

MARKET VOLATILITY

There has been a considerable amount of volatility in the share market over the last few months. Much of this has been due to a number of issues that have “spooked” the market. While there would be a temptation for many investors to fly to cash in this environment, our general recommendation is to maintain the current portfolio that is in line with your relevant investor profile. As an example, a Prudent client would have around a third of their money allocated to cash & fixed interest, while two thirds would be allocated to shares. So, while the amount allocated to shares may be experiencing volatility at the moment, the amount allocated to cash & fixed interest will be holding its value. This helps to lessen the impact of any share market volatility on your whole portfolio. We would also like to remind you that our clients portfolios are set up with a long term focus, and while occasional market downturns may come along, these are to be expected and the general recommendation is to “ride out” any volatile market fluctuations, as flying to cash will only lock in any losses you have incurred.

CENTRELINK UPDATES

We act as the Centrelink nominee for many of our clients, which means we are responsible for updating Centrelink on their affairs, including their income streams. Centrelink give you 21 days (3 weeks) to respond to requests for information. The problem is Centrelink are taking 6 to 8 weeks to process the responses to many of these requests, which will often result in them issuing a second request. Please be aware that just because you receive a second request does not mean we have not responded to the initial request, it just means Centrelink have not processed it yet. Where a second request is issued, we will immediately contact Centrelink and chase up the processing of the initial request to ensure your Centrelink entitlement is not impacted in any way.

DECEASED ACCOUNTS

It is the policy of the various investment companies we use to switch off adviser service fees upon notification of the death of a client. While we agree that we should not get paid if we are not doing any work for a deceased client, it is often at this time that as Financial Advisers we find that we have to undertake a considerable amount of work arranging for the deceased clients’ accounts to be paid out to the estate and beneficiaries, or transferred into the name of the surviving spouse. This is never an overnight process and can sometimes take several months. To ensure that we continue to be paid Leishman’s will need to get the relevant executors and beneficiaries to sign forms to facilitate this. While we acknowledge that this is probably the most unsuitable time to have to do this, the investment companies we use (who will continue to receive their fees) have brought this situation into force.

ROYAL COMMISSION

Over the last few months you may have seen in the news stories coming out of the Royal Commission into the Banking, Superannuation and Financial Services industry. Much of the misconduct that has come to light from the Royal Commission has been carried out by large financial institutions such as the big banks and AMP. We would like to take this opportunity to remind you that Leishman Financial Services is in no way associated with any other financial institution and the investment platforms we use are also not owned in any way by any of the major financial institutions. Leishmans take pride in being able to provide truly independent financial advice that is in the best interests of our clients and not some large financial institution.