

AGRI+PLUS FINANCIAL GROUP

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QUARTERLY WRAP

Welcome 2023

Happy New Year!! (Can we still say that this late in Feb?)

Well what a year 2022 was, and what an introduction to 2023 we have had thus far. Between late rains, delayed harvests and rising flood waters, it's fair to say that the Christmas / New Year may not have been as relaxed as many of you might have hoped.

I do hope; however, that you were able to take time out to spend with family, loved ones and those special people in your lives.

Celebrating a milestone birthday this year?

In the financial planning world there are a couple of milestone birthdays that we like to keep on our radar. They include:

- Turning 60
- Turning 65
- Turning 67

If you have one of these birthdays coming up (this year or in the coming 2 years), we welcome the opportunity to have a chat with you about what opportunities and strategies are may be available to you.



Connect with us

Did you know that you can keep up to date with Agri Plus Financial Group via our website or social media pages on Facebook and Instagram?



PODCAST

The Full Bottle

[citrusaustralia](http://citrusaustralia.com)

Prior to Christmas, Janine sat down with Gabby Torpey at Citrus Australia to have a chat about all things Succession Planning on their The Full Bottle podcast.

You can listen to Episode 7: Planning the next Generation on our preferred podcast platform.

The Effect of Rising Inflation

The word 'inflation' doesn't only dominate business news headlines, but finds its way into general news reports too.

So, what is inflation and how does it affect you?

In simple terms, inflation signifies a rise in the price of goods and services, meaning you pay more for every purchase you make.

Does the US influence Australia's inflation rate?

It is not a surprise that countries in today's world are more connected than ever before. Therefore, a rise in US inflation rates will impact the Australian economy too, along with other countries.

However, the degree and timing of its impact will vary. For example, a rise in labour costs in the US may have a limited impact on Australians; however, an increase in the price of iPhones or Nike shoes in the US will reflect in their price in Australia too.

What will be the impact of rising US inflation on Australia's economy?

Interest rate movements made by the US Federal Reserve Bank (the Fed) are closely monitored by central banks worldwide, including the Reserve Bank of Australia (RBA). Over the past decade, many developed economies, including the US and Australia, have reduced interest rates to boost their economies. With rates rebounding from all time lows there is an expectation that rates will continue increasing due to the strong performance of those economies. Quite often when the Fed increases its interest rate, Australia is quick to follow suit.

The cost of borrowing funds (home loans, business loans, personal loans etc) will increase, leading to a rise in the inflation rate, making goods and services more expensive. Rising inflation rates can also negatively impact the Australian dollar, where one AUD buys less USD than it may have done previously.



This also affects tourists who may have to convert money before travelling, and can negatively affect individuals' capacity to save money, especially if their incomes do not rise by the same rate as inflation.

What will be the effect on investors?

A rise in inflation affects investment markets negatively due to higher interest rates, volatility in the economy and uncertain share prices.

For mum and dad investors, rising interest rates mean paying more interest on their home loan, which reduces their disposal income and, in turn reduces their capacity to invest. Growth in share prices can be volatile, meaning it will take them longer to build wealth.

For retirees, an increase in the price of goods and services at a time of share market volatility can lead to having to sell more of their investment assets (potentially at a loss or reduced profit). Also, there could be uncertainty in dividend income, which many retirees often rely upon. Retiree investors will have fewer years to recover from a drop in their portfolios compared to younger investors.

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The Effect of Rising Inflation, cont.

How should you prepare for a rise in inflation?

- It is important to first analyse your personal cashflow situation to understand where your money goes.
- Consider fixing at least part your home loan to limit your exposure to rising interest rates.
- Reconsider new personal loans, such as car loans. Do you need to take on new debt when interest rates are likely to increase?
- For the risk-taking investor, it can be tempting to invest more money into shares when prices are falling, but always consider averaging your position to avoid market timing risk.
- For investment purposes, consider having exposure in well established companies "blue chip stocks" vs riskier stock. Investors often find comfort knowing their funds are exposed to good quality companies with strong balance sheets.

If the thought of rising inflation leaves you feeling unsettled, be sure to talk to a professional adviser. Your adviser will review your financial position, your ability to meet your financial obligations, as well as identify strategies to outpace inflation.



Have you heard of 'goals based advice'?

Unlike the traditional financial planning process which generally focuses on investments and returns, a goals based approach to financial advice provides a personalised overlay to all things financial planning. We believe that this allows for the advice process to not only be more specific and specialised to your individual and family needs, but it also enables you to be more engaged throughout your financial journey.

To AGRI PLUS advisers, the most important aspect of any financial advisory advice is YOU, the client.

In taking this approach, it is important that our advisers understand not only what your current position is, but also your goals and objectives - regardless of if they are personal, family or business orientated. Or if they are short, medium or long-term aspirations.

Understanding where there might be gaps, or deficiencies within your personal or business finances then allows us to utilise various strategies, structures and investment and insurance products, as tools, to enable you to work towards achieving your goals and objectives.

We also believe that this approach allows you to determine what is important to you and enables you to filter out 'noises' that are not.

Should you wish to speak with our advisers about taking control of your financial future, you can contact us via phone at 03 5443 7220.

Four Part Super Series

During January we ran a series of articles that focused on Superannuation, based on your ages and included

- Super in your 30s - It's important to squeeze it in
- Super in your 40s - It's time to get focused
- Super in your 50s - It's time to push the pedal down
- Super in your 60s - It's still not too late

Further information on these programs can be found under the Articles and Insights section on our website at agriplusfg.com.au or please feel free to contact our office and we can provide a printed copy to you.



FYI - Upcoming Office Closure Dates

Labour Day

- Monday March 13, 2023

Easter Break

- 5pm Thursday April 7, to 9am
Tuesday April 11, 2023

Anzac Day

- Tuesday April 25, 2023



End of Financial Year Planning

We may only be nearing the end of February, but before we know it, the end of the Financial Year will be fast approaching.

To discuss your end of year Financial Planning needs, please contact our office at 03 5443 7220 to book an appointment.

We recommend that 2023 personal super contributions be made by 5pm Friday June 23, 2023.

Important Dates

Super Guarantee Lodgment

Dates

- Q3, 2023 (Jan, Feb, March)
By April 28, 2023
- Q4, 2023 (April, May, June)
By July 28, 2023

AGRI PLUS Financial Group provides financial planning and financial advisory services to rural, regional and remote communities across Australia.

Specialising in:

Family Farm Succession Planning +
Superannuation & Retirement Planning +
Wealth Accumulation & Growth +
Wealth Protection +
Goals Based Advice +
Financial Literacy +

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