

the **INVESTORS**voice

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June 2015

INVESTING IN THE INTERNET

9 GOLDEN RULES BOND RISKS PROPERTY vs SHARES



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INVESTING in the Internet of Things a major area of structural growth

Nick Griffin

Australian investors can take many approaches to adding exposure to global companies to their portfolios. One approach used by K2 is the process of selecting investment in businesses that are benefiting from exciting secular tailwinds, as these businesses are likely to grow somewhat independently of the general economic cycle. One such structural trend is the so-called Internet of Things, and a part of this area is the connected car.

The Internet of Things has arrived

Some may remember the exponential-growth maths problem involving the wheat and the chessboard from their early education. That is, if you place one grain of wheat on the first square, two on the second, four on the third and so on (doubling the number of grains on each subsequent square), how many grains of wheat would be on the 64th and last square?

9,223,372,036,854,780,000.

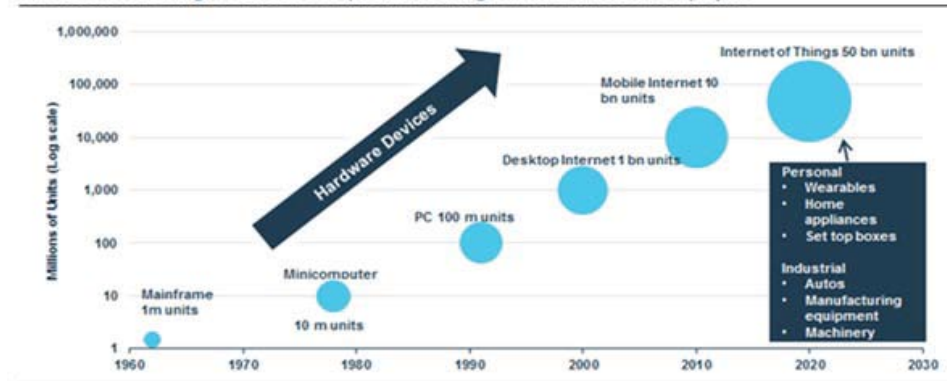
So it is with technology and connected devices. What started with one mainframe computer in 1960 has grown to one connected device per person with personal computers, to two with mobile telephones, to three with iPads and laptops. It is now rapidly on its way to 10 to 12 connected devices per person with the onset of connected cars, homes, TVs and other appliances.

“What started with one mainframe computer in 1960 is now rapidly on its way to 10 to 12 connected devices per person with the onset of connected cars, homes, TVs and other appliances.”

Do the maths on seven billion people and from a connected-device standpoint, 2015 is the year we enter the second half of the chessboard where the numbers start to get really, really big. Three things have contributed significantly to the proliferation of

connected devices – the Internet, cloud computing and Moore's Law, whereby the power of computing hardware roughly doubles every two years (or the cost for the same hardware roughly halves). These three factors have allowed the proliferation of low-cost connected devices that provide real-time updates to their users across all aspects of daily life and commercial operations. This has, in turn, led to the rise of social media, mobile apps and data analytics. As we move towards 50 billion connected devices, we see strong structural growth for those involved in the semiconductor industry and a collection of big winners who can unite platforms for cloud computing and social media.

The Internet of Things derives device proliferation... good for semiconductor players



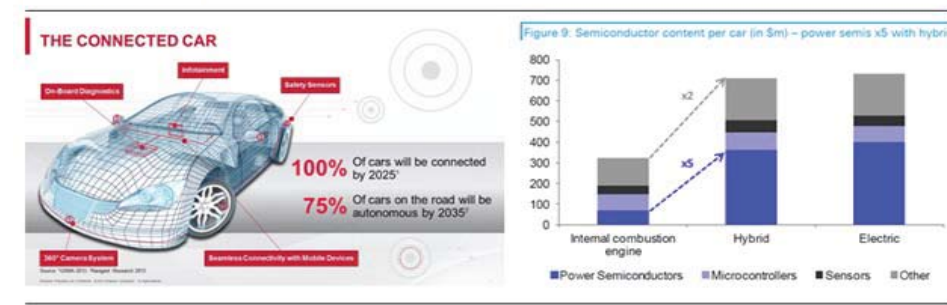
Source: Cisco, Credit Suisse estimates

We see the below companies as well placed to structurally benefit from the proliferation of connected devices. We do caution, though, that finding the companies is only half the battle; we also need to be mindful of only investing in these companies' shares at the right price and hence we need to be disciplined on valuation. So while we like the outlook for all of these names, not all of these companies are currently represented in the portfolio.



The connected car

The connected car is now becoming a big focus area for our Internet of Things investments. Connecting a car to the wireless internet and sending data to and from the cloud comes with numerous advantages to consumers and OEMs (original equipment manufacturers), including advanced driver assistance systems, infotainment, traffic updates, real-time car diagnostics, miles-travelled data for insurers and eventually self-driving vehicles. Currently only 25% of all cars are connected and capable of adding these services. We see this moving to 100% of all new cars by 2025. Additionally, the shift to electrification of vehicles and power train management is also essentially doubling the semiconductor content per car, not to mention the sensors required for the abovementioned driver assistance technologies. The car is at the beginning of an evolution from a mode of transport operated by a driver into something easier, more enjoyable and safer to drive.



Source: <http://fohnhaysautomotiveelectronics.com> Deutsche Bank

INVESTING in the Internet of Things continued...

We see the below companies as well placed to structurally benefit from the growth in connected and electric vehicles, these companies span numerous areas including semiconductors, infotainment and auto suppliers.



Case study: Skyworks Solutions

Skyworks Solutions is a fast-growing Internet of Things company that designs and manufactures radio frequency and complete semiconductor system solutions for mobile communications applications. Simply put, as more devices around the home are becoming connected to the Internet, Skyworks will sell more radio-frequency devices. However, not only has the volume of semiconductor sales grown, the required content per device is also increasing with every new application. For example, in 2012 it is estimated that there was less than \$1 of Skyworks content in a typical television set-top box. In that same set-top box in 2014, the Skyworks content has increased to \$4 to \$5, and the company estimates that in 2016 this content will reach \$7 to \$10. Hence, as devices in the everyday home become increasingly connected to the Internet, the opportunity for Skyworks to grow is evident. Skyworks has a history of growing its revenue and earnings per share consistently above consensus expectations, and is targeting \$7 in annualised earnings per share in the coming years, having grown from just over \$3 in 2014. Skyworks is only one example of the significant growth profile offered by companies leveraged to the global Internet of Things phenomenon.



Source: Skyworks Solutions Investor Relations

K2 International is focused on identifying attractive investments in companies that are set to benefit from trends such as these, regardless of their country of domicile. In our view these trends will endure for many years to come and at the right price, investments leveraged to these trends seem an obvious place for us to invest to generate absolute returns going forward.

Nick Griffin, K2

Nick Griffin will be presenting on *The race to raise Interest rates, equities and everything in between at the National AIA Conference on the Gold Coast in August 2015. He will also discuss K2's approach to investing in international equities - focusing on secular growth plays and how to benefit from and deal with an unprecedented interest-rate environment and the impact on equities for raising them.*

President's Message By Bill Shirley



At a AIA recent local area discussion group meeting, held in Melbourne, there was a long conversation on the topic of low interest rates and the way they affect members. This topic was prompted by the recent cash rate cut by the Reserve Bank to 2.00%. (I believe this our lowest base rate in around a half a century.)

Some of the outcomes of the round the table discussion are listed below:

- An acceptance that Term Deposit income on holdings currently contained in our portfolio's will deliver considerable lower returns, than we have experienced in the past years.
- To achieve higher income returns investors may be forced to reduce the amount of money currently allocated to term deposits.
- Current Term Deposits quoted around the table ranged from 2.75 to 3.25%.
- Recently the Government Bond rates have been on the rise, for example the 10-year Bond rate has shifted from 2.27 to 2.80%. This type of movement normally means that economy may not slow as much as initially was feared by the industry. I hope they are correct!
- If we require a higher return from our investments, a higher level of risk needs to be considered by each investor.
- A change in the mix of our portfolios will require additional learning for each investor. For example we may consider new interest based platforms such as Commercial Bonds, Wholesale Bonds, Hybrids, EFT's, as well as Income based Funds from various industry providers.
- Ordinary shares also provide a higher exposure to this market sector to gain income may also need to be reviewed, as well as the implied associated risk aspect.

As you can see there is a lot to consider, including numerous calculations, as well as risk assessments to be made by the meeting's members. Thus, we may come up with some interesting individual approaches. I will keep you informed of any suitable findings, in later issues.

AIA happenings this winter:

Annual Conference - The planning for the annual conference has now been completed, and details are posted on the web site plus Facebook. In addition you should have received an overview brochure (if not, please contact the office).

We believe the topics covered in this conference are the widest range that has ever been delivered by the AIA, thus providing you with many subjects from which to choose. I am confident that this will be of great value and very interesting for all attendees.

An Estate Planning module will also be held on Sunday afternoon. This event will cover SMSF, your estate planning and trusts. See you at the Conference.

Events – The website events section has some planned seminars listed that will be held in the first half of the year in June, please find the details in our events section.

Local Area Discussion Groups – During May the "Frankston, Victoria" group had a birthday, it's fourteenth. I find it amazing that we have been travelling for so long and that the membership includes two AIA foundation members, as well as 5 first meeting attendees – we must be doing something right, I think!

Best of investing luck for the winter period.
Warm Regards - Bill Shirley

FIVE ways to tap into YIELD!

Just a few years ago interest rates were at 7% levels. At that time investors piled into term deposits with the banks offering some very attractive rates. But that was then and this is now. Today the official cash rate remains steady at 2.25%. While cash is an important component of a portfolio, term deposits no longer offer an attractive yield. There are, however, a number of investment options available for yield-hungry investors.

1. High-dividend ETFs

There are four exchange-traded funds (ETFs) that give investors exposure to high-dividend-paying companies.

These ETFs include:

- Russell High Dividend Australian Shares (RDV)
- iShares S&P/ASX High Dividend (IHD),
- SPDR MSCI Australia Select High Dividend Yield Fund (SYI)
- Vanguard Australian Shares High Yield Fund (VHY)

Companies such as Telstra (TLS) and the four major banks are among the companies these ETFs invest in.

Investors need to be mindful when investing in these ETFs because the indexes behind each of the products differ from each other.

For example, the IHD tracks the S&P/ASX Dividend Opportunities Index. The ETF has a lower weighting to the banking sector, with a mid-cap tilt compared to other high-dividend ETFs.

2. Sector-specific ETFs

Banks continue to deliver good dividends for investors and have provided an average dividend yield of 7%. Moreover, these bank stocks continue to deliver capital growth, which makes them suitable for long-term income and growth portfolios.

Compared with the broader Australian share market, which posted an average dividend yield of 5%, banks are definitely among the higher-dividend-paying companies in Australia.

Investors can slice the bank portion of the share market in one transaction through

sector-specific ETFs.

Some sector-specific ETFs focus on the financial services sector:

- The SPDR S&P/ASX 200 Financials Ex-AREIT ETF (OZF) provides efficient exposure to listed financial services companies. The ETF tracks the S&P/ASX 200 Financials Ex A-REIT index comprising about 27 listed Australian shares in the financial sector, such as banks, asset managers, investment banks and insurance companies.

- The BetaShares S&P/ASX 200 Financial Sector ETF (QFN) also provides investors with sector-specific exposure to financials.

“Term deposits no longer offer an attractive yield. However, a number of investment options available for yield-hungry investors.”

It is important to note that many investors are likely to be already well exposed to the big banks, so the need for dedicated financials exposure is not clear. Therefore investors should be conscious of double dipping in the sector – those looking for specific financial exposure may be better off holding bank shares directly to avoid paying management fees.

3. Income funds

Income funds invest in fixed-income assets, which aim to generate a stable level of income. However, investors need to understand what type of income funds they are exposed to.

Traditional income funds like the Nikko Asset Management (formerly known as Tyndall) Australian Bond fund and Vanguard Australian Fixed Interest Fund (4487) invest

Christine St Anne, Morningstar

in conservative fixed-income instruments, such as bonds and high-quality investment-grade credit.

Other income-focused investments include high-yield funds. These funds offer investors returns over and above what government bonds offer.

Managed funds like the CFS Wholesale Enhanced Yield (12410) and Bentham Global Income (11773) provide investors with exposure to high-yield assets such as high-yield debt, syndicated loans and hybrids.

Getting that extra kick to your portfolio from these high-yield strategies does come with some risks.

Greater risks are associated with high-yield strategies that you get from investing in the lower-credit-quality spectrum. This is because some of these assets, such as hybrid securities, include equity strategies. These income strategies therefore include a level of equity risk.

Equity risk can hit the capital value of the assets these funds invest in. Having equity characteristics could also make these funds more correlated to equity markets compared with traditional bonds, which are purely defensive.

Liquidity risks are also greater in higher-yield strategies compared with traditional bond funds. Traditional bond strategies focus on investing in well-established developed markets, while high-yield funds can tap into other sectors that may not have the same high liquidity levels.

Investors should consider the skills of a manager and their own tolerance for risk when considering high-yield strategies.

High-yield funds play a supporting role in a portfolio. You would not want to have a substantially large portion of your portfolio dedicated to these strategies.

4. Infrastructure funds

Infrastructure funds such as the RARE Infrastructure Value Fund (14651) and Vanguard Global Infrastructure (16241) invest in global assets including utilities, airports and railway operators. These

investments tend to generate higher-than-average income levels. The assets are well established and are less correlated to the business cycle.

Infrastructure funds have the capacity to pay higher dividends than other equity strategies.

Investors, however, should be mindful that infrastructure funds invest in the equity and not the debt component of a company, and therefore these funds are exposed to equity risk.

While income can be stable from dividend payments, the value of a company can either rise or fall depending on market sentiment.

Investing in global infrastructure assets exposes investors to currency risk. While these two funds are hedged, income distribution could be impacted by a fall in the Australian dollar.

Investors may not get the income distribution they expect because of currency losses.

FIVE ways tap into YIELD! continued...

5. AREITs

The average dividend yield paid out by Australian real estate investment trusts (AREITs) has been about 6%.

AREITs are in a much stronger position following the global financial crisis. With debt levels at around 28%, dividend payouts are now largely being paid out from the earnings of these AREITs – about 75% to 85% of the payout ratios of dividends are now coming from earnings.

Many of these assets have long-term debt arrangements and lease agreements.

With the average lease agreements now at three to five years, rents won't be coming down despite any short-term volatility.

Christine St Anne, Morningstar

Saving for a special goal?

Do you have big life goals like buying a house, travelling overseas, sending your kids to a great school, or retiring comfortably? The reality is that all of these wonderful things come at a financial cost.

If you're interested in putting in place an investment strategy involving gearing to help build your wealth, but aren't sure how to get things started, we can help.

Talk to us about kick starting your wealth creation strategy through gearing. Call us on 1300 307 807 or visit www.leveraged.com.au.

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THE PROBLEM

FOR PENSIONERS & SAVERS

JOHN ABERNETHY, CLIME ASSET MANAGEMENT

"Australia's central bank governor ... said generating sufficient retirement income in a world of chronically low yields on long-term assets like bonds will be a "nontrivial" challenge for local markets... The key question is: how will an adequate flow of income be generated for the retired community in the future, in a world in which long-term nominal returns on low-risk assets are so low?... This is a global question. Just about everywhere in the world the price of buying a given annual flow of future income has gone up a lot, ... Those seeking to make that purchase now -- that is, those on the brink of leaving the workforce -- are in a much worse position than those who made it a decade ago... The problem must be acute in Europe, where sovereign yields in some countries are negative for significant durations... But it is also potentially a nontrivial issue in our own country"

The economic landscape as observed by RBA Governor, Glenn Stevens acknowledges that low interest rates are here to stay, no matter what happens. This is contrary to the thinking of Treasurer, Joe Hockey who has suggested that higher rates will follow on from Australia's debt problems. Investors may see that Hockey suggests that a credit downgrade would be good for retirees (higher interest rates) whilst Stevens says sorry, a credit downgrade will mean that rates may well fall based on the European experience.

These conflicting views and commentaries clearly show the mess that the world's financial system is in. No one knows whether bad or good news is bad or good for interest rates.

Implications for investors

So the question for investors is this: **Would Australian interest rates go up due to a credit downgrade or are they now stuck at low levels, no matter what happens?**

Based on overseas observations it seems clear to us that the latter view will transpire and that retirees need to understand the consequences for their retirement.

In our view, there will be a requirement or need for self-funded retirees to draw down on their capital at some point to sustain their quality of living. As a consequence there will need to be a significant rethink of the structure of superannuation and public pension entitlements in Australia. As Stevens has flagged, income from capital will likely be insufficient to service pensions.

The RBA Governor's comments were not surprising but it is truly alarming that he proffers a commentary without a solution. Maybe he is indicating that he has no solution or indeed is reaching out for ideas. Whatever his intention there seems an urgent need for a national summit to formulate a non-partisan response and solution to this low interest rate and slow growth environment.

To start the debate we make the following suggestions:

1. Every Australian needs to be assured that they have an "aged care" safety net.

It will certainly become a significant drag on consumption and therefore growth if retirees confronted by low yields and longer life expectancy simply pull back on drawing down capital in retirement because they need to look after themselves in aged care. Australia needs a national capital investment strategy to look after ageing population at the end of their lives. That is just one of a number of national infrastructure projects (see below) that can be kick started from our massive superannuation pool;

2. Australia needs to respond to the monetary policy settings of Europe, Japan and the US with a plan to protect our growth and our economy.

The interest rate settings that are supported by QE in Europe and Japan are economically destructive. We need a strong response and exchange controls on the flow of speculative capital into this country need to be implemented. Some will claim that this is not conducive to an open economy. That is true but the policy settings adopted by our so-called friends are destroying the retirement aspirations of our citizens, pushing up the price of investment assets and slowing our economy during its transition from the resources cycle; and

income from capital will likely be insufficient to service pensions

3. It is time to develop a massive infrastructure upgrade of public assets in Australia.

This can be achieved by the issue of high yielding infrastructure bonds that should by law only be held by Australian citizens and preferably by pension funds. Our massive super savings pool needs to be garnered into productive investment. There will be a growing need for income (as flagged by Stevens) and this requirement can be met by an infrastructure bond issue that is supported, if required, by a sensible QE program. A QE strategy focused on funding growth would be unique in the world. Too much QE has been directed at manipulating interest rates and the result is low growth.

Time for Australia to act

The above may sound fanciful but they are suggestions that should be placed with others in a serious policy debate to set Australia's future. Today, more than ever, the future is becoming harder to predict. The economic policy settings that send interest rates into negative yield territory are without precedent and it appears with little concern for the full range of negative consequences.

RBA Governor Stevens' comments suggest that he is uncomfortable with the direction of interest rates in this country. He should be comforted by our observation that every thinking person in Australia is also concerned. It is time for the political leaders to acknowledge that conventional policy will not work. It is time for Australia to act in our interest and not be dictated to by overseas leaders who simply do not know a way forward or indeed a way out of the mess they have created.

John Abernethy is the Chief Investment Officer of Clime Asset Management. For more insights, research, market commentary and events, register for our weekly Investing Report by visiting www.clime.com.au

Do you have enough international exposure in your portfolio?

Offer for AIA members*

The Australian sharemarket makes up only 3% of world equity markets and is heavily over-represented by banks and the resource/energy sector. **What if the banks slide and the resource sector finds new lows?**

For some time, we have informed investors to consider 'casting their net wider' into the international universe and take advantage of:

1. Predicted ongoing weakness in the Australian dollar (versus the US dollar)
2. Emerging market trends, including Asia's growing consumer class
3. Opportunities in today's fast growth industries, IT, healthcare and telecommunications
4. A significantly larger investment universe of high performing businesses

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HAVING YOUR *CAKE*

HAVING YOUR *CAKE*
continued...

Marcus Padley, Marcus Today

As a child I was told ‘you can’t have your cake and eat it’. As an adult I learned that if you are smart and play your cards right, you can sometimes have your cake and eat it too.

The finance industry has recognised that there is an opportunity in helping those who are asset rich but are in need of income or free cash. They offer ways of accessing the equity in your home without having to move out, giving an apparent win-win situation. The finance industry is not being a fairy godmother – it is in there to make a profit, so the costs of this help are significant.

REVERSE MORTGAGES

The easiest method to understand is the reverse mortgage. This is where you negotiate a loan against your home and take the money as a lump sum or as a line of credit. The line of credit can provide regular payments to supplement your pension income. You don’t pay any interest until the property is sold or you die at which time several years of interest becomes due.

The ASIC MoneySmart website is a ‘must read’ for anyone considering this option – search ‘reverse mortgages’. The site gives an excellent overview of reverse mortgages and the alternatives. It includes an alarming illustration of how compound interest can compound in the following graph.



That is all based on today’s exceptionally low interest rates. What if they double? Clearly you cannot look to this option as a long-term solution, though it might be very valuable to someone needing cash to meet a short-term emergency. Drawing down on a line of credit will have a much lower long-term cost because the interest in the early years will be much lower. The graph is alarming, but government regulations do prevent the borrower from entering a negative equity situation. There are lots of conditions, so it’s very important to study the small print and get legal and financial advice.



“ You can have your cake and eat it but you are going to have to pay quite a lot for the privilege. ”

HOME REVERSION SCHEMES

Home reversion schemes are, for me, a more interesting option because there is more certainty in the outcome. The costs are more clearly seen up-front. Currently they are only available in Sydney and

difference between the real value of 50% of your house and the cash you receive covers all the company’s cost including interest, risk and a profit for Homesafe.

There are no forced sales and you can buy back at any time. You can even move out and lease the house to someone else. I tried to find out just what they would offer me, but backed off when I had to give full name and contact details. I don’t want to be on someone’s marketing target list for the next 15 years. It is clearly going to be very hard to establish the real cost of following this route without getting deeply involved with the company.

INCOME STREAM OPTION

Yet another option is available from POPI, which stands for ‘property options for pensioners and investors’. POPI provides an income stream in exchange for an agreement to purchase your house at an agreed price when certain predefined circumstances occur. We have to assume that for this to be profitable for POPI’s investors, the agreed purchase price will have to be heavily discounted.

SIGNIFICANT COSTS

All the above options clearly have a quite significant cost for people who may be already a bit stretched financially. They all tend to significantly reduce the amount available to any beneficiaries and run the risk of leaving the pensioner without a sufficient deposit should they need to move to a retirement home.

You can have your cake and eat it but you are going to have to pay quite a lot for the privilege.

OTHER OPTIONS

There are other options.

One of our friends has rented a room in their house to a student for a number of years. They like having someone else in the house and there’s always someone there to walk and feed the dog if they go on holiday. Getting \$150 to \$200 a week, for example, in Melbourne should not be too hard.

For a bigger income some houses can be divided, allowing the letting of a small apartment for considerably more than can be realised from one room. The cost of the alterations could well be much less than the cost of a reverse mortgage, but you do need to take advice on the impact of capital gains on the let portion of

Finally, what about the relatives? Who is going to inherit and are they in a position to help? Rather than see a big portion of their inheritance go to a finance company, they may well be willing to keep the money in the family. If a partial sale can be structured for a finance company it should be possible to structure a similar deal within the family. The legal fees are likely to be much less than the cost of a reverse mortgage or the alternatives.

The opportunities are there, but only a small number of retirees take them up. Seniors First site says 41,435 households have reverse mortgages. That’s less than 2% of seniors. The average size is \$85,000 and the average age is 71.

Having had a good look at the options, I think I would prefer a nice clean arrangement and just downsize.

Marcus Padley, Marcus Today

Global performance²

Performance 30 April 2015 Net of all fees*	6 months %	1 year %	3 years % p.a	5 years % p.a	Since Inception % p.a
K2 Global High Alpha Fund	20.9	29.8	28.2	26.4	25.8
K2 Asian Fund	24.7	34.9	21.1	10.3	12.2
K2 Select International Fund	23.2	30.4	18.4	12.1	12.6

Since inception, the K2 international funds have achieved positive returns.

Investors looking for global equities exposure should consider these funds as our active fund managers constantly seek out international opportunities and are forever vigilant.

Our consistent performances clearly demonstrate that **vigilance rewards**.

Find out more at: www.k2am.com or telephone 61 3 9691 6111

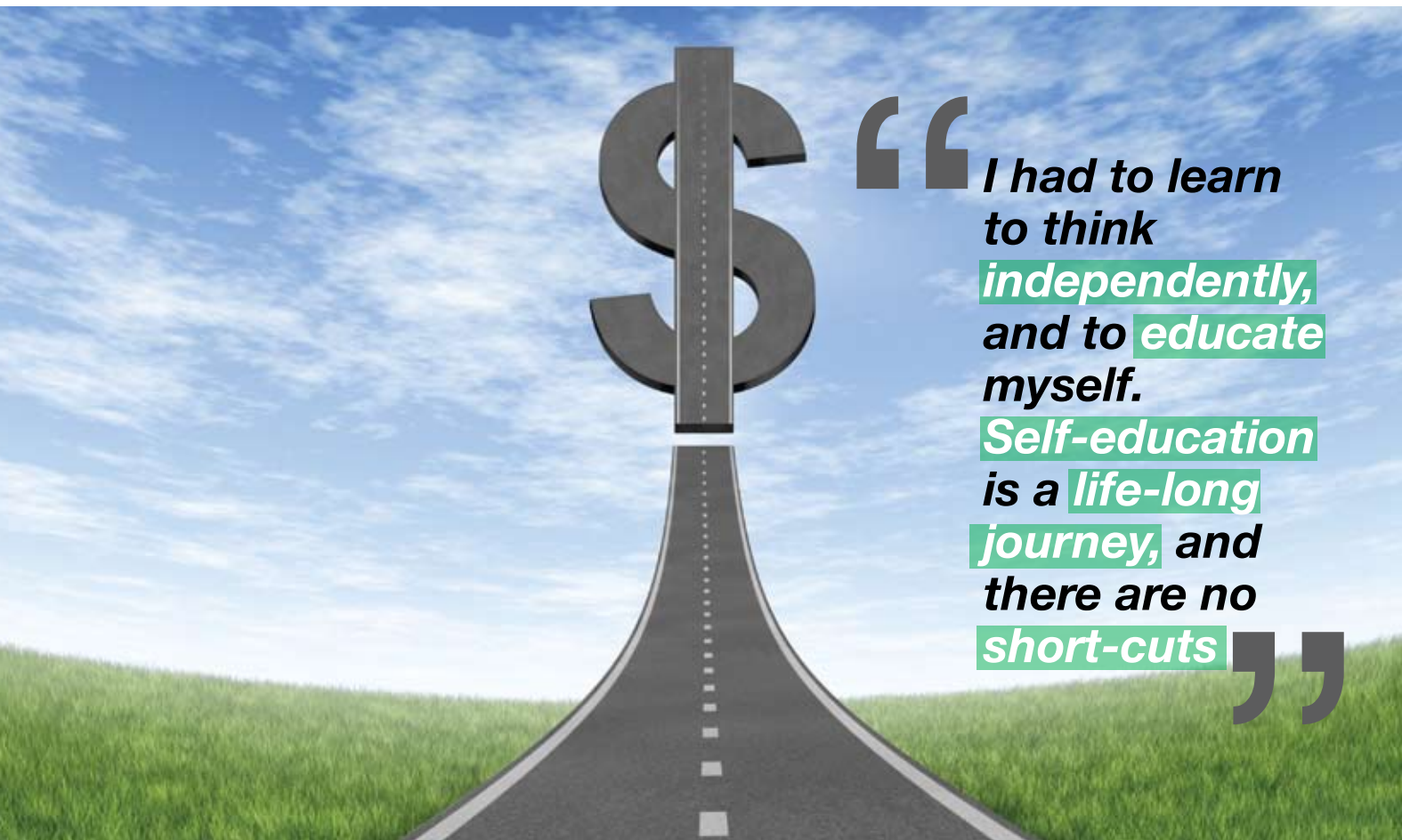
Vigilance Rewards

Past performance is not a reliable indicator of future performance and should not be the sole factor considered when selecting a financial product. Fund returns are annualised compound rates, net of all fees, exclude individual taxes, assume dividends are reinvested, and consist of income and capital return. K2 Asset Management Ltd ABN 95 085 445 094 AFSL 244 393 ("K2") is the issuer of the K2 Global High Alpha Fund ARSN 139 669 293 (inception 1/12/09), K2 Asian Fund ARSN 106 882 384 (inception date 1/9/99) and K2 Select International Fund ARSN 112 222 465 (inception date 1/1/05). You should read K2's product disclosure statements (available from K2), and consider whether these products are appropriate for you, before deciding to acquire or continue to hold an interest in any K2 fund. K2 and its related parties do not guarantee the repayment of capital or the performance of any K2 fund. A cooling off period is available to some clients. The K2 funds' portfolios can diverge significantly from underlying market indices.



My SMSF Journey

Michael Tan



“I had to learn to think independently, and to educate myself. Self-education is a life-long journey, and there are no short-cuts”

While I was in the final year of my medical degree, the financial planning industry was busy marketing themselves to me and my fellow medical students. There were promises of great sums of money at the end of my career, in addition to great savings in tax should I decide to invest with their products. Not a single word was said about risk and conflicted advice.

This marketing strategy was very attractive to a new medical graduate, who was also very naïve in many ways. Risks that were not understood, together with inexperience, meant that I was vulnerable to the marketing strategies employed by the financial industry. For example, I did not ask, “Is the nice gentleman talking to me (either face-to-face or on TV, etc) about the products that would make me rich really interested in my best interests?”

This was a question that I never asked, but should have – I had to learn to think independently, and to educate myself. Self-education is a life-long journey, and there are no short-cuts. We need to be humble about our education without giving in to despair at the enormous challenge in recognising vested interests and conflicted advice.

In 1987, soon after graduation, I commenced a whole-of-life insurance policy with a prominent financial institution. I then met someone through a social network I was part of, who suggested that I start a SMSF, and educated me about the hidden fees in

the insurance policy. The issue of control, taking responsibility for my decisions, and learning from my mistakes was a very appealing motivation to start a SMSF in 1987. Furthermore, I did not see why I should pay someone to lose money for me. I have not had a financial adviser since.

My superannuation was initially an “Employer-sponsored” fund, with my own company that employed me - as I could not be “self-employed” at the time. Eventually, this arrangement was unravelled, and we switched to individual trustees, and finally to a corporate trustee in 2009. Outside super, I invested in residential property – aiming to be cash-flow neutral instead of negative gearing. This has something to do with my upbringing. My father always taught his children to be careful of borrowing money – we always have to pay it back! It also did not make sense to invest deliberately for a loss. Investing for a loss inherently biases me psychologically against making a sound investment decision.

The Fund was started with \$15,000. My policy from the financial institution was rolled over into the SMSF, together with my wife’s employer contributions. The Fund was initially invested in managed funds, not only due to its small size, but on the recommendation of the financial adviser who helped set it up, who no doubt enjoyed the commissions. Then, came the 1987 share-market crash. I was not happy with the result, and took full control over the running of the Fund after that, together with the help of my accountant.

Eventually, through ongoing contributions and compounding returns, the Fund reached its first \$100,000 in 1993. Looking back, although I would not start with \$15,000 today, it was a good learning experience in how small amounts can add up and compound over a number of years. When first starting out, I was not aware of risk and money management (including diversification and position sizing), so in many ways I consider myself fortunate that I survived this period financially intact. I also made many mistakes, including investing in gold and the materials sector, ignoring the importance of dividends and their sustainability.

A significant moment in the history of the Fund was the impact of Peter Costello’s changes in 2007 to make pension payments after 60 tax-free, and in effect abolishing the Reasonable Benefits Limit. The Fund was then able to make use of the \$450,000 carry-forward rule to effectively double in value in 2007 (my wife was 64 at the time). This was just before the GFC, so the risks were high for new money coming into the Fund. Since I knew that I needed to take seriously my responsibility for managing the Fund professionally, I decided to undertake the work needed to educate myself. I enrolled in formal courses and paid for seminars (and avoided the “free” seminars that were marketing strategies rather than education). One consequence was that I joined the AIA.

My SMSF Journey

continued...

I have a two year plan to retire after reaching 60. My plan is to diversify appropriately, without becoming over-diversified. My focus is on sustainable dividend and rental yield, with growth that matches the inflation rate. I need to be watchful for signs of inflation emerging, and my plan will have to take this into account. While I may have my best interest at heart, I cannot be naïve – there are risks to be managed. This is why I am a happy member of the AIA - Investors helping Investors!

Michael Tan is a member of the AIA and coordinates the Hills District Discussion Group, in NSW.

“I have a two year plan to retire after reaching 60. My plan is to diversify appropriately, without becoming over diversified.”

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9 NINE GOLDEN RULES FOR SUCCESSFUL SHARE-MARKET INVESTING

TIM LINCOLN
LINCOLN INDICATORS

A share in a company is part ownership of the future earnings of the business. Therefore, when you are assessing stocks for inclusion in any portfolio, it makes sense to analyse the underlying factors that will influence the future profitability of the company. The most effective way to determine the true financial position and prospects of any listed company is through fundamental analysis.

Fundamental analysis is an approach to stock evaluation that involves the examination of a company's financials and operations through analysing balance sheets, profit-and-loss statements, cash-flow statements and other variables that are directly related to the company itself.

At Lincoln, we employ fundamental analysis to identify the best opportunities on the market using our academically proven framework called Nine Golden Rules. This unique investment approach combines quantitative and qualitative measures to pinpoint fundamentally superior stocks, as well as any potential disasters to avoid.

Golden Rule 1: Financial health

The Lincoln Financial Health score analyses the true financial risk of every ASX-listed stock and is calculated by looking at a company's financial accounts, in particular the profit-and-loss statement, balance sheet and cash-flow statement.

This Golden Rule 1 indicates the likelihood of corporate failure should there be a significant downturn in the economy, or an event that prevents the company from meeting projected earnings figures.

Golden Rule 2: Management assessment

Identifying an excellent management team is key to selecting good companies with a strong track record of fundamental performance. Successful analysis of this underlying management performance is a powerful tool for recognising successful, well-run companies that will pass their success on to their owners, the shareholders.

At Lincoln, the crucial criteria to consider when measuring management's performance when assessing a company's growth potential are return on assets (ROA), return on equity (ROE), earnings per share (EPS) growth and revenue growth.

When assessing a company's capacity to return income to shareholders, you should examine a company's dividend yield relative to the overall market, franking percentage of these dividends and the cash flows necessary to source these distributions.

Golden Rule 3: Outlook/forecast

To determine whether a company's strong fundamental performance is sustainable, you should focus on a company's ability to continue to meet its management assessment benchmarks established in future periods. This requires an evaluation of the company's forecast performance for these future periods.

While this can be a complex exercise, investors should understand that the future income and performance of their investment will be reliant on the future successes of the companies they invest in.

When you are assessing stocks for inclusion in any portfolio, it makes sense to analyse the underlying factors that will influence the future profitability of the company.



Golden Rule 4: Share price value

Lincoln utilises the Lincoln Valuation to determine the intrinsic value of covered listed companies, which incorporates the forecast prospects of a company.

However, if this is not available a consensus market value may be utilised to assist.

Alternatively, a simpler approach is to use the price earnings (PE) ratio to indicate whether a company is undervalued or overvalued at its current share price in relation to its industry average PE. However, some companies are capable of justifying above-market PE levels due to their superior growth potential. A good rule of thumb to assess these companies is whether the company's PEG (PE/EPS Growth) is less than 1.

Golden Rule 5: Share price sentiment

At a minimum, the share price today should be higher than the market over 12 months. Keep an eye out for undervalued stocks, where the share price is moving in the right direction, as longer-term upward trends are an indication that the company and its activities are perceived favourably within the market.

However, investors should take a holistic approach and recognise that sometimes opportunities are created when quality companies are oversold by the market.

Golden Rule 6: Liquidity and size

Before purchasing a stock, we recommend that you consider that there may be a time when you wish to sell it. To ensure you are able to liquidate your entire holding of a company at any particular time, we suggest that the average 'daily volume traded' figure should be at least five times your exposure level. For example, if you're considering purchasing a \$10,000 stake, you should look for an average 'daily volume traded' figure of at least \$50,000.

A company's market capitalisation is the total dollar value of all issued shares. Traditionally, companies with larger market capitalisations tend to experience less volatility in share price and have greater daily volume traded than stocks with smaller market capitalisations. It is important to consider what size stocks suit your portfolio given your risk profile.

Golden Rule 7: Principal activities

You should have an understanding of the industry that the company operates in and the underlying factors that will influence the growth potential and future profitability of the company.

Apart from looking at the financials, an investor should enhance their knowledge and understanding by visiting company websites, reading annual reports and attending annual general meetings.

9 NINE GOLDEN RULES FOR SUCCESSFUL SHARE-MARKET INVESTING

Golden Rule 8: News and announcements

Announcements can have major implications for a company and consequently its share price. A good example of this is when companies announce revised profit guidance to the market. As such, it is imperative that investors keep abreast of what is occurring and utilise their knowledge of the company's principal activities to appraise the implications for the business.

Golden Rule 9: Follow all of the above rules!

Finally, the last and most important rule is to maintain your vigilance. Ensure that you apply your intellectual framework and adhere to these important rules – not just when looking to buy a new stock, but when you hold it as well.

Confirming that all the stocks in your portfolio meet your golden rules will reward you with a well-structured portfolio positioned for success to meet your long-term investment objectives

Tim Lincoln, Managing Director, Lincoln Indicators

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What say you, Santa?

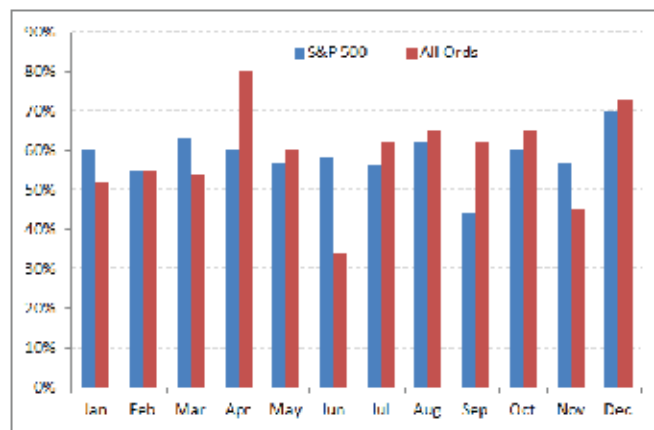
Nick Radge

“ Now that we all know and talk about the Santa Claus rally, is it dissipating? ”

Twice a year seasonal influences become the hot topic of conversation across social media – Sell in May and the Santa Claus rally.

Let's take a look at a few stats on the monthly ups and downs throughout the year and see where December fits in.

For this simple test we buy on the first trading day of each month and exit on the first day of the next month. We use All Ordinaries data back to 1980 and S&P 500 data back to 1927.



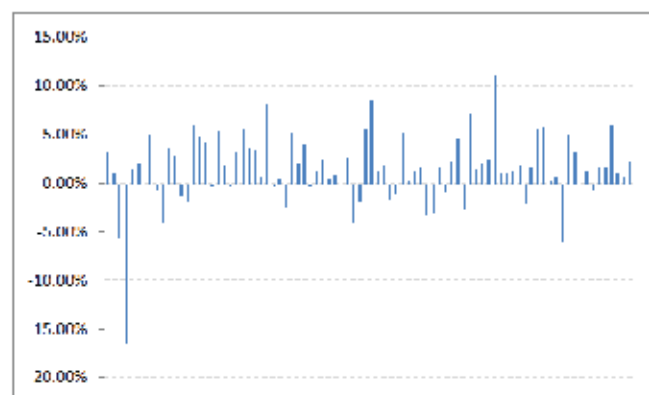
December offers consistent gains of about 70% in both Australia (73%) and the US (70%). April for Australia has been the only better performer.

In Australia the average December gain since 1980 has been +1.92%. The best December was +8.17% in 1993 and the worst was -3.02% in 1990.

In the US, since 1928 the average December gain has been +1.43%. The best December, +11.18%, was 1991 and the worst in 1931 at -16.63%.

Now that we all know and talk about the Santa Claus rally, is it dissipating?

Below is the S&P 500 return plot for the months of December since 1928, which remains reasonably stable; two minor losses over the last 10 years keep the win rate above average. This year, however, is off to a poor start – the US is -2.0% and the ASX is -2.2%.



I'm not a big fan of seasonal influences such as day of the week, day of the month, first day of the quarter etc. Usually there is no rational basis for them and usually the supporting data is thin on sample size.

The same can be said for the Santa rally. In years gone past there may have been a reason such as year-end window-dressing or rebalancing, but this anomaly is not strong enough to rely on in the future.

Nick Radge, Head of Trading & Research at The Chartist, www.thechartist.com.au.

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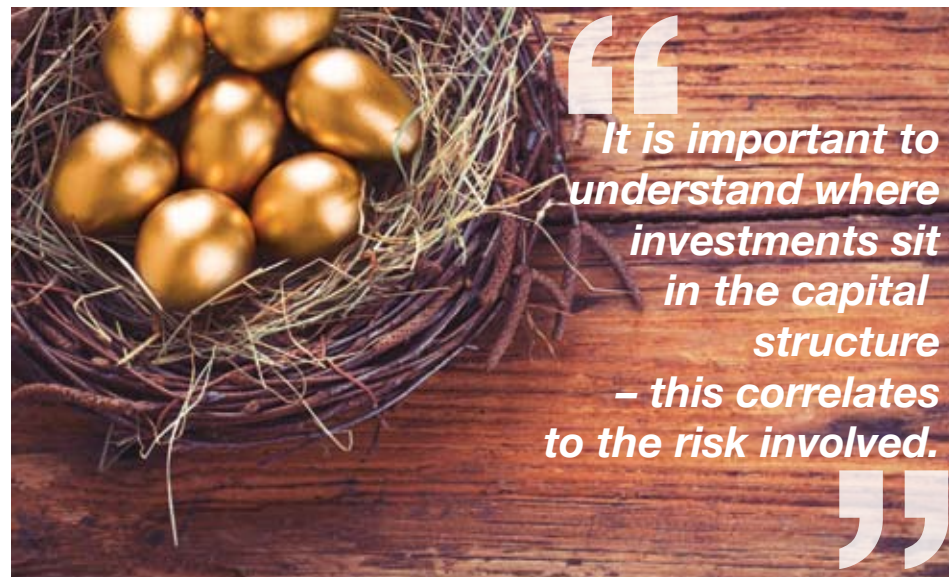
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AIA2

The top 10 bond risks you need to know

Elizabeth Moran, FIIG



“It is important to understand where investments sit in the capital structure – this correlates to the risk involved.”

While bonds are lower risk than shares in the same company, they carry some of the same risks. They also have unique risks that you can take advantage of under various economic conditions.

In recent years, bond investors have been attracted to fixed-rate bonds, partly because of their expectations that interest rates will fall, leading to a capital gain if they sell prior to maturity. They have been rewarded with double-digit returns, especially on long-dated, low-risk, fixed-rate and inflation-linked bonds.

A more recent strategy has been to invest in US dollar denominated bonds in the expectation that the US dollar would appreciate against the Australian dollar. This has generally been a rewarding trade for wholesale investors, but some investors in high-risk companies have seen gains from the appreciation of the US dollar outweighed by falls in the price of the bond caused by an increase in perceived credit risk of the company.

Foreign-currency bonds continue to be attractive to those investors who expect the US dollar to appreciate further against the Australian dollar.

Risk means different things to different investors. To some it means uncertainty or possible volatility in returns and to others the possibility or odds of losing money or the chance of unwinding a position at a loss.

There are many bond risks; here are the top 10 on my radar.

1. Credit or default risk – the bond issuer may be unable to meet the interest and/or principal repayments when due, defaulting on the bond. Generally, the higher the credit risk of the issuer, the higher the credit margin that investors will expect in return.

2. Interest-rate risk – associated with an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. This mainly affects fixed-rate bonds. When the expectation of interest rates is that they will rise, fixed-rate bond prices will fall, and the reverse is also true. Expectations of lower interest rates will see fixed-rate bond prices rise. This is also known as duration.

Floating-rate bonds are more capital stable given interest is adjusted quarterly to reflect changes in the underlying benchmark rate.

3. Call risk – faced by a holder of a callable bond that a bond issuer will or will not call the bond at the first opportunity.

Companies have the right to repay the bond before the final maturity date or leave it on issue on specific call dates. Companies will generally act in the best interests of the company, for example opting to extend maturity if it would cost them more to

reissue a new bond, or repaying at first call if they could refinance at a lower interest rate. Financial institutions will also weigh up reputational consequences of calling early or extending and in the past have placed a very high reliance on reputation. However, regulatory changes since the GFC are changing that balance with regulators ensuring the decision is primarily based on the cost of funding.

If a company fails to call a bond and the maturity date is extended it is likely the value of the bond would fall on the secondary market.

4. Early redemption risk – faced by a holder of a callable bond that a bond issuer will take advantage of the callable bond feature and redeem the issue prior to maturity. This means the bondholder will receive payment on the value of the bond (typically at par) even if the bond was trading at a premium (over its \$100 face value). In good economic times, there is also reinvestment risk in that the investor may be reinvesting in a less favourable environment (one with a lower interest rate).

5. Liquidity risk – this is the risk that a security cannot be easily sold at, or close to, its market value.

During extreme events such as the GFC, illiquidity is heightened. Generally the lower the risk of the bond the easier it will be to sell at or close to its market value. Part of the premium for investing in higher-risk bonds is to compensate for lower liquidity.

6. Inflation risk – mainly associated with fixed-rate bonds where there is a set return that may not cover inflation if it starts to spiral. Inflation-linked bonds directly hedge inflation risk while floating-rate notes would somewhat protect investors, with expectations of higher interest rates to combat inflation likely to increase the underlying benchmark interest rate, typically BBSW.

7. Exchange or currency risk – arises from moves in foreign currency rates. Can be divided into transaction risk where currency fluctuations impact the proceeds of specific transactions and translation risk which affects the value of assets and liabilities.

The top 10 bond risks you need to know continued...

8. Political or country risk – loss when investing in a given country caused by changes in a country's political structure or policies, such as tax laws, tariffs, expropriation of assets, or restriction in repatriation of profits. Since the GFC, political and sovereign risks have been high. Sovereign risk is essentially the credit or default risk of a country but also results in heightened risk of political and regulatory changes.

9. Regulatory risk – the risk of regulation changes on a business or industry. This is particularly relevant for financial institutions such as banks and insurers as regulatory changes may have material changes on the value and call risk of regulatory capital securities such as subordinated bonds (or Tier 2) and hybrid (or Tier 1) securities. The non-viability clause required in any new subordinated and Tier 1 security issue is a good example of regulatory risk.

10. Event risk – risk due to unforeseen events, for example a company making a large acquisition.

It is important to understand where investments sit in the capital structure – this correlates to the risk involved. Investors should frequently reassess their return and whether this is sufficient given ever-changing market expectations of credit risk, call risk and interest rates. Moreover, they should ensure that the additional return for moving down the capital structure compensates for any additional risk.

Elizabeth Moran, Director, Client Education & Research, FIIG

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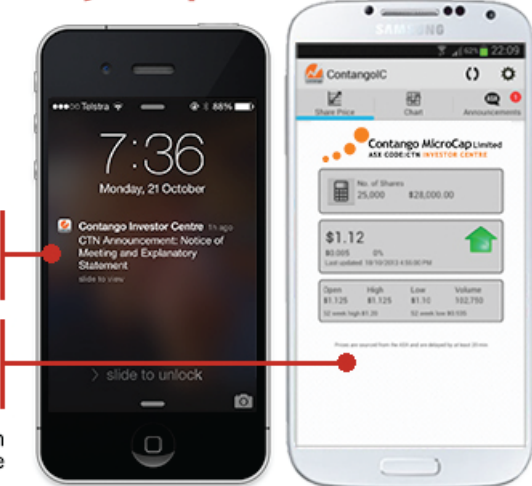
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FAMILY Fights & FAMILY Trusts

Bernie O'Sullivan

The now-very-public dispute over the Margaret Hope Hancock Trust has wealth, power, family brawling and glimpses into the private affairs of a wealthy family – epic ingredients for a media feast. Similar spats involving family trusts controlled by other prominent families are currently being played out in the courts.

So what lessons can be learnt from these cases?

A 'family trust' is a trust created during a person's lifetime. The usual features are:

- It is 'discretionary' – the trustee has broad discretions including whether to make distributions and, if so, whom to and in what proportions;

- It has been established at the request of a person who is referred to in the trust deed as the 'primary beneficiary';

- The beneficiaries of the trust are broadly defined and include the primary beneficiary, their spouse, children and other lineal descendants, their siblings, nieces and nephews, trusts or companies they or other beneficiaries are associated with, and charities;

- The primary beneficiary controls the trust by virtue of their role as trustee (or director of the company trustee) and 'appointer' of the trust; and

- The trustee may invest in virtually any type of investment and lend monies to beneficiaries on generous terms;

- The 'vesting date' is usually the date 80 years from when the trust was established (but can be earlier).

Key lessons from current and past cases

Primary beneficiaries do not own the trust assets. It is not uncommon for a primary beneficiary to mistakenly regard the assets in the family trust as his or her own personal property.

Two problems arise from this misconception. First, the trustee (under the control of the primary beneficiary) treats the assets as belonging to the primary beneficiary and ignores the significant obligations and duties owed to the trust and other beneficiaries, leaving the trustee open to be sued. Second, many primary beneficiaries make a will mistakenly believing they are disposing of the family trust assets when in fact none of the assets in the family trust form part of their estate and therefore cannot be dealt with by their will.

Beware the Family Court

Although beneficiaries of family trusts have a 'discretionary' interest in the trust and not a 'fixed' interest, the Family Court may regard their interest as 'property of the marriage', some or all of which can be allocated to a former spouse.

Primary beneficiaries are understandably concerned about the possibility of claims against the trust by their partner or (increasingly, as the Primary Beneficiaries age) by their children's partners. Strategies dealing with this significant risk must be implemented wherever possible.

Understand loan accounts

Many family trusts make regular 'book-entry distributions' to beneficiaries, such as the primary beneficiary's children. The 'distributions' are not physically paid from the trust but recorded as journal entries showing the amount leaving the trust then returning as a loan back to the family trust from the beneficiary.

It is imperative to understand the legal consequences of these distributions/loans because at some stage the beneficiary just might knock on the trustee's door and ask that the loans be repaid!

Amending the deed is not always easy (or possible)

Some deed amendments can only be made with the approval of all of the beneficiaries or of the Court. However, as the beneficiaries of a family trust usually include minors and unborn children, it is often impossible to obtain the agreement of 'all the beneficiaries'.

Seeking the approval of the Court is costly, results in the details of the trust becoming public and may not be successful.

Amending the deed can amount to a resettlement for tax purposes

Some deed amendments change the nature of the family trust so much that the Commissioner of Taxation will regard the old trust to have been wound up and a new trust established.

It is essential to obtain advice before changing family trust deeds.

In such an event the trust is said to have been 'resettled' and a CGT event to have occurred on the change date, giving rise to a potentially significant CGT liability. It is essential to obtain advice before changing family trust deeds.

Compliance pays

Some trusts have, shall we say, 'compliance issues'. A judge will not hesitate in referring a matter to the Commissioner of Taxation if taxation compliance issues exist. Other compliance issues may relate to the legality of past resolutions or distributions. It is not uncommon for an aggrieved beneficiary to use past shortcomings in compliance as leverage in a dispute.

“It is not uncommon for a primary beneficiary to mistakenly regard the assets in the family trust as his or her own personal property.”

FAMILY Fights & FAMILY Trusts
continued...

Be careful with promises

Many family trusts operate family businesses that employ family members. Take care with promises such as 'One day, all this will be yours!' as they can give equitable and legal rights to the promisee.

A recent Victorian case went all the way to the Supreme Court of Appeal because of a dispute between a father and a daughter over alleged representations regarding control of the trust upon the father's death. The father successfully defended the claim, but the cost to all parties (in dollar and emotional/family terms) must have been enormous.

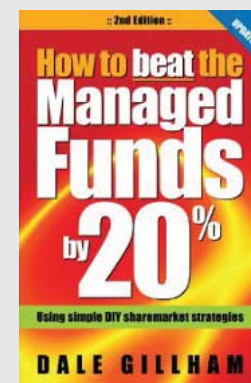
Trustees should not seek to control the way beneficiaries behave

A classic example is the Western Australian case where two uncles controlled a trust where the main beneficiaries were their nieces. The uncles made it clear that they expected the nieces to live their lives a certain way, otherwise they would not receive future distributions. The Court removed the uncles from their controlling positions.

Family trusts were first regularly established in the 1970s and 1980s. The time for transfer of control of these trusts is now rapidly approaching. Many trustees have not given adequate attention to the need to protect trust assets.

It is essential to seek advice from a lawyer experienced in all aspects of wealth succession to avoid the types of bitter, expensive and public disputes that we now see arising.

Bernie O'Sullivan, Principal, Bernie O'Sullivan Lawyers



BOOK REVIEW “How to beat the Managed Funds by 20%”

Author	Dale Gillham
ISBN	0-646-44639-8
Publisher	Stonehenge Publishing
Publication date	2014
Publication place	Australia
RRP	\$29.95

The final three chapters explain how to use leverage and the benefits and risks of leverage; discuss succinctly behavioural finance, money management and managing trades; and explore the mechanics of the share market covering issues such as selecting a broker and setting up a trading account, dividends and dividend imputation, and taxation issues.

Overall, the book is concise, easy to read and free from technical jargon, which a novice investor would find appealing. However, I was a disappointed that the 'updated 2nd edition' was actually updated in 2005 and the copy that I received to review was only a (fourth) reprint of the 2nd edition which is now over 10 years old.

Possibly a good starting point for the novice investor who is seeking to achieve financial independence though direct share investing.

In his preface, Gillham does point out that 'human emotions drive the market and over time these emotions remain constant' and 'therefore it is not necessary to use the latest market data'. While this may be true, I feel that Gillham, by incorporating market data encompassing the GFC, could have provided readers the opportunity to see how his methods would have fared during one of the most severe bear markets in recent history.

Additionally, I found it off-putting to be referring to tables and charts dated as far back as January 1997. Equally as off-putting is the reference to stocks that are no longer listed on the ASX, and to which many readers would not relate.

Nonetheless, Gillham's book does contain some useful information and at under \$30 is possibly a good starting point for the novice investor who is seeking to achieve financial independence though direct share investing.

Vimal Mehta

Dale Gillham's aim in writing <How to beat the managed funds by 20%> is to teach readers simple DIY investment strategies to help them take charge of their financial destiny. By understanding and implementing the techniques outlined in his book, I feel that an investor might well handsomely beat the managed funds they presently invest in.

In the first three chapters, Gillham lays the foundations. He challenges the reader to give their existing investments a reality check; debunks common myths spruiked by the funds management industry; and provides tips on how to take back control of their investments.

From three golden rules to success in the share market, Gillham next discusses how to select a portfolio, how to select the right stocks for the chosen portfolio, how to construct a portfolio with different amounts of capital, and explains diversification.

Building from this, he discusses using fundamental and technical analysis to reduce risk and increase returns.

In 'Riding the waves of success' Gillham demonstrates how a portfolio constructed using his techniques would have performed over a 10-year period. Numerous tables and charts help to explain the decision-making behind the various 'buys' and 'sells' made during this period and the importance of compounding to investment returns.

Property vs *shares*

Harold Medd



The core advantage of property over shares is that the banks will more readily lend into the property market and investors will more readily borrow. It's accepted that you leverage into property. The borrowing rates are lower and you can get a higher LVR than you can with shares. That's basically the difference.

In other words, the key advantage of property is that you can put up \$100,000, borrow \$900,000 and when the property market goes up 10% you double your money. But when the stock market goes up 10% and you are not geared, you make \$10,000. In other words, the main advantage of the property market over shares is that it more acceptably, and at lower interest rates, enhances the power of leverage.

Other advantages of property over shares:

□ **The Australian property market has gone up.** It is basic to say, but it is an undeniable fact that the property market has provided Australians with steady gains for decades and they have become used to that. To the joy of property developers it has become an Australian assumption that 'property always goes up' and if it doesn't, wait.

□ **Stability.** Hindsight suggests that the property market is more stable with low volatility and only irregular isolated rather than systemic disasters. It can of course change, but it hasn't.

□ **Safety.** The property market is perceived as safer than shares and the experience of the GFC absolutely confirms that. While shares fell 54.5%, Australian property owners were basically, except for a few pockets, undisturbed. Property is perceived as a safer asset class than shares.

□ **Adding value.** People can add value to property. They find it very hard to add value to shares.

□ **Collateral benefits.** Property delivers enormous non-financial benefits if you live in it. You can't live in shares.

□ **Forced saving.** People are driven to be disciplined by the gearing. They are forced to budget and save and be financially responsible when in debt. They pay down the debt and so build equity more reliably. This is not the culture in shares.

□ **Protected.** The government and the banks do everything they can to ensure a stable property market, which is core to confidence, economic stability and growth and key to the investment risk. On the other hand it is well accepted that there is little they can do to support the equity market so when it falls they simply let it go, it is not government-backed. Property is. The whole nation's interests are deeply rooted in the stability and success of the property market.

□ **Tax breaks.** Negative gearing is a remarkable bonus that advantages the investor over the other taxpayers. You can get it in shares as well of course, but only if you borrow. Your principal residence in Australia is also free of capital gains tax. This is a massive advantage for younger Australians relative to shares, and anyone not taking advantage of that and buying shares or an investment property instead hasn't done the numbers.

Basically, investing in leveraged property is a great investment if all the assumptions are right, if history continues to repeat itself, if property always goes up and if there is no 'tsunami event' that re-prices the whole property market and allows my daughter to buy even half a standard block near her parents, which at current prices, she most certainly can't.

“Leveraged property investment is great if all the assumptions are right, if history continues to repeat itself, if property always goes up and if there is no 'tsunami event'.”

So what is the attraction of shares? I'll tell you.

□ **Risk is in the culture**, it is understood, expected and it is managed. Most property investors are unprepared for risk, they have to assume it will never happen and God forbid if it ever does.

□ **Shares also have liquidity**, low entry costs, can be bought and sold in bits, you can take a big or small exposure and exit on a click.

Property vs *shares* continued...

□ **Their yields include franking.**

□ They can also offer **exposure to massive returns** rarely available in property.

□ They can be **short duration or long duration**, not just long duration.

□ **Execution is instant.**

□ **They are suited to automatic exit systems.**

□ **There is no stamp duty.** There are thousands of products to choose from.

□ **International investment is easy.**

□ **Tsunami events can be avoided.**

□ **You don't have to fix the toilet if it goes wrong.**

□ **No-one can burn your shares down.**

□ **And if you're old enough there's no capital gains tax.**

I like my principal residence; I won't pay tax on that, I live in it and I can add value to it. But that's enough.

Borrowing more money to buy an investment property that makes no return unless the property market goes up is much more risky to me; there are too many assumptions and not enough liquidity. If my kids lived in it that might be different. It delivers value.

But purely as an investment? I'll stick to shares, I don't have to have faith in the market and I don't have to borrow. It's also what I do, and we should all stick to what we do best.

Harold Medd

THE SEARCH FOR RETURNS THE CHALLENGES AHEAD



CREATE YOUR OWN INVESTMENT PLAN

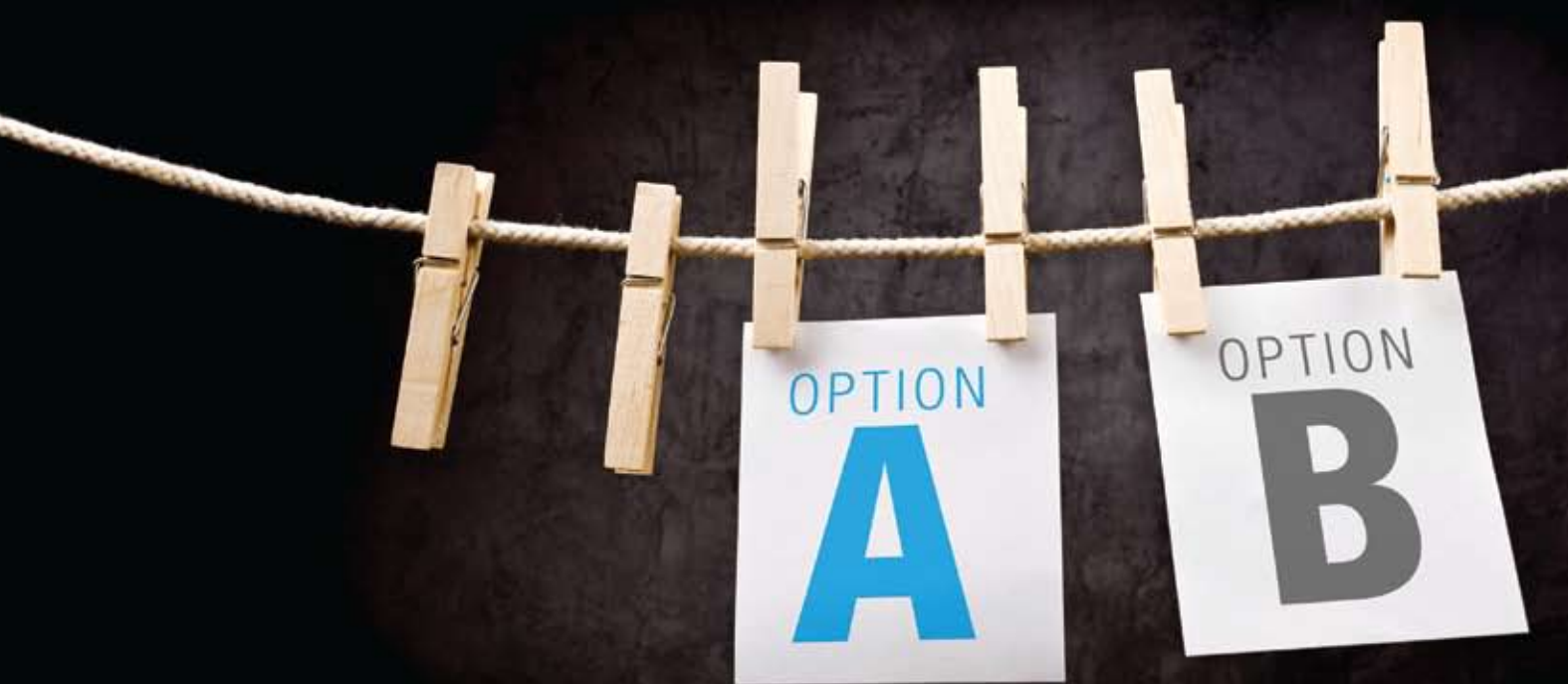
This year we are incorporating a workshop (multiple sessions) 'Create your own investment plan'

NATIONAL CONFERENCE

2ND - 5TH AUGUST 2015
MARRIOTT RESORT & SPA
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Calendar of Events

Please Note:

As AIA events are confirmed, details are posted to the AIA website www.investors.asn.au

Please note topic is subject to change.

JUNE 2015

2/06/2015	Adelaide Information Group	7.00pm	German Club, 223 Flinders St, Adelaide (Wolf Blass Weinkeller Room) SA
2/06/2015	Perth Information Meeting	7.00pm	Wembley Downs Tennis Club, Cnr Morden & Ednah St, Wembley Downs WA
3/06/2015	Brisbane Information Meeting	1.00pm	Broncos Leagues Club, Fulcher Rd, Red Hill QLD
3/06/2015	Sydney Hills District Discussion Group	7.00pm	B Davis & Associates, Suite 17, 35 Old Northern Road, Baulkham Hills NSW
3/06/2015	Blackburn Discussion Group	7.15pm	Naturalist Club of Victoria, 1 Gardenia Street, Blackburn VIC
8/06/2015	Canberra Discussion Group	7.30pm	Southern Cross Club, 92-96 Corina Street, Woden ACT
9/06/2015	Melbourne Information Meeting	6.30pm	Telstra Conference Centre, Room 1, Level 1, 242 Exhibition St, Melbourne
10/06/2015	Sydney North Shore Information Meeting	7.00pm	The Chatswood Club, 11 Help St, Chatswood NSW
16/06/2015	Chermside Equities Discussion Group	7.00pm	Chermside Library, Hamilton Road, Chermside QLD
16/06/2015	Perth Equities Discussion Group	7.30pm	Wembley Downs Tennis Club, Cnr Morden & Ednah St, Wembley Downs WA
16/06/2015	Brisbane Investment Management Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD
16/06/2015	Gold Coast Information Meeting	9.30am	Robina Community Centre, Robina Town Centre Drive, Robina QLD
17/06/2015	Brisbane Share Investments Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD

JULY 2015

1/07/2015	Brisbane Information Meeting	1.00pm	Broncos Leagues Club, Fulcher Rd, Red Hill QLD
7/07/2015	Geelong Discussion Group	7.00pm	St George Workers Club, 212 Pakington Street, Geelong West VIC
7/07/2015	Perth Information Group	7.00pm	Wembley Downs Tennis Club, Cnr Morden & Ednah St, Wembley Downs WA
8/07/2015	Sydney North Shore Information Meeting	7.00pm	The Chatswood Club, 11 Help St, Chatswood NSW
13/07/2015	Canberra Discussion Group	7.30pm	Southern Cross Club, 92-96 Corina Street, Woden ACT
14/07/2015	Adelaide Information Group	7.00pm	German Club, 223 Flinders St, Adelaide (Wolf Blass Weinkeller Room) SA
15/07/2015	Frankston South Discussion Group	1.00pm	Private address. Please contact Bill Shirley 03 9787 3045
15/07/2015	Brisbane Share Investments Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD
20/07/2015	Chermside Equities Discussion Group	7.00pm	Chermside Library, Hamilton Road, Chermside QLD
21/07/2015	Perth Equities Discussion Group	7.30pm	Wembley Downs Tennis Club, Cnr Morden & Ednah St, Wembley Downs WA
21/07/2015	Brisbane Investment Management Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD
22/07/2015	Kew Discussion Group	7.00pm	Phyllis Hore Room, Kew Library, Corner Cotham & Civic Drive, Kew VIC
29/07/2015	Hills District Discussion Group	7.00pm	B Davis & Associates Suite 7, 35 Old Northern Rd Baulkham hills NSW
30/07/2015	Bayside Discussion Group	4.00pm	Hampton Community Centre, Willis Street, Hampton VIC

AUGUST 2015

2 - 5 Aug 2015	AIA National Conference		Marriott Resort and Spa Surfers Paradise
10/08/2015	Canberra Discussion Group	7.30pm	Southern Cross Club, 92-96 Corina Street, Woden ACT
12/08/2015	Blackburn Discussion Group	7.15pm	Naturalist Club of Victoria, 1 Gardenia Street, Blackburn VIC
12/08/2015	Sydney North Shore Information Meeting	7.00pm	The Chatswood Club, 11 Help St, Chatswood NSW
17/08/2015	Chermside Equities Discussion Group	7.00pm	Chermside Library, Hamilton Road, Chermside QLD
18/08/2015	Melbourne Information Meeting	6.30pm	Telstra Conference Centre, Room 1, Level 1, 242 Exhibition St, Melbourne
18/08/2015	Perth Equities Discussion Group	7.30pm	Wembley Downs Tennis Club, Cnr Morden & Ednah St, Wembley Downs WA
18/08/2015	Brisbane Investment Management Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD
18/08/2015	Gold Coast Information Meeting	9.30am	Robina Community Centre, Robina Town Centre Drive, Robina QLD
19/08/2015	Brisbane Share Investments Discussion Group	6.30pm	Carindale Library, Carindale Shopping Centre, 1161 Creek Road, Carindale QLD



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