

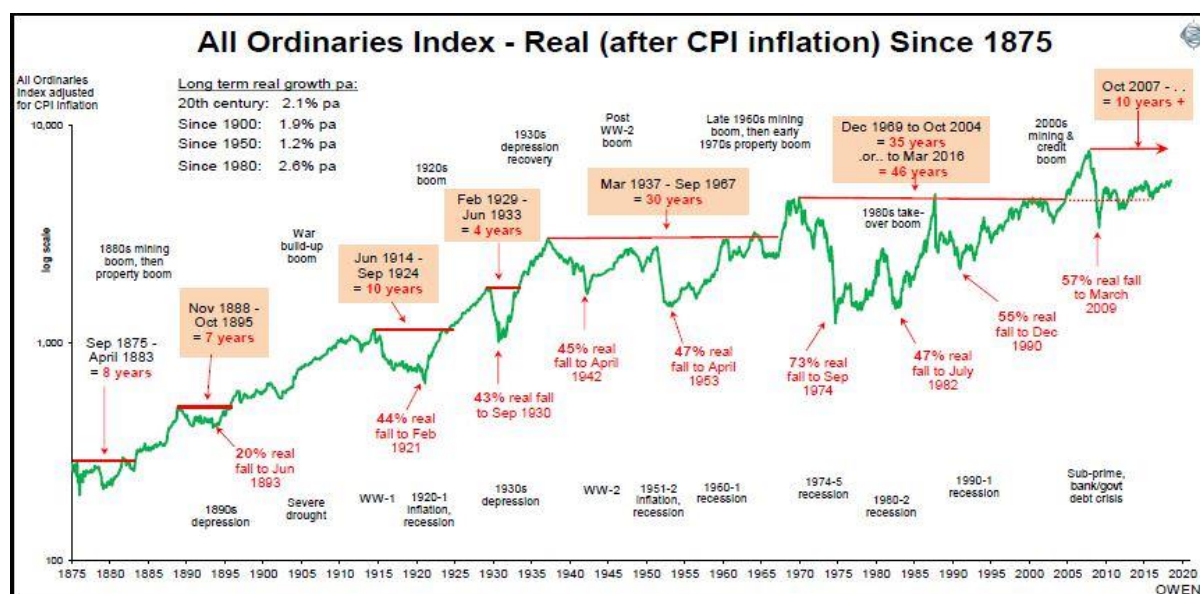
Dear Friends

Welcome to Spooky October... Again

As I've pointed out many times in the past, things often go wrong around now, and sometimes it all seems catastrophic. Is it coincidence, driven by the natural cycle of investing and irrational exuberance in the northern hemisphere? Or is it nothing more than mass investor psychology/paranoia?

My friend, journalist Tony Kaye¹ recently crunched some numbers which confirm that despite all the ructions of the last 30 years, \$10,000 invested into the broader stock market in 1990 would be worth \$130,000 today.

You may also be interested in the attached video sent to me by a client. It presents an account of the many global crises over the last 120 years, through which, despite these numerous catastrophic and destructive events, share markets powered on (as captured by the historical performance data below):



Above: All Ordinaries Index chart from 1875 - 2020² The average return has been 10.8 per cent per annum since 1875³

The current pandemic is without doubt for many of us, the toughest time in our collective living memory, and there is also little doubt that it will continue to impact on our economy, and our investments for some time. Compared to the list of tragedies spanning the last 120 years, however, it is far from the worst period the world has endured.

As in the past “*this too shall pass.*”

Smart investors do not gamble, they diversify – ALWAYS. They know that diversification will provide them with protection from the deep lows. It comes at a small price, because they won't get the 'high highs' either – however, I call that the cost of having insurance. Gamblers lose money, investors grow their wealth.

Markets can (and most likely will, due to the pandemic) get 'ugly' for a few years, however all the research demonstrates that if you are a conservative investor with a strategy – and you stick to that strategy for the medium to long term, the outcome will be positive.

Tony's number crunching, together with the historical data available to us (for example, as illustrated by the particular video presentation referenced above) highlight the long-term value of sticking to a

¹ Tony Kaye on LinkedIn. Tony is a Financial Writer, presently employed by Vanguard. Accessed August 17, 2020

² <https://www.firstlinks.com.au/uploads/wp/Fig1-All-Ords-Index-Real-after-CPI-inflation-since-1875.jpg>

³ <https://www.asx.com.au/education/investor-update-newsletter/201702-three-standout-themes-from-141-years-of-australian-sharemarket-data.htm?ecid=O~E~retail~investor-update~20172~Joseph.Dickson@asx.com.au>

strategy, spreading the risk through diversification – and expecting that there will be market irrationality as we bounce from war, pandemic, economic crisis and boom-times.

To borrow from the lyrics of a track on Redgum's 1984 album Virgin Ground... "it will be alright in the long run."

Speaking of 'the long run', I've had plenty of time during recuperation from my recent surgery to contemplate the rest of my days – particularly the prospect of needing to access aged care at some stage. Whilst I'm planning on not needing such access for at least another couple of decades, I am aware that I haven't really taken the time to fully understand the process of navigating the aged care system. So I asked another professional colleague and friend, David Coluccio, co-founder of Senexus⁴ for his advice on how to get a handle on where to start, and the things we need to know.

David's key points are these:

1. Appoint a Power of Attorney
2. Apply for an ACAT assessment
3. Work out the costs of aged care
4. Complete the request for Income and Assets Assessment form
5. Search for a suitable aged care home

1. Appointing a Power of Attorney

Appointing a Power of Attorney is recommended for anyone over the age of 18 years. It is a legal document in which you appoint someone to make financial and legal decisions on your behalf. It doesn't have to be a family member, or a friend, but it usually is. Given that some residents in aged care will lose their mental capacity, a valid Power of Attorney is strongly recommended.

2. Applying for an ACAT assessment

In order to obtain a place in aged care, a valid Aged Care Assessment Team 'ACAT' assessment is required. The process can take from a week to four months to organise so it is best to arrange for an assessment as soon as it is clear that aged care may be required.

3. Working out the costs

Once these steps have been taken it is time to do the sums. You need to understand how much you can afford to pay so you know what style of aged care home to look at.

Remember that IF you are required to pay a **Refundable** Accommodation Deposit (RAD), **then it will be refundable – just like it says**. For example, if you give an aged care home \$400,000 as a RAD, when you vacate the home then the \$400,000 will be refunded to you. If you die at the home, then your \$400,000 will be refunded to your estate and be distributed according to your Will. **Just to be safe, the Australian Government guarantees all RADs held by aged care homes.**

4. Complete the request for Income and Assets Assessment form

A part of the above process is the need to complete the very complex Centrelink Income and Assets Assessment form – this will formally determine what, if anything, you are entitled to in Social Security support, and how much you will need to pay from your own pocket.

5. Search for a suitable aged care home

Once you fully understand the equation, it is time to search for a suitable aged care home. There is tremendous variety in the performance of aged care homes across Adelaide. Drawing up a shortlist that meet your preferences and then visiting these homes is an important part of the process. By preparing an informative application, you may be able to receive an offer within 48 hours without the need to go on a waiting list.

⁴ Senexus Aged Care Services is a professional referral partner of Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group. Please note that Financial Strategies (SA) Pty Ltd does not enter into arrangements for the receipt of fees, commissions or benefits in the event that we refer you to other professionals during the course of our advice process. Similarly, in the event that you are referred to us by someone else, Financial Strategies (SA) Pty Ltd does not pay fees, commissions or benefits to a third party in relation to that referral.

David also points out that “for anyone who may be feeling anxious about the prospect of aged care, the weight of research shows the majority of new residents report improved health and happiness once they are in a care setting.

It may also come as a surprise to many that aged care homes are not a prison – you can leave whenever you want, as long as you are competent. Also, residents can take holidays or stay with family for up to 59 days per year without affecting their residency.

Most families are a little surprised by the complexity around organising the move into care homes. My advice is to start the conversation early, rather than wait for a health crisis or the death of a loved one. This makes the move much smoother and happier for everyone and means you can take time to find the right place for you and your loved one,” David says.

If you, or your loved ones need assistance in this area, we highly recommend David and his team.

My Latest media comments:

If you are interested in reading my latest media contributions, please click [here](#). I was particularly delighted with some very positive feedback from Alan Kohler on my recent contribution to InvestSMART magazine, which deals with the real point of superannuation – the Account Based pension retirement phase.

And One More Thing:

A sincere thank-you to Jason Zanini and Sam Molloy for their guest contributions to the last two eGrow emails. I’m delighted to say that I am now back to full strength and hoping to be resuming the squash career I had to abandon 20 years ago... (well the doctor and Physio have both assured me I would be able to do that on my new hip at the end of a full 12 months of rehabilitation) so watch this space!

As always, if I or any of the Marinis team can be of assistance, please do not hesitate to contact us via admin@marinigroup.com.au or (08) 8130 5130.

Kind Regards,

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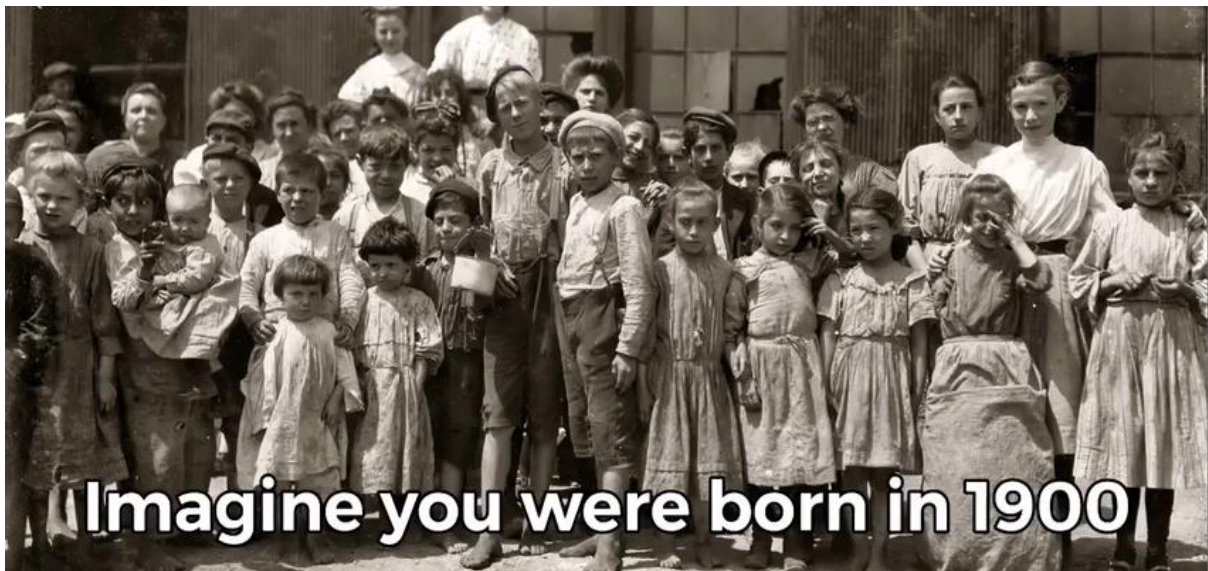
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Imagine you were born in 1900



**1914 - 1918 / World War 1
22 Million Dead**



**1918 - 1920 / Spanish Flu
50 Million Dead**





1952 / Korean War



1964 - 1975 / Vietnam War

A child born in 1985 thinks, his grandparents have no idea; how difficult life is, but they have survived several wars and catastrophes

Today we have all the comforts in our new world, amid a new pandemic. But we complain because we need to wear masks. We complain because we must stay confined to our homes where we have food, electricity, running water, wifi and even Netflix.

None of that existed back in the day. But humanity survived those circumstances and never lost their joy of living.

A small change in our perspective can generate miracles. We should be thankful that we are alive. We should do everything we need to do to protect and help each other.