



Mortgage Watch

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Get Fit (Financially) in 2014

The Festive season is well and truly over, another year has arrived and now is the perfect time to evaluate progress on those health and fitness resolutions for 2014.

Looking after your health is important but so is looking after your finances. Below we look at five good financial habits you can adopt in order to achieve some of the resolutions made for 2014.

Follow a program

A fitness instructor will tell you that in order to achieve your fitness goals you'll need to follow a strict program. But to achieve financial fitness you will also need to follow a strict program, so set yourself a budget and stick to it!

Sticking to a budget will ensure that there is money left over every month for savings rather than leaving each month to chance. Budgets can be painful to establish, but once you take the first step and take control of your finances you'll find it isn't hard. There are plenty of free programs and applications out there that can help you on your way.

Trimming Down

Reduce your debts. If you have a home loan then review your progress. What has been the change in your loan balance from a year ago to now? Are you able to increase the amount or frequency of your payments to save interest? With interest rates changing, perhaps now is a good time to review your mortgage and see if you could be getting a better deal.

Make a call to your finance broker and check that your home loan still suits you. Ask them if they can get you a better deal because, in some cases, the loan that suited you a few years ago may no longer be suited to your personal circumstances.

If you have personal loans, outstanding amounts on your credit card or any other debt, now is the time to consider ways to reduce these overheads quickly in order to see an improvement in your overall financial position.

Bulking up

While your employer's superannuation contributions may provide you with a sizeable nest egg come retirement, you may find yourself with less than you need to really enjoy your retirement lifestyle.

Consider making 2014 the year you start making regular contributions into your fund. You may enjoy a healthy boost to your savings come retirement from only a small contribution each fortnight.

With newly introduced changes to the concessional contributions cap, perhaps now is the time to contact a financial planner and get the most out of your savings.

Injury prevention

There are no guarantees with anything you do in life so it is best to do what you can to minimise the impact of bad luck. In the same way a good warm up can help to prevent injury, risk insurance is designed to minimise injury to your financial security.

Injury and illness can have a dramatic impact on your ability to earn, pay your bills and save so it is important to ensure you have these risks covered.

Professional training

While it can be good to go it alone, generally it is better to enlist the help of a professional. An experienced financial planner can help you monitor progress while you work towards your goals.

If you have decided that now is the time to plan for a fitter financial future, contact Prestige Mortgages today to arrange a meeting with a member of our dedicated team of professionals.



Trivia Challenge

If you have it, you want to share it.
If you share it, you don't have it.
What is it?

Answer on page 2



Protecting What is Really Important

One of the most unpopular topics in personal finance is risk insurance, but risk insurance helps protect you and your family in the event of death, serious injury and illness.

No one likes to dwell on the topic of injury or death but try to look at it this way; risk insurance is protection for your greatest financial asset—our ability to earn an income.

Ask someone what their greatest asset is and they may say it is their house, share portfolio or superannuation. But for most people, their greatest asset is actually the ability to generate income.

Risk Insurance products include:

- ⇒ Life Insurance—pays a lump sum to your estate or nominated beneficiary in the event of death
- ⇒ Income Protection—pays up to 75% of your income if injury or illness keeps you out of work for an extended period of time.
- ⇒ Total and Permanent Disability Insurance (TPD) - pays a lump sum in the event of permanent disability

Critical Illness Insurance (trauma) - pays a lump sum if you suffer an illness covered in the policy. The definitions vary according to the insurer, but all cover cancer, stroke, multiple sclerosis, kidney failure, organ transplant, coronary artery bypass and heart attack.

There are some people more in need of insurance than others. These people include breadwinners with kids and a mortgage, tradespeople and business owners.

Once you think about your wellbeing as a financial risk as well as a medical emergency, it becomes apparent why risk insurance is so important. If you cannot work, who will generate income to help support your family? If you die, leaving behind a mortgage and kids how will your spouse manage the family's debt and how will it impact on your children's education and lifestyle?

Many people think that workers compensation or benefits will be enough to cover their costs. However, pensions are often insufficient to meet actual needs and workers compensation, being very tightly defined is not always available as a fall back option Anyone relying on the above should seek professional advise on the financial consequences of injury and illness.

If you are not working, you need to be able to replace the income you have become accustomed to. Ask yourself, "If it makes sense to insure my car, why wouldn't I insure the income that bought it?"

With so many risk insurance products available with so many options, we recommend you seek advice on the subject from a financial advisor. As with all insurances and financial products, it should be considered as part of an overall financial plan.

Contact xxxxxxxxx today to speak with an experienced financial advisor on the options available to you in the marketplace.

For assistance with all of your lending needs please contact:



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DID YOU KNOW

Your financial advisor is not limited to any one superannuation provider, they can give you advice on a range of superannuation funds and will always look to provide you with the most cost effective and appropriate option for your specific requirements. Beware of advisers who state they are unable to advise on any of your existing funds as this isn't necessarily true.



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