

Thanks in part to the prosperity and prolific creativity of the Baby Boomer generation and their fixation on living longer and maintaining their health (and their youth), we can all anticipate longer lifespans.

German demographer James Vaupel estimates that the average girl born now in Western societies will live to 100. Many of today's boys, he says, will also make it to a century.

Our lives have been improved by technology, advances in health and the many measures at our disposal to prolong our productive years.

But quality of life is the real issue and the pressures of providing for a population pyramid that is inverting – the cost of healthcare, aged care and nursing homes, senility and other diseases and their impact on families – have made ageing a key social issue.

100 years ago, men could expect to live to about 55, and women 58. Today, the Australian Bureau of Statistics (ABS) estimates men can hope to hit 79 and women, about 83. The ABS estimates that there are currently almost three million Australians aged 65 and over, and close to four million baby boomers will join them in the next 15 years.

This is all great news for our nearest and dearest, but who will fund the retirement, healthcare, aged care facilities and infrastructure required for this new era of the aged?

In 2006, there were 14 million Australians aged 15 to 64, typically referred to as 'of working age', and 2.7 million over 65. The ratio of workers to retirees was roughly five to one. By 2056, on conservative assumptions, the bureau projects that those of working age will grow by half, to 21.5 million, but the number of us 65 and over will treble to 8.1 million. The ratio of workers to retirees would then be about three to one.

How can the kids and teens of today be expected to finance so many retirees? Especially when those aged 85 and over, with the most chronic needs for care, are projected to increase from 322,000 to 1.72 million?

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Confronting ageism in the workplace, encouraging seniors to contribute later in life, rolling back the age at which people can take their super, and investing in aged care as well as in research into the causes of disease and disability in older age are some measures we can take to tackle the challenges ahead.

But of paramount importance is preparation. Each and every one of us should be mindful that we stand a chance of living much longer lives than our parents, and we need to ensure our lifestyles, ambitions, plans and dreams correspond with our financial wherewithal.

It's never too early, or too late, to put the structures in place that will enable you and your family to enjoy the benefits of long, happy, healthy lives.

Contact your financial adviser to discuss the options and opportunities.

Source | Australian Bureau of Statistics

FACTS OF
LIFE

Keeping up with Ageing

7 things to consider for 21st Century Investing

The world has changed immeasurably in the past 30 years. The next three decades seem likely to yield even more drama as significant themes exert their influence on a more connected world. Investors must either embrace change or risk missing out on some of the biggest investment themes in a generation.

Most of the themes that appear set to be prominent in the 21st century – the rise of the east, growing consumption and urbanisation in emerging markets, the changing demographics and ageing of the world population, the challenge of feeding and powering the world, technological and climate change, the rise of Africa – are visible and investible, or will be soon enough. But it is difficult to attach weightings. Is finding a solution to our energy needs more important than alleviating pressure over food and water? In truth, they are related, not least because bio-fuels are reducing the amount of arable land for food.

This is where technological progress is crucial. Every time the world has pushed up against resource limits in the past, mankind has overcome the situation. We are fortunate today: we have even more brains from around the world, tackling the problems in energy, food and water, providing incremental advances and occasional step-changes that sum over time to extraordinary technological progress.

7 things to consider:

1. Invest more in emerging markets, beware of home bias. Investors need to ensure they have enough exposure to emerging markets.
2. Take a long-term view. Investors must step back from the occasional hyperbole that crops up about emerging-market bubbles and remember that the long-term outlook is compelling.

3. Include frontier markets such as those in Africa. Incredible as the growth of China is, don't just bet on one emerging country. Consider Indonesia, Nigeria, Mexico and Turkey. These countries have large populations and fast-growing economies and are mooted as next big things.

4. Invest in real assets. An optimal strategy may be to remain in equities but tilt the bias of investments towards real assets whose prices rise with inflation. By investing in companies that have pricing power such as miners of industrial and precious metals, investors can participate in corporate growth and generally beat inflation. Given constraints on supply, these companies tend to benefit disproportionately from higher global growth.

5. Remember to add food and water. Fertiliser and agricultural companies stand to benefit from growing demand for food and changing diets in developing countries. Similarly, companies

that build desalination and water-management infrastructure and that can provide access to clean water should have full order books as demand for water intensifies across the world.

6. Consider consumption. As emerging economies grow and become wealthier, the global middle class will expand rapidly and consumption will soar, particularly in the discretionary segment where branding is key. Beneficiaries will be based in western and emerging markets.

7. Do not ignore pharmaceuticals. Pharmaceuticals have been overlooked even though their industry outlook looks bright. There is scope for the best generic and branded names to benefit.

Important information: Investments in small and emerging markets can be more volatile than in more developed markets. Investments in overseas markets can be affected by currency exchange and this may affect the value of your investment.

Source | Fidelity. More at www.fidelity.com.au

OUR PLACE IN ASIA

Australia is more reliant on Asian economies than European. China is Australia's number one export destination, accounting for 70% of our exports to Asia. Over the past 12 months, 21% of the country's exports went to China, with iron ore making up the bulk of those. Japan 15% is our second largest, followed by India 6%, Korea 7% and the US 3%.

Australia's economic performance drivers are:

1 STRONG TRADING PARTNERS

The forecasted economic growth for our major trading partners in Asia over coming years is strong. Forecasts for China and India are around 9% for both, compared to the European area at just under 2%.

2 ROBUST ECONOMIC MANAGEMENT

Strong economic management by the Reserve Bank of Australia (RBA) and the Federal Government, along with

strong banking regulation from the Australian Prudential and Regulation Authority (APRA), will continue to place Australia in a strong position.

3 MINING/GAS SECTOR GROWTH

The mining and gas sector is expected to be the large growth driver over coming years with mining investment at a record share of GDP. This will create jobs, income, demand for materials and stimulate economic growth.

4 POPULATION GROWTH

Australia has strong population growth compared to other major developed economies, at around 1.5% versus 0.5%.

Source | Colonial First State, Australian Bureau of Statistics and The Organisation for Economic Co-operation and Development

Get healthy

By Marc Fabris, Strategic Marketing Manager, Zurich

and save
Part 2

In Australia, we're lucky enough to have one of the best lifestyles in the world. There's no reason for Australians to be out of shape. But sadly, the most common killers in Australia have been heart disease and cancer.

Cardiovascular disease affects one in every six Australians, or 67% of Australian families. By 2051, the Heart Foundation forecasts that will increase to one in four Australians.



Diabetes is Australia's fastest growing chronic disease, with 275

Australians developing the disease every day according to Diabetes Australia. Much of this is due to the fact that many Australians live with a combination of poor diet and a lack of physical activity.

The Heart Foundation says around 80% of cardiovascular disease is largely preventable. Likewise, Diabetes Australia estimates that up to 60% of cases of type 2 diabetes can be prevented.

The impact of these illnesses on people and their families is devastating. While in our industry, it's rewarding to be able to help people recover financially

from serious illness, it would be better to avoid them in the first place.

Lifestyle changes could save your life... and your wallet.

When a life insurance company calculates your premiums, they take into account a number of risk factors – some of these include your age, gender, blood pressure, smoking status, your Body Mass Index (BMI), cholesterol and blood glucose levels.

If you fall into a high-risk category for some of these risk factors, it can be reflected in how much you pay for your insurance each year. These additional costs are called 'loadings'.

By making changes to improve your lifestyle, you could reduce your high risk factors for serious illness. You can also ask your life insurance company to re-assess your insurance premiums – potentially reducing or removing your loadings.

Not only are you giving yourself a better quality of life now and in the future, you could also save yourself money. More importantly, you'll be starting some good habits that could stay with you for a long and happy lifetime.



Stand and Deliver

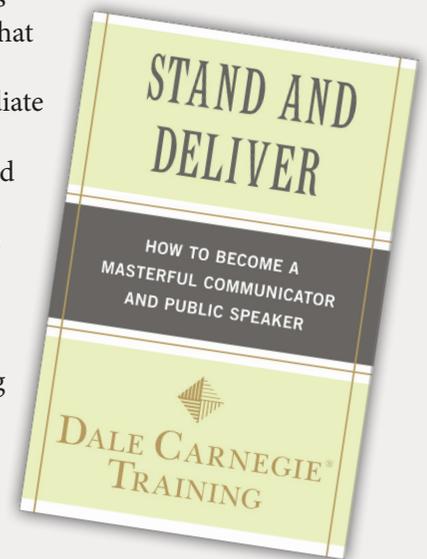
Confident, fluent public speaking is a skill, which means it can be learnt by anybody.

From the training guru who brought the world "How to Win Friends and Influence People", Dale Carnegie, comes Stand and Deliver: The Dale Carnegie Method for Public Speaking Mastery, a compilation of the communication secrets of US presidents, CEOs and enlightened, compelling speakers.

Stand and Deliver is based on Carnegie's world-renowned course, and contains the hints, strategies and secrets to make you an incredibly poised, polished, masterful communicator.

Within is advice on how to identify your authentic self so that you project an original and unique style, how to win over any audience in one minute, a five-point checklist to run through immediately before a presentation that will make stage fright disappear, a powerful tactic for getting your listeners to act the way you want them to (works equally well with colleagues, children, anyone you talk to), the renowned "Magic Formula" technique—a no-fail three-step process that will ensure your listeners remember what you say and make immediate and positive changes based on it, as well as the secrets to handling hostile or potentially embarrassing questions with ease.

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