



JULY  
2022

FINANCIAL

INSIGHTS

by

AMA | Austen Morris  
Associates

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# FINANCIAL NEWS DIGEST - JULY 2022

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## AT THE BEGINNING OF JULY

### Energy shares rally

Stock markets rose on Monday (4 July) as supply concerns pushed up the price of oil, boosting energy shares. The FTSE 100, which has a heavy weighting towards the energy sector, rose 0.9%. The STOXX 600 gained 0.6%, giving back some of its earlier gains on news Germany's trade balance fell into a surprise deficit of €1.0bn in May – its first monthly deficit since 1991. Analysts had been expecting a surplus of around €2.7bn.

US markets were closed on Monday for Independence Day.

The FTSE 100 was 0.1% lower at the start of trading on Tuesday. The S&P Global / CIPS UK composite purchasing managers' index (PMI) edged up to 53.7 in June from 53.1 in May. However, new order growth was the weakest since early 2021, input prices were the second highest since the PMI started 26 years ago, and respondents were the gloomiest since May 2020 because of recession fears, high inflation and rising interest rates.



## US consumer spending cools

The closely watched US personal consumption expenditures (PCE) index, released last week, indicated a pullback in consumer spending. According to the Commerce Department, spending, which accounts for more than two-thirds of US economic activity, edged up by just 0.2% month-on-month in May – the smallest rise in five months. After being adjusted for inflation, spending declined by 0.4% following a 0.3% gain in April.

Encouragingly, the data showed a slight easing of inflationary pressures. Core PCE prices were 4.7% higher than a year ago, marking a 0.2% softening from the previous month. On a monthly basis, core prices increased by 0.3%, slightly less than the 0.4% rise forecast in a Dow Jones poll. Headline inflation rose 0.6% month-on-month following a 0.2% gain in April, which meant year-over-year headline inflation held at 6.3%.

Elsewhere, The Conference Board's index of consumer confidence fell for a second consecutive month from 103.2 in May to 98.7 in June, the lowest level since February 2021. The expectations index, based on consumers' short-term outlook for income, business, and labour market conditions, decreased sharply from 73.7 to 66.4, the lowest level since March 2013.

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## Eurozone inflation hits 8.6%

Inflation in the eurozone hit a new record high of 8.6% in June as energy and goods prices soared, according to Eurostat. This was higher than the 8.4% annual increase forecast by economists in a Reuters poll and above the 8.1% rise seen in May.

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## China's factory activity rebounds

China's factory activity rose in June after three months of decline as the authorities ended the lockdown in Shanghai. The official manufacturing PMI rose above the 50-point mark that separates growth from contraction, increasing to 50.2 from 49.6 in May. A sub-index for production measured 52.8, up from 49.7 in May, while the new orders index rose to 50.4 from 48.2. The non-manufacturing PMI rebounded to 54.7 in June from 47.8 in May.

Meanwhile, the Caixin/Markit PMI, a private survey that focuses more on smaller firms in coastal regions, showed manufacturing activity expanded at the fastest pace in 13 months in June, rising to 51.7 from 48.1 the previous month.



# AROUND THE MIDDLE OF JULY

## Russia halts gas flows to Germany

Stocks started this week in the red amid concerns that a temporary halting of Russian natural gas supplies to Germany could become permanent. Gas supplies via the Baltic Sea pipeline Nord Stream 1 were halted for ten days from Monday for annual maintenance work. However, there are fears the shutdown could be extended and exacerbate Europe's gas crisis.

Germany's Dax fell 1.4% on Monday (11 July) while the STOXX 600 declined 0.5%. Hong Kong's Hang Seng tumbled nearly 3% after Beijing regulators issued fines to several technology firms for non-compliance with anti-monopoly disclosure rules. US stocks were also weaker ahead of the release of the latest inflation data.



## Demand for services slowing

There was evidence of a slowing US economy in the latest S&P Global services purchasing managers' index (PMI). The business activity index dropped for the third month running from 53.4 in May to 52.7 in June. Although business activity remained above the 50-point mark that separates growth from contraction, it was the weakest rise in activity since January.

## Euro area retail sales miss forecasts

The volume of retail sales in the euro area rose by a seasonally adjusted 0.2% month-on-month in May, missing economists' forecasts of 0.5% growth, according to data from Eurostat. This followed a 1.4% drop in April, which was revised down from initial estimates of a 1.3% drop.

While sales volumes of non-food products rose by 1.2%, automotive fuel sales fell by 0.2% and sales of food, drinks and tobacco declined by 0.3%. On an annual basis, sales of food, drinks and tobacco dropped by 3.6%.

## UK house prices hit record high

The UK housing market defied expectations of a slowdown in June with average property prices rising by 1.8%, the biggest monthly increase since early 2007, according to Halifax. On an annual basis, prices rose by 13% and pushed the typical UK house price to another record high of £294,845.



## Rising oil prices boost energy shares

The price of Brent crude oil rose 2.6% on Monday (18 July) after a meeting between US president Joe Biden and Saudi Arabia's Crown Prince Mohammed bin Salman didn't result in a pledge to raise oil output. This boosted energy shares and helped the FTSE 100 climb 0.9% on Monday. In the US, the S&P 500 slid 0.8% after Bloomberg reported that Apple was planning to slow hiring and spending growth next year.

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## US consumer inflation hits 9.1%

Last week saw the release of the closely watched US CPI, which showed consumer prices rose by 9.1% in the 12 months to June, the fastest pace since 1981. This was higher than the 8.6% jump seen in May and the 8.8% rise forecast by economists.



## European Commission cuts GDP forecast

Over in Europe, the European Commission lowered its GDP growth forecast for 2023, saying the war in Ukraine had set the economy "on a path of lower growth and higher inflation" when compared with its spring forecast. The EU economy is expected to grow by 1.5% next year, while the euro area is expected to grow by 1.4%, both down from the previous 2.3% projection.

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## UK economy returns to growth

Here in the UK, the economy returned to growth in May, with GDP expanding by 0.5% from the previous month, following a 0.2% decline in April. This was mainly driven by a large rise in GP appointments. Economists had been expecting zero growth in May because of the rising cost of living.

# TOWARDS THE END OF JULY

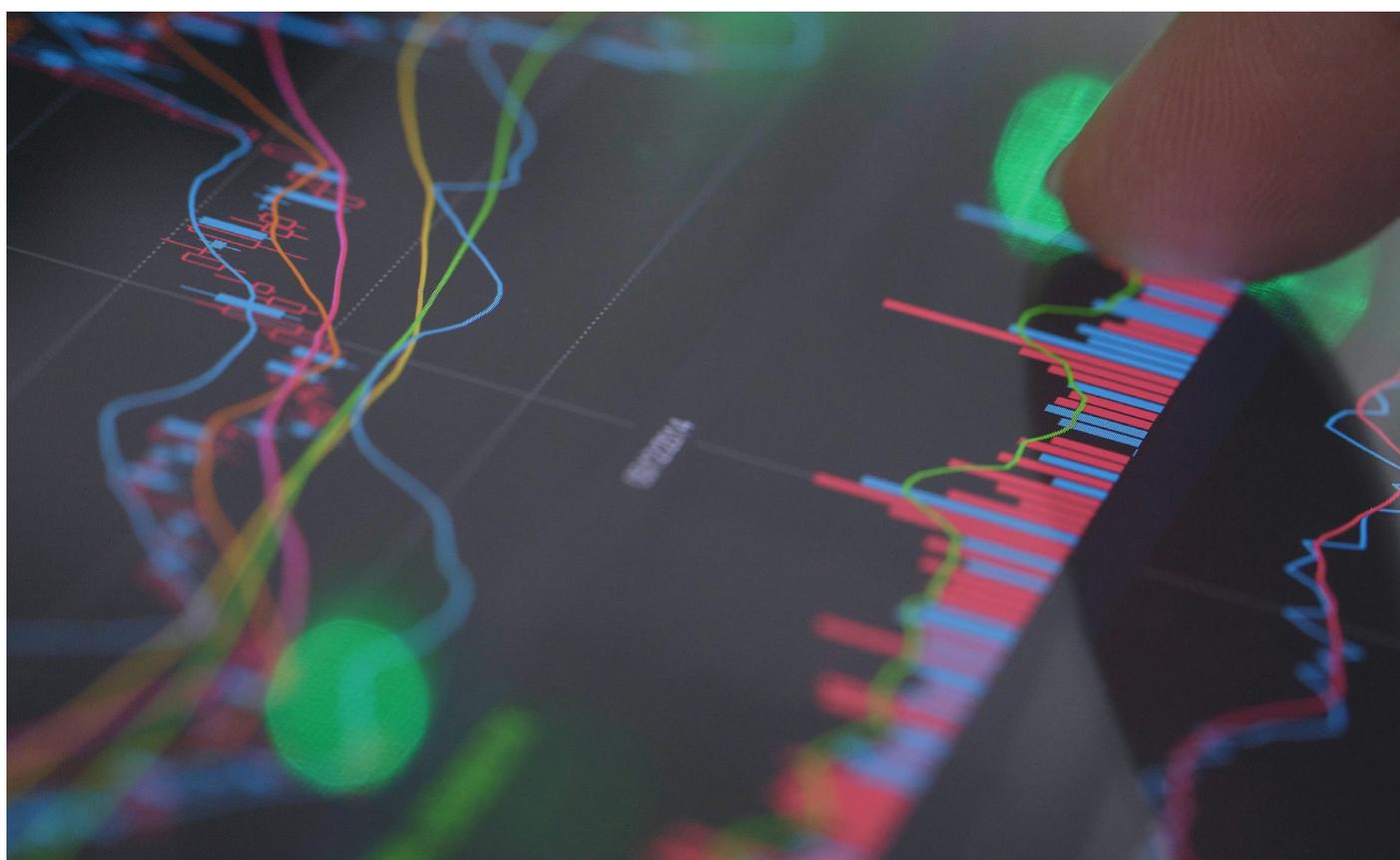
## Stocks rise as US Q2 earnings season begins

Most major stock markets rose last week (15-22 July) as second quarter earnings season kicked off in the US and economic data showed signs of easing inflationary pressures.

The S&P 500 rose 2.6% as corporate earnings reports proved to be better than expected. Netflix, for example, lost around 970,000 subscribers during the second quarter – a much smaller loss than the two million it had previously projected. The Dow added 2.0% and the Nasdaq gained 3.3%.

Investor sentiment was also strong in Europe, despite the European Central Bank's (ECB) decision to raise interest rates for the first time in over a decade. The STOXX 600 rose 2.9% and Germany's Dax surged 3.0% as Russia restarted Nord Stream gas flows to Europe, albeit at levels well below the pipeline's capacity. The UK's FTSE 100 added 1.6%, despite inflation rising to a new 40-year high.

Japan's Nikkei soared 4.2% and China's Shanghai Composite rose 1.3% as both countries' central banks left their benchmark interest rates unchanged.



## Investors await US interest rate decision

Stock markets were mixed on Monday (25 July) as investors looked ahead to the Federal Reserve's two-day policy meeting and a busy week of corporate earnings reports. The S&P 500 ended the day flat, the FTSE 100 gained 0.4% and the STOXX 600 edged up 0.1% ahead of an expected 75 basis point rate hike by the US central bank. The Dax slipped 0.3% on news Gazprom had cut its natural gas supplies to Germany through the Nord Stream 1 pipeline by half.

## **UK inflation rises to 9.4%**

Last week (18–22 July) saw the release of the UK consumer prices index (CPI), which showed inflation hit a fresh 40-year high of 9.4% in the 12 months to June, after rising by 9.1% in May. This was higher than economists' expectations of 9.3%. On a monthly basis, prices rose by 0.8% compared with a 0.5% increase in the same month a year earlier.

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## **ECB lifts interest rates**

Over in Europe, the ECB raised interest rates for the first time in 11 years in an effort to rein in inflation. The central bank lifted the base rate by 0.5 percentage points to 0.0%, higher than the 0.25 percentage point hike forecast by economists.

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## **US jobless claims higher than expected**

In the US, weekly jobless claims rose to their highest level since mid-November, suggesting the historically tight labour market is beginning to slow. Initial claims totalled 251,000 for the week ending 16 July, up 7,000 from the week before.

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## **Fed hikes rates by another 75bps**

The US Federal Reserve approved its second consecutive 75bps interest rate hike last week, taking its benchmark rate to a range of 2.25–2.5%. Investors were largely expecting the move and were cheered by relatively dovish comments by Fed chair Jerome Powell that future rate increases would depend on the data.

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## **Tourism boosts eurozone economy**

In the eurozone, a surge in tourism helped the economy expand by more than expected in the second quarter. According to Eurostat's preliminary flash estimate, GDP grew by 0.7% when compared with the previous quarter, much higher than the 0.1% growth forecast by economists. France, Italy and Spain all saw an expansion in GDP, whereas Germany's economy stagnated.

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## **UK consumer borrowing doubles**

Here in the UK, data from the Bank of England showed consumers borrowed a net £1.8bn in June, double the £0.9bn in May, most of which was on credit cards. The annual growth rate for consumer credit rose to 6.5%, the highest level since before the pandemic.

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# 6 GREEN INITIATIVES SHAPING THE FUTURE



Green initiatives are plans, strategies and/or developments that aim to aid and protect the environment and usually involve reducing carbon emissions, limiting water usage and/or protecting ecosystems, among other environmental goals.

In the last decade, governments, businesses and individuals alike have become more switched on to environmental issues, with many making changes to become more sustainable.

As such, countless organisations and governmental bodies are embracing green initiatives that are actively changing the future of the planet.

Here are six popular green initiatives shaping our future today.

## 1. MOVES TOWARDS ECO-AGRICULTURE.

Sustainable agriculture prioritises the environment, animals, the health of the soil and local communities, using methods to protect the land while still meeting the demands of those who rely on the food produced.

Sustainable methods of farming include: recycling crop/animal waste; using fewer or no pesticides; crop rotation (helping to diversify the nutrients in the soil); using collected rainwater, and; rewilding areas of the farm to improve biodiversity and support the surrounding ecosystems, and many farms are taking the initiative to incorporate these practices.

More than this, facilities such as hydroponic gardens and mycoprotein production sites are helping to reduce the volume of land needed to produce the same quantity of food, feeding just as many people without taking as much from natural ecosystems.



## 2. WIDESPREAD ADOPTION OF RENEWABLE ENERGIES.

Governments around the world have introduced initiatives to reduce their dependence on fossil fuels and instead opt for energy from renewable sources – such as solar, wind and hydropower – wherever possible.

The UK, for example, has pledged to end unabated electricity generation from fossil fuels by 2035, while – worldwide – countries have pledged to become carbon neutral within the next couple of decades.

Similarly, countless organisations and businesses have switched to renewable energy sources, with brands such as Waitrose using biofuels to power their delivery trucks and Nestle signing a 10-year deal with leading solar power company BayWa.r.e to be their source of energy.

### 3. PLASTIC RECYCLING INNOVATIONS.

Single-use plastics are a huge problem that adds to our already overfilled landfills and contributes to the pollution of the sea.

For this reason, ensuring that plastics can be used and re-used as much as possible is crucial to minimising the plastic waste we produce.

At Berkeley Lab, scientists have developed a multi-purpose plastic polymer called polydiketoenamine (PDK). It's unique from other plastics because it can be infinitely upcycled, meaning it can be recycled again and again without reducing in quality or strength.

Moreover, at the RMIT University in Australia, scientists have devised an alternative for the billions of disposable face masks that became a staple of the pandemic. As such, they're driving an initiative to turn the masks into roads, which may make the roads stronger and require less maintenance in the future.

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### 4. SINGLE-USE PLASTIC ALTERNATIVES.

In addition to enhancing plastic recycling methods, another crucial way the world is moving away from the single-use plastic problem is by developing alternative materials that offer the same functions – making them suitable for packaging and shopping bags – without the associated problems.

One amazing example is VeganBottle: a water bottle by Lysapackaging made from a material with similar structural properties to plastic but is made from 100% biodegradable materials – namely, sugar cane. In the future, this development could replace plastic for all sorts of packaging needs.



## 5. ECO-FRIENDLY VEHICLES.

In the last couple of years, brands such as Tesla have popularised Electric Vehicles (EVs), encouraging more people to go electric when they drive rather than use cars powered by fossil fuels such as diesel and petrol.

To further encourage people to adopt EVs, many countries – including Canada, China, Germany and the UK and US, among more – have joined the Electric Vehicles Initiative, subsequently introducing policies that often include subsidies for EV owners to encourage EV vehicles uptake.

Likewise, businesses have taken the initiative to use EVs or vehicles powered by biofuel, with brands like Budweiser partnering with EV Cargo to provide half of their delivery fleet fuelled by vegetable oil.

Other brands like Iron Mountain have begun to use electric vans to deliver goods, with their 2030 goal comprising an entire global fleet of electric vehicles.



## 6. GREEN ARCHITECTURE.

Governments across the world have initiatives in place to encourage homeowners to make energy-efficient changes to their homes, such as improving insulation, installing double-glazing, or building solar panels or heat pumps.

However, over the last couple of years, the 'urban greening' trend has taken off, with many governments giving councils financial incentives to incorporate plants into architecture.

Likewise, many architectural firms have begun to specialise in the practice, with structures such as vertical forests and green facades becoming more and more commonplace in architectural projects.



# HOW TO MAKE THE MOST OF LIFE IN RETIREMENT



If you're approaching your golden years – or maybe you're already there and trying to work out how to make them work best for you – then you might be wondering what you should do to make the most out of life in retirement.

With this in mind, here are the five steps you can follow to cultivate the best retirement lifestyle for you.

## 1. SORT OUT YOUR FINANCES.

Whether you've diligently prepared for your retirement or taken a more casual approach to finance your golden years, ensuring your financial situation is the best it can be is crucial to making the most out of your retirement.

If you haven't already, you need to work out how much you can realistically afford to spend each year – making the most of your retirement without risking your future.

Then, making a budget is the next logical step.

Not only will this help you stay on track, so you don't overspend, but it can also help you avoid living too frugally, which is just as common a mistake made by retirees, which may prevent you from making the most of it.

Additionally, it's always a good idea to seek the advice of a financial professional – especially one with expertise in retirement financing – so they can offer information on aspects of your finances that you may not have considered, including potential financial events that could affect you in the future.



## 2. PRIORITISE YOUR HEALTH.

When we're in the world of work, it can be easy to make our health a second priority, eating what's convenient and never finding time to do the recommended 150 minutes of exercise per week.

In contrast, you no longer have an excuse when you enter retirement.

Not only this but adopting a healthy lifestyle – comprised of regular exercise and a diet high in fruit and veg and low in processed sugar – can increase your longevity and improve your quality of life so that you can get more enjoyment out of your golden years for longer.

More than this, unfortunately, as we get older, we become more susceptible to health problems and illnesses.

As such, retirement is the perfect time to begin upping your trips to healthcare providers – including your doctor and dentist – to ensure you find any issues or risks early so that you're in a better position to combat them.

### 3. FIND PURPOSE.

Many in retirement struggle with feeling as though their life has lost its meaning or like they no longer have a purpose; this is understandable. After all, most of us have spent eight hours per day, five days a week at work for years and years, working towards something outside ourselves.

The good news is that you can also have this feeling outside of employment.

As such, you should consider implementing goals or habits into your life that you find meaningful – this could include volunteering and giving back to the community, coaching or mentoring, getting a part-time job or even starting your own business.

Alternatively, part of adding more meaning to your life in retirement could mean taking up a new (or old) hobby that you love and striving to improve at it and helping to give your new life some direction, giving you many opportunities to feel a sense of accomplishment.

### 4. TRAVEL.

A huge factor contributing to our sense of satisfaction in our retirement is being able to continue experiencing new things and seeking new experiences.

It's no secret that variety is the spice of life – and there's no better way to accomplish this than travel.

When we travel somewhere new, we experience different languages, foods, cultures, beliefs, architecture and knowledge, in addition to meeting lots of new people – many of whom you wouldn't have had the chance to otherwise.

It's a well-known fact that people – of all ages – who travel frequently are happier overall.

Of course, you might find that your budget doesn't stretch to include multiple trips abroad per year (although there are tons of ways you can make foreign travel cheaper) – but don't let this stop you.

There are likely abundant places to visit in the country you reside in, including many relatively local ones.

Leaving your immediate locale frequently will make you happier in your retirement wherever you travel.



## 5. STAY SOCIAL.

As human beings, having a strong social network and plenty of opportunities to socialise is vital to our wellbeing, to the extent that loneliness is cited by doctors as a silent killer, especially among those in their later years.

Connecting with friends and family as often as possible is incredibly important.

More than this, since you'll have more time on your hands – and no longer have the abundance of workplace social opportunities to sustain you – it's a good idea to start building a new network of friends.

How about searching for meet-ups online? Or join a club based on your interests – such as a book or gardening club – to find like-minded people to share your time?

However, you go about it; staying social and feeling connected to others will make your golden years shine.





# OF US

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In 'One of Us', we share intimate conversations with colleagues, thought leaders, and financial experts to educate, enlighten, and entertain you.

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## This month we caught up with our Executive Assistant to the Directors- Candice Yao.

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**Q:** Thank you so much, Candice, for taking the time to do this interview. Can we start by letting our audience know a bit about your background and your role with AMA?

**A:** I have been working for AMA for over 13 years now, working for the directors. I help them to manage the various companies under the AMA Group, to ensure that we are compliant with all laws and regulations in all jurisdictions that we operate in. I also assist with new company set-ups, implementing expansion and acquisition plans, and establishing contracts with various partners and third parties.

**Q:** We know you work with the Directors, How do you prioritize your workday tasks given that you are all in different locations?

**A:** Keeping track and remembering where everyone is in the world at any given point is a challenge! Prior to Covid, our company directors were constantly traveling - the situation the past couple of years has certainly made keeping track of them a lot easier. It just takes a little effort to tailor my day and divide them into "time zones" and give priority to whichever director is in that particular "time zone".

**Q:** What does an average day as an executive assistant look like for you?

**A:** Plenty of reading, researching, reviewing and record-keeping, given that we manage so many contracts, relationships, and people across the world. A lot of emailing and communicating via various messaging apps to colleagues and third parties.

**Q:** What's your biggest achievement in your career - what is it about that achievement that makes you proud?

**A:** Helping to build companies from the ground up, and seeing the company grow from a small firm to the global group of companies it is now. It has truly been fulfilling to see the results of that effort.

**Q:** You have worked with AMA for over 13 Years (that's exceptional and not uncommon for a lot of the Team) what keeps you going?

**A:** Getting to work with hardworking and like-minded people who also know how to take time out and enjoy life is one of best parts of this job. You end up working with friends. It really doesn't feel as if 13 years have gone by.

**Q:**What do you like to do in your 'me-time'?

**A:** Travel, travel, travel. I can never wait to step off a plane and explore a new place, eat great food, and experience different cultures.

# THE TOP 4 THINGS YOU SHOULD DO AS YOU APPROACH RETIREMENT



First conceptualised in Neal Stephenson's novel 'Snow Crash' in 1992, the term 'metaverse' back then referred to an alternate virtual reality in which all kinds of virtual spaces could be explored using a digital avatar.

Though the metaverse was simply a far-fetched, futuristic work of fiction at the time of its publication, we may now be on the brink of achieving that reality – at least within the next couple of decades.

## 1. PLAN HOW YOU WANT TO SPEND YOUR TIME.

Though many spend their years at work looking forward to the day when they no longer have to get up early and spend their waking hours at their place of employment, a lot of people don't realise that having too much free time isn't necessarily a good thing.

Therefore, in addition to deciding if you want to make any significant life changes – such as moving house, moving abroad or going on a big trip – you might want to start thinking about how you're going to spend the majority of your free time.

After all, your retirement could last up to a third of your life – and that's a long time to spend pottering around and watching TV.

You might decide to fill your time with volunteering, take on part-time employment – such as teaching or consulting – or fulfilling a lifelong ambition, such as writing a book.

It doesn't matter what you decide to fill your time with as long as you have a plan for how you want to fill it – this will make your transition to retirement much easier, as you're less likely to feel like you've lost your purpose like many have when first exiting employment.



## 2. TAKE STOCK OF YOUR FINANCES.

As you approach retirement, one of the most important things to ascertain is whether you'll have enough money to live the kind of life you envision in your golden years.

Figuring this out starts with getting a comprehensive view of your financial situation.

This includes sizing how much you can expect from your pensions, including any lost pensions if you've had multiple jobs. How much you have in savings or investments – taking into account the likely returns, any tax costs and any extra income you have, such as money earned from renting out property.

Bear in mind that while many expect retirees to live on about 70% of their previous income each year, the truth is that often we spend just as much as we did while employed.

Bearing that in mind, can your finances fund the lifestyle you want?

If not, you need to work out how to adapt, such as taking on a part-time job, or even considering downsizing to give yourself extra cash – which you can choose to save or invest – or simply budgeting and adapting to living on less.

If you still have a few years before you plan to retire, this is the time to max out your retirement savings accounts and invest more (though probably in low-risk assets such as bonds rather than volatile classes such as stocks).



## 3. ELIMINATE DEBT.

As you approach retirement, one of your top priorities should be eliminating debt, starting with high-interest debt such as credit card debt, to gradually paying off the mortgage on your property.

You should eliminate debt as much as possible while you still have a monthly income to enter retirement without having to factor in the monthly payments required to pay off your debt.

Instead, you can spend your savings making the most out of your retirement. Plus, the sooner you pay off debt, the less you end up paying in the long run – so there's less spent and more money to play with overall.

## 4. ESTATE PLANNING/CREATING A WILL.

Though planning what happens after your death is an unpleasant task for everyone, it's vital as you enter your later years to protect the people around you and to ensure that your wishes are adhered to.

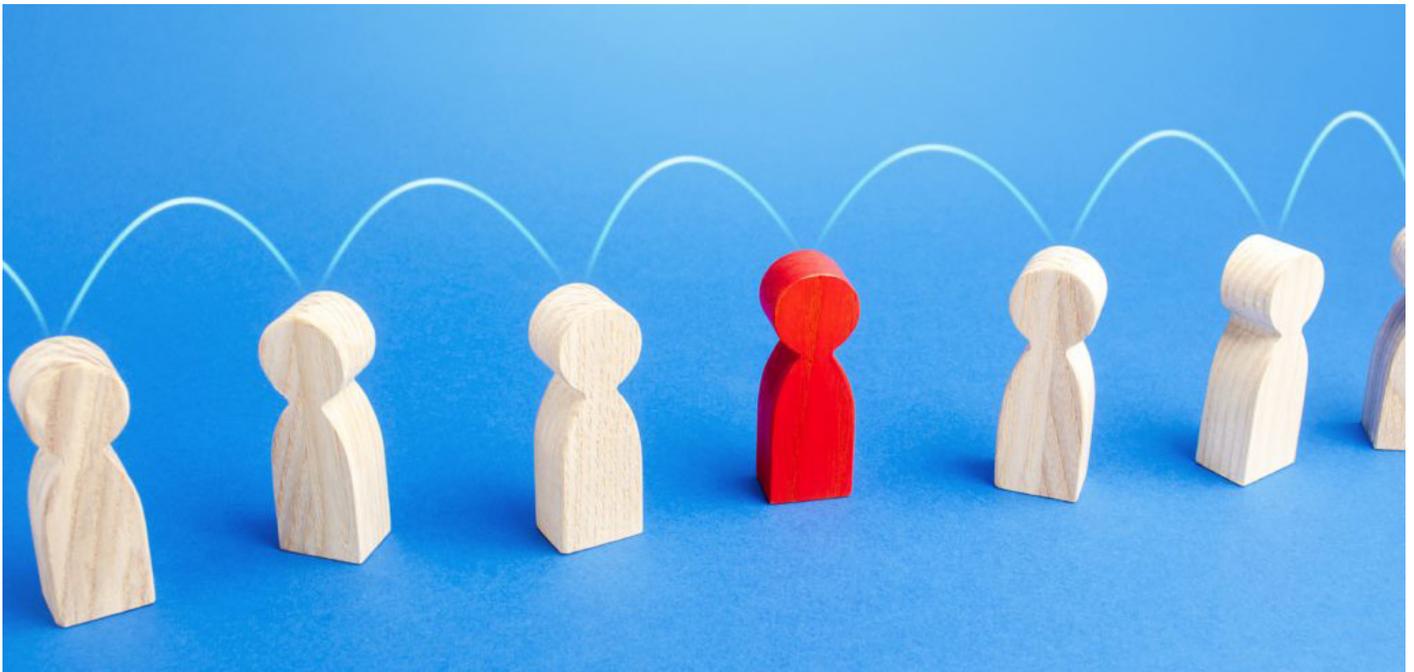
As such, creating a will is essential to designate your heirs, leave legacies to certain people (beneficiaries), choose someone to ensure your wishes are carried out properly (the executor) and express any wishes relating to your funeral.

Moreover, estate planning is a crucial step in reducing the tax bill assigned to your beneficiaries so that, when you pass, they aren't launched into a tricky financial situation.

So, if you're nearing retirement, be sure to make comprehensive financial preparations, consider how you will fill your time and make a plan to protect your loved ones after you're gone.



# WHY IS IT IMPORTANT TO DESIGNATE BENEFICIARIES?



When opening a savings/investment account – such as retirement, 401(k) or an IRA, an investment account and even life insurance – we're usually asked to designate a beneficiary for the account in the event of our death.

At the time, this can seem like a quick, unimportant step in opening the account, but it's a crucial decision in determining where your assets will go when you die.

## SO WHAT IS A BENEFICIARY?

A beneficiary is an individual designated to receive a particular asset or investment in the event of your death. Generally, you designate beneficiaries in your will and for specific financial accounts.

However, many don't realise that the beneficiaries you name for each of your financial accounts are given precedence over the beneficiaries named in your will (even if you create your will after designating your account beneficiaries).



## WHY IS IT IMPORTANT TO DESIGNATE BENEFICIARIES?

You should take the process of designating beneficiaries very seriously, both in your will and especially for your financial accounts.

### 1. TO MAKE INHERITING QUICKER FOR YOUR LOVED ONES.

After our passing, the people in our lives have enough to deal with without having to wade through complex legal proceedings to receive the assets you intended for them.

More than being a thing of convenience, your loved ones often need to access the funds you leave them to pay for your funeral and other financial events brought about by your passing.

Not taking the time to ensure you've listed the right beneficiaries for your accounts – and that these align with the wishes stated in your will – puts your loved ones at risk of having to deal with the financial consequences of your death on their own and upfront.





## 2. TO MAKE SURE THE PEOPLE YOU INTEND TO RECEIVE YOUR ASSETS.

It's essential to designate the correct beneficiaries for your financial accounts because they are given priority over those named in your will.

For example, if You state in your will that you want to bequeath all of your assets to your children, but certain financial accounts have another beneficiary listed, such as an ex-spouse – then it's likely that the account will be passed on to the individual designated beneficiary for that account, even though your will stated otherwise.

Suppose an unclear situation such as this arises. In that case, the issue could be taken to the probate court, causing problems for the loved ones you left behind and potentially ending with your accounts being in different hands than you intended.

## 3. TO ENSURE EVERY EVENTUALITY IS PREPARED FOR.

Another aspect of beneficiary designation is ensuring you have a secondary or 'contingency' beneficiary in place.

Designating a secondary beneficiary ensures that, if the primary beneficiary dies – or declines to accept the account for any reason – there's someone else in place to receive the account.

This allows you to choose who receives the account in case one of the former two events happens, rather than passing it to your closest relative as decided by the law.

## 4. TO PROTECT YOUR CHILDREN.

If you have children who are minors – or perhaps they're adults, but you're not confident they can handle the responsibility of suddenly being given a significant amount of money – then you might want to designate a trust as a beneficiary.

To do so, you'll typically name the trust and the name of the trustee; this will prevent the beneficiary from being given the whole account outright, which could happen automatically if you fail to write a will or designate a trust as the beneficiary on your chosen account.

It's equally important to review and update your beneficiaries regularly.

Often, a great deal of time passes between the time we open our financial accounts and the time we die, especially as many of us open these accounts in our twenties and thirties.

From that time until we die, if we're fortunate, many decades can pass. Subsequently, our lives – and the people in them – can change dramatically.

After all, in that time, you may have kids or divorce and remarry, and you'll need to change your beneficiaries accordingly.

As such, it's essential to continually review the beneficiaries designated for each account to check that they're still the people you want to receive this asset.

Remember: even if you write a will after designating the beneficiaries on your accounts, these beneficiaries may still receive the account regardless.

For this reason, financial advisors recommend reviewing the beneficiaries for each of your accounts each year if your situation changes – and it's essential to update your will accordingly, too, to make the inheritance process as smooth as possible for your loved ones and to eliminate any confusion about what you wanted.



# GROW FINANCIALLY



WITH  
AMA

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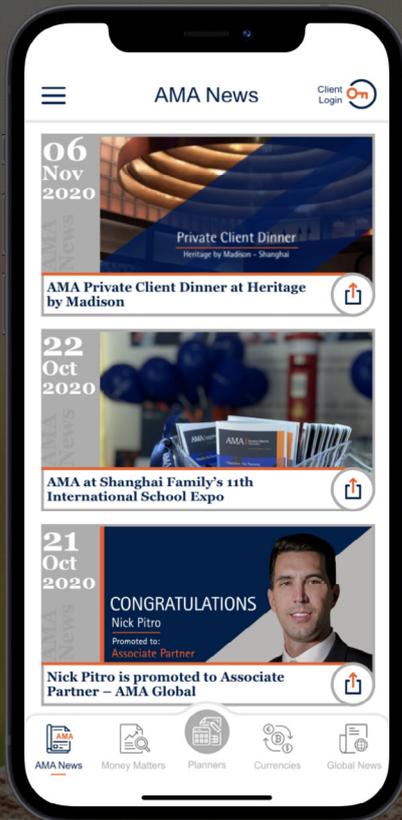
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