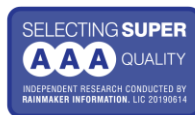




# Covid-19: Investment markets and your business

Alexander Hutchison, CEO EISS Super – 15 April 2020



## Before we start

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# S&P/ASX 200 – 1 February 2020 to 9 April 2020



# S&P 500 – 1 February 2020 to 9 April 2020



# ISEQ 20 – 1 February 2020 to 9 April 2020



# S&P 500 performance – 2000 to 2020



# The US stock market's 10 worst days and their rebounds

Date	Reason	One day fall	Return after one year	Return after five years
15/10/2008	Global financial crisis	-9.0%	24.0%	109.0%
01/12/2008	Global financial crisis	-8.9%	39.3%	146.3%
29/09/2008	Global financial crisis	-8.8%	-1.5%	69.9%
09/10/2008	Global financial crisis	-7.6%	20.9%	103.5%
27/10/1997	Asian economic crisis	-6.9%	23.4%	8.7%
31/08/1998	Russia defaults on loans	-6.8%	39.8%	13.0%
20/11/2008	Global financial crisis	-6.7%	48.8%	164.3%
08/08/2011	Eurozone debt crisis	-6.6%	28.1%	117.0%
13/10/1989	Black Friday	-6.1%	-5.8%	63.8%
19/11/2008	Global financial crisis	-6.1%	39.2%	147.5%

Source: Schroders, Refinitiv data correct as at 3 March 2020. Data shown is for the S&P 500 Total Return Index, which includes price increases and dividend payments.

# Pandemics through the ages

Name	Time period	Type/Pre-human host	Death toll
Antonine Plague	165-180	Believed to be either smallpox or measles	5 million
Japanese smallpox epidemic	735-737	Variola major virus	1 million
Plague of Justinian	541-542	Yersinia pestis bacteria / Rats, fleas	30-50 million
Black Death	1347-1351	Yersinia pestis bacteria / Rats, fleas	200 million
New World Smallpox Outbreak	1520 - onwards	Variola major virus	56 million
Great Plague of London	1665	Yersinia pestis bacteria / Rats, fleas	100,000
Italian plague	1629-1631	Yersinia pestis bacteria / Rats, fleas	1 million
Cholera Pandemics 1-6	1817-1923	V. cholerae bacteria	1 million +
Third Plague	1885	Yersinia pestis bacteria / Rats, fleas	12M (China and India)
Yellow Fever	Late 1800s	Virus / Mosquitoes	100,000-150,000 (U.S.)
Russian Flu	1889-1890	Believed to be H2N2 (avian origin)	1 million
Spanish Flu	1918-1919	H1N1 virus / Pigs	40-50 million
Asian Flu	1957-1958	H2N2 virus	1.1 million
Hong Kong Flu	1968-1970	H3N2 virus	1 million
HIV/AIDS	1981-present	Virus / Chimpanzees	25-35 million
Swine Flu	2009-2010	H1N1 virus / Pigs	200,000
SARS	2002-2003	Coronavirus / Bats, Civets	770
Ebola	2014-2016	Ebolavirus / Wild animals	11,000
MERS	2015-Present	Coronavirus / Bats, camels	850
COVID-19	2019-Present	Coronavirus - Unknown (possibly pangolins)	6400



# JobKeeper – Business eligibility criteria

## Annual turnover

for income tax purposes

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Less than \$1 billion

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More than \$1 billion

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## Change in turnover

has or is likely to fall by

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30% or more

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50% or more

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# JobKeeper – Employee eligibility criteria

## Eligible employees

- Employed by you on 1 March 2020 and currently employed by you (including stood down or re-hired)
- Full-time, part-time or long-term casual
- Permanent or if long-term casual not a permanent employee of someone else
- At least 16 years of age
- Australian citizen, permanent or a special category (subclass 444) visa holder
- Resident for Australian tax purposes
- Parental leave from you (not Services Australia)
- Receiving workers compensation if working (generally not eligible if not working)
- Not a permanent employee of another company or receiving JobKeeper payments from another company

# JobKeeper – What you and your employees receive

	Employer Receives	Employee Receives
Regular income \$1,500 or more per fortnight before tax	<ul style="list-style-type: none"> <li>\$1,500 JobKeeper subsidy</li> </ul>	<ul style="list-style-type: none"> <li>Regular income*</li> <li>Plus super on regular income</li> </ul>
Regular income less than \$1,500 per fortnight before tax	<ul style="list-style-type: none"> <li>\$1,500 JobKeeper subsidy</li> </ul>	<ul style="list-style-type: none"> <li>At least \$1,500* per fortnight before tax</li> <li>Plus super on regular income*</li> </ul>
Stood down employees	<ul style="list-style-type: none"> <li>\$1,500 JobKeeper subsidy</li> </ul>	<ul style="list-style-type: none"> <li>At least \$1,500 per fortnight before tax</li> <li>No super payment required</li> </ul>

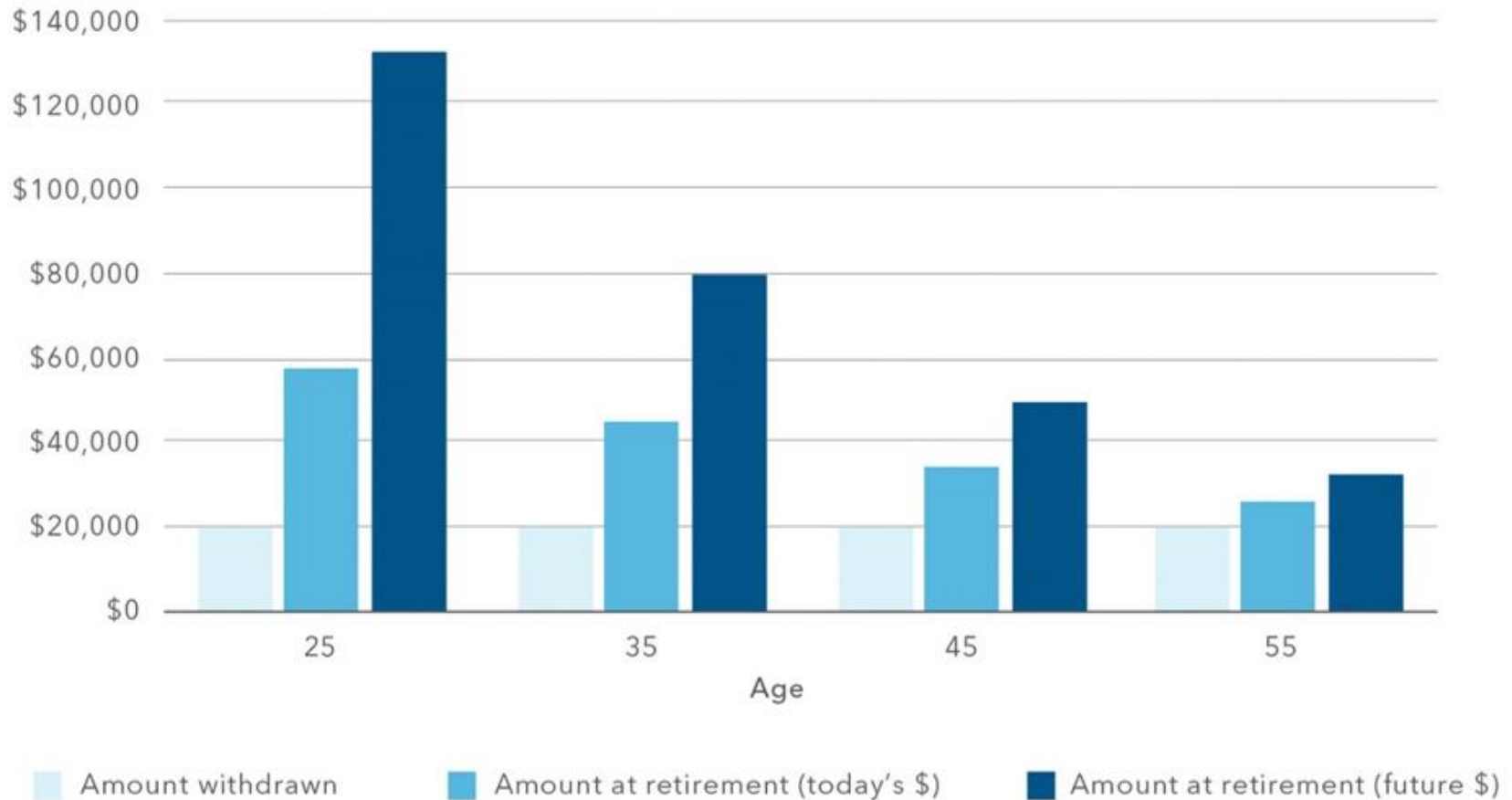
## Other initiatives – Federal Government

- 50% apprentice and trainees wage subsidy (up to \$21,000) for small businesses (fewer than 20 employees)
- Delay or payment in smaller amounts of electricity bills
- Tax-free cash flow boost between \$20,000 and \$100,000
- Instant asset write-off increased to \$150,000 and extension to businesses with turnover of up to \$500 million
- Accelerated depreciation deductions on some assets for businesses with aggregated turnover of up to \$500 million
- Coronavirus SME Guarantee Scheme which provides a government guarantee of 50% to SME lenders to support new short-term unsecured loans to SMEs
- Cutting red tape to provide small businesses with quicker access to credit

## Other initiatives – NSW Government

- Payroll tax waived for businesses with payroll up to \$10 mil for 3 months
- Deferral of payroll tax payments for all businesses for 6 months.
- Bring forward the next round of payroll tax cuts by raising threshold limit to \$1 million in 2020-21
- \$10,000 grants for small businesses through Small Business Support Fund
- Waiver of a range of fees and charges for small businesses including bars, cafes, restaurants and trades
- Spending on maintenance on public assets bought forward including social housing and crown land fencing
- Capital works and maintenance also bought forward

# The real cost of taking \$20,000 from your super



Only take what you need!

CORONAVIRUS AND  
ACCESSING SUPER EARLY

Only take what you need  
and save thousands



I want to dip into my super now  
and I'm 30 years old

HOW WILL THIS AFFECT MY SUPER?

# Useful links

## Federal Government initiatives

- Businesses: [treasury.gov.au/coronavirus/businesses](https://treasury.gov.au/coronavirus/businesses)
- Business investment: [treasury.gov.au/coronavirus/business-investment](https://treasury.gov.au/coronavirus/business-investment)
- Individuals and households: [treasury.gov.au/coronavirus/households](https://treasury.gov.au/coronavirus/households)

## NSW State Government initiatives

- Businesses: [preview.nsw.gov.au/covid-19/businesses-and-employment](https://preview.nsw.gov.au/covid-19/businesses-and-employment)
- Businesses & individuals: [revenue.nsw.gov.au/news-media-releases/covid-19-tax-relief-measures](https://revenue.nsw.gov.au/news-media-releases/covid-19-tax-relief-measures)