly stating your wishes.

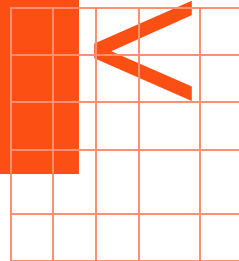
For more information about arranging or updating your will, or for a referral to a professional who can assist you in drawing up your will, be sure to talk to your Financial Spectrum financial planner.

Call an adviser today on 02 8238 0888



Scuba Diving

Explore the wonders of the
deep



For those of you with a taste for adventure, scuba diving might be a great hobby for you! Scientists believe that only 5% of the ocean has been explored making scuba diving a great way to get out there and see parts of our planet that you wouldn't normally get to experience.

What is scuba diving?

Scuba stands for 'self contained underwater breathing apparatus' which basically means that you are able to breathe under water allowing divers to stay below the water surface for long periods of time.

Is it safe?

Scuba diving is a relatively safe sport. As with most sports there are some risks however by following the training provided in the certification course, these are minimal. The most well known risk: 'the bends' or decompression sickness is extremely rare. The most common risk are cuts if you bump against sharp coral and rock below the surface. Other risks such as those cause by equipment malfunction can be avoided by diving in a group, and sticking to a diving plan.

Medical considerations

Whilst scuba diving is a relatively safe hobby, there are some medical conditions that exclude people from diving. These include conditions such as asthma, diabetes, and epilepsy. Before you can start a Learn to Dive course, you will need to undergo a diving medical examination by a doctor who has completed the Diving Medical Course to ensure that you don't have a medical condition that could make scuba diving unsafe for you. You will also need to have a minimum level of fitness and be able to swim 200 meters without any swimming aids, or 300 meters with a mask, fins and snorkel.

Where can I learn?

The Professional Association of Diving Instructors (PADI) is the world's largest recreational diving training organisation. Learn to Dive courses are conducted all over Australia and the cost is around \$450 for an open water certification which provides you with your instruction, lessons in a controlled pool environment, and some open water dives with an instructor. After successful completion of this course you will be certified to scuba dive at any location up to a maximum depth of 18 meters.

What sort of equipment will I need?

Here is just some of the equipment you will need:

- > mask: allows you to see clearly underwater
- > exposure suit: protects you from cuts and scrapes and helps you stay warm
- > scuba unit: allows you to breathe underwater. Includes a regulator, tank, and a buoyancy control device
- > dive watch: allows you to measure your dive time

For more information or to find a diving course near you visit:

- > www.padi.com



Important Information: This document has been prepared by Financial Spectrum Pty Ltd (ABN: 57 134 661 706) as is current as of April 2010 but may change without notice.

The information contained in this newsletter is of a general nature and does not take into account your personal needs and financial circumstances. Before making any decisions based on the advice contained in this booklet you should consider whether it is appropriate for your circumstances.

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