



The Dragonfly's Tale

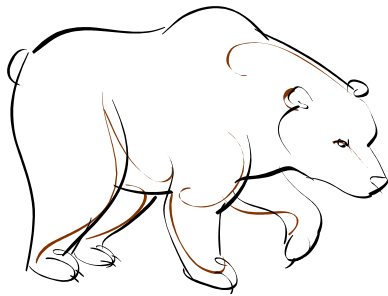
Issue 5

March
2009

Welcome All

Special points of interest:

- Do Bulls always follow Bears?



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The first quarter of the new year is over and there hasn't been much to get excited about on the financial market front. There was a young girl, Helen Keller, who was both blind and deaf and she once said, "When one door of happiness closes, another opens; but often we look so long at the closed door that we do not see the one which has been opened for us". 2009 may be the year where we need to weigh up the risk of short term losses against the potential of long-term gains.

All going to plan we will be launching our web site in May. Brett, Kath & Sharri have spent considerable time planning the construction. We aim to provide our clients with a tool that is user friendly and informative. When it is functional we will notify one and all.

We have had a couple of changes in our staffing over the last month. Kaitlyn recently completed her office administration traineeship and has moved on to a local accounting practice to further her knowledge and experience. Sharri will also be leaving us in April. She has been studying for a qualification unrelated to this industry and has passed with flying colours. She is about to set up her own business which she will run from home. It has been a pleasure to have had both of them as part of our team and wish them prosperity and success in their chosen fields.

Brett & I recently attended a conference in Adelaide presented by the Self Managed Superannuation Professionals Association of Australia (SPAA). We participated in a number of workshops on subjects including, estate planning, SMSF strategies in a volatile market, administration responsibilities of a Trustee and member asset segregation. We also listened to presentations from both the minister and shadow minister for Superannuation and Corporate Law. Not too much useful information from that sector with the minister really only saying he was reviewing the superannuation industry. Overall we found the conference brain taxing but very worthwhile.

For all those who are keen "Footy Tipsters" Brett has decided that given his success last year he will not be entering the competition in the Bunbury Mail this year. He would like to give others the opportunity to have a win and get to the grand final.

Leanne

Don't let money worries affect your mental health

TIPS FOR HEALTHY LIVING:

- ◆ Check it out. Many health problems can be detected early or avoided if you get checked out regularly. If there are any aches, pains or worries, your GP can help work out what's going on...
- ◆ Rate your diet and exercise habits: explore healthier options—more fruit & vegetables, a sport or hobby that gets and keeps you active...
- ◆ Make time to relax and unwind regularly: going for a walk, having a massage, listening to music or immersing yourself in a good book or movie all help. Its good to tell your mind and body they are 'off duty' and have a right to relax...
- ◆ Talk about it: make sure you have family, friends or a counsellor with whom you can share your thoughts and feelings. This helps sort out problems and creates an outlet for any stress or anxiety that may crop up.

TIPS FOR HEALTHY FINANCES:

- ◆ Reduce debt: whether its combining credit cards or lowering your personal loan, efforts to lower any debt (and money spent on interest rates) can help...
- ◆ Health insurance: Make sure your existing cover matches your age and lifestyle...
- ◆ See a financial planner: expert advice can help structure your savings and expenditure...
- ◆ Think small, but regular: small amounts of regular savings turn into large amounts over time...
- ◆ Research: get as much advice and information as possible before signing on the dotted line; you worked hard for your money, don't let it go to waste.

Westscheme Newsletter

**Dragonflies are
one of the
fastest flying
insects,
flying
50 to 60
mph**

Corporate Bowls Fundraiser

Leanne, Brett & Trena put their best foot forward to help raise much needed funds for the Intown Lunch Centre— Shoestring Cafe... All together a successful outcome as over \$12000 was raised...



More than 30 teams turned out to support the Intown Centre and Shoestring Cafe corporate bowls fundraiser at the Bunbury Bowling Club on Friday evening.

ATM Fees a Big Issue

With the new ATM regime kicking in on March 3, ATM fees were pretty much the 'hot' complaint. NAB, BankWest, St George and Westpac may have back flipped on disloyalty fees", but as savvy clients pointed out, there'll be more backlash from this Reserve Bank initiative. For those not sure what all the fuss is about, lucky you. You're either carrying a wad of cash or your institution has an ATM on every block, if the rest of us use an ATM not owned by our institution we can expect to be charged a foreign ATM fee by the machine owner. Our own bank may or may not charge a disloyalty fee for using somebody else's ATM. This is not a new fee; rather there's more transparency about just who is charging the fee. Now you're told by the ATM owner before you proceed how much a foreign ATM transaction will cost. You have the option of cancelling the transaction if you don't want to pay the fee. Part of the aim of ATM fee reform is to let competitive forces take hold. Hopefully we'll end up paying less than before - around \$2. The reality is we're still paying pretty much the same and there's definitely room for fees to go berserk. Why? Well, some institutions charge for balance inquiries. In addition, your own bank may continue to charge you a `disloyalty fee" for using an ATM from another provider, even if you have already paid the ATM owner's direct charge fee as part of the transaction. NAB was the last major bank to withdraw its 50c disloyalty fee, thanks to consumer pressure, but some institutions still have it For latest fees visit www.atmfeetracker.com. Things get worse when you realise only 43% of the 26,500-odd ATMs in Australia are owned by banks. The rest are owned by building societies, credit unions and independent companies running machines such as "Cashcard" (First Data), Customers" and "iCash". It's the independents that have potential to bite because some ATMs are programmed to "direct charge" differing fees for any time of the day at any amount. So, in the wee small hours, short of cash for the next round you might happily accept a \$11) fee for a cash withdrawal. One of our clients is a little miffed that his account is to start charging these fees. He has a NAB gold banking account and enjoyed unlimited ATM withdrawal at any ATM in Australia and overseas for no fee he tells us. Thanks to the Reserve Bank's new rules I now have to pay a fee for this service, yes we are afraid he's right. NAB told us: NAB Gold Banking customers will not be charged by NAB for using a non NAB ATM; however the customer may be charged a fee direct by the ATM owner, the amount of which is outside NAB's control. In recognition of the potential inconvenience that this may cause NAB Gold Banking customers, NAB is reducing the monthly service fee from \$12 to \$10 and the fee will be automatically waived if the customer deposits at least \$5000 per month." A reduction in service fees goes some way, but there's nothing more frustrating then being sold a product on its features, only for them to change at a later date. It has also been pointed out that other institutions including Citibank and BankWest also promoted accounts with unlimited fee free other-bank ATM withdrawals. After March 3, can they still offer this? BankWest says the product is under review while we understand what this means for overall profitability. You can avoid foreign ATM fees by:

- ◆ Taking cash out with each EFTPOS transaction.
- ◆ Using a Visa or MasterCard debit card for unlimited free EFTPOS transactions. Just watch out for merchant surcharges.
- ◆ Checking your account balances online or over the phone instead of at an ATM.

We all would prefer there were no foreign ATM fees and certainly not \$2-plus, Word is 10 cents would cover the costs of transacting on a foreign ATM. Given about 400 million foreign ATM withdrawals were made in 2007/2008, Let's now looking into what it takes to buy our own ATM.

Don't worry
about
tomorrow!
After all,
today is the
tomorrow
you worried
about
yesterday!

Do Bulls always follow Bears?

2008 was a year of unprecedented falls, banking collapses, margin calls and general economic malaise. Whilst the term volatility, which refers to market rises and falls, may understate what we have just experienced, we have seen volatile markets in the past and, no doubt, will see them again in the future.

Economists around the world have never been busier and have started speculating that we may be at the bottom of the current cycle. It seems that basic historical trend market data has provided hope that a market turnaround is imminent. But does history always repeat itself?

What does history tell us?

History can provide some insights to provide comfort during periods of prolonged downturn.

Most comfort can be gained by the fact that for every market fall there has been an ensuing market rise that elevates the market to a new high.

Take the following chart. This highlights market trends since 1970. The blue line illustrates the period during which the market kept moving in a positive direction - otherwise referred to as a bull market. The red line indicates a bear market - a term used to describe when the market has had repeated periods of negative performance.

The average bull market (length of period of successive market growth) has been 42 months since 1970 and the average bear market (length of period of successive market falls) has been 15 months.

We have been enduring this current period of negative growth (bear market) since November 2007 - 15 months. As such, this 38-year historical view may provide an insight that the market is poised for a turning point. We don't know when this turning point will occur, but most early phases of the new bull market incorporate a period of sharp recovery.

Zurich Investor Newsletter



Source: Bloomberg and Zurich Investments.

Where to now?

All market commentators agree that 2008 was unprecedented, and certainly the impacts are being felt right across the world. The impacts of the credit crunch are not limited to financial services as we now enter a period of rising unemployment and many economies are in recession. Despite this turmoil, the basic rules with regards to investing have not changed.

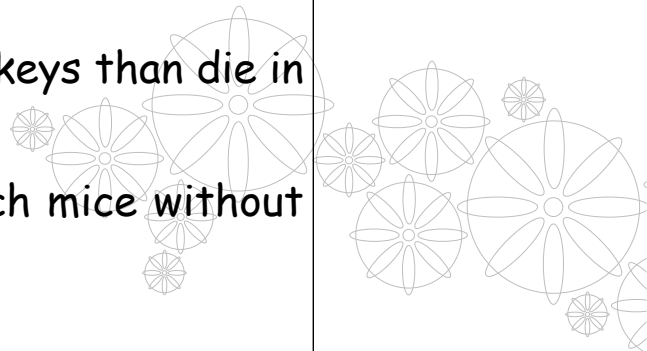
Basic rules for investing centre on staying true to your original investment plan. Share markets by their nature are volatile. This is the reason financial advisers recommend that only investors with a long-term investment horizon (i.e. five-years plus) invest in shares. Long-term investors, who stay focused on their investment approach, have a greater chance of achieving their goals. While volatility may make the ride a bit bumpy, experience shows that those who stay invested tend to come out ahead.

Basic Rules

- * Stay focussed on your original investment plan
 - * Don't panic or over react to market downturns
 - * Take comfort from history - market has always risen to new highs
 - * Speak to your financial adviser
-

Trivia

- ♦ Money isn't made out of paper; its made out of linen.
- ♦ Every person has a unique tongue print.
- ♦ Colgate claims "Tooth Fairy" as a registered trademark.
- ♦ The honeybee kills more people worldwide than all the poisonous snakes combined.
- ♦ More people are killed annually by donkeys than die in air crashes.
- ♦ In Cleveland, Ohio, it is illegal to catch mice without a hunting licence.
- ♦ Dolphins sleep with one eye open...



Goldline Financial
Planning

PO Box 1721
BUNBURY WA 6231

Phone: 08 97918772
Fax: 08 97915523

E-mail:
admin@goldlinefm.com.au

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*Enjoy the freedom
to relax*



Please note:

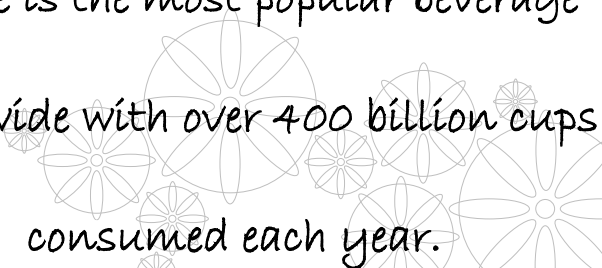
Our office hours have changed

We are open 8.00am—4.30pm

Monday to Friday



Coffee is the most popular beverage
worldwide with over 400 billion cups
consumed each year.



DISCLAIMER

This presentation has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. While this information has been based on sources which are considered reliable, its accuracy and completeness cannot be guaranteed. It is not intended that it be relied on by recipients for the purpose of making investment and/or business decisions. Before making an investment decision, you need to consider (with or without the assistance of an adviser) whether this information is appropriate to your needs, objectives and circumstances.

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