



Andep Investment Consultancy

Analytical advice since 1982.

March 2020 Quarter in Review

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1 Covid 19

1.1 Opinion

The quarter was, and probably the year will be, dominated by the Covid 19 infection. Its health, social and economic effects will be the out turn of biology, individual behaviour, collective behaviour and mitigants. Individuals can control their behaviour and influence that of those around them, but biology, other people and governments have wills of their own. We are hostage to both the wisdom and madness of crowds.

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We can be sure that the sun will rise tomorrow, next quarter and next year and, so far, we have reason to thank our elected leaders and their advisers for their management of this situation. We note that the poem “Said Hanrahan” referred to below was written in the midst of the Spanish flu epidemic and its sense that bad times pass is equally relevant to epidemiological and meteorological adversity.

How do we get to the other side? The best answer is a vaccine, as, paradoxically, success in containing the spread contains any herd immunity (even assuming once infected, one is immune and not contagious). Experts regard a vaccine unlikely in 2020, so the threat will hang around.

Limitations will ease by popular ignorance as fatigue and complacency set in or by governments acting ahead of fatigue to lift restrictions on one or more of selected regions, industries, age groups and immunity.

What lies on the other side beyond a plethora of spots on floors?

Clearly more government debt will exist. It will require one or more of time, taxation and inflation to clear.

Some household balance sheets will be worse than before, but those who kept their jobs and were largely prevented from discretionary spending may emerge stronger. The balance between caution and optimism struck by these households will be a major influence on the pace of recovery.

Several scares will cause rethinks. These include the concentration of export income (including education and to a lesser extent tourism) on one market, the absence of stocks and local manufacturing of medical equipment and the viability of “just in time” manufacturing.

It doesn't appear that rethinking will yet extend to serious reduction of household debt. That awaits another crisis.

This rethinking, and earlier political changes, point to us having reached “peak globalisation”. However, the unwinding after decades of freer trade may be protracted.

1.2 Mitigation

To mitigate the effects of COVID-19 and the associated reduction in business activity the Government announced during the quarter and legislated early in the June quarter several measures. These include: -



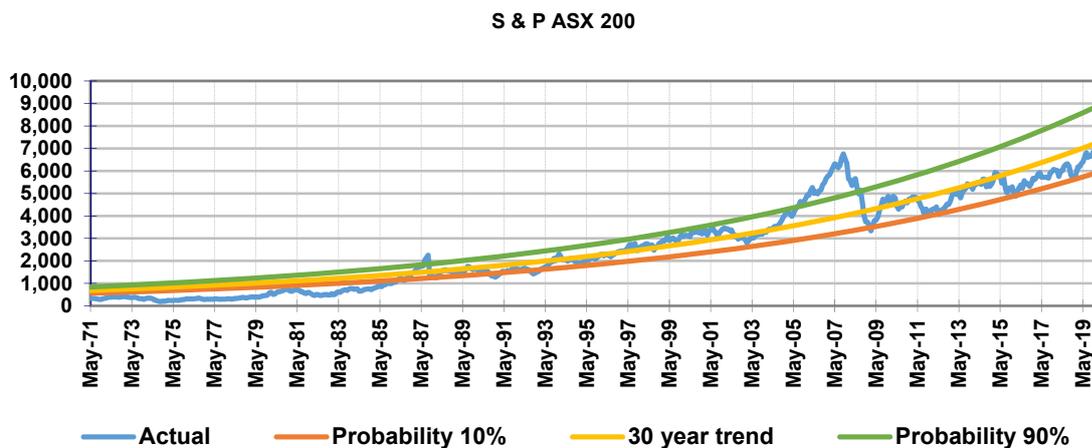
- ❏ reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for the 2019/20 and 2020/21 financial years;
- ❏ reducing from 1 May, social security deeming rates by 0.25% in addition to the 0.5 percentage point reduction to both rates announced on 12 March 2020. The rates will be 0.25% for the lower tier and 2.25% for the upper tier;
- ❏ allowing certain individuals to access, without tax or Centrelink effect, up to \$10,000 of their superannuation before 1 July 2020 and a further \$10,000 in the following financial year. Eligibility rules requires the person either be unemployed, eligible to receive a Job Seeker, or a select list of other social security payments or on or after 1 January 2020, either were made redundant, had their working hours reduced by 20% or more or for sole traders, their business was suspended or there was a reduction in their turnover of 20% or more.
- ❏ over the next six months, expanding eligibility to income support payments (Job Seeker) and establishing \$550 per fortnight Coronavirus supplement;
- ❏ not-for-profits and businesses with a turnover less than \$50 million, employing people and continuing to operate will receive a tax-free payment over two quarters equal to the greater of their PAYG withholding and \$20,000 subject to a maximum of \$100,000;
- ❏ increasing the instant asset write-off threshold from \$30,000 to \$150,000. This is now be available for businesses with an aggregated turnover of less than \$500 million (up from \$50 million);
- ❏ introducing a JobKeeper payment from 30 March to 27 September of \$1,500 per fortnight per retained employee for businesses that suffer a 30% reduction in turnover if originally less than \$1 billion and a 50% reduction for other businesses;
- ❏ relieving directors from any personal liability for trading while insolvent in the six months from 24 March 2020 and
- ❏ providing relief for companies from the Corporations Act to deal with unforeseen events that arise as a result of the Coronavirus by empowering the Treasurer, until 24 September, to make temporary instruments lasting up to six months modifying or nullifying provisions of the Act.

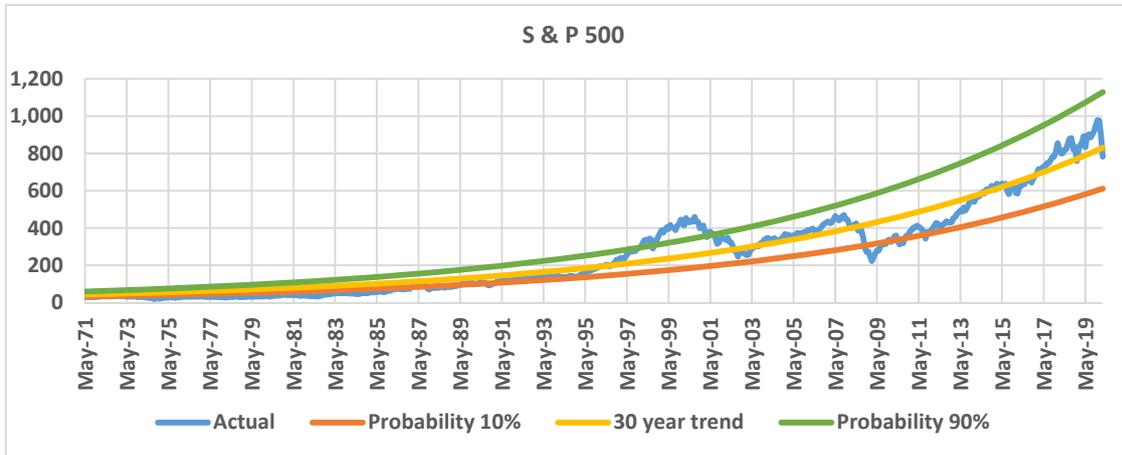


2 Markets and trend lines

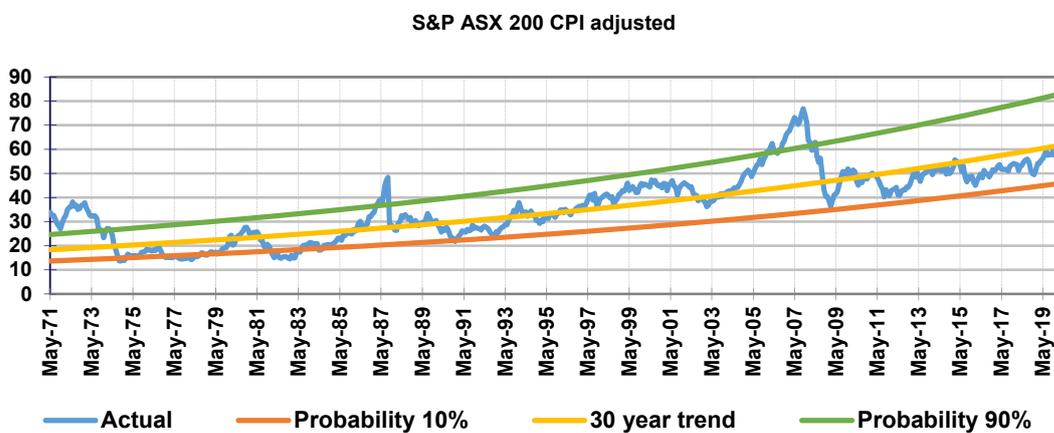
In the last Quarter in Review, we wrote “*In the absence of an external shock, the Australian stock market can expect business as usual, but is vulnerable to a realisation that the local economy is soft.*” The first phrase of that sentence renders the rest immaterial.

The following charts show, respectively, the best fit of constant compound growth in the Australian and United States of America broad market indices together with some statistically derived probability percentiles. On this statistical basis, the Australian market moved during the quarter from roundly half a standard deviation to 2.3 standard deviations below the trend while the US fell from three quarters of a standard deviation above to a quarter of a standard deviation below its trend line. US share prices measured as a proportion of ten year average inflation adjusted earnings are still (18%) above the long term average. As written in previous Quarters in Review, the 30 year trends encompass a period of steadily falling interest rates, which is at or near its end. These may make conclusions from the trend charts optimistic.





The last thirty years have also been a period of generally declining inflation. The following chart shows similar information and a similar conclusion for the Australian stock market adjusted for Consumer Price Index inflation.

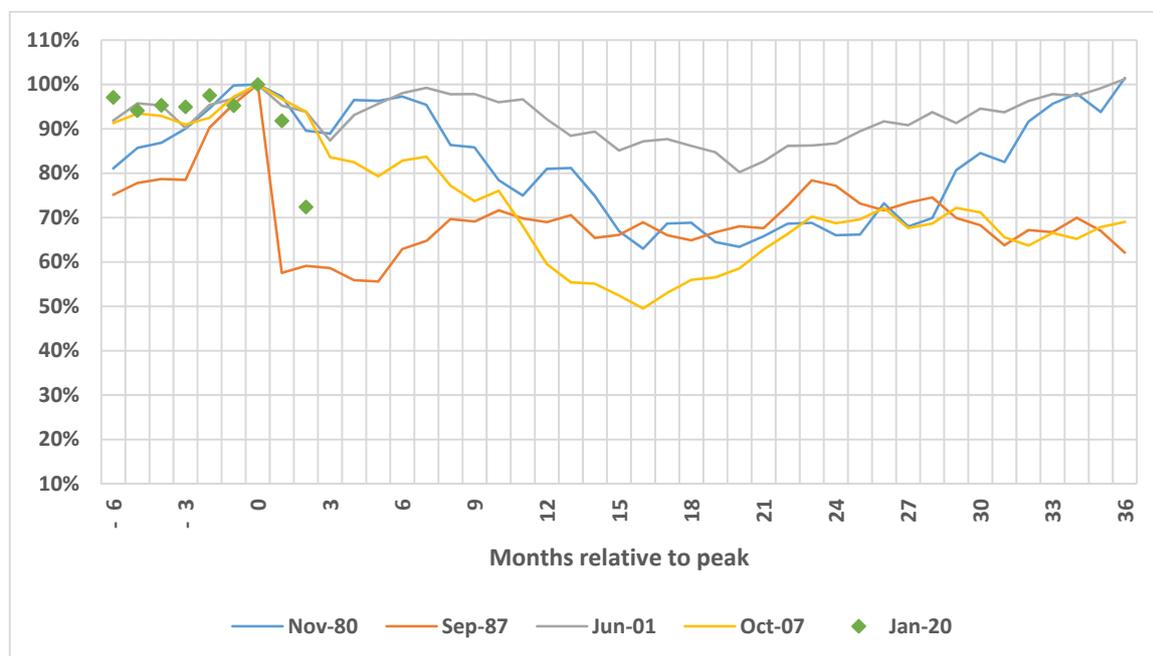


In recent Quarters in Review, we have shown another graphical view of the markets, being a comparison of the movement in the three years leading up to the most recent peak and the following months and the three years before and six months after significant peaks. That view

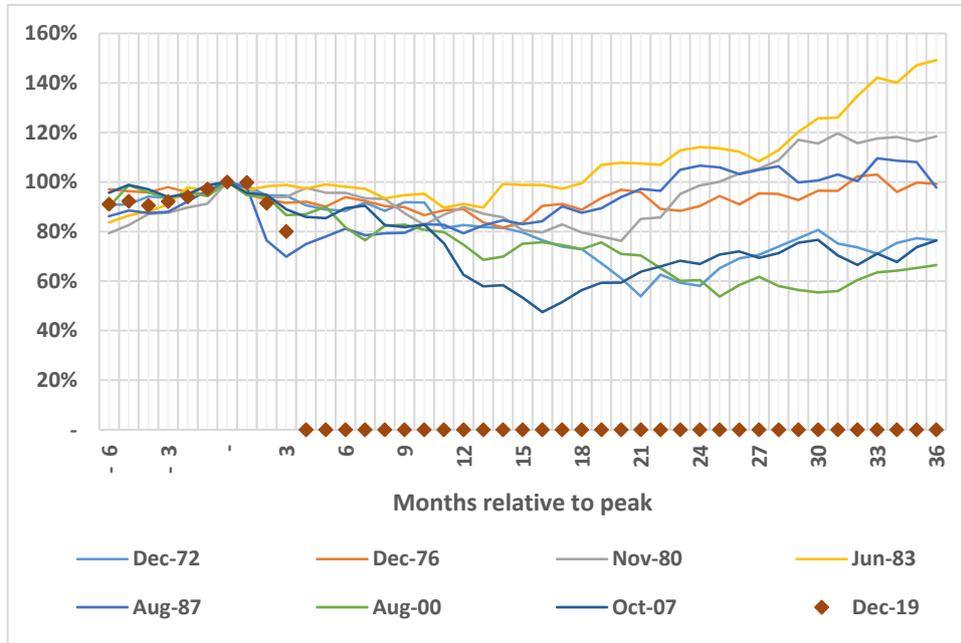


sought to answer the question “does history suggest we are heading to a major fall?”. The major fall has occurred, and we now change the chart to show three years after and six months before. It now compares the severity of the fall and will ultimately show the pace of the recovery.

The following chart relates to Australia and the diamonds of recent progress show the fall was not as precipitous as the 1987 crash, but this time the market has fallen further in two months than it did in ten months after October 2007 and more after other declines. Half of the previous declines charted were reversed in three years.



Similar comments apply to the USA market shown below.



The preceding charts are based on month end indices. Based on daily closing indices, both markets peaked on 20 February. This was 28 days after the first Australian Covid 19 case and 31 days after the first USA case.

As was the case last quarter, of the markets followed by the Reserve Bank of Australia (RBA), the New Zealand stock market has performed the strongest over one, two and three years. This lead now extends to four years. The Australian market is unchanged over 4 years, while only those of USA, New Zealand, Hong Kong and Taiwan have grown over that time.

The short term progress of markets will be determined by the epidemiological progress and the strength of government stimulus.

3 Economic milestones

3.1 Interest rate cuts and stimulus

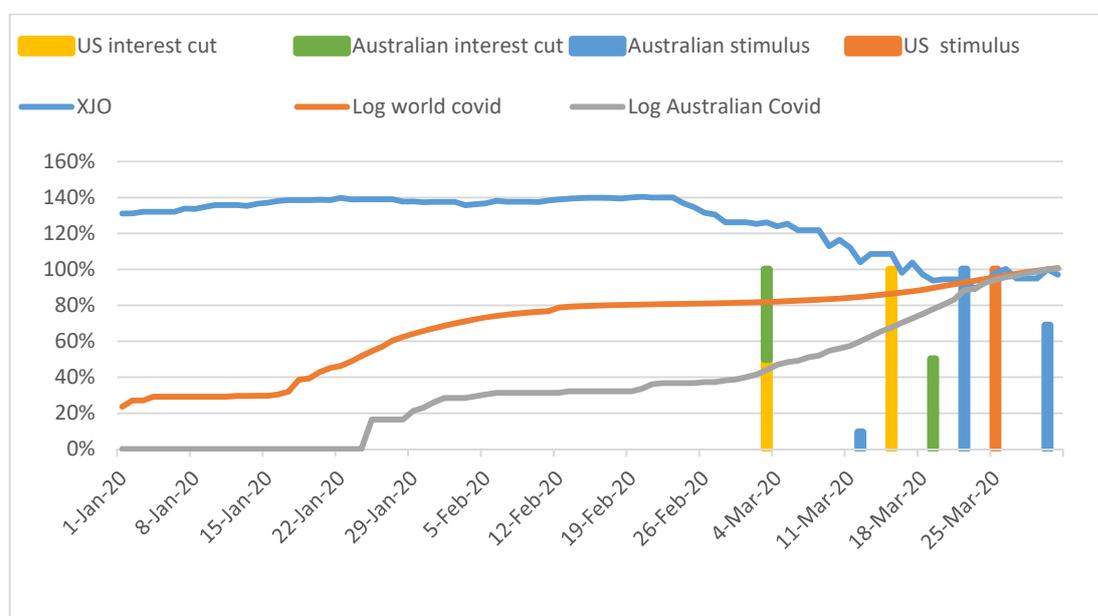
March was a busy month for interest cuts and financial stimulus including: -

- 3rd Australia 0.25% reduction in the RBA cash rate and a US 0.5% official interest rate cut;



-  12th Australian package of \$17.6bn over undisclosed period;
-  15th US 1% official interest rate cut;
-  19th further 0.25% cut in the RBA cash rate, a RBA 0.25% target for the 3 year government bond yield and RBA provision of \$90bn funding for banks;
-  22nd Australian package of \$189bn over the period of the forward estimates;
-  25th US package of USD2trn over undisclosed period and
-  30th Australian package of \$130bn over undisclosed period.

The following chart sets these in context with the ASX 200 (XJO) and Covid 19 cases (log scale) globally and in Australia, all indexed to the end of the month.



3.2 Indonesian Free trade agreement

On 6 February the Indonesian parliament ratified the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Already ratified by the Australian parliament, it was signed on 10 February. This adds to Australia's 13 FTAs with one more pending ratification.



3.3 Residential property cycle

Property data provider [CoreLogic](#) issued its January report in early February. It showed that, nationally, the annual growth in residential property values was the fastest since 2017.

In commenting on the results, the AFR quoted Core Logic's Head of Research, Tim Lawless, as saying "There's only so long that the housing market can outpace incomes."

"Housing values rose in January across every capital city and rest-of-state region, apart from regional South Australia, where values held firm over the month. This demonstrates a broader recovery trend which originally began in Sydney and Melbourne midway through 2019, and gradually spread to other areas of the country".

The following table accompanied CoreLogic's release.

	Change in dwelling values			Total return	Median value
	Month	Quarter	Annual		
Sydney	1.1%	5.6%	7.9%	11.5%	\$862,814
Melbourne	1.2%	4.9%	8.2%	11.7%	\$681,925
Brisbane	0.5%	2.0%	1.1%	5.6%	\$499,691
Adelaide	0.2%	1.3%	0.4%	4.9%	\$437,411
Perth	0.1%	0.4%	-5.7%	-1.7%	\$440,965
Hobart	0.9%	3.4%	5.0%	10.5%	\$481,665
Darwin	0.1%	-1.6%	-8.1%	-0.4%	\$390,143
Canberra	0.3%	2.0%	3.1%	7.9%	\$630,078
Combined capitals	0.9%	4.2%	5.2%	8.8%	\$632,408
Combined regional	0.7%	1.7%	0.4%	5.3%	\$386,618
National	0.9%	3.7%	4.1%	8.1%	\$545,622

3.4 Trade truce

A USA / China trade agreement was concluded on 15 January. The agreement deferred the problems of intellectual property transfer to China but removed sufficient uncertainty to drive the USA stock market to an all time high and the following day, the ASX 200 to clear 7,000 points for the first time.

3.5 Unspent tax and interest cuts cut personal debt

Following the comment in last Quarter in Review, about the lack of spending of the tax cuts weighing on the stock market, came AFR publication of a study indicating cautious consumers



have been reluctant to spend. Household personal credit outstanding at the end of November was 5% less than the previous year.

3.6 Unemployment surprise

The Australian Bureau of Statistics (ABS) released the December 2019 unemployment rate of 5.1% (previously 5.2%) on 23 January. Of significance in the announcement is that NSW is at the Reserve Bank of Australia's (RBA) full employment target of 4.5%.

3.7 Slow improvement continues

On 6 February, the AFR reported Perth's CBD office vacancy rate fell as it has done for six consecutive half years. It now stands at 18.2% compared with the national average of 8%. The paper quoted a Knight Frank partner saying prime office vacancy is 6% and leasing incentives are now sustainable.

4 Legislation

Legislative activity this quarter included the following.



Name	Purpose	Progress
<u>Australian Business Growth Fund Bill 2019</u>	Establish source of patient capital	Before Senate
<u>Currency (Restrictions on the Use of Cash) Bill 2019</u>	Create offences to make or accept cash payments of \$10,000 or more	Before Senate
<u>Fair Work (Registered Organisations) Amendment (Ensuring Integrity No. 2) Bill 2019</u>	Disqualify unfit people from office in organisations registered with the Fair Work Commission	Before Senate
<u>Social Services Legislation Amendment (Payment Integrity) Bill 2019</u>	Increase the liquid asset waiting period maximum for Newstart and other allowances from 13 to 26 weeks	Before Senate
<u>Treasury Laws Amendment (2019 Measures No. 3) Bill 2019</u>	Close a loophole on taxation of benefits to minors from testamentary trusts, defer until January 2026 the requirement for financial advisers to hold degrees and defer the requirement for them to pass the “approved examination” until January 2022	Before Senate
<u>Treasury Laws Amendment (Reuniting More Superannuation) Bill 2020</u>	Close eligible rollover funds by June 2021 to enable Australian Tax Office to transfer “lost” balances to member’s active accounts	Before Senate
<u>Treasury Laws Amendment (Your Superannuation, Your Choice) Bill 2019</u>	Ensure employees under workplace determinations or enterprise agreements registered after June 2020 have an opportunity to choose the superannuation fund for their compulsory employer contributions	Before Senate
<u>Appropriation (Coronavirus Economic Response Package) Bill (No. 1) 2019-2020</u> and 7 others	Implement Coronavirus packages	Royal Assent



5 The environment

5.1 Symbolically skinning the coal cat

Local governments in California are moving to prohibit coal shipments from their area. If instituted over all of the US west coast, such a ban would, the AFR reported, affect 3% of the Pacific coal trade.

5.2 Granville Harbour start

The first of 31 turbines at the Granville Harbour site in Tasmania is now on stream. When completed, the site will furnish one third of the Tasmanian wind capacity.

5.3 Of drought and flooding rains

As bushfires raged as the last Quarter in Review was prepared, we judged it insensitive to remind readers of the words written by country priest, P J Hartigan (aka John O'Brien) in the 1918-20 drought. Then as Fr Hartigan wrote in "[Said Hanrahan](#)", "*In God's good time (early in the March quarter) down came the rain*". The drought in the Eastern States has eased, but not broken.

On the same day as it was announced that the 2010s was the hottest decade on record, the Shire of Wiluna sought a "natural disaster" declaration, one station having received, in fifteen hours, 150% of the rain in the previous 23 months.

5.3.1 Climate change politics

The Eastern States bushfires appear to have created a sense of urgency in the politics of climate change in Australia. Covid 19 has moved this from the front pages but time will tell how that plays out.

5.4 Tall timber

The AFR of 18 February revealed plans for a 180 metre tall tower near Sydney's Central Station combining concrete platforms with structural timber.

5.5 Chief Scientist champions hydrogen

The AFR of 13 February quoted Australia's Chief Scientist, Professor Alan Finkel (with a doctorate in Engineering) as urging the use of hydrogen as fuel for transport, heavy industry and chemical production.



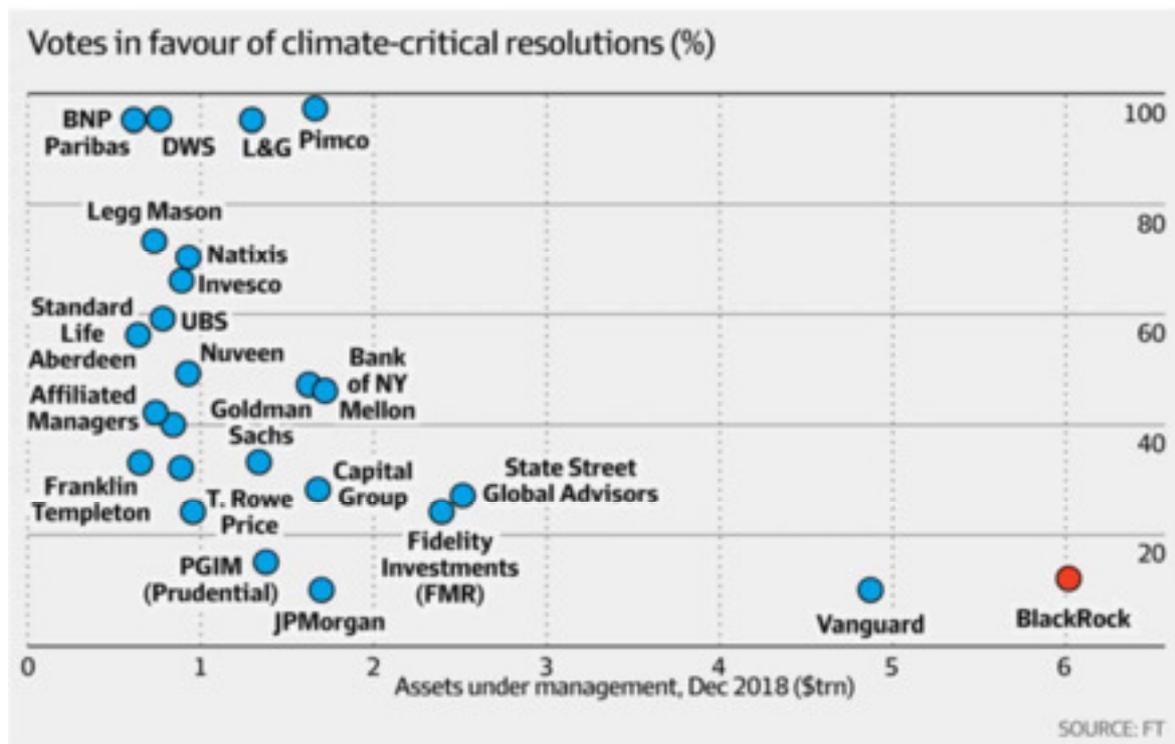
5.6 Practical hydrogen

The 100 homes in Denham on Shark Bay are set to go off the grid with a proposed solar powered electrolyser being used to extract hydrogen from water and the hydrogen to fuel generation.

5.7 Black rock out of favour with BlackRock

Major investment manager BlackRock announced early in January that its actively managed portfolios would divest all their holdings in companies that generated more than 25% of their revenue from thermal coal over the next six months and make no new investments in those companies.

Following the announcement, the AFR republished a chart showing the proportion of climate critical resolutions that major fund managers have voted for at company meetings. BlackRock's name evolved from Blackstone Financial Management when the influence of early shareholder, the Blackstone Group, was reduced in the early 1990s

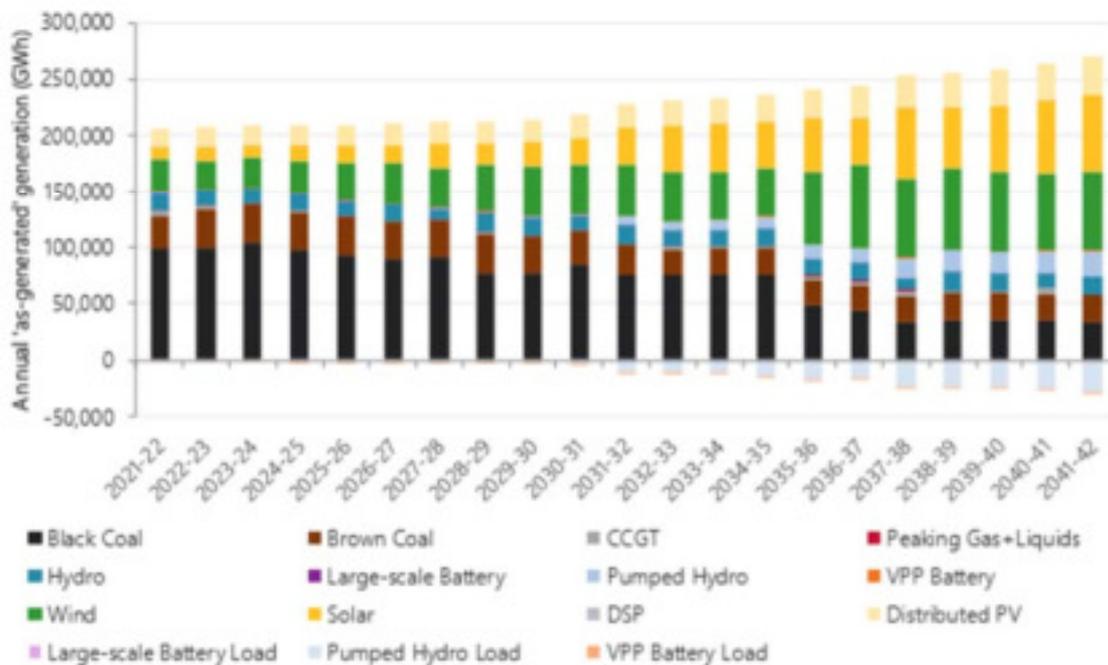




5.8 The official view

The following chart shows the forecast power generation for the next 20 years under the Australian Energy Market Operator’s central scenario of its Draft 2020 Integrated System Plan.

Figure 6 Forecast annual generation to 2041-42, Central Scenario



Source: https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/ISP/2019/Draft-2020-ISP-Appendices.pdf

6 Economic and market statistics

The following table shows key economic and market statistics.

	Latest date	Now	1 year ago	3 years ago	7 years ago
S&P /ASX 200-Australia	Mar 20	5,080	6,181	5,865	4,966



	Latest date	Now	1 year ago	3 years ago	7 years ago
Annual change to latest date			-17.8%	-4.7%	0.3%
S&P /ASX 200 dividend yield	Feb 20	4.20%	4.28%	4.16%	3.99%
S&P /ASX 200 P/E ratio	Feb 20	18.6	15.77	18.48	17.21
Topix- Japan	Mar 20	80.9	91.80	87.20	59.70
Annual change to latest date			-11.9%	-2.5%	4.4%
S&P 500- US	Mar 20	782.7	858.4	715.5	475.2
Annual change to latest date			-8.8%	3.0%	7.4%
GDAXI- Germany	Mar 20	9,611	11,617	12,369	7,795
Annual change to latest date			-17.3%	-8.1%	3.0%
Average weekly earnings \$	Sep 19	1,658	1,595	1,525	1,373
Annual change to latest date			3.9%	2.8%	2.7%
Consumer price index	Mar 20	116.20	114.10	110.50	102.40
Annual change to latest date			1.8%	1.7%	1.8%
Unemployment	Feb 20	5.2%	4.90%	5.90%	5.40%
Gross domestic product \$ m per quarter	Dec 19	480,379	461,547	440,330	383,772
Annual change to latest date			4.1%	2.9%	3.3%
RBA cash rate	Mar 20	0.3%	1.50%	1.50%	3.00%
3 year Commonwealth bond	Mar 20	0.4%	1.53%	1.99%	2.94%
10 year Commonwealth bond	Mar 20	0.9%	1.96%	2.81%	3.51%
USD/AUD	Mar 20	0.6175	0.7087	0.7644	1.0426
Annual change to latest date			-12.9%	-6.9%	-7.2%



7 Other peoples' views

7.1 Types of bear markets

Respected AMP Economist [Shane Oliver](#) borrowed the terms “Gummy” and “Grizzly” bear to define markets which fell 20% and rose in the after fall reached 20% and continued to fall in that period respectively and gave some history.

Bear markets in Aust shares	Mths	% fall	% chge 12 mths after -20%	% gain in first 12 months after low
Jun 14-Dec16	30	-22	11	+10
Jul 29-Aug 31	23	-46	-30	+33
Mar 37-Apr 42	61	-32	7	+30
May 51-Dec 52	19	-34	-13	+8
Sep 60-Nov 60	2	-23	5	+12
Feb 64-Jun 65	16	-20	8	+9
Jan 70-Nov 71	22	-39	-3	+52
Jan 73-Sep 74	20	-59	-38	+51
Aug 76-Nov 76	3	-23	8	+5
Nov 80-Jul 82	20	-41	-13	+39
Sep 87-Nov 87	2	-50	3	+35
Aug 89-Jan 91	17	-32	10	+39
Aug 91-Nov 92	15	-20	54	+54
Feb 94-Feb 95	12	-22	16	+25
Mar 02-Mar 03	12	-22	24	+27
Nov 07-Mar 09	16	-55	-38	+55
Apr 11-Sep 11	5	-22	10	+12
Apr 15-Feb 16	10	-20	19	+19
Avg from 1900	17	-32	NA	+29
Avg gummy bear	15	-26	15	+23
Avg grizzly bear	20	-46	-23	+40



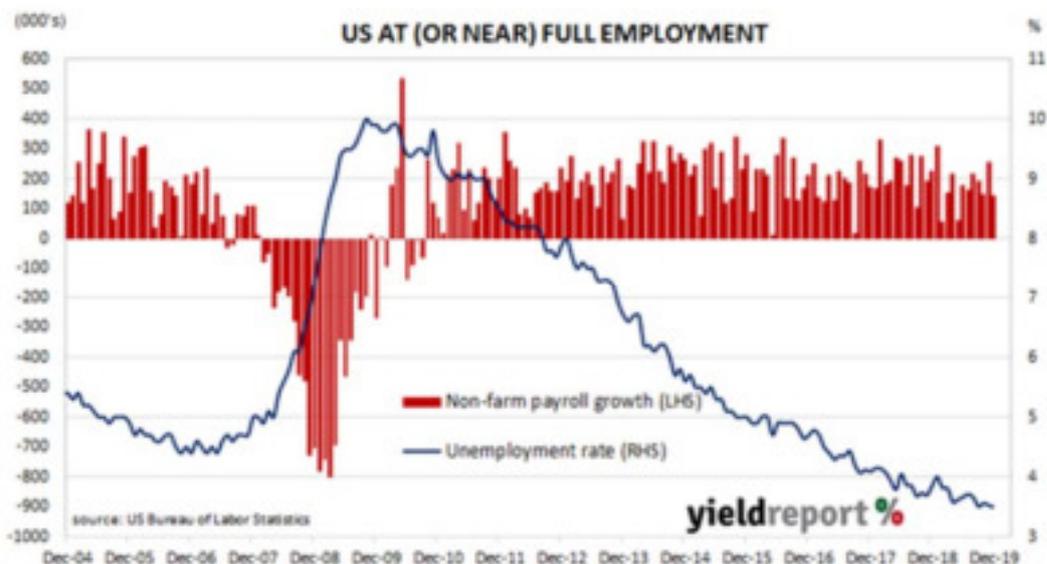
Dr Oliver considered a sixth of the economy would grow strongly because of the Covid infection, a third would show a medium contraction and a quarter each a large and minor contraction. He went on to write that “a long drawn out global downturn is not inevitable. In fact, growth could rebound quickly once the virus is under control and policy stimulus impacts”

7.2 Housing affordability

US organisation, Wendell Cox Consultancy, published the sixteenth annual [Demographia International Housing Affordability Survey](#) on 22 January. It revealed Sydney remains the third least affordable major city in the world based on its median house price to median household income ratio of 11.0 (down from 11.7 last year). Hong Kong and Vancouver are worse at 20.8 (20.9) and 11.9 (12.6) respectively. Melbourne at 9.5 (9.7) is still fourth least affordable, while Perth stands 21st (equal 22nd) least affordable at a multiple of 6.0 (5.7). The most affordable is US city Rochester for which the multiple is 2.5 times.

7.3 US unemployment

This chart [published](#) in e zine Yield Report shows the strength of the US employment at the end of December was not new. The chart hints at what might happen now.



7.4 Geopolitical risk

Investment house [BlackRock](#) quarterly quantifies geopolitical risk and its likely effect on world share markets. The following charts show the March 2020 situation and the history of the index.



Global Index



Source: BlackRock Investment Institute, with data from Refinitiv. Data as of April 9, 2020. Notes: We identify specific words related to geopolitical risk in general and to our top-10 risks. We then use text analysis to calculate the frequency of their appearance in the Refinitiv Broker Report and Dow Jones Global Newswire databases as well as on Twitter. We then adjust for whether the language reflects positive or negative sentiment, and assign a score. A zero score represents the average BGRl level over its history from 2003 up to that point in time. A score of one means the BGRl level is one standard deviation above the average. We weigh recent readings more heavily in calculating the average.

Source: BlackRock Investment Institute. See Andep's June 2018 Quarter in Review for an explanation of this chart.



8 Products

8.1 Exchange Traded Funds defy critics' predictions

There has been little commentary ascribing any blame for stock market volatility on ETFs and little criticism that they did not reflect the market accurately, although buy /sell spreads did widen. Some proponents of active investment had warned that ETFs would prove illiquid in a turbulent market and cause chaos.

8.2 Stamping out stamping

After months of disquiet about stock brokers being paid fees for handling applications to invest in Listed Investment Companies (LICs) that subsequently performed poorly, the AFR of 28 January reported the establishment of a Treasury review of the practice. While the concern is about LICs, these fees, commonly called “stamping fees” apply also to initial public offerings of any share on the Australian Securities Exchange. The review will determine their recommended fate.

8.3 The difficulties of reform

As the consultation period for the Australian Review of the Retirement Income system drew to a close, the AFR reported on the French method of pension review – namely storming the building occupied by fund manager BlackRock. The French government is encountering resistance to its plans to abolish 42 industry based pension schemes and replace them with a single scheme. The existing schemes are essentially defined benefit in that the benefit is defined as a pension of a multiple of salary at or near retirement. The proposed replacement is a defined contribution in that employees and employers contribution a combined 29% (cf Australia's SG target of 12% excluding the cost of the OAP) and people use the accumulated funds to buy a pension at a price to be determined. Les gilets jaunes appear not happy.

8.4 Another ethical fund

The AFR, on 21 January, announced a new “ethical” superannuation fund, called Elevate Super, will be launched within the week. It is being launched by five year old fintech company AtlasTrend. Its underlying investments will be benchmarked against the [17 Sustainable Investment Goals listed by the United Nations](#) as goals to be achieved by 2030. These include things like environmental, educational and gender equality goals.



9 Politics

9.1 Return of the whiteboards

Older readers will remember the whiteboard that claimed the career of Keating minister Ros Kelly. It seems current minister Bridget McKenzie may have attended the whiteboard school of ministerial decision making as reflected in grants to sporting groups before the last election.

One marvels at the blonde hair colouring compound used in Canberra. It also enhances entitlement, diminishes common sense, eliminates ethics and hardens the skin.

9.2 Elections

Elections held or concluded in the quarter included the following.

Jurisdiction	Election	Result
Greece	Presidential	Parliament chose Greece's first female occupant of the largely ceremonial office of president
Iran	Parliament	A boycott call by the opposition lead to a 43% turnout and a substantial majority for the Conservatives
Ireland	Parliament	Governing and opposition Fine Gael, and Finnae Fail, both centre right, lost seats to the Greens and Sinn Fein. FG, FF and SF each hold just under a quarter of seats and negotiations continue for a FG FF coalition
Israel	Parliament	Following the indecisive April and September 2019 elections, an equally indecisive election was conducted on 2 March
Taiwan	General	Re election of President Tsai Ing Wan of the centre left nationalist Democratic Progressive Party with 57.1% of vote. In parliament, the DPP lost seats but just retained its majority in its own right

9.3 Opinion poll

The following chart, which extends into the new quarter, shows two party preferred voting indications published by the Australian newspaper .



10.3 The tumbrils roll on

In this day and age, the destination of the tumbrils is less blood thirsty, but they roll nevertheless. On 6 February, it was AMP's turn, \$5.175 million for allowing a practice of cancelling then writing new insurances.

10.4 The tyranny of the timesheet

Woolworth's problems of paying below award hourly rates for salaried employees have spilled over to the legal profession. The AFR reported on 20 January that at least 8 law firms are poring over old time sheets to see if they have underpaid their graduate lawyers.

10.5 Taking the shine off Platinum

Writing in industry E-zine, Investor Daily, Sarah Simpkins [reported](#) that newcomer fund manager Mayfair 101 has responded to long established Platinum Asset Management's (PAM) attempt to stop Mayfair using the term "Platinum" as a description of one of its products by saying "platinum" is a generic term in the financial services sector and PAM should never have been allowed to register the trademark in the sector. By the same logic, one wonders how Mayfair was registered.



Mayfair is also in dispute with the Australian Financial Review about some coverage given to it by the paper.

10.6 More Shine

The same publication reported on 23 January that Shine Lawyers lodged a class action in the Federal Court in Victoria, alleging losses of superannuation fund members caused by Colonial First State using an associated company to provide insurance cover. The same issue of Investor Daily also [reported](#) that a National Australia Bank superannuation trustee was the subject of a Maurice Blackburne class action alleging losses of as it *"left MasterKey Business Super and Personal Super default members idling in products with higher fees and paying commissions to financial advisers that were banned in the low-cost MySuper product."*

10.7 AMP also

The above reports followed an ABC article two days earlier criticising AMP for transferring "fee for no service" money into its own AMP Eligible Rollover Fund instead of asking affected customers where to send the refunds. AMP is defending its own Maurice Blackburne class action concerning overcharged administration fees.



10.8 Watch this space

On 9 January, the AFR reported that the corporate regulator will audit stockbrokers who are being paid commissions by fund managers and investigate the misselling of poorly performing listed investment funds to retail investors. Within the month, there was some administrative actions as described in section 8.2 above.

11 Andep news

11.1 Covid

Like many financial service providers, Andep moved to working from home on Tuesday 14 March. This is working very well thanks to our IT consultant, Patrick Gonsalves of Office Information Australia. While we are housebound, we find clients happy with teleconferences or online “Zoom” meetings.

We have offered to prepay our small business suppliers with the intention of redeeming the prepayments over an extended period when normalcy is restored.

11.2 The next generation

We continue to get requests from clients to provide advice to their children, often with the parents offering to pay. The benefit of our 10% “existing client referral” discount normally applied to the client’s account goes to the parents in these cases.

11.3 Super withdrawal

Andep has added a calculator that allows one to see the effects of taking advantage of the superannuation withdrawal windows opened by the Government. It is available at <https://www.andep.com.au/effect-of-superannuation-withdrawal/>.

12 Plaudits

We were very impressed by the Public Sector Superannuation (PSS) Scheme this quarter. As we often do, we submitted a “third party authority” to allow Andep staff to ask questions of the fund on behalf of a member. Not only did PSS record this authority on the member’s account within 24 hours of receiving it but they also sent through the member’s most recent statement, the fund’s product disclosure statement and a detailed explanation of their existing insurances. It was very refreshing to see this level of transparency and cooperation.

13 Disclaimer

This publication does not constitute personal financial advice. Before acting on any suggestion, explicit or implicit in this publication, please contact your Andep adviser.