

grow
WITH
MARINIS
Autumn 2012

The “Blue” Edition



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Proud to be a financial supporter of PCFA, Prostate Cancer
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Editorial by Theo Marinis

Welcome to our Autumn 2012 Grow Magazine The “Blue” Edition

It is my hope that the articles in this edition will resonate with the fathers and sons, husbands and partners, and all others who make up the Marinis Financial Group ‘family’.

It is hot-on-the-heels of the “Pink” edition and a heartfelt ‘thank-you’ to everyone who commented so positively on it.

Australian men, including myself, need to wake up to ourselves. We live a shorter life-span, we get more serious injuries than women and we tend to be the major breadwinners in families.

There are some simple and not overly costly things we can do to minimise the impact of either our death or inability to earn.

We need:

- Life insurance (which pays our family if we die or are totally and permanently incapacitated.)
- Income protection insurance which replaces 75% of our income while we recover
- Trauma insurance which helps pay for the extra costs of getting better – such as non PBS medication, private specialists or rehabilitation etc.
- A plan that accommodates uncertainty and volatility.

Turning now to my main theme, as a result of the Federal Government’s new mining tax, the Superannuation Guarantee Contribution will rise from 9 to 12 per cent. Have no doubt this is a very good thing for Australia.

Having said that, I believe we need to rethink our retirement savings system. I would like to see every Australian allowed to contribute as much as they can

into super when they can afford it, up to a set cap, of \$1.5 million, indexed. The current cap of \$25,000 p.a. is ludicrous as it does not take into account one-off circumstances, such as a farmer having a booming year after years of loss, or a person receiving a serious work bonus.

If we had a \$1.5 million cap, it would mean every Australian could earn \$75,000 p.a. in retirement (at 5% interest p.a.) and still leave their nest egg to the next generation (ideally, in my view, to their retirement savings pool.)

I’ve suggested this to the Assistant Treasurer Bill Shorten in correspondence (see www.marinisgroup.com.au) and discussed it with Kate Ellis MP and the Opposition’s Senator Mathias Cormann. It will be interesting to see if the idea gets traction.

There are still some excellent and simple opportunities we should all be looking into around superannuation. If you are a couple and one of you has super approaching \$500,000, make sure you investigate contribution splitting – it is far better for a family to have two super funds worth \$450,000 each than one with \$900,000.

If you have a low income earning child or grandchild with a super fund and can afford to contribute an extra \$1,000 to it – the Federal Government will still make co-contribution payments – starting at 100% matching. One thousand contributed today could mean approximately \$200,000* when they retire – now that is a huge benefit. These are just a few of the opportunities super allows.

(*\$2,000 for 40 years @ 5.6% pa assumed earning rate = \$206,000)



Looking forward, I see the next 12 months, now that the USA, Greece, Italy, Spain, Portugal and Ireland have started to get their economic “houses” in order, to be a period of quiet growth for Australia.

Australia continues to be in a wonderful position with its proximity and relationships with Asia, particularly China and going forward with India. I agree with Julia Gillard’s comment back in November that this will be the “Asian Century.”

Finally, I would like to remind readers of Grow that I genuinely appreciate your feedback and insights, whether you get this in a hard copy or via email. I have always wanted it to be a two way communication.

Yours Sincerely

Theo Marinis

Our People

Simon Morgan (Media & Public Affairs Consultant)



Simon Morgan (48) has been consulting to Marinis Financial Group (MFG) since 2007 – in fact, we were his first client!

Formerly General Manager, Public Affairs at Aviva, Simon and Theo met in Melbourne when Theo was on the Navigator Advisory Board. The two immediately “clicked” over their understanding of the Transition to Retirement rules and Simon set about helping Theo raise his media profile.

A career Media and Public Affairs expert, Simon has worked for or consulted to Aviva/Navigator, AXA, CBA, Colonial, AIG, Legal & General and the Sydney Futures Exchange. Over the course of his career Simon has lived and worked in Sydney, London and Melbourne.

Married to journalist Louise Maher, whom he “spotted” on his first day at University, they are proud parents of 17 year old Evan and 14 year old Ella. The family lives in Melbourne and Simon telecommutes with MFG and travels to Adelaide twice a year.

“My maternal grandfather was Justice J. Leo Travers of the Supreme Court of SA, so my family has deep roots in the state. However, my adventurous mother married my Irish father and they moved to Tasmania, where my seven siblings and I were born. We used to love our long, hot, summer holidays in Adelaide, so I feel very at home when in town.

“These days we also spend around a week each year at Naracoorte visiting our close friends on their farm. It is terrific for our city-slicker kids to get into the reality of farm life and to understand the fantastic community that a country town offers.

“I am deeply grateful to Theo for asking me to consult to MFG on media and public affairs, but also for his encouragement for me to finish the Diploma of Financial Services so I could understand the business better – and for the advice he has been giving us since Louise and I appointed him our adviser.

“I really feel my values are aligned with MFG’s and look forward to sharing a long and successful partnership with them.”

Client Profile

Dr Pasquale Cocchiaro 'It's all about Family'

For Dr Pasquale Cocchiaro, the ethos 'it's all about family' is one that was instilled upon him by his father, Luigi Cocchiaro, who, like so many others, suffered in war-ravaged Italy in the 1950's and came to build a new life in Australia. After getting established, Luigi sent for his wife Rosaria and young sons Antonio and Pasquale to join him.



It was in Australia that the boys were able to use their Mum and Dad's example of determination, ambition and unwavering work ethic to both become Doctors and through their work, provide a life that would not only benefit themselves, but also their children and grandchildren.

The greatest gift given to us by our parents was to appreciate our families, to believe in success and to be happy working hard for a better future for all," says Pasquale.

'It is the classic migrant story' "The values of caring, determination to succeed and the setting and achieving of goals were very skilfully and carefully instilled in us and I have, hopefully, transferred them to my four children who are now very successful professionals in law, medicine and engineering in their own right," he said

Of utmost importance to Pasquale and his lovely wife Mary, without whom none of this would have been possible, is the desire to maintain a strong Italian heritage by continuing the village-old traditions, embracing the local culture and becoming actively involved in community activities, particularly multicultural activities.

Pasquale is not only surrounded by loving family at home, but also at work. He has been in partnership with his brother Antonio "Tony" Cocchiaro and cousin Maria-Lena Tedesco for nearly 35 years, running a large successful multidisciplinary medical centre - Midwest Health - in Beverly.

"As doctors, our role in the community sees us helping others and running a small business which leaves us little time to manage our financial future," Pasquale says. "Theo encouraged us to express our retirement wishes and we trusted him and his team to develop a strategy to achieve them."

"The Transition to Retirement rules are very rewarding for people in our situation!"

"Of course we had various life insurance policies in the past; however, Theo streamlined everything so our premiums now come from our super fund which means costs are less and the benefits if, God forbid, we ever have to claim are larger.

"My brother and I are now secure in the knowledge that we have our retirement savings being managed in the most appropriate way and so our thoughts have

turned to the future - but of course we like to keep our advisers on their toes. As medical practitioners, we expect a regime of excellence with constant improvement and enhancement!

"Already I have recommended to my older children and their spouses go and meet the team at Marinis. It is early days for the next generation of the Cocchiaro family and it is hard to start a long term saving program when you have small children, mortgages etc, but getting everything set up correctly from the beginning is essential.

"In my view knowing our retirement savings and inter-generational wealth transfer plans are set up effectively and efficiently is the real benefit of a well designed and professionally executed financial plan.

"Theo and Michael Callisto have shown me that 'Good' Financial Planners are certainly worthwhile and I am comfortable in letting them handle all my affairs to ensure a smooth transition to retirement for my wife and I.

"As always, the onus of responsibility lies with the investor and we need to ensure that what they advise fits in with our long term plans."

Phil Sheldon (Guest Speaker)

Adelaide Oval MFG Christmas Function

11th November 2011



Article By Michael Callisto

Man Up!

If you are man enough to be in a relationship, you are man enough to have your financial affairs sorted out.

Listen up young men of Australia, NOW is the time to get your financial affairs sorted... and I should know given I hesitated and now have an uninsurable right knee after a soccer accident.

I have written in the past about how important personal insurance (life, total and permanent disablement (TPD), trauma and income protection) is to young people who are in a relationship and since getting married, I am even more convinced. I have seen firsthand the challenges that inadequate personal insurances present to a family that has lost their main breadwinner to an accident or sudden death.

So when should a “Man” establish a relationship with an adviser?

My view is that as soon as you have an income and even more so, when you are in a serious relationship with a partner.

Life and TPD insurance, income protection and trauma cover for the young is inexpensive and once you have it in place, it is there for life! If you hurt your back for example, before getting cover, and let’s face it many older men have bad backs, a future back injury which prevents you from working may not be covered by your income protection or TPD insurance.

Similarly, a diligent financial adviser will set you on the path to getting a retirement savings plan in place. You may not be aware, for example, that you may be eligible for a benefit such as the government’s co-contribution to low income earner’s superannuation funds, or how super contributions can help ease the tax burden for a small business owner, or that there are ways to dramatically reduce the costs of investing within the superannuation environment.

Also, a solid relationship with an adviser can save you paying a fortune in tax should you inherit any assets from your parents or relatives.

For some of my friends I am aware that culturally, life insurance is a difficult matter. For one, there is a superstition that they may bring bad luck upon themselves and for another, the tradition is that family will look after anyone who is widowed or ill. I say “get real” – we are living in the greatest country in the world and we have a great opportunity to avoid being a burden on our families for not much money.

My view is that we owe it to our loved ones, especially if we are in a relationship, to get our financial affairs in order. Too many people adopt the classic Aussie “She’ll be right mate” attitude. I can assure you that nobody has ever complained they had too much money when they are ill or injured.

This also goes for you single blokes out there! Although you may not view life insurance as being necessary because you do not have any dependants, you need to ensure your income is protected – the ability to earn an income is your single greatest asset in life.

I say “Get Real”

Besides the insurance side of things, the sooner you start getting into a sensible superannuation habit the better you and your partner will be in 40 years time when it comes time to retire. You may be someone who would really benefit from having a self managed super fund, or be far better off in a low fee Industry fund, or with a wholesale superannuation product using an index fund manager – but few

people are skilled or experienced enough to know this unless they speak to a financial adviser about it.

Conventional wisdom is to find a financial adviser around your own age and stick with them for life – wisdom with which I agree but only up to a point. I would say that you should only stick with them so long as they are performing to the high standards you demand. Nevertheless, you should always have an adviser. If you haven’t already addressed this issue, now is the time!

Article by Simon Morgan

How to become “Money Literate”

Knowledge is power and it is amazing how easy it is to “seize power” about our money, but curiously few of us make the time.

The Federal Government has just made getting information so much easier with the launch of www.Moneysmart.com.au, an initiative of the Australian Securities and Investments Commission (ASIC).

This excellent website really does have all the answers to money questions and is part of the financial literacy initiative announced in last year’s budget – but not given a lot of profile.

Of course the site does not tell you how to create a financial planning strategy, however it breaks down and explains all the elements in a very easy to understand manner.

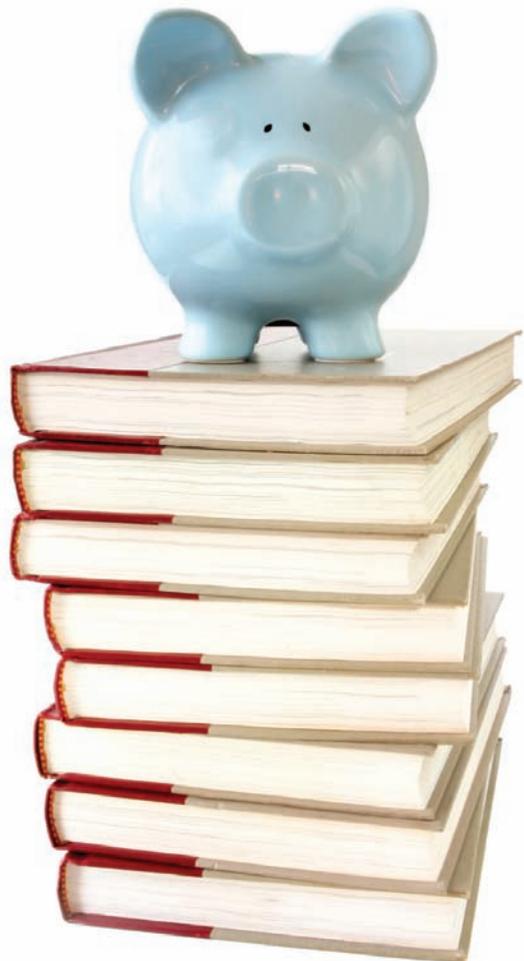
In addition, the financial media has some excellent resources. Your Money, which is produced in Adelaide by The Advertiser’s Anthony Keane (himself a former financial adviser), appears every Monday and is carried nationally in the News Limited papers such as the Herald Sun, The Daily Telegraph and The Courier Mail. All articles quoting MFG, our media releases, communication with MPs, back editions of Grow and selected articles from third party groups we consider may be of interest to our clients are available to be viewed on our website www.marinisgroup.com.au under the Media Archives section.

Financial commentator Peter Switzer has also developed a terrific website www.switzer.com.au/video which is worth having a look at to see what the leading market commentators think – having said that, they will often contradict each other but it is interesting to get different perspectives.

If you are really keen, the training and education group Kaplan offers the four unit Diploma of Financial Services (Financial Planning) which is the basic qualification required to provide financial advice. Each unit takes roughly a week full time and includes an assignment and an exam.

Of course, you can also talk directly with any of the professional staff at Marinis Financial Group and they will be happy to explain any question you may have.

NOTE: Theo Marinis holds Bachelor degrees in Economics and Arts and is a Certified Practicing Accountant (CPA). He is also a Certified Financial Planner. Dino D’Aloia holds a Diploma in Accounting, an Advanced Diploma in Financial Services (Financial Planning) and an ASFA Certificate. Michael Callisto holds a Bachelor of Business (International Business) and a Diploma in Financial Services (Financial Planning) and I the author, Simon Morgan, hold a Bachelor of Arts (Communication) and a Diploma of Financial Services (Financial Planning).



Article By Dino D'Aloia

Cheap and Nasty – But Better than Nothing

I am sure at some stage you have seen on television those quirky ads by insurance companies that no one has heard of before, offering life cover at very cheap prices. But are these products any good?

As a qualified financial adviser, my view is they are better than nothing, in much the same way a meal at McDonalds is better than starving, but are these offerings good for you in the long run? My answer is no. They are just too basic.

Television advertisements are often misleading and this is certainly the case for the insurance products I have seen. Yes, they alert you to the fact that no medicals are required, but the fine print makes it clear that should you actually need to make a claim, any pre existing conditions may mean the policy is null and void!

A financial planner who understands life insurance will advise you of the medicals you need to complete where necessary as part of the pre-underwriting process when applying. If there are any underlying health issue(s), you as the client will be advised of the issue(s) and certain premium loadings and/or exclusions may apply depending on the severity and type of health condition. As part of the ongoing relationship with your financial planner, however, you always have the opportunity to review these and, where possible, look to have such loadings and or exclusions reduced or removed, subject to the health condition improving or no longer existing.

I am also concerned that these advertised insurers are leaving a false sense of security with their clients. There is simply no science behind the offering, and so a family who gets \$250,000 death cover for the breadwinner may think they are well insured without taking into account how much the mortgage is, how much the car loan is, how much is on credit cards and also how the survivor is going to afford to raise the family without the fortnightly income for the next 20 years.

A financial planner will look at the client's situation in its entirety and not base the amount of insurance on a pre-determined level of cover offered by an insurer. The financial planner will work closely with a client to determine the appropriate sums insured based on client needs and wants. In addition, a financial planner will also review the need for Total & Permanent Disability, Trauma and Income Protection insurances. The statistics show that younger people are far more likely to survive a life threatening event but then be unable to work.



The moment of truth for television insurance clients will come when a claim is made.

Many of the no-name insurers only deal with clients over the phone or internet. A financial planner's most important role is probably when they 'stand beside' the bereaved and make the claim on their behalf, when they do the paperwork, when they do the negotiation and when they help the family get back on their feet financially after a tragedy.

No computer can do that.

Article Prostate Cancer Foundation of Australia

So where does the 'MO'-ney go? One place is the PCFA

One of the main beneficiaries of 'Mo'-vember is the Prostate Cancer Foundation of Australia (PCFA) – of which Marinis Financial Group is proud to be a financial supporter.

So, what is prostate cancer?

It is a cancer within a small gland attached to the male urinary tract. We recommend you have a look at the excellent PCFA website www.prostate.org.au and then discuss it with your doctor. The bottom line is prostate cancer affects one in 11 men and the older a man gets, the greater the chances are he will contract prostate cancer.

So, what symptoms should we males be looking out for?

- Waking frequently at night to urinate
- Sudden or urgent need to urinate
- Difficulty in starting to urinate
- Slow flow of urine and difficulty in stopping
- Discomfort when urinating
- Painful ejaculation
- Blood in the urine or semen
- Decrease in libido (sex urge)
- Reduced ability to get an erection

(There are four main disorders of the prostate gland and these symptoms could apply to any of them.)

Prostate cancer can be diagnosed with a simple blood test and as with most medical conditions, the sooner it is identified the better the health outcomes.



Mo-rinis Financial Group

Proud to be a financial supporter of the Mo-vember campaign who in turn support the research into prostate cancer and the voodoo subject of depression in men

Many wives and girlfriends of Australia were delighted to see December 1 arrive as it heralded not just the start of summer but the end of "Movember".

"Movember" was embraced by the "boys" of Marinis Financial Group as a fun way to help raise some much needed funding into unlocking the medical mysteries of prostate cancer and depression in men.



A very warm thank you to everyone who donated – overall we raised \$1,405 which was a tremendous effort.

There have been some suggestions from the girlfriends or wives of those brave facial hair growers that they will donate even more money in 2012 for their partners not to let their whiskers grow, however everyone involved really entered the spirit of the event as these pictures show.

"It was a bit embarrassing, particularly meeting new clients when the men of MFG had three or four weeks growth on – I wonder if people thought we were a front for an outlaw gang of some sort," Theo said with a smile on his (clean shaven) face.

"Overall, the feedback was good. I will chat to the men about doing it again in 2012 – so please don't get shocked if you see an unusually hairy team towards the end of the year – it is all for a great cause... and is a bit of fun, of course."

Below are links to the websites involved with Movember. Please feel free to have a look at all the information available.

au.movember.com

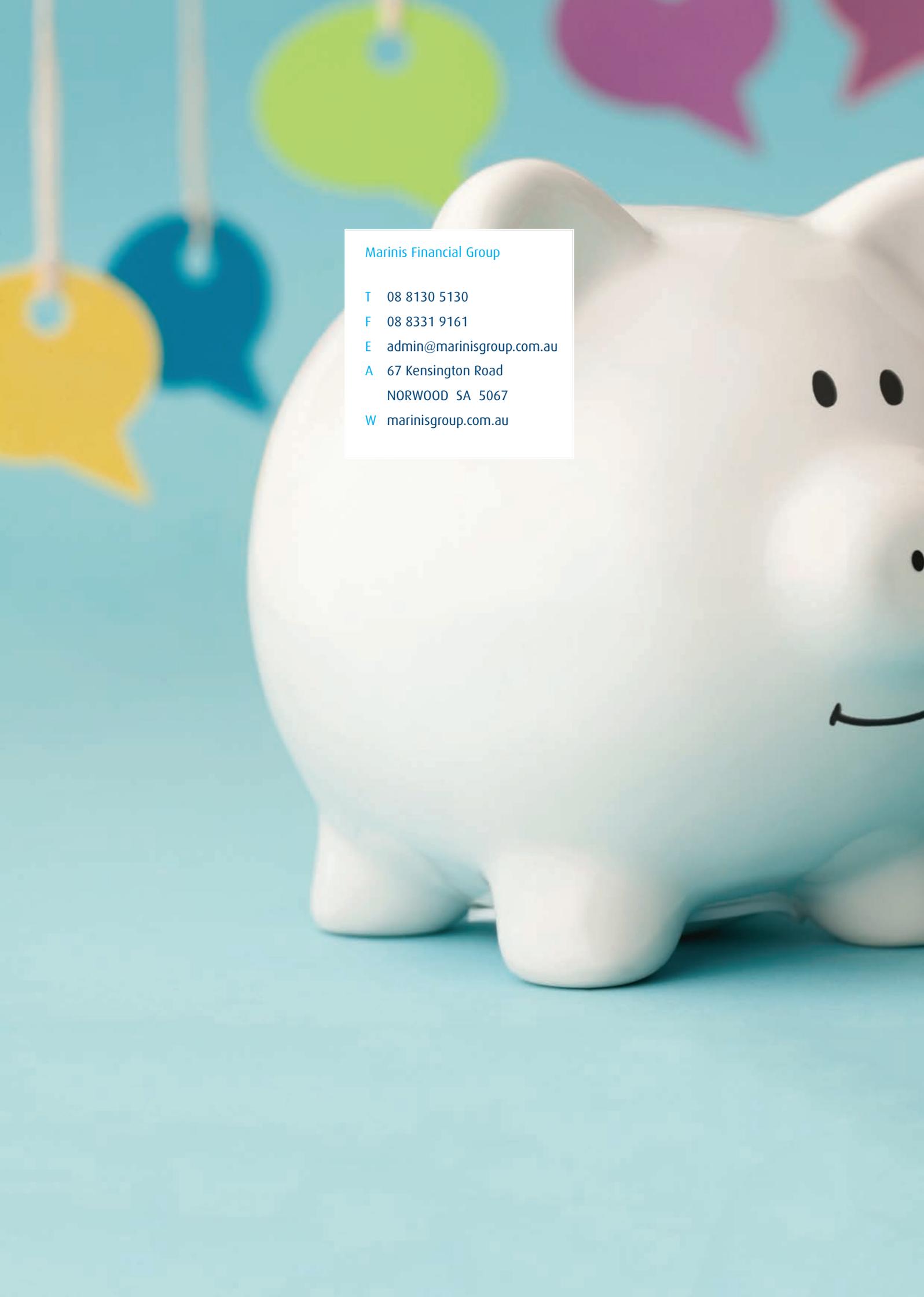


www.beyondblue.org.au



www.prostate.org.au





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