

# NAVIGATING MARKET VOLATILITY THE BUFFETT WAY TIMELESS STRATEGIES FOR AUSTRALIAN INVESTORS



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### BY WEALTH ADVISER

In the ever-changing landscape of financial markets, few voices carry as much weight as Warren Buffett's. The Oracle of Omaha's investment philosophy, shaped by decades of experience and a keen understanding of market cycles, offers invaluable insights for investors worldwide, including those in Australia. As global markets face increasing uncertainty, Buffett's approach to navigating volatility provides a beacon for those seeking to build and preserve wealth over the long term.

### Buffett's Philosophy in Turbulent Times

Warren Buffett's investment strategy is built on a foundation of patience, humility, and adaptability. These principles have guided him through numerous market cycles, allowing Berkshire Hathaway to consistently outperform the broader market over extended periods. Buffett's famous quote, "The stock market is designed to transfer money from the active to the patient," encapsulates his long-term perspective on investing.

#### BEFORE YOU GET STARTED

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**During the 2008 financial crisis, Buffett famously advised investors to “be fearful when others are greedy, and greedy when others are fearful”. While markets were in turmoil, Buffett made strategic investments in companies like Goldman Sachs and General Electric, providing them with much-needed capital and securing favourable terms for Berkshire Hathaway.**

Recent market conditions have prompted Buffett to take a cautious stance. Berkshire Hathaway’s record \$325 billion cash pile signals a wariness towards current market valuations and potential economic headwinds. This substantial cash reserve not only provides a buffer against market downturns but also positions Berkshire to capitalise on opportunities that may arise during periods of market stress.

### Understanding Volatility: Buffett’s Historical Playbook

To appreciate Buffett’s current strategy, it’s crucial to examine how he has navigated past crises. Three significant periods stand out: 1969, 2008, and 2020.

#### The 1969 Market Peak

In 1969, amid a speculative frenzy, Buffett made the unconventional decision to liquidate his investment partnership and return capital to investors. “In 1969, Buffett liquidated his fund and returned capital to avoid speculative excesses,” a move that protected his investors from the subsequent market downturn. This decision exemplifies Buffett’s willingness to step away from the market when valuations become detached from fundamentals.

#### The 2008 Global Financial Crisis

During the 2008 financial crisis, Buffett famously advised investors to “be fearful when others are greedy, and greedy when others are fearful”. While markets were in turmoil, Buffett made strategic investments in companies like Goldman Sachs and General Electric, providing them with much-needed capital and securing favourable terms for Berkshire Hathaway.

#### The 2020 Pandemic Shock

The COVID-19 pandemic presented a unique challenge. Initially, Buffett appeared hesitant, selling airline stocks at a loss. However, as the market rebounded, Berkshire increased its stakes in Japanese trading houses and made a significant investment in Occidental Petroleum, demonstrating Buffett’s ability to adapt to changing circumstances.

These historical examples highlight Buffett’s consistent approach: maintaining a long-term perspective, avoiding

speculation, and being prepared to act decisively when opportunities arise.

### Bear Market Preparations: Cash, Quality, and Patience

Buffett’s current strategy reflects his preparation for potential market turbulence. His approach centres on three key elements: maintaining substantial cash reserves, focusing on quality investments, and exercising patience.

#### The Importance of Cash Reserves

Buffett has long emphasised the strategic value of cash, famously stating, “Cash is to a business as oxygen is to an individual”. Berkshire’s massive cash pile serves multiple purposes:

1. It provides a buffer against market downturns.
2. It allows for quick capitalisation on opportunities during market dislocations.
3. It signals caution about current market valuations.

For Australian investors, this underscores the importance of maintaining an appropriate cash allocation within their portfolios. While the specific amount will vary based on individual circumstances, having cash on hand can provide both protection and opportunity during volatile periods.

#### Focus on Quality Investments

Buffett’s recent portfolio adjustments reflect a focus on quality and value. Notably, “Buffett trimmed Apple by 13% in 2024, locking in gains amid stretched valuations”. This move demonstrates his willingness to reduce exposure to even favoured investments when valuations become excessive.

For Australian investors, this principle can be applied through a focus on companies with strong balance sheets, consistent cash flows, and durable competitive advantages. Exchange-traded funds (ETFs) that emphasise quality factors, offer a way to implement this strategy in a diversified manner.

#### The Virtue of Patience

Buffett’s approach to market volatility is characterised by patience and a long-term perspective. He avoids reacting to short-term market movements and instead focuses on the

underlying value of businesses. This patience allows him to weather market storms and capitalise on opportunities when they arise.

Australian investors can adopt this mindset by developing a well-thought-out investment plan and sticking to it, even during periods of market turbulence. This might involve regular contributions to a diversified portfolio, regardless of market conditions, a strategy known as dollar-cost averaging.

## Learning from Mistakes: 25 Errors That Shaped Buffett's Strategy

Buffett's success is not just a result of his triumphs but also of the lessons learned from his mistakes. By examining some of Buffett's most significant errors, investors can gain valuable insights into risk management and investment decision-making.

### The Berkshire Hathaway Textile Mill

Perhaps Buffett's most famous mistake was his initial investment in Berkshire Hathaway, then a struggling textile company. Buffett has stated, "Buying Berkshire Hathaway was the dumbest stock I ever purchased". This experience taught him the importance of investing in businesses with strong economic fundamentals rather than trying to revive declining industries.

### Airline Investments

Buffett's investments in airline stocks, including a significant stake in USAir in 1989, proved to be another costly mistake. The volatile nature of the airline industry and its capital-intensive structure made it challenging to generate consistent profits. Buffett learned the importance of avoiding industries with unpredictable economics and high capital requirements.

### Selling Disney Too Early

In 1966, Buffett acquired a significant stake in Disney for \$4 million. He sold the entire position about a year later for a 50% profit. While this might seem like a success, the long-term growth of Disney's value means Buffett missed out on billions in potential gains. This mistake underscored the importance of holding onto great businesses for the long term.

## Key Lessons

From these and other mistakes, several key lessons emerge:

1. Avoid businesses with poor economics, regardless of price.
2. Be cautious of capital-intensive industries with unpredictable returns.
3. When you find a great business at a fair price, consider holding for the very long term.
4. As Buffett puts it, "If you find yourself in a leaky boat, focus on changing boats, not patching holes".

These lessons reinforce the importance of thorough analysis, patience, and the willingness to admit and learn from mistakes.

## Applying Buffett's Principles in Australia: ETFs, Resilience, and Pragmatism

For Australian investors, applying Buffett's principles doesn't necessarily mean trying to replicate his specific stock picks. Instead, it involves adopting his overall approach to investing, with a focus on simplicity, quality, and long-term thinking.

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### Embracing Low-Cost ETFs

Buffett has long advocated for low-cost index funds for most investors. He famously stated, "The goal of the non-professional should be a low-cost S&P 500 index fund". While this advice was originally aimed at U.S. investors, the principle applies equally to Australians.

ETFs or broad market index funds tracking the ASX 200 offer low-cost, diversified exposure to quality companies. These instruments allow investors to benefit from market growth without the need for individual stock selection.

### Focus on Quality and Value

Buffett's investment strategy has always centred on identifying high-quality businesses trading at reasonable valuations. For Australian investors, this might involve looking for companies with strong competitive positions, consistent cash flows, and prudent management.

ETFs that focus on quality factors can be an effective way to implement this strategy. These funds typically select companies based on metrics such as return on equity, debt levels, and earnings stability.

### Avoiding Speculative Trends

Buffett's approach has consistently avoided speculative trends and "story stocks." His "avoidance of 'story stocks' is a warning for meme-stock speculators". This principle is particularly relevant in today's market, where social media

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can drive rapid but often unsustainable price movements in certain stocks.

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### **Building Resilience Through Diversification**

While Buffett's personal portfolio is highly concentrated, he recommends a more diversified approach for most investors. This can be achieved through a combination of broad market ETFs, potentially supplemented with sector-specific or factor-based ETFs to align with an investor's specific goals and risk tolerance.

### **Conclusion: Building a Buffett-Inspired Portfolio for the Long Haul**

Warren Buffett's approach to navigating market volatility offers valuable lessons for Australian investors. By focusing on patience, quality, and long-term thinking, investors can build portfolios capable of weathering market storms and generating wealth over time.

Key takeaways for Australian investors include:

1. Maintain adequate cash reserves to provide both protection and opportunity.
2. Focus on high-quality investments, potentially through ETFs that emphasise quality factors.
3. Avoid speculative trends and maintain a long-term perspective.
4. Learn from mistakes and continuously refine your investment approach.
5. Consider low-cost, diversified ETFs as a core component of your portfolio.

As Buffett wisely noted, "It's not about timing the market, but time in the market". By adopting these principles and maintaining a disciplined approach, Australian investors can navigate market volatility with confidence and work towards their long-term financial goals.

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# AI'S GLOBAL SHAKE-UP

## Navigating Market Disruption and Strategic Resilience in Tech and Finance

Cottonbro studio/Pexels

BY WEALTH ADVISER

**T**he rapid advancement of artificial intelligence (AI) is reshaping the global economic landscape, creating ripples that extend far beyond Silicon Valley. This technological revolution is not just a matter of improved algorithms or faster computing; it represents a fundamental shift in how businesses operate, how markets behave, and how wealth is created and preserved. As we stand on the cusp of this AI-driven era, it's crucial to understand the dual nature of AI disruption—its potential to drive unprecedented growth and its capacity to create volatility and uncertainty.

### The Dual Nature of AI Disruption

The adoption of AI technologies is following what economists call an “S-curve”—a pattern of slow initial uptake, followed by rapid acceleration, and eventually, a plateau as the technology matures. We are currently witnessing the early stages of this curve, where expectations often outpace reality, creating a volatile environment for investors and businesses alike.

This moment in AI development has been likened to a “Sputnik moment” in the context of US-China competition,

echoing the space race of the 1960s. Just as Sputnik spurred massive investment in aerospace and computing, the AI race is driving unprecedented levels of funding and innovation in both nations. However, this time, the stakes extend beyond national pride to encompass global economic dominance and technological supremacy.

Amidst this high-stakes competition, a nuanced approach is emerging in the financial sector. Russell Investments has introduced the concept of “augmented intelligence” in asset management, which emphasises the symbiotic relationship between human expertise and AI capabilities. This approach recognises that while AI can process vast amounts of data and identify patterns at superhuman speeds, the nuanced decision-making and ethical considerations that are crucial in finance still require human oversight.

The Gartner 2024 hype cycle projections for generative AI suggest that we are approaching the “Peak of Inflated Expectations,” where enthusiasm for the technology may outstrip its current capabilities. This creates a challenging environment for investors and businesses, who must navigate between the promise of transformative innovation and the realities of market volatility.

**The rise of AI in finance also raises questions about market fairness and accessibility. As sophisticated AI tools become more prevalent, there's a risk of creating a two-tiered market where AI-equipped investors have a significant advantage over traditional investors. This could potentially lead to increased market concentration and reduced liquidity in certain sectors.**

### Market Shockwaves: From DeepSeek to Data Centre Demands

The AI revolution is not just a matter of software; it's driving massive changes in hardware infrastructure as well. According to analysis from Firstlinks, "The AI arms race is creating \$200B+ infrastructure investment gaps by 2027". This staggering figure underscores the scale of physical infrastructure required to support the computational demands of advanced AI systems.

The recent breakthrough by DeepSeek, a Chinese AI company, in developing a large language model that rivals those of US tech giants, has sent shockwaves through the market. This development not only intensifies the US-China AI rivalry but also highlights the global nature of AI innovation and the potential for disruption from unexpected quarters.

However, AMP Capital warns that "Early-stage adoption creates volatile 'expectation bubbles' across tech valuations". This volatility is evident in the rapid fluctuations of AI-related stocks and the sometimes speculative nature of investments in AI startups. Investors must be cautious of overvaluation in the sector, even as they seek to capitalise on its potential.

The infrastructure demands of AI extend beyond just computing power. Data centres, the physical backbone of the digital economy, are facing unprecedented growth pressures. The need for specialised chips, increased power capacity, and advanced cooling systems is creating bottlenecks in the supply chain and driving up costs.

McKinsey's analysis suggests that AI could potentially boost global GDP by 4.4%, but this comes with significant implementation costs. The challenge for businesses and policymakers is to balance the investment required for AI adoption with the potential returns, all while navigating an uncertain regulatory landscape.

### Financial Foresight: Preserving Wealth in Algorithmic Markets

As AI systems become more prevalent in financial markets, the nature of investment strategies is evolving. Russell Investments reports that "Human-AI teams outperformed pure algorithms by 17% in 2023 stress tests". This finding underscores the value of combining human insight with

AI capabilities, particularly in navigating complex market conditions.

The integration of AI in finance is not without its risks. Firstlinks cautions that "Current chip shortages expose 34% of AI funds to supply chain vulnerabilities". This highlights the interconnected nature of the AI ecosystem and the potential for technological bottlenecks to have wide-ranging financial impacts.

A study by the Cambridge Centre for Alternative Finance has shown that AI-driven trading algorithms can sometimes exacerbate market volatility, particularly during periods of stress. This presents a challenge for regulators and market participants alike, as they seek to harness the efficiency of AI while maintaining market stability.

The rise of AI in finance also raises questions about market fairness and accessibility. As sophisticated AI tools become more prevalent, there's a risk of creating a two-tiered market where AI-equipped investors have a significant advantage over traditional investors. This could potentially lead to increased market concentration and reduced liquidity in certain sectors.

### Workforce Resilience: Adapting Skills for the Augmented Era

The impact of AI on the workforce is a topic of intense debate and speculation. AMP's labour market analysis suggests that "73% of finance roles will hybridise with AI tools within 5 years". This transformation will require a significant shift in skills and job roles, with a greater emphasis on data interpretation, strategic decision-making, and AI oversight.

However, the AI revolution is not just about white-collar jobs. Firstlinks' infrastructure insight reveals that "Data centre construction requires 58% more skilled electricians than previously forecast". This highlights the diverse range of job opportunities created by the AI boom, spanning from high-tech roles to skilled trades.

The World Economic Forum's 2024 Future of Jobs Report predicts that while AI will displace some jobs, it will also create new roles and enhance productivity in others. The key challenge for workers and organisations will be to adapt quickly to these changes, with a focus on continuous learning and skill development.

Education systems and professional development programs will need to evolve rapidly to keep pace with AI advancements. There's likely to be increased demand for courses in data science, machine learning, and AI ethics, as well as programs that teach workers how to effectively collaborate with AI systems.

## Strategic Navigation Principles for Investors and Institutions

As we navigate this AI-driven transformation, several key principles emerge for investors and institutions:

1. **Embrace Augmented Intelligence:** Following Russell's "three-lens framework" for evaluating AI adoption risks and rewards, organisations should focus on integrating AI capabilities with human expertise rather than seeking to replace human decision-making entirely.
2. **Invest in Infrastructure:** The massive demand for AI-related infrastructure presents significant investment opportunities, but also requires careful due diligence to avoid overexposure to potential supply chain disruptions.
3. **Prioritise Adaptability:** In a rapidly evolving technological landscape, the ability to quickly adapt strategies and retrain workforce skills will be crucial for long-term success.
4. **Consider Ethical Implications:** As AI systems become more prevalent in decision-making processes, organisations must prioritise ethical considerations and transparency to maintain trust with customers and regulators.
5. **Develop Sovereign Capabilities:** Firstlinks' call for "sovereign AI capability buffers" in Australian policy highlights the importance of maintaining technological independence and resilience in an increasingly AI-driven global economy.

The Brookings Institution suggests that competitive resilience in the AI era will require a combination of strategic investment, adaptive regulation, and international cooperation. As we move forward, it will be crucial for investors, businesses, and policymakers to work together to harness the potential of AI while mitigating its risks.

In conclusion, the AI revolution presents both unprecedented opportunities and significant challenges. By

understanding the dual nature of AI disruption, preparing for market shockwaves, preserving wealth through strategic adaptation, and fostering workforce resilience, we can navigate this transformative era with confidence and foresight. The future belongs to those who can effectively harness the power of AI while maintaining the human insight and ethical considerations that are essential for sustainable growth and prosperity.

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# From Super to Pension

## Building a Tax-Efficient Retirement Strategy in Uncertain Times

BY WEALTH ADVISER

**T**he transition from superannuation accumulation to retirement is a critical financial planning phase, fraught with complexities and opportunities. As retirees navigate this shift, they face not only the intricacies of Australia's superannuation system but also a global economic landscape where fiscal policy shifts and market concentration amplify risks. This article explores strategies for building a tax-efficient retirement plan while addressing the uncertainties of today's financial markets.

### Understanding the Pension Phase: Tax Benefits and Rules

For many Australians, the allure of the pension phase lies in its significant tax advantages. Once you're over

60, investment earnings within your pension account are entirely tax-free. This contrasts sharply with the accumulation phase, where earnings are taxed at 15%. However, these benefits come with important caveats and restrictions.

### Transfer Balance Cap and Minimum Withdrawals

The Australian Taxation Office (ATO) imposes a transfer balance cap, currently set at \$1.9 million, limiting the amount that can be moved into the tax-free pension environment. This cap is designed to ensure the sustainability of the superannuation system while still providing substantial tax benefits for most retirees.

Additionally, the ATO mandates minimum annual withdrawal amounts from pension accounts, which increase with age:



**Recent years have seen significant shifts in global bond markets. “Higher bond yields could draw capital away from equities, pressuring returns,” warns economist Sarah Green. This dynamic can have profound implications for retirement portfolios, potentially necessitating a reassessment of asset allocation strategies.**

Age	Minimum Withdrawal Rate
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or more	14%

These withdrawal rates ensure that pension accounts are used for their intended purpose - providing retirement income - rather than as a tax-free investment vehicle.

### Combining Accumulation and Pension Accounts

A nuanced approach to retirement planning often involves maintaining both accumulation and pension accounts. “Leaving part of your super in accumulation phase can hedge against longevity risk,” notes superannuation expert John Smith. This strategy provides flexibility, allowing retirees to manage their taxable income and potentially access additional funds if needed later in retirement.

### Tax-Efficient Strategies for Transitioning to Pension Mode

#### Pre-Retirement Concessional Contributions

In the years leading up to retirement, making additional concessional contributions to your superannuation can be a powerful tax-minimisation strategy. “Making additional contributions before retirement can lower your taxable income in later years,” explains financial adviser Jane Doe. These contributions are taxed at the concessional rate of 15%, which is often lower than an individual’s marginal tax rate, resulting in immediate tax savings and a larger retirement nest egg.

#### Recontribution Strategies

For those with a mix of taxable and tax-free components in their superannuation, recontribution strategies can be particularly effective. “Recontributing funds from a taxed element to a tax-free component can benefit beneficiaries,” states superannuation specialist Tom Brown. This approach involves withdrawing funds and then recontributing them

as non-concessional contributions, potentially increasing the tax-free component of the superannuation balance. This can be especially beneficial for estate planning, as it may reduce the tax burden on non-dependent beneficiaries.

#### Navigating Market Risks in Retirement

While optimising the tax efficiency of your retirement strategy is crucial, it’s equally important to consider the broader economic environment and its potential impacts on your retirement savings.

#### The Impact of Rising Bond Yields

Recent years have seen significant shifts in global bond markets. “Higher bond yields could draw capital away from equities, pressuring returns,” warns economist Sarah Green. This dynamic can have profound implications for retirement portfolios, potentially necessitating a reassessment of asset allocation strategies.

The Reserve Bank of Australia’s 2024 analysis on bond yields and retiree spending patterns highlights the need for retirees to remain vigilant about interest rate movements and their potential impact on both fixed income and equity investments.

#### Mitigating Concentration Risks

Another key consideration for retirees is the risk of over-concentration in their investment portfolios. The dominance of a small number of large tech companies, often referred to as the “Magnificent 7,” has led to significant market concentration in recent years.

“Investors overly reliant on past winners risk being blindsided by market shifts,” cautions investment analyst David Lee. This warning underscores the importance of maintaining a well-diversified portfolio, even in retirement. MSCI research on historical market concentration risks further emphasises this point, showing that periods of high concentration have often been followed by significant market rotations.

### Case Study: A Resilient, Tax-Optimised Retirement Plan

To illustrate these principles in action, let’s consider the case of Margaret, a 62-year-old approaching retirement with a superannuation balance of \$2.1 million.

**In these uncertain times, seeking professional advice can be invaluable. A qualified financial adviser can help tailor these strategies to your unique situation, ensuring that your retirement plan is both tax-efficient and robust enough to navigate the complexities of today's financial markets.**

**Strategy 1: Optimising the Transfer Balance Cap**

Margaret transfers \$1.9 million (the current cap) to a pension account, leaving \$200,000 in her accumulation account. This maximises her tax-free pension income while maintaining flexibility for future contributions or withdrawals.

**Strategy 2: Tax-Efficient Withdrawals**

Margaret draws the minimum 4% (\$76,000) from her pension account tax-free. To supplement this, she withdraws an additional \$24,000 from her accumulation account, incurring minimal tax due to various offsets and the low-income threshold.

**Strategy 3: Diversification Against Fiscal Risks**

Recognising the potential impact of rising bond yields, Margaret works with her financial adviser to restructure her portfolio. She increases her allocation to short-duration bonds and dividend-paying stocks from diverse sectors, reducing her exposure to high-growth tech stocks that may be more vulnerable to interest rate shifts.

**Strategy 4: Recontribution for Estate Planning**

Margaret implements a recontribution strategy, withdrawing \$330,000 (the maximum non-concessional contribution over three years using the bring-forward rule) from her accumulation account and recontributing it as a non-concessional contribution. This increases the tax-free component of her superannuation, potentially reducing tax for her beneficiaries.

By implementing these strategies, "A structured transition into pension mode can reduce tax liabilities by up to 15% while also building resilience against market uncertainties," notes Margaret's financial adviser.

**Conclusion: The Role of Advice in Uncertain Times**

Navigating the transition from superannuation to pension phase is a complex process, made more challenging by

the ever-changing economic landscape. "Financial advisers play a crucial role in balancing complex pension rules with market risks," emphasises retirement specialist Emma White.

As we've seen, building a tax-efficient retirement strategy involves more than simply maximising pension-phase benefits. It requires a holistic approach that considers tax implications, market risks, and personal circumstances. By combining tax-optimisation techniques with prudent risk management strategies, retirees can build more resilient portfolios capable of weathering economic uncertainties while maximising their retirement income.

In these uncertain times, seeking professional advice can be invaluable. A qualified financial adviser can help tailor these strategies to your unique situation, ensuring that your retirement plan is both tax-efficient and robust enough to navigate the complexities of today's financial markets.

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# Q&A: Ask a Question

## Question 1:

**What happens if I get sick and don't have an enduring power of attorney?**

If you become seriously ill or lose the capacity to make decisions without an enduring power of attorney (EPOA) in place, your loved ones may face significant difficulties in managing your financial and personal affairs. Without an EPOA, no one has the legal right to act on your behalf, meaning they may need to apply to a court or tribunal to be appointed as your financial manager / administrator. This process can be time-consuming, stressful, and costly, and there is no guarantee that the appointed person will be the one you would have chosen yourself. In the meantime, important financial matters such as paying bills, managing investments, or handling property transactions may be left unresolved. Putting an EPOA in place ensures that someone you trust can act in your best interests if you are unable to do so.

You should consult your financial adviser and an estate planning professional to ensure you have the appropriate arrangements in place.

## Question 2:

**I heard from a friend that the release of new Deep-Seek AI technology is expected to cause market crashes. Should I sell any of my shares and ETFs related to this?**

Market movements are influenced by many factors, and while technological advancements like AI can create volatility, they are also key drivers of long-term growth and innovation. Making investment decisions based on short-term predictions or speculation can be risky, as even professional investors struggle to time the market accurately. Selling shares in response to market fear may lead to missing potential rebounds, as markets often recover from downturns

faster than expected. Instead of making decisions based on short-term concerns, it's important to ensure your investment strategy aligns with your long-term financial goals and risk tolerance. Diversification and a disciplined approach to investing can help manage volatility and uncertainty.

If you are concerned about how AI developments may impact your portfolio, your financial adviser can help you assess your investments and determine an appropriate strategy based on your circumstances.

## Question 3:

**I have read articles about an industry super delaying insurance claims and financial hardship, and I'm wondering if I should change my insurance to ensure better certainty if I have to make a claim?**

It's understandable to be concerned about claim delays, as insurance is meant to provide financial security during difficult times. Before making any changes, it's important to understand the differences between insurance policies. Many superannuation funds offer group insurance, which can be cost-effective but often comes with stricter definitions, automatic exclusions, and less flexibility in claims assessment. In contrast, retail insurance, which can be obtained through an adviser, typically undergoes full medical underwriting at the time of application. This process provides greater certainty at claim time, as the insurer has already assessed your health and agreed to cover you based on your circumstances. While retail insurance may have higher premiums, it generally offers more comprehensive coverage and stronger guarantees around policy terms. Before deciding to change your insurance, reviewing your existing policy and comparing it with alternatives is essential to ensure it aligns with your needs.

Your financial adviser can help you assess your options and determine the most suitable cover for your situation.

If you have a question that you would like to see answered in **Wealth Adviser**, please send it through to [centraladvice@wtfglimited.com](mailto:centraladvice@wtfglimited.com).

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