

# INTEGRA INSIGHTS

*Great Advice Greater Life*

Spring 2019



**INTEGRA**  
FINANCIAL SERVICES







## WELCOME to our Spring Newsletter

We've welcomed new babies, new team members, a new licensee, new education standards and now a new season; that means a lot of change.

It is not the strongest or the most intelligent who will survive but those who can best manage change.  
*Charles Darwin.*

The Integra team and business has continued to evolve and enjoy the good times but also deal with the complexity that comes with change. It's the resilience that has been part of the core of who Integra is from the beginning that has allowed us to best manage change.

With change can come turbulence and we've seen some of that across the economy, politics, property markets, the global stage and more. All of this can seem overwhelming BUT it's with the right advice and understanding what you comfort zone (risk tolerance is) that together we help you achieve your goals.

In this Spring edition of Integra Insights, we give you some important things to consider when investing in property. I was privileged to be a financial advice contributor to the recent Channel 9 program - Secrets of the Money Masters by No More Practice Education. This article is off the back of an interview where I spoke about my work with soccer star Kyah Simon. There are some great points in this article that if you are considering purchasing a property you should be aware of.

What shapes your risk tolerance and how do you balance it with your goals? I've mentioned resilience already but aside from resilience here is a little more for you. Understanding your risk tolerance is a key area we work with you on when we engage with you at the start of our advice journey together and continuously throughout your life stages. We've included an article this issue for you just to make sure you are keenly aware of the impact your risk tolerance can have on your financial advice strategy.

We've seen a lot in the media over recent months particularly around mental health, health and wellbeing and continuously working on yourself today so you can grow and be different tomorrow. Take a look at pages 5 of Integra Insights where we address some sobering thoughts for planning for the future, particularly as you move through your mid-thirties and forties; where retirement can seem decades away. There's also a friendly reminder about Breast Cancer Awareness month and R U OK? Day that I urge you to look at.

Finally, I want to thank everyone for their good wishes and patience as I come out of my own recent health issues. I'm enjoying being back at work and doing what I love most, helping you to achieve your lifestyle goals and dreams. It's time for us to knuckle down and get everything we need to do for you completed and hit the study books in preparation for our first round of exams as we set ourselves on a path of achieving the new education requirements and professional standards.

The Integra team are here if you have any queries or concerns, in the meantime keep working towards the life you want to live.

Deborah Kent CFP®Dip FP MAICD FChFP  
Financial Adviser | Director

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# What to consider when investing in property

Integra Financial Services director and financial adviser Deborah Kent appears on Secrets of the Money Masters with soccer star Kyah Simon. In this chat, she discusses what some Australians might not know about property investing.

## Do you think there's a general preference for investing in property in Australia?

Yes, definitely. Investment properties seem to be the thing for a lot of people. There can be peer pressure from families; it's what everyone's done all these years. The idea that the only way to get ahead is to buy property is sometimes ingrained in our consciousness.

## What's the main issue with this mindset?

One of the things I discuss with my clients a lot is the idea that if you buy an investment property it's self-sustaining; you get a tax refund on it so it's going to always be a great investment.



What some people forget is that negative gearing will always give you a cash-flow loss every year. For that investment to make money, it needs to increase in value by the loss plus inflation every year. And in some markets that will happen, but sometimes it won't.

## Are there other concerns?

Another issue is maintenance costs. What happens if your property has an air conditioner and it blows up? That could cost thousands, and if it does, where does the money come from? You have to have available cash to do that maintenance, even if it's tax-deductible.

There are other issues, of course, like what happens if you have a bad tenant who decides not to leave? You might have to go to court to get them out. These things can happen.



## Are a lot of people aware of these risks?

Most of the time, when I whiteboard that in front of somebody, they say, "Oh, I didn't know that!" Insurance, maintenance – especially when the property starts to age – and so on. There's a tax deduction, but you still have to have the cash available.

## Why do you think these issues aren't always considered?

I think those who are not in the market see it as an opportunity, and those who are, well, they say they're not going to sell it anyway, and it will always make money. That's the line I get a lot.

## Do you think the recent shifts in the property market will change this mindset?

Not necessarily, no. I think when it comes to the average Australian, if they're bent on property investing it's going to take someone to convince them there might be other ways. Diversification doesn't come to mind straight away. Basically, I think anyone who wants to get into this market should understand it first.

## Thanks very much for your time, Deborah.

Source: No More Practice Education – Deborah Kent – Secret of the Money Masters Series





# What is your risk tolerance – and why?

**Risk is inherent in investing and there is no one size fits all approach to managing and dealing with risk. What keeps you awake at night might be well within someone else's comfort level.**

The central principal of investing is the higher the risk of a particular investment, the higher the possible return. Of course the flip side of that is that low risk investments typically offer low returns. Those that are attracted to high returns need to be sure that they can cope with the volatility that can accompany those types of investments and those who want stability need to ensure that they are prepared to compromise on return for investment.

It's worth developing an understanding of how you feel about risk as your risk tolerance should dictate your investment strategy.

## What is risk tolerance?

Risk tolerance is the degree of variability you're willing to withstand with your investments. In other words, the ups and downs you can put up with. Risk tolerance varies from person to person as well as over time. For example, someone with a very short investment time frame and a very important investment goal might not be willing to put up with peaks and crashes. They might not have time to start again if something goes wrong with a risky investment. On the other hand, someone with a longer time frame (someone at the start of their career, for example) might be willing to take that risk, for a potentially higher payout.

## What shapes people's risk tolerance?

Part of your risk tolerance is based on hard numbers. Put simply, it's comparing your investment goal to the data available on your potential investment options. And then putting that in the context of other factors, like economic risk. It's the other part that's particularly interesting.

The psychology of risk tolerance draws from many different areas of behavioural psychology. Risk taking behaviour can be influenced by emotional factors; how the person is feeling at the time, or how they think they'll feel if their decision pans out as expected. Your decisions can also be shaped by your past experiences.

It's possible that your approach to some types of risk might be formed by an early age – when you're in primary school. By that age, you've already absorbed a lot from your parents and siblings. But that doesn't mean you can't understand more about where you're coming from, and in doing so, get closer to your goals.



## Balancing your risk tolerance and goals

In general, problems arise when your risk tolerance is low, and your goals are particularly ambitious. But when you have a more-than-high tolerance for risk – even a love of the thrill of chasing extraordinary returns – you may be tempted to break your medium to long term plans. Even when you're on track to achieve your goals. In other words, balancing your risk tolerance and goals takes a consistent effort.

## What is your risk tolerance?

Risk tolerance is different for everyone. 'Know thyself' is the adage, and a common and simple test is to think about how you'd be likely to react to a significant fall in the value of your investments.

Conservative investors are likely to want to sell and run, believing that this will mitigate their losses. Aggressive investors on the other hand might use the drop to increase their holdings. Most people are somewhere in between these two poles.

We can help you to work out your risk tolerance, and assist you to make investment choices based on your profile, situation and investment goals.

If this article has left you feeling like it's time for a discussion – and maybe even a change – get in touch with us. We're here to assist you in planning your investments in order to achieve your goals.

# Be different today so you can be different tomorrow



**Every generation thinks life will be different – and of course, each one is right - but when it comes to planning for the future, while we're young we have a habit of thinking there is still plenty of time. After all, when you're in your mid-thirties or even early forties, retirement is still decades away; later if the government decides so!**

However, like anything forgotten too long, the years pass quickly and the time we could have used constructively has disappeared. For example, early Generation X is now on the countdown to retirement.

If you want to be different today, plan to be different tomorrow.

Start with your grandparents...

What did their working life and retirement look like?

Let's imagine your grandparents are both in their eighties. It's likely that Grandad started working in his teens and stayed with one employer for most of his life. Structured superannuation was available to the very few. He retired at 55. Grandma may not have had much paid employment, if any. Their lives can be broken into three phases – education, work and leisure.

But they didn't anticipate retirement being as long as it's turned out to be. They're still healthy, have outlived their savings and are relying solely on the age pension to fund their frugal lifestyle.



Then your parents...

What did their working life look like? How will their retirement be different?

We'll envisage your parents are aged in their sixties – typical baby boomers. They were better educated than their parents and both worked; though Mum took years off to raise the kids. They accumulated quite a bit of superannuation; Dad has more than Mum.

Their lives can be broken into the same three phases. Education may have extended into their early twenties or they studied later during their working lives. They worked for a couple of employers and, thanks to technology, ended up in careers they never imagined in their youth.

Whilst they have long talked about retirement, now that it's almost here they face it with some trepidation. They may consider moving to part-time work that will give them more freedom, keep their minds stimulated and still have enough to pay the bills. After all, now they are independent and the mortgage is paid off, life is cheaper.

It would be nice to have more time to travel and do the things they would like to do. They're both fit and healthy and if they live as long as their parents that will be 20 or 25 years of leisure.

Will Mum and Dad have enough money to live a comfortable lifestyle for that long?

And what about you?

You and your siblings are not going to rely on one employer or one lifetime career. Balancing life and work is more important as you take time off to travel, do volunteer work or try new adventures earlier in life. And being so versatile, when you resume your career you simply re-train.

What this means is that you will have multiple periods of education-work-leisure in your life, and as you will probably be much healthier than previous generations you don't see working longer as a problem.

But will you be able to afford 20 or 30 years with no income? That's a sobering thought at any age.

It's time to be different now.

Many social commentators class Generation X as stuck in between the two "noisier" and more well-known generations – Baby Boomers and Gen Y – but that doesn't mean you should fade into insignificance. Be the first generation to truly take control of your retirement at a younger age. Stop the trend and talk to us about the many strategies available to give your retirement savings the boost it needs.

Be different today so you can be different tomorrow.

*Author: Integra Financial Services*





## Breast Cancer Awareness Month

After an 8 week recovery, from major surgery relating to breast cancer, please indulge me as I remind everyone that October is Breast Cancer Awareness month in Australia.

This is an opportunity for us all to focus on breast cancer and its impact on those affected by the disease in our community.

Breast cancer remains the most common cancer among Australian women (excluding non-melanoma skin cancer). Survival rates continue to improve in Australia with 89 out of every 100 women diagnosed with invasive breast cancer now surviving five or more years beyond diagnosis.

These statistics will only continue to improve if we all take the time to find out what you need to know about breast awareness and share this important information with your family, friends and colleagues.

I urge you to be vigilant and check yourself and if you qualify become part of the Breast Cancer Network Australia Breastscreen program.

Deborah Kent



## Essential Oils with Lara

Spring has sprung! I love this time of year. The days are getting longer, the temperature is starting to heat up, and I am loving the sunshine with my Baby Girl Eevee.

However I know for many people it's also the worst time of the year for seasonal threats, itchy watery eyes, runny nose, that horrid tickle in the back of your throat and the sneeze ohhhhh the sneezes!!!

Prior to starting my doTERRA Essential Oil Business I had to take an antihistamine or else I'd be having fits of sneezing and runny nose.

However now I just use my Seasonal Zen power trio of Lemon, Lavender and Peppermint Essential Oil to blast away the sneezes.

I have a 10ml rollerball with 15 drops lemon, 15 drops lavender, 15 drops peppermint and 90 drops Fractionated Coconut Oil. We apply this to the bottom of our feet through out Spring.

Then if I'm really being hit hard, I do an allergy shot. Put 2 drops of lavender, 2 drops of lemon and 2 drops of peppermint in a shot glass and add water. This right here is a life changer!

It's also a beautiful blend to pop in your diffuser and these 3 oils come in our Starter Kits that every home should have on hand!

Another amazing way to use doTERRA in Spring is to SPRING CLEAN!

We love to use our On Guard Immunity Blend in our Surface Spray, Its not only antibacterial and kills all there germs naturally but also smells amazing mixed with Lemon which is super Cleansing.

My Favourite DIY recipe for our Low Tox Cleaning spray is

Ingredients

¼ cup white vinegar

1 ¾ cups water

30 drops doTERRA essential oils

Recommended essential oil combinations:

15 drops each of Lavender and Lemon

10 drops each of Eucalyptus, Peppermint, and Wild Orange

30 drops doTERRA On Guard

15 drops each of Grapefruit and doTERRA On Guard

Instructions

Add all ingredients to 500ml spray bottle.

Shake thoroughly. Spritz on surfaces and wipe clean.

If you would like to learn more about Essential Oils head to my Facebook Page and be sure to say Hi!

[www.facebook.com/theessentialoilemporium](http://www.facebook.com/theessentialoilemporium)

Love Lara





## Welcome

We welcome Michelle our new Client Service Manager. Michelle joined us three months ago, she has 12 years experience in Financial Services we are excited to have her as part of the Integra Family.

## Congratulations

Congratulations to Payal on the birth of her first child Samyra Faith Prasad who was born on the 19th of July weighing 2.2kgs.

We wish the Prasad family all the joy a new baby brings and look forward to seeing baby Samyra grow into a happy, healthy little girl.

## R U OK? Day

At Integra we believe in the importance of not only looking after yourself but looking after the important people in your life which is why we support R U OK day and Mental Health Awareness month.

R U OK?Day is our national day of action dedicated to reminding everyone to ask, "Are you OK?" and to remember every day of the year to support people who may be struggling with life's ups and downs. We're encouraging everyone to Trust the Signs, Trust your Gut & Ask R U OK?

We want everyone to feel confident they know the signs someone might need support by listening to what they're saying, seeing what they're doing or knowing what's going on in their life. Whenever you notice a change, no matter how small, we want you to trust your gut and start an R U OK? conversation.

<https://www.ruok.org.au/join-r-u-ok-day>



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Did you know that Integra has a Facebook page to? We will post things each week from articles and updates to stories to share with are clients and friends. We'd love you to join us on Facebook, you can find us here @IntegraFS

<https://www.linkedin.com/company/integra-financial-services-pty-ltd/>

This advice may not be suitable to you because it contains general advice that has not been tailored to your personal circumstances. Please seek personal financial and tax/or legal advice prior to acting on this information.

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