



## Navigating Market Volatility Amid Global Uncertainty

The first half of 2025 has been marked by heightened market volatility, driven by global economic pressures, geopolitical tensions, and shifting central bank policies. It is important to put these things into some perspective and to remember we have been through these issues many times in the past.

Our team of Financial Advisers are available to have detailed discussions with you if you would like to understand how these matters impact you or if you are just a little uneasy at present.

Let's look at some of these issues in more detail.

### Key Drivers of Recent Volatility

- 1. Geopolitical Unrest** - Rising tensions in the South China Sea, renewed conflict in Eastern Europe, and instability in the Middle East have had negative impacts on global markets. Energy prices have fluctuated sharply, and defence and cybersecurity stocks have seen a surge in interest. Political uncertainty has also been a factor, with President Trump introducing Tariffs on America's trading partners and many of them doing the same to the US in retaliation.
- 2. Monetary Policy Divergence** - Central banks in the U.S., Europe, and Asia are no longer in sync. While the U.S. Federal Reserve has paused rate hikes amid softening inflation, the European Central Bank and Bank of England remain hawkish due to persistent price pressures. This divergence is impacting currency markets and creating headwinds for multinational corporations.
- 3. China's Slow Recovery** - Despite stimulus efforts, China's post-COVID recovery remains sluggish. Weak consumer demand, property sector stress, and trade friction with Western economies have led to lower growth forecasts, influencing global commodity demand and emerging market performance.

- 4. Tech Sector Rotation** - After a strong AI-driven rally in 2023–2024, the technology sector has experienced sharp pullbacks in early 2025. Valuation concerns and profit-taking, especially in mega-cap stocks, have led to sector rotation into more defensive assets such as healthcare, utilities, and dividend-paying equities.

All these factors have caused volatility in share markets across the world and are likely to continue with episodic sell-offs, particularly in growth-oriented sectors.

During these times, it is critical to remember your plan and ensure any decisions are discussed with your adviser before being implemented. Your adviser would have structured your portfolio to ensure you have sufficient exposure to the various asset classes and also ensure you have cash reserves.

Stay focused on your goals and remember volatility is not new, we have experienced it before. It is important to understand the risk and how they may impact you.

I encourage all our clients to speak to their adviser if they have any concerns at all. It is important to understand your plan and to ensure it continues to meet your goals and objectives.

Thank you for your continued support and I hope you enjoy the latest edition of our newsletter.



**Robby Southall,**

Executive Chairman  
Fiducian Financial Services



# 2025-26 FEDERAL BUDGET SUMMARY

On March 25, 2025, at 7:30 pm (AEDT), the Federal Treasurer, Dr. Jim Chalmers, delivered the 2025–26 Federal Budget. Here we share some key highlights:

The Budget emphasises cost-of-living support, housing, education, and health:

- Individual tax cuts include a reduction in the marginal tax rate for the personal income tax
  - threshold bracket from \$18,201 to \$45,000 from 16% to 15%, starting July 1, 2026, and
  - further reducing to 14% from July 1, 2027.
- The Medicare levy low-income thresholds will be increased from July 1, 2024:
  - Threshold for singles: from \$26,000 to \$27,222
  - Threshold for families: from \$43,846 to \$45,907
  - Threshold for single seniors and pensioners: from \$41,089 to \$43,020
  - Threshold for senior/pensioner families: from \$57,198 to \$59,886

Student loan debts will be reduced by 20%, removing a total of \$16 billion in debt, and reforms will be made to the student loan repayment system from July 1, 2025, increasing the minimum repayment threshold from \$54,435 to \$67,000.

Foreign individuals will be banned from purchasing existing homes for two years starting April 1, 2025, unless exceptions apply for investments that significantly increase housing supply or provide worker housing.

Increased funding of \$999 million over four years will be allocated to the ATO to extend and expand tax compliance activities, including \$717.8 million for the Tax Avoidance Taskforce, \$155.5 million for the Shadow Economy Compliance Program, \$75.7 million for the Personal Income Tax Compliance Program, and \$50 million for the Tax Integrity Program.

Additional measures include strengthening tax practitioner regulation and compliance by modernising the registration framework and providing more sanctions to the Tax Practitioners Board.

Providing \$207 million over two years to the ASIC for business register stabilization and uplift, and \$8.7 million over three years to the OAIC to support enforcement activity.

Freezing indexation on draught beer excise and excise equivalent customs duty rates for a two-year period starting August 2025. Increasing the excise remission cap and Wine Equalisation Tax producer rebate from \$350,000 to \$400,000 each financial year starting July 1, 2026.

Extending additional tariffs on goods from Russia and Belarus by a further two years.

## **Economic Impact and Budget Deficit**

- The Budget includes new tax cuts totalling \$17.1 billion over the next four years, starting in 2026-27. Each 1% tax cut for the \$18,201 to \$45,000 bracket equates to \$268 per annum.
- The budget deficit is projected to grow from \$27.6 billion in 2024-25 to \$42.1 billion in 2025-26.
- Gross public debt is expected to exceed \$1 trillion during the course of 2025-26 and reach 37% of GDP by 2028-29 before trending down.
- Spending as a share of GDP is projected to average 26.7% over the longer term, compared to the pre-Covid average of 24.8%. Despite a small reduction due to the mini tax cuts, revenue starts trending up from 2028-29 reaching a record 26.7% of GDP in a decade as bracket creep kicks in again.

## **Social and Infrastructure Initiatives**

- \$7.9 billion allocated to boost Medicare bulk billing over four years to expand eligibility for bulk billing incentives and introduce the new Bulk Billing Practice Incentive Program for general practices if they bulk bill every visit under Medicare.
- \$1.8 billion allocated for public hospitals and the establishment of new urgent care clinics, with \$644 million specifically for new urgent care clinics and \$793 million for women's health.
- \$7.2 billion allocated for the Bruce Highway and various other road and rail projects.
- \$1.2 billion allocated for disaster relief and rebuilding after Cyclone Alfred.
- Energy bill relief fund extended with \$1.8 billion allocated for rebates, continuing energy bill rebates of \$75 per quarter for eligible Australian households and small businesses until December 31, 2025.
- \$784.6 million over four years allocated to lower the Pharmaceutical Benefits Scheme (PBS) general patient co-payment from \$31.60 to \$25.00 starting January 1, 2026.
- Additional funds include \$50 million over three years to extend the Tax Integrity Program, \$8.9 million for the ATO and Treasury to implement an audit program targeting land banking by foreign investors, and \$5.7 million for the ATO to enforce the ban on foreign individuals purchasing existing homes.



# HOW TO STICK TO YOUR 2025 BUDGET

Sticking to your 2025 budget requires discipline, planning, and the use of modern technology that suits your needs. Here are several tips to help you stay committed to your budget this year:

## 1. Set Realistic Goals

- **Assess Your Finances:** Start by reviewing your income, expenses, and financial goals. Make sure your budget aligns with your lifestyle, and adjust it if necessary. A budget should feel manageable and realistic rather than overly restrictive.
- **Set Clear Financial Goals:** Define short- and long-term goals, like saving for an emergency fund, paying off debt, or building a deposit for a house. Knowing why you're budgeting will motivate you to stay on track.

## 2. Leverage Budgeting Apps & Tools

- **Use Technology:** Budgeting apps like Mint, YNAB (You Need A Budget), or Buddy make it easier to track income and expenses in real time.
- **Automate Payments and Savings:** Automate bill payments to ensure you don't miss deadlines, and set up automated transfers to your savings account to pay yourself first. This helps avoid accidental overspending.

## 3. Review Your Budget Regularly

- **Monthly Check-ins:** Review your budget at least once a month. Look at your progress, identify areas where you can cut back, and adjust any categories that might be off. This habit keeps you accountable and helps you course-correct early.
- **Track Discretionary Spending:** Keep a close eye on non-essential spending, such as entertainment, dining out, and shopping. Set limits for these categories and track them daily or weekly.

## 4. Build an Emergency Fund

- **Prepare for the Unexpected:** Set aside money in an emergency fund to cover unexpected expenses (car repairs, medical bills, job loss, etc.). Having this cushion will prevent you from dipping into your regular budget or going into debt when emergencies arise.

- **Start Small, Grow Over Time:** If your emergency fund isn't built yet, start by saving small amounts each month. Aim for at least \$500 as an initial buffer, then gradually build up to 3-6 months of living expenses.

## 5. Plan for Fun in Your Budget

- **Include "Fun" Money:** Don't neglect the importance of fun and leisure! Budgeting doesn't mean being rigid and cutting out all enjoyable activities. Set aside a portion of your income for entertainment, hobbies, or dining out, so you don't feel deprived. When you budget for fun, you're more likely to stick to the plan.
- **Reward Milestones:** Celebrate small wins, like paying off a debt or hitting a savings goal. Rewarding yourself can provide motivation to stay committed to your financial plan.

## 6. Use the "Rule of 3"

- The Rule of 3: When making a purchase, ask yourself these three questions:
- Do I really need this?
- Can I afford this right now without impacting my budget?
- Will I be happy with this purchase in a week or a month?

## 7. Track All Your Expenses (No Matter How Small)

- **Mind the Small Stuff:** Even small, daily expenses (like coffee or snacks) can add up quickly. Log everything, including these little purchases, to get a full picture of your spending habits.
- **Reevaluate "Small" Expenses:** Periodically review those small expenses. Can you eliminate or reduce any?

## 8. Avoid Credit Card Debt

1. **Pay Off Credit Cards Monthly:** Credit card debt can spiral out of control, especially with high-interest rates. Always aim to pay off your credit card balances in full each month to avoid interest charges.
2. **Use Cash or Debit Instead:** If you're prone to overspending with credit cards, consider using cash or a debit card instead. This limits your spending to the actual funds you have available.

## 9. Be Flexible and Adapt

- **Life Changes:** Your budget should evolve with your life. If you experience a change in income, expenses, or life goals (such as having a baby or getting a raise), adjust your budget accordingly.
- **Don't Get Discouraged by Setbacks:** If you overspend one month or miss a savings goal, don't give up. Reset your budget, reflect on what went wrong, and keep moving forward. Financial discipline is a journey, not a destination.

Sticking to your 2025 budget isn't about perfection, but rather about building good financial habits and being consistent. By setting realistic goals, using technology, automating savings, tracking spending, and being flexible, you can keep your budget in check and make your financial goals a reality.



# FIDUCIAN'S 'MANAGE THE MANAGER' SYSTEM: SMARTER INVESTING FOR LONG-TERM SUCCESS

Investing is a crucial part of wealth creation, but market volatility and unpredictable economic cycles can make it challenging. At Fiducian, we believe that a diversified and actively managed investment approach is key to achieving sustainable long-term growth with reduced risk.

## What is the 'Manage the Manager' System?

Unlike traditional investment methods that rely on a single fund manager or passive investing, Fiducian's **Manage the Manager** (MTM) System carefully selects and blends multiple fund managers, each with different expertise, styles, and strategies. This diversification helps to optimise returns while reducing overall risk.

## Why Diversification Matters in Investing

No single investment style consistently outperforms the market. By diversifying across multiple fund managers and investment styles, Fiducian aims to:

- **Reduce risk** by spreading investments across various asset classes.
- **Enhance returns** by leveraging the expertise of top-performing fund managers.
- **Provide consistency** by mitigating the impact of market fluctuations.

## The Fiducian Investment Process

Fiducian's investment philosophy is driven by a disciplined and research-backed process that includes:

1. **Identifying High-Performing Fund Managers** – Selecting specialists based on rigorous performance assessments.
2. **Blending Strategies** – Combining up to 35 fund managers to create a well-balanced portfolio.
3. **Ongoing Monitoring & Adjustments** – Continuously reviewing fund manager performance to optimise outcomes.
4. **Strategic Asset Allocation** – Adjusting allocations to smooth volatility and take advantage of market conditions.

## How This Approach Benefits Investors

Fiducian's **Manage the Manager** system is designed for investors looking for a structured and professional approach to wealth management. Whether you're a conservative investor or seeking higher growth, the system aims to deliver:

- Lower volatility and reduced exposure to market downturns.
- A diversified portfolio tailored to your risk profile and goals.
- Active portfolio adjustments to capitalise on market opportunities.

## Take Control of Your Investments Today

With over \$14.4 billion under management to 31 December 2024, and a proven investment strategy, Fiducian is committed to helping Australians achieve financial success through smarter investing. Speak to one of our financial advisers to explore how Fiducian's Investment approach could help you meet your lifestyle and financial objectives.

[Book your consultation today.](#)



# STAYING SAFE FROM CYBER THREATS AND SCAMS

In our increasingly digital world, cybersecurity has become one of the most important concerns for individuals, businesses, and governments alike. With cyber threats and scams becoming more sophisticated every day, it is crucial for everyone to take proactive measures to protect their personal information and online presence. Whether you're browsing the web, shopping online, or communicating with others, understanding the risks and knowing how to safeguard yourself from potential cyber-attacks is essential.

## Common Types of Cyber Threats and Scams

- 1. Phishing Attacks** - cybercriminals send fraudulent emails or messages that appear to be from legitimate organisations. These messages typically contain links or attachments that, when clicked, direct to a fake website designed to steal login credentials or infect devices with malware.
- 2. Ransomware** - a type of malware that locks users out of their systems or encrypts their data, demanding a ransom payment in exchange for regaining access.
- 3. Identity Theft** - cybercriminals often use stolen personal information, such as tax file numbers, credit card details, and login credentials, to commit fraud or open accounts in the victim's name.
- 4. Tech Support Scams** - fraudsters pose as legitimate technical support agents and claim to have detected a problem with your computer. They may ask for remote access to your system or request payment for unnecessary repairs, often installing malware or stealing personal information in the process.

## Best Practices for Staying Safe from Cyber Threats and Scams

While the risks of cyber threats and scams are real, there are several steps you can take to protect yourself and minimize your exposure to danger.

- 1. Use Strong, Unique Passwords** - Avoid using easily guessable combinations like "123456". Instead, create complex passwords with a mix of upper and lowercase letters, numbers, and special characters.

2. **Enable Two-Factor Authentication (2FA)** - Two-factor authentication adds an extra layer of security to your online accounts by requiring you to verify your identity using a second form of authentication, such as a code sent to your phone or an authentication app.
3. **Be Cautious with Emails and Links** - Be wary of unsolicited emails, especially those that ask for personal information or contain suspicious links or attachments. Check for any signs of phishing, such as grammatical errors or a sense of urgency in the message.
4. **Keep Software Up to Date** - Regularly update your operating system, antivirus software, web browsers, and any other programs you use to ensure you have the latest security patches and features.
5. **Use Antivirus and Anti-Malware Software** - Helps detect and remove malicious programs before they can do harm. Be sure to install a reputable program and keep it updated to provide real-time protection against potential threats.
6. **Educate Yourself and Others** - A well-informed community is less likely to fall victim to cybercrime.
7. **Secure Your Wi-Fi Network** - Avoid using public Wi-Fi networks for sensitive activities like online banking or shopping, as these networks are often unsecured and susceptible to attacks.
8. **Backup Your Data** - Regularly backing up your important files and data is a key preventive measure in case of a ransomware attack or hardware failure.

Staying safe from cyber threats and scams requires vigilance, education, and the adoption of best practices for cybersecurity. Being mindful of the risks and prepared to act quickly in the event of an attack can help safeguard your digital life and ensure your safety in an ever-evolving cyber landscape.



# WELLBEING: WHAT BOOSTS YOUR SELF CARE?

Take a moment to delve into what truly boosts your wellbeing - whether it's carving out time for mindfulness, indulging in hobbies, or nurturing relationships. It's important to keep track of the people and activities that make us feel better when we're feeling stressed or down. Reflecting on who or what replenishes us and choosing to spend more of our time with them or doing activities that we enjoy, helps to boost our wellbeing.

**Activity:** Read through the following questions, take a moment to think them through and then write down your answers.

1. Who are my support people at work and at home?
2. What meaningful activities keep me connected and engaged?
3. Do I want to spend more time with certain people?

## The Power of Positive Relationships

One of the most important factors for our wellbeing is our connections with our friends, loved ones and peers. These relationships give us joy and purpose.

- Share your day - Communicate with those closest to you about all the different parts of your day. This helps create openness which then creates deeper connections.
- Make time for your relationships – Whether it's in person or virtually, set up regular catch-ups with the people you value most.
- Learn from conflict - When conflict arises, look at how you can learn something new. Addressing conflict means that you can be open to new ideas and approaches.
- Ask for or offer help - Relationships do better when each person is open to offering and receiving support, rather than just one person doing all the supporting.
- Take responsibility - One small thing that could make a big difference in any relationship. Taking accountability creates trust, forgiveness and can deepen respect.

Remember, prioritising self-care isn't selfish—it's an essential aspect of leading a fulfilling and balanced life.

# FIDUCIAN & VISION BEYOND AUS CHARITY GOLF DAY

In late March, the Annual Charity Golf Day was held at Oatlands Golf Club in Sydney. With the skies clearing just before tee-off, it was a stunning afternoon on the golf course. Following golf, we hosted the charity dinner which featured raffle and silent auction prizes donated by our wonderful community. We are pleased to share that, thanks to our generous supporters, we raised \$30,790 for Vision Beyond AUS, with every dollar going directly to our charitable cause with no funds spent on administration costs. As VBA is supported by our passionate volunteers, this equates to saving sights through eye surgeries and changing the lives of about 879 visually impaired people.

Thank you to all our supporters who made this day a success: Bennelong Funds Management, Accor Group, Rydges World Square, Gourmet Basket, Taronga Zoo, Tickford Racing and Stuart Alexander.

We are grateful for the continued support. Your contribution is helping us reach our goal to restore the sight of 100,000 of the world's most desperately disadvantaged people who would have no other way to see again. If you would like to learn more about Vision Beyond AUS and the work they do, visit [www.visionbeyondda.us.org.au](http://www.visionbeyondda.us.org.au).



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