



GENERAL UPDATE

Dear Clients,

Welcome back to the latest edition of the AD Wealth Regular Update. We are looking forward to Spring and enjoying some sunnier afternoons here in Melbourne as we juggle the state's 6th COVID-19 lockdown. It's still business as (un)usual at AD Wealth however with that being said, sharemarkets continue their strong performance and we continue to work on exciting new projects in the specialised property investment space and look forward to sharing them with you as well as working as a team to continue to deliver the best service to our clients.

Whilst we navigate density limits, workers permits, business and client needs we have some staff in the office and some working from home. However, if you ever have any questions or need to reach us we're always available during business hours on (03) 9349 3499.

We thank you for your ongoing support and trust in the AD Wealth team, and we look forward to providing further updates throughout 2021.



Matt Morley
Director

SPECIALISED PROPERTY INVESTMENTS



AUGUST 5TH

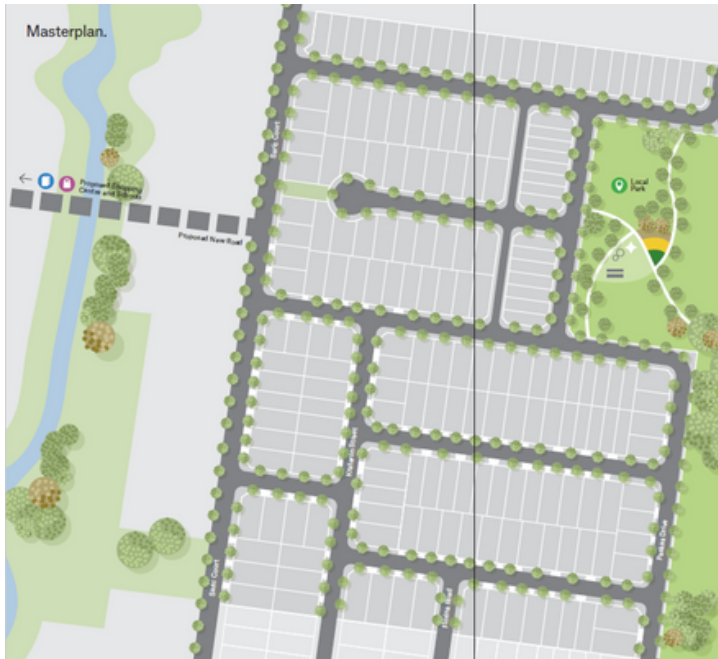
WINTERFIELD UPDATE

Progress is continuing at a rapid pace at Winterfield with Stages 7, 8 and 9 being completed in the last quarter.

Out of the 155 lots released, all are sold and to date 95% have settled bringing the number of overall settlements at Winterfield to nearly 500, allowing 100% of investor capital to be returned.

Construction on Stages 10 and 11 forges ahead despite the impacts of a wet Ballarat Winter and we expect to commence calling for settlements for Stage 10 by the end of the year. The Winterfield site has transformed beautifully since its launch 4 years ago and is now starting to look more and more like a mature development.

SPECIALISED PROPERTY INVESTMENTS CONT'D



AUGUST 12TH

HEATHFIELD UPDATE

Following the successful capital raise of nearly \$10million, the land settlement was finalised in late March allowing the developer to commence bulk excavation works prior to the depths of Winter. In July the sales campaign for the project commenced via the usual major touchpoints including REA, social media, Google and direct email while concurrently Heathfield was introduced to most of the major house and land builders who have exclusive holds on 20 lots. As of August, sewer and drainage works for the first Stage are complete along with the water and gas while the road infrastructure is due to be completed shortly.

AD WEALTH CHARITY INITIATIVE THE LOST DOGS HOME



This month some members of staff gathered old towels, blankets and excess pet food to donate to The Lost Dogs Home in North Melbourne who are a fantastic charity in need of these extra supplies this time of year. We encourage anyone based in Melbourne to consider donating household items like blankets and towels instead of throwing them away.

TRADITIONAL INVESTMENTS

WORLD ECONOMIC OUTLOOK - GDP

Many professions commonly use abbreviations. To doctors, accountants, and baseball players, the letters MRI (magnetic resonance imaging), GAAP (generally accepted accounting principles), and ERA (earned run average), respectively, need no explanation. To someone unfamiliar with these fields, however, without an explanation, these initialisms are a stumbling block to a better understanding of the subject at hand.

Economics is no different. Economists use many abbreviations. One of the most common is GDP, which stands for gross domestic product. It is often cited in newspapers, on television news, and in reports by governments, central banks, and the business community.



TRADITIONAL INVESTMENTS CONT'D

It has become widely used as a reference point for the health of national and global economies. When GDP is growing, especially if inflation is not a problem, workers and businesses are generally better off than when it is not.

Measuring GDP

GDP measures the monetary value of final goods and services—that is, those that are bought by the final user—produced in a country in a given period of time (say a quarter or a year). It counts all of the output generated within the borders of a country. GDP is composed of goods and services produced for sale in the market and also includes some nonmarket production, such as defense or education services provided by the government. An alternative concept, gross national product, or GNP, counts all the output of the residents of a country. So if a German-owned company has a factory in the United States, the output of this factory would be included in U.S. GDP, but also in German GNP.

Not all productive activity is included in GDP. For example, unpaid work (such as that performed in the home or by volunteers) and black-market activities are not included because they are difficult to measure and value accurately. That means, for example, that a baker who produces a loaf of bread for a customer would contribute to GDP, but would not contribute to GDP if he baked the same loaf for his family (although the ingredients he purchased would be counted).

In the world economic GDP outlook (pictured below),

we can see that advanced economies (such as Australia) have strong expected GDP in 2021, 2022 at 5.6 and 4.4 respectively. These numbers are well above Australia's 50 year average of 3%. Whilst world economies are predicting strong GDP, the issues which everyone will be watching are inflation and the eventual increase in debt and the cost of borrowing in future years.

Latest World Economic Outlook Update Growth Projections

	PROJECTIONS		
(real GDP, annual percent change)	2020	2021	2022
World Output	-3.2	6.0	4.9
Advanced Economies	-4.6	5.6	4.4
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Germany	-4.8	3.6	4.1
France	-8.0	5.8	4.2
Italy	-8.9	4.9	4.2
Spain	-10.8	6.2	5.8
Japan	-4.7	2.8	3.0
United Kingdom	-9.8	7.0	4.8
Canada	-5.3	6.3	4.5
Other Advanced Economies	-2.0	4.9	3.6
Emerging Market and Developing Economies	-2.1	6.3	5.2
Emerging and Developing Asia	-0.9	7.5	6.4
China	2.3	8.1	5.7
India	-7.3	9.5	8.5
ASEAN-5	-3.4	4.3	6.3
Emerging and Developing Europe	-2.0	4.9	3.6
Russia	-3.0	4.4	3.1
Latin America and the Caribbean	-7.0	5.8	3.2
Brazil	-4.1	5.3	1.9
Mexico	-8.3	6.3	4.2
Middle East and Central Asia	-2.6	4.0	3.7
Saudi Arabia	-4.1	2.4	4.8
Sub-Saharan Africa	-1.8	3.4	4.1
Nigeria	-1.8	2.5	2.6
South Africa	-7.0	4.0	2.2
<i>Memorandum</i>			
Emerging Market and Middle-Income Economies	-2.3	6.5	5.2
Low-Income Developing Countries	0.2	3.9	5.5

Source: IMF, *World Economic Outlook Update*, July 2021

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2020/2021 starting in April 2020. For the July 2021 WEO, India's growth projections are 8.8 percent in 2021 and 8.3 percent in 2022 based on calendar year.

INTERNATIONAL MONETARY FUND

IMF.org



John Brady
Director