

QUARTERLY INSIGHT

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Winter Update

The cooler months have arrived, bringing cosy nights, crisp mornings, and a chance to pause and check in with ourselves. The shorter days might bring a touch of the winter blues, but this season also brings plenty of gentle ways to lift your spirits, like enjoying a hearty, nourishing meal, spending time with the people who make you smile, or simply relaxing by a cosy fire.

In this edition, we look at why the bond market is gaining attention this season, and provide some health tips on ways to prioritise wellness, even with a busy schedule.

We also explore the latest updates on aged care reforms and what they mean for you, along with practical tips for finding life balance in today's fast-paced world. You will also find five straightforward steps to help you work toward a financially fit retirement.

Whether you are embracing the winter chill or escaping to warmer days, we hope this edition offers a dose of inspiration, practical support, and a reminder that even small changes can make a big difference.





Forging new bonds – how bonds work

Bonds are not usually the flashy upstarts of the investment world with their every move reported, like stocks.

But the Trump Administration's extraordinary refashioning of world trade, with on-again off-again tariffs of eye watering amounts, has put bond markets in a similar position to share markets – in turmoil.

So, with the bond markets attracting more attention than usual, we take a closer look at the asset class.

What is a bond?

A bond is a bit like an interest-only loan and there are many different types of bonds available. A government (government bond), or sometimes a large company (corporate bond), issues bonds to investors to raise funds for infrastructure or, in the case of a company, for expansion.

Large institutional investors tend to favour some of the more complex types. Retail investors are more often interested in fixed-rate bonds, known as a fixed-income

investment because of the regular payments made to the investor (or the coupon interest rate). The principal (called the face value) is repaid at an agreed date when the bond matures.

These bonds can also be traded on a secondary market by those who've chosen to sell their bonds before maturity. In this case, depending on the state of the markets and the economy, the amount they're worth, or their capital value, may be higher or lower than the face value, which is fixed.

The most common fixed-rate bonds, issued by governments, are generally considered more stable. Nonetheless, all bonds are assigned a credit rating by independent rating agencies such as Standard & Poor's or Moody's.

Australia's Commonwealth bonds, issued by the federal government, are AAA-rated reflecting strong fiscal management, economic stability and low default risk.ⁱ



State governments and quasi-government organisations such as the World Bank also issue bonds. The risk level for this category of bonds can vary.

Large companies, looking to expand or start new projects, often use bonds as a way to raise funds. Corporate bonds generally pay higher interest but are considered slightly more risky.

How to buy bonds

Investing in bonds can help to diversify a portfolio and provide a steady stream of income but for those with no knowledge or experience of the market, it is important to get quality professional advice and speak to us.

For example, if you had been relying on the conventional wisdom that bond markets are often up when share markets are down, recent share market activity would have delivered a shock. The usual flight to safety from share price volatility to bonds did not happen in the United States where, for a time, both markets were falling.

While it is possible to buy bonds directly when there is a public offer, it can be difficult for smaller individual investors to participate because of the large minimum transactions required.

Instead, most retail investors look to bond funds, bond exchange traded funds (ETFs) or managed funds for

exposure to the bond market. The variety of funds on offer can help to diversify a portfolio by giving access to a range of different markets.

What affects bond rates?

Interest rate movements directly affect bond prices on the secondary market.

When interest rates rise, bond prices fall because newly issued bonds will be at the higher rate making older bonds less attractive and reducing demand.

Conversely, bond prices rise when interest rates fall because new bonds will offer the lower rates meaning there will be higher demand for older bonds, driving their prices up.

Bond prices are also influenced by economic conditions and investor sentiment.

Rising inflation can cause bond prices to rise while strong economic growth may decrease bond prices because investors often prefer to buy shares. Bonds with a lower credit risk, such as AAA-rated government bonds, tend to attract higher prices.

If you would like to learn more about your options for investing in bonds, please give us a call.

i <https://www.fitchratings.com/research/sovereigns/fitch-affirms-australia-at-aaa-outlook-stable-01-11-2024>





Keeping in tip top shape when you are time-poor

Let's face it – as you're reading this, you're probably juggling a million things at once: work, meetings, emails, deadlines, maybe a side project or two.



When you are busy, often the first thing that gets dropped is looking after your health, whether that is exercise or eating sensibly. It's easy to just collapse on the couch when you finally get home or head straight for the drive-through for some junk food (it's not called 'fast food' for nothing!).

If this is sounding familiar you are not alone – in fact 20 per cent of Australians say they are too time-poor to exercise or eat well.ⁱ

But staying healthy when you don't have much time isn't as impossible as it sounds. You just need to sprinkle in some strategies that fit into your hectic schedule.

Embrace the 5-minute rule

You don't need an hour at the gym to get your body moving. A quick 5-minute workout can be surprisingly effective. Think squats while waiting for your coffee to brew, lunges between Zoom calls, or a 5-minute HIIT session (hello, jumping jacks and burpees). If you only manage a few minutes a day, it's better than nothing. And don't worry, it doesn't count as "skipping a workout" if you do it in 5-minute intervals and do it a few times a day, right?

Meal prep like a boss

Okay, we know. The idea of spending a Sunday afternoon chopping veggies doesn't sound appealing when you just want some downtime. But meal prep doesn't have to be a whole production. Start small. Roast a chicken, steam some veggies, or cook up a pot of quinoa. Then, divide everything into containers, and boom – lunches for the week.

Ditch the desk chair (occasionally)

Being tied to your desk all day isn't doing your body any favours. But, who has time for regular breaks? You do. And it doesn't have to be a 30-minute jaunt around the block – a few minutes to grab a coffee or water in the kitchen or a quick stretch every hour can make a difference. If you go for a walk, use it as productive 'thinking time' – you'll be surprised the ideas you can come up with when you're away from your desk. Want bonus points? Take the stairs.

Hydrate for energy

Most of us walk around in a constant state of dehydration, especially if we're caffeinating non-stop to fuel our days. But staying hydrated is one of the easiest – and cheapest – ways to boost your energy. Keep a water bottle nearby and sip throughout the day, you'll be surprised at how much you actually end up drinking at the end of the day. You'll feel more refreshed, and your body will thank you.

Multitask your health

You're already an expert in multitasking, so why not apply it to your health? Find ways to fit in simple exercises while you are working. Do some stretches while you brainstorm your next big idea. You can even walk around while you're on a phone call.

If nothing else, at least you'll be able to say you crushed your work and your fitness goals by the end of the week.

Sleep (it's a priority!)

We get it – you're a busy bee, but a well-rested you is a more productive you. Sleep is the unsung hero of health. You might be tempted to burn the midnight oil to finish that presentation, but sacrificing sleep is a sure-fire way to feeling burnt out. It's like putting your phone on charge – you wouldn't leave it running on 10% battery all day, so why do that to yourself? To be firing on all cylinders, you should be aiming for at least 7-8 hours of sleep a night and put your phone down at least an hour before you go to bed.

Set clear boundaries

Your calendar might look like a game of Tetris, but taking care of your health should be part of the puzzle. Schedule time for your meals, your workouts, and – most importantly – your mental health. Set clear boundaries so you're not always saying "yes" to things that will drain you. It's okay to say "no" to an unnecessary meeting or another social commitment, especially when your health is on the line.

Life is hectic, and prioritising health can sometimes feel like one more thing to add to the to-do list. But with a few simple hacks and some healthy habits woven into your routine, you can stay healthy even when you're flat-out!

ⁱ <https://www.agedcareinsite.com.au/2016/11/overworked-australians-dont-have-time-to-look-after-their-health-study/>



Big changes ahead for Aged Care

The number of Australians aged over 65 is expected to more than double in the next 40 years while the number of people aged over 85 is predicted to triple in that time.

Aged care funding and services have seen major changes in the years since the 2021 report of the Royal Commission into Aged Care Quality and Safety, and this year is no exception.

1 November 2025 marks the start of a host of new programs and improvements for the aged care sector. Several announcements have already been made this year, covering wage rises for aged care workers and nurses, and an increase in government funding for residential aged care accommodation.

In one of the most significant changes, the new Aged Care Act begins on 1 November. The Act aims to ensure the viability and quality of aged care.

A report by the Aged Care Taskforce last year calculated the residential aged care sector will need \$56 billion by 2050 to upgrade facilities and build more rooms.

Current funding arrangements aren't working. In the 2022-2023 financial year, almost half of all accommodation providers made a loss.

Some \$300 million in federal grants will be delivered to accommodation providers this year to help with capital works upgrades.

And to improve the viability of the facilities, the government is introducing other measures including larger means-tested contributions from new entrants, and a higher maximum room price that is indexed over time.

Aged Care Minister Anika Wells says half of new residents will not contribute more under the new consumer contributions.

"For every \$1 an older Australian contributes to their residential aged care, the government will contribute an average of \$3.30," says Wells.

Support at Home

The Aged Care Act also aims to support more people who want to stay in their own homes as they age. The federal government is investing \$4.3 billion in a new Support at Home program, which replaces the Home Care Packages and the Short-Term Restorative Care programs.ⁱⁱ

There'll be more 300,000 places available over the next 10 years and a shorter waiting period for Support at Home, and there's a goal to simplify and improve the assessment process, making it easier to access different services as needs change.ⁱⁱⁱ

Similar to the Home Care Package, Support at Home will provide:

- clinical care, such as nursing and occupational therapy
- help with maintaining independence including showering, dressing and taking medications
- support for everyday living tasks such as cleaning, gardening, shopping and meal preparation.

The government will pay 100 per cent of clinical care costs while Support at Home recipients will make a contribution towards independence and everyday living costs. The contribution amount will be calculated using the Age Pension means test and it depends on the level of support needed and the combination of income and assets. The highest classification with the most funding will receive a package of services worth \$78,000 per year. There'll also be funding for assistive technology and home modifications and end of life care.

	Classification level	
	Medium (budget around \$22,000)	Highest (budget around \$78,000)
For every \$1 contributed by a...	the Government will contribute, on average...	
Full pensioner	\$12.70	\$19.80
Part pensioner	\$6.10	\$8.50
Self-funded retiree & Commonwealth Seniors Health Card eligible	\$1.60	\$2.20

A new cap on contributions will also apply. No one will pay more than \$130,000 in their lifetime – whatever their means or length of care at home or in residential accommodation.

Refunding deposits

The new Aged Care Act also requires aged care accommodation providers to refund residents' lump sum deposits within 14 days if they move to another facility or pass away. Interest must be paid on the lump sum until the amount is repaid. As before, some deductions are permitted provided they were included in the original agreement.

No disadvantage

For those already receiving home care packages or in aged care accommodation, the government says a 'no-worse-off' principle will provide certainty that they won't have to pay more under the new laws.

Whether it is you or a loved one who is considering moving into aged care, it can be an emotional time. Please give us a call if you have questions about the changes being implemented or if we can help you to plan ahead.

- i <https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/once-in-a-generation-aged-care-reforms>
- ii <https://www.health.gov.au/our-work/support-at-home>
- iii <https://www.health.gov.au/our-work/single-assessment-system/about>





5 steps towards a financially fit retirement

If retirement is just around the corner, the current financial climate may make you feel a little uneasy. Watching the markets fluctuate might leave you worrying about whether your superannuation will be enough to see you through.



It's not a time for hasty moves, though.

If you are concerned a calm review of your current portfolio and investment strategy may be helpful.

After all, the average Australian spends around 20 years in retirement, so it's important to create a retirement strategy that takes account not only the current market conditions but also the risks and opportunities in the years ahead.

As one of the most significant retirement assets, your superannuation needs a carefully considered assessment as you approach any new life stage.

Here are five useful tips to help ease you into the next chapter towards retirement.

1. Review your risk profile and portfolio allocation

Check your super portfolio's risk profile. Generally speaking, investors take a high-growth approach when they're younger to take advantage of higher returns, however, as with normal share market cycles, there will be fluctuations in the share market. Having a long-term strategy gives you the time to recover from any market downturns before retirement.

Older investors may prefer a more conservative investment strategy that can help to stabilise returns by potentially protecting super from share market volatility.

2. Calculate retirement expenses

Be realistic about the living expenses you'll need when you finish working. For some, it may cost less to live in retirement because of reduced expenses such as commuting costs and maintaining a work wardrobe.

On the other hand, you may plan to travel more or buy a new vehicle or renovate your home, so these expenses need to be factored in when working out how much you'll need.

According to the Association of Superannuation Funds of Australia (ASFA), the annual average budget to maintain a comfortable lifestyle in retirement is \$73,077 for a couple and \$51,805 for a single person.ⁱ

And to maintain a modest lifestyle, ASFA estimates a couple will need \$47,470 and a single person will need \$32,897. Both estimates assume you already own your own home.

You can find easy-to-use tools on the MoneySmart website to help you work out your budget and also estimate your income from super and the Age Pension.

3. Take action on mortgages and loans

Entering retirement with manageable or small levels of debt can contribute to feeling more financial stable.

If you'll still be repaying a mortgage after you've retired, you could consider downsizing your home or using superannuation funds to pay down the debt, keeping in mind the tax implications and ensuring that you comply with superannuation laws. If you're considering either of these courses of action, we'd be happy to explain your options and obligations.

4. Check your timing

Understanding when and how you can access your super is important.

You can use your super to fund your retirement when you reach "preservation age", which is from age 60. You can also use your super to begin a transition to retirement income stream (TRIS) while continuing to work.ⁱⁱ

Alternatively, if you continue working beyond preservation age, you can withdraw your super once you turn 65.

There are also some circumstances in which you can access your super early such as illness and financial hardship, however, eligibility requirements do apply.ⁱⁱⁱ

5. Decide how to withdraw your funds

You may be able to withdraw your super in a lump sum, if your fund allows it. This could be the entire amount you have invested, or you could receive regular payments.

If you ask your fund for regular payments (paid at least once a year), it is known as an income stream and your super account transitions from the accumulation phase – where contributions are made – to a pension.

There are minimum withdrawals that you must make once you commence an income stream from super. For example, for those aged under age 65, a minimum annual withdrawal of 4 per cent of your super balance is required and this drawdown rate increases as you get older.^{iv} There is a lot to think about as you approach retirement, so if you'd like to discuss your retirement income options, please give us a call.

i <https://www.superannuation.asn.au/resources/retirement-standard/>

ii <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/super-withdrawal-options#Preservationage>

iii <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/when-you-can-access-your-super-early>

iv <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/payments-from-super#ato-Minimumannualpaymentsforsuperincomestreams>



Finding life balance: 4 pillars to your wellbeing

We're all trying to live our best lives, right? Sometimes, we get stuck in one area – whether it's spending all your spare time hitting the gym or counting every calorie to lose weight. We know the secret to true wellbeing is balance – but what does that actually mean?

That's where the four 'sets' come into play: *mindset*, *healthset*, *heartset*, and *soulset*. These can be considered the four pillars to happiness, and you need a little bit of each to really find your balance.

Mindset: The Brain Food

Let's kick things off with the *mindset*. Your mindset is like the software of your body – it drives how you think, act, and react. It is about personal growth, learning, and shifting your outlook to one that empowers you.

If you want to strengthen your mindset, here's the deal: keep it active! This could mean reading something that challenges your thoughts or while you are out walking, listen to some empowering podcasts or TED talks. Trust me, you'll come out the other end of your day a little wiser and a lot more motivated.

Healthset: Your Body's Happy Place

Now let's focus on *healthset* – your physical wellbeing.

Healthset is all about moving your body and making sure it feels good. You don't have to train for a marathon (unless that's your thing, and in that case – go for it!). Just get up, move around, and stretch! Brisk walks, a little yoga, or even dancing like no one's watching can do wonders. Plus, don't forget the basic stuff: eat nutritious food, stay hydrated, and get plenty of sleep. Because let's face it, a lack of sleep can affect your overall wellbeing.

Heartset: Feed Your Emotions

Heartset means taking care of your emotional wellbeing. It's about understanding your feelings, processing them, and making sure your emotional cup is full.

If you want to boost your heartset, a good starting point can be to practice gratitude. Write down the things you're thankful for – even if the starting point is enjoying your "morning coffee".

Heartset isn't just about feeling good; it's about being able to process your feelings in a healthy way. Giving yourself some space in your day-to-day life and permission to 'feel' rather than bottle things up can be challenging, but small steps will add up. So, when life gets messy (as it does sometimes), you'll be ready to handle it with grace.

As well as checking in with yourself, heartset is about connecting with others, so actively nurture those relationships with those you care about and those who care about you.

Soulset: Finding Your Inner Peace

Finally, we have *soulset*. This is the deepest and most personal of the four sets. Soulset means connecting with your 'purpose' and finding 'meaning in life'.

Creating a connection with your soul is less about doing and more about being. Soulset is the place where you find that "aha!" moment when everything aligns, and you just feel... at peace. Make space for those moments. Meditate, do yoga, or take a walk in the park or by the water if that's your 'happy place'. Connect with what feels deeply right for you. Reflect on what gives you purpose – and what makes you feel like you're really living.

Creating your own routine

The popular book 'The 5am Club' by Robin Sharma, introduces the idea that tending to these four parts of yourself first thing in the morning will set you up for a balanced and empowering day – however you don't have to join the 5am club to get the benefits of balance.

Creating your own routine is simple: pick one or two habits for each set (they can even overlap – going for a walk in nature can tick a few boxes if you do it right!) and start incorporating them into your daily life. Don't overcomplicate it – just focus on being consistent, and remember, progress is the goal, not perfection.

Take the time to check in with yourself from time to time to see if one of your four pillars is languishing and put a little effort into strengthening that pillar to get the balance back.

When you focus on your *mindset*, *healthset*, *heartset*, and *soulset*, you're growing a strong, healthy foundation for happiness.





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