

Your Life Quarterly Update



Your Life
Financial Services

Spring Edition September 2021

Invest In Your Life

Welcome to the Spring edition of Your Life Quarterly update.

In this edition we outline:

- Your Financial Spring Clean
- Reasons for Market Optimism
- Holiday Adventures : Kangaroo Island
- 6 Ways to boost Serotonin in your brain



Your Financial Spring Clean

Spring is a great time to make lasting changes to your financial future. 4 Tips to help spring clean your finances.

1. Sweep out old spending habits

Take this time to look over your spending and determine bad habits that are detrimental to your finances.

2. Dust off your budget

Your budget is one of the best tools you have for reaching major financial milestones, from paying off debt to saving up for a down payment on a house.

3. Catch up on late payments

Now is a time to review your debts and work on ways to clear high interest debts that may be inhibiting your ability to save. Possibly work on a debt payment plan. Your budget is a key part of making your debt payment plan work.

4. Plan for the Future

In spring, many people begin to plant plants in their garden for next year. Similarly, you need to take the time to plan for your financial future and make small changes now.

Source : How to Spring Clean your Finances. Miriam Caldwell. 26th July 2021

Global Market Update

We have outlined below the major market indices as at 1st of September 2021 and their movement over the past 12 months

Country	Index	Index 1/9/2021	% change in 12 months
Australia	Top 200	7527.1	30.33%
USA	Dow Jones	35360.73	23.44%
USA	Nasdaq	15259.24	27.80%
UK	FTSE100	7149.84	21.85%
Hong Kong	Hang Seng	25878.99	2.76%
Japan	Nikkei	28451.02	22.96%

The Australian index was the best performing index over the past 12 months.

Reasons for Market Optimism

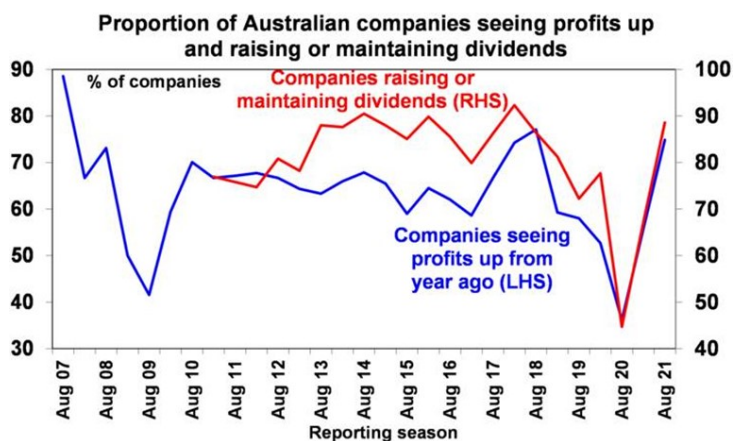
Overview

While there is lots of gloom around, we outline strong reason for optimism regarding economic growth in 2022. These include: Vaccines that are proving effective in helping prevent serious illness, Australia's vaccination rate has increased dramatically; pent up demand will help drive recovery and global growth is likely to be strong.

Three months ago there was much optimism about the Australian economic outlook. GDP regained its pre pandemic level, confidence was strong, the jobs market was roaring, there was minimal community coronavirus & vaccines were providing optimism of a more sustained reopening

Since then renewed coronavirus outbreaks of the Delta variant have seen the near-term outlook turn pear shaped – notably in NSW & Victoria. However, while the short term news is depressing in lockdown states, there are good reasons for optimism about 2022.

Consistent with the growth rebound since first half last year, the June half earnings reporting season saw listed company profits rise nearly 50% last financial year, driven mainly by resources & banks, with 75% of companies seeing profits up. But the big positive was a huge return of capital to shareholders – with 89% of companies raising or maintaining dividends driving a record dividend payout of nearly \$40bn and over \$20bn in buybacks.



Source: covid19data.com.au

Firstly the negative news

The news flow since late June has been bleak:

Locally acquired coronavirus cases have surged – driven mainly by NSW but with problems in Victoria & the ACT too.



This has led to various hard lockdowns notably in Sydney and Melbourne with both likely to be extended into October.

Our rough estimate is that the lockdowns since late May are costing the economy around \$25bn in lost output and will result in a 4% fall in September quarter GDP.

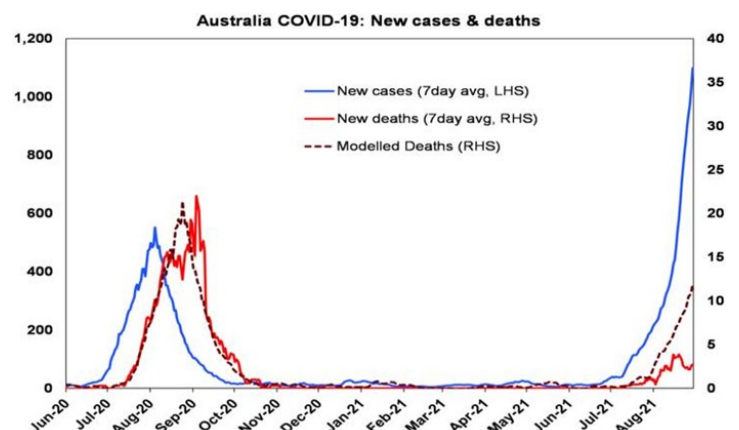
Even when reopening comes as vaccination targets are met, it will be very different to last year's reopening. That occurred when coronavirus cases had fallen to around zero, but this time coronavirus cases are likely to be running much higher.

...but there is good news too.

While it would be wrong to get too confident, coronavirus has had a few occasions over the last 18 months where it looked under control only to flare up again.

There is reason for optimism and this, along with the strong return of capital to shareholders, partly explains why the Australian share market remains relatively resilient.

While the vaccines are less effective in preventing infection from the Delta variant (at 60-80% effective), look to require top ups and may have to be tweaked against new variants, they remain highly effective in preventing serious illness (at 85-95%).



Source: ourworldindata.org, covid19data.com.au, AMP Capital

Reasons for Market Optimism

The pace of vaccination in Australia has doubled from 1 million vaccines a week to nearly 2 million a week over the last six weeks.

At the current rate we will reach the first national reopening target of 70% of the adult population in October, 80% of the adult population in November, 80% of the whole population (which may be needed for a safe reopening) in December and 90% of the whole population (which would be ideal) in January.

While the process of “learning to live” with covid may mean that the initial part of the recovery will be slower than we witnessed last year, the following points will spur recovery in 2022.

Pent up demand (thanks to government support payments) a reasonable degree of job security (with state business support payments) along with bank payment holidays, will still see significant spending unleashed once reopening occurs.

Despite the lockdowns the ABS's (Australian Bureau of Statistics) business investment survey of July/August still points to significant growth in investment this financial year.

Monetary policy will likely be easier, as the hit from the lockdowns and a slower initial recovery results in a higher unemployment profile through next year than the RBA has been assuming. We expect the RBA to delay the tapering of its bond buying and to continue buying bonds at the rate of \$5bn a week into early next year and the first RBA interest rate increase is now likely pushed back into 2024.

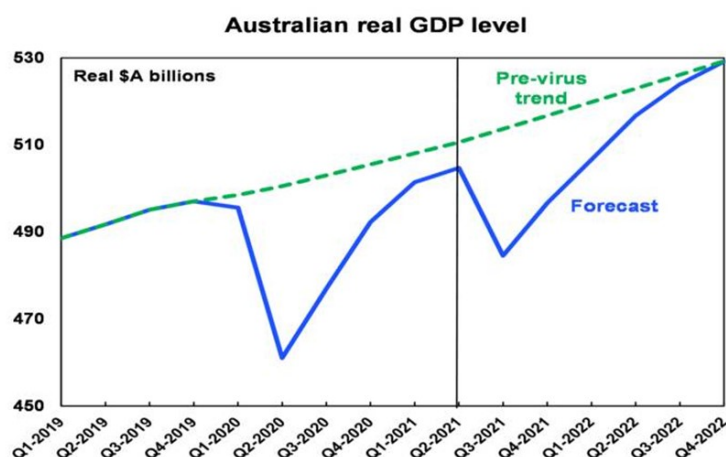


Finally, Australia will benefit from the cyclical recovery globally. While peak global growth will probably be seen this year with global GDP growth of 6%, it's still likely to be strong next year at 5%. Increasing vaccination globally also allows a continuing reopening. This assumes that China moves to boost its growth rate which has slowed lately.

The Australian economy

The Australian recovery will see a setback this quarter (of around -4% for GDP). The start of a gradual reopening from October gathering pace later this year and through next year as higher vaccination rates are reached, should see the recovery start to get back on track in 2022. While growth though this year is likely to be just 1% (compared to our expectation for 4.8% 3 months ago), it's likely to be around 6.5% through next year.

Source : Shane Oliver. Oliver Insights Australian GDP slowed in the June quarter & will be hit hard by the lockdowns - but here's 7 reasons to look beyond the gloom. 1st September 2021



Source: ABS, AMP Capital

Holiday Adventures: Australian Destinations - Kangaroo Island

What does your dream holiday look like?

Welcome to Kangaroo Island.

Location

Kangaroo Island is 13 kilometres off the coast of South Australia and 30 minutes by plane from Adelaide. It is one of the best places in Australia to see wild native animals, like koalas, kangaroos, sea lions and seals.

Activities

Kangaroo Island is a wildlife hotspot. Despite a strong agricultural industry, nearly half of the original vegetation has been retained and over one third of the land is protected across 30 National and Conservation parks. This provides a fantastic habitat for a huge range of wildlife species,

Food

The dining scene on Kangaroo Island is local, seasonal, boutique, artisan and always close to its source. Devour oysters, marron, abalone and King George whiting at American River's Oyster Farm Shop, washing it down with award-winning local gins at KI Spirits.

Must See Attractions

Kangaroo Island is known as nature's playground. Wildlife abounds as friendly pubs, accommodation and restaurants give-way to towering cliffs, green plains and impeccably clear waters. Take a risk, follow the road less travelled and discover unique wildlife, mouth-watering food and wine, breathtaking scenery and a laid-back lifestyle.

Source : www.travelassociates.com.

<https://southaustralia.com/destinations/kangaroo-island/places>



6 Ways to boost Serotonin

Serotonin has a wide variety of functions in the human body. **People sometimes call it the happy chemical, because it contributes to well-being and happiness.**

We have outlined 6 ways to increase serotonin naturally in the body.

1. Food

Research suggests that eating carbohydrates along with foods high in Tryptophan (eg Turkey & salmon) can help produce Serotonin in the brain.

Eg: Salmon with brown rice, whole-wheat bread with turkey, oatmeal with a handful of nuts.

2. Exercise

Exercising can also trigger the release of tryptophan into your blood. This creates an ideal environment for more tryptophan to reach your brain.

Eg: Bicycling, Brisk walking, jogging, light hiking.

3. Bright Light

Spending time in the sunshine appears to also help serotonin levels. Aim to spend at least 10-15 minutes outside each day if possible.

4. Supplements

Some supplements can help the release of serotonin by increasing tryptophan in the brain. Examples include, Pure Pryptophan, SAMe (S-adenosyl-L- methionine), St John's wort and probiotics.

You should consult with your doctor before choosing supplements.

5. Massage

Massage therapy also helps increase serotonin and dopamine, another mood neurotransmitter. A massage can also help decrease cortisol in the brain, a hormone your body produces when stressed.

6. Mood induction

Thinking about something that makes you feel good can help increase serotonin in your brain. Examples include visualising a happy moment from your memory, thinking about a positive experience or looking at photos that make you happy.

Source: www.healthyoptions.com. 6 ways to boost serotonin without medication.

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