

Your Life Quarterly Update



Your Life
Financial Services

Spring Edition September 2017

Invest In Your Life

Welcome to the Spring edition of Your Life Quarterly Update. I hope you are all enjoying the warmer weather. In this edition we outline:

- The Importance of Income Protection
- The Global Market Update
- World Economic Update
- Holiday Adventures : Uluru, Ayers Rock
- Healthy Habits Corner: 4 Remedies for Lower back pain.



Importance of Income Protection

Have you considered if you (or a family member) became sick or injured and unable to work for a long period of time, how this may effect your ability to **continue paying the mortgage, bills, school fees and lifestyle expenses?**

Income protection insurance is designed to provide you with **75% of your income** in the event you are unable to work for a period of time. While you may have some sick leave or savings, imagine if you were in hospital for 6 months or more. Could you cover the family bills?

Income Protection insurance premiums are 100% tax deductible if owned outside your Super, thus reducing the amount of tax that you pay.

If you sustained a serious sickness or injury, income protection could continue paying you an income per month until age 65.

It is often a small price to pay for the dignity and peace of mind knowing that you can **look after your family**.

To find out more please contact our office for a free illustration based on your personal needs.

Global Market Update

We have outlined below the major market indices as at 1st of June 2017 and their movement over the past 12 months.

Country	Index	Index 1/09/2017	% change in 12 months
Australia	ASX 200	5714.50	5.2%
USA	Dow Jones	21978.88	19.5%
USA Technology	Nasdaq	6442.17	23.5%
UK	FTSE100	7440.50	9.2%
Hong Kong	Hang Seng	28008.00	22.7%
Japan	Nikkei	19739.00	16.9%

The USA Technology index (NASDAQ) was the best performing index over the past 12 months.

World Economic Update

World Equity Markets

- Despite a setback at the outbreak of acute tensions over North Korea, the world economy has continued to make progress, particularly in the Eurozone, Japan and building on ongoing growth in the United States.



Australian equities Review

In the sub par Australian economy, Australian shares have shown little net movement year to date, as a rally in April and early May was not sustained, and prices more recently have oscillated around their opening-year level.

Australian Equities—outlook

Australian Equities have experienced very modest gains in share prices, at a time when other developed economies' have generally been rising faster. This reflects the difficulty the local economy has faced in breaking out of its post-mining-boom slowdown.

Although there are some promising signs that business conditions are finally taking a clear turn for the better, consumer sentiment remains weak, and the equity market may continue to be side-lined by ongoing subpar growth.

On the business side, recent surveys have been clearly positive. NAB's July business survey found that both business confidence and actual business conditions (trading, employment and profitability) have improved. "Business conditions rose by 1 point in June to hit +15 index points, which is the highest level for the series since early 2008".

For the RBA, the economy is finally starting to pick up speed. As it said in its recent Monetary Policy Statement, "The economy is expected to grow at an annual rate of around 3 per cent over the next couple of years, which is a bit higher than estimates of potential growth. If correct, it could be the catalyst for improved equity performance.

But there are still grounds for caution, particularly around the behaviour of the household sector. The August readings from the Westpac Melbourne Institute survey of consumer confidence showed that "The consumer mood has deteriorated over the last year, with August marking the ninth consecutive month where pessimists are outnumbering optimists.

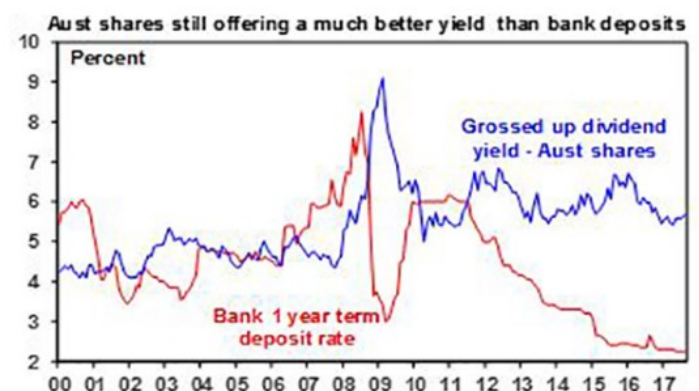
So the Australian economy is still clearly not out of the woods. Ongoing subpar growth is not the end of the world, but it will likely go on constraining corporate profit growth.

Another area for concern is the housing market. Housing construction is starting to slow with falling approvals pointing to decreasing dwelling investments (see below).



Source: ABS, AMP Capital

A positive for the Australian share market is that bank deposits (cash returns) are likely to provide poor returns for investors for a while yet, highlighting the case for yield-focused investors to continue to look for superior sources of yield. The yield gap between Australian shares and bank deposits remains wide, driving a strong source of demand for shares (see below).



Source: RBA, AMP Capital

World Economic update

International Equities — Review

World shares had been performing strongly up to August, based on an improving world economy and lower levels of investor concern about potential tightening of global monetary policies (ie increasing interest rates overseas). U.S. equities have continued to do well, reflecting ongoing American economic growth and good growth in corporate profits. The chart below illustrates the growth of the Dow Jones (American Index) over the past year.



Dow Jones Industrial Average (1 year movement)

In Japan, it has been a market of two halves, weak early on and stronger since mid-April, but the two phases have roughly cancelled each other out.

Emerging markets (Asia) have continued to do very well, with the MSCI Emerging-Markets Index now up 17.9% in the emerging-markets' currencies.

International Equities — Outlook

The economic outlook continues to support equity performance, with good news out of the U.S. the Eurozone and Japan. The American economy continues to perform well. The key market indicators have been the monthly employment release, with 209,000 new jobs in July (more than forecasters had expected) and a further fall in the unemployment rate to only 4.3%.

The outlook for ongoing profit growth also looks positive. Share analysts expect that earnings per share for 2017 as a whole will have grown by 9.5%. Profits per share are also expected to rise further in 2018, by 11.1%.

Good news in the U.S. carries more weight than in other markets. U.S. share valuations are particularly high, and good profit outcomes are essential to meet investors' high expectations.

The previously struggling eurozone is also showing every sign of a decent improvement in economic activity.

The International Monetary Fund, in its latest (July) update to its flagship World Economic Outlook Report, agreed that the outlook is supportive. "Economic activity in both advanced economies and emerging & developing economies are forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively."

On the plus side, this could be read as showing that share prices will continue to be resilient no matter what surprises emerge from Pyongyang or elsewhere. This likely reflects a short-sightedness about potential upsets. While Investors have an 'all going well' approach to world shares, the outlook is likely to be bumpier than current complacency allows for.

While Australian shares are great for income, global shares are likely to remain outperformers for capital growth. In fact, global shares have been outperforming Australian shares since October 2009.

North Korea



- Tensions with North Korea have clearly increased causing volatility in share markets.
- The risk of war has grown but a diplomatic solution remains most likely. There could still be more volatility before this is finally achieved.

Historically, shares have been adversely affected initially on the uncertainty of wars (or threatened wars) with a potential significant economic impact, but have tended to rally well before the conflict is over.

Military conflicts are nothing new and share markets have lived through them with an initial sell-off if the conflict is viewed as material, followed by a rebound, as a resolution is reached or is seen as probable. The same is likely around conflict with North Korea. The involvement of nuclear weapons clearly adds an element of risk.

While there is a case for short-term caution, the best approach for most investors is to look through the noise and search for opportunities.

Source : Morningstar Economic Update August 2017

Shane Oliver The threat of war with North Korea- Implications for investors 15/8/2017.

Holiday Adventures : Uluru, Ayers Rock

What does your dream holiday look like?

Welcome to the exotic Uluru, Ayers Rock.

Location : Uluru

Rising from seemingly nowhere in the deep centre of Australia, Uluru (Ayers Rock) is one of the world's great natural wonders.

Activities

Cultural tours of Ayers Rock with Aboriginal guides, known as Anangu Tours, are very popular. They go from Yulara, and include sunrise breakfasts with views of the striking attraction. Dinner tours are one of the best Ayers Rock tour options, and the Sounds of Silence Dinner offers a star-lit meal near the rock.

Food

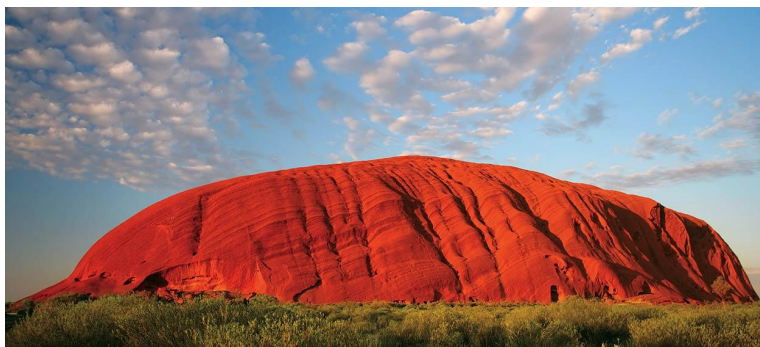
'Bush tucker' is the Australian term for the huge variety of native herbs, spices, fruits, seeds, insects and wildlife that Indigenous Australians have been eating for tens of thousands of years.

Must See Attractions

Uluru tours enable you to experience the natural phenomenon on foot, camel back, helicopter, or scenic plane flight; or stick around after dark for an evening barbeque under the starry Outback sky. Explore breathtaking attractions, such as Kata Tjuta (the Olgas) and Kings Canyon, with ease.

Distance from Sydney : Approx. 9.5 hours

Source: Travel Associates. www.travel-associates.com.au



4 Remedies For Lower Back Pain

It's estimated that up to 80 percent of adults experience persistent symptoms of lower back pain at some point in their lives. We have outlined 4 suggestions to help with your lower back pain.

1. Release your inner endorphins

Endorphins are hormones made naturally in your body. What most people don't know is that they can be just as strong as any manufactured pain medication. Activities that release endorphins include: Aerobic Exercise, Massage Therapy and Meditation.

2. Exercise your Core

The muscles in your abs and back play a critical role in supporting your lower spine. These muscles don't get a good workout during the course of a normal day—they need to be specifically targeted through exercise.

3. Soothe the pain with Cold or heat

Cold therapy— It reduces inflammation, which is usually a culprit in any type of back pain. It acts as a local anesthetic by slowing down nerve impulses, which keeps the nerves from spasming and causing pain.

Heat therapy—Heat application stimulates blood flow, which brings healing nutrients to the affected area of the low back.

4. Stretch your hamstrings twice daily

One often overlooked contributor to lower back pain is tight hamstrings. If your hamstring muscles (located in the back of your thighs) are too tight, your lower back and sacroiliac joints will be stressed, leading to more pain.

Source : www.spine-health.com—By Stephanie Burke
Remedies for Lower back relief.



Disclaimer: This article is not legal advice and should not be relied on as such. Any advice in this document is general advice only and does not take into account the objectives, financial situation or needs of any particular person. You should obtain financial advice relevant to your circumstances before making investment decisions. Where a particular financial product is mentioned you should consider the Product Disclosure Statement before making any decisions in relation to the product. Whilst every care has been taken in the preparation of this information, Australian Unity Personal Financial Services Ltd does not guarantee the accuracy or completeness of the information. Australian Unity Personal Financial Services Ltd does not guarantee any particular outcome or future performance. Any taxation advice in this document is incidental to the financial strategy discussed and should not be relied upon without consulting a taxation specialist to confirm your position. Your Life Financial Services Pty Ltd and Jason Danjoux are representatives of Australian Unity Personal Financial Services Ltd ABN 26 098 725 145, AFSL & Australian Credit Licence No. 234459, 114 Albert Road, South Melbourne, VIC 3205. This document produced in September 2017. © Copyright 2017. If you no longer wish to receive the 'Your Life Financial Services Newsletter' please let me know by sending a return email with 'UNSUBSCRIBE' in the subject.

Jason Danjoux
Your Financial Adviser
Your Life Financial Services Pty Ltd
Ph : 02 46 22 1212
Mob : 0414 955 957
28 / 1 Elyard St Narellan NSW 2567