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# THE RETIREWELL REPORT

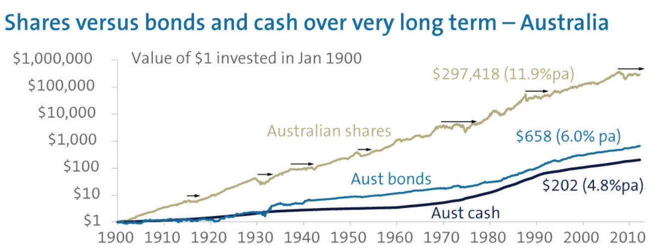
A Newsletter for Clients and Friends of Retirewell Financial Planning Vol. 15 No. 1 Winter 2012

# Where Are The Returns Now?

Recent global economic weakness combined with the ongoing European financial crisis continues to make the current investment environment both volatile and difficult.

Sharemarkets are lower, making them more attractive, but the uncertainty with US, European and Chinese economies makes shares mainly suited to medium to long term investors. On the other hand, the returns on bonds and term deposits are falling, so they are not attractive even to short term investors.

There are two options worth considering – sit tight, or focus more on assets providing attractive yields.




Arrows show extended periods of poor share market returns.
Source: Global Financial Data, AMP Capital

### Sitting tight

This won't be a new message to long term investors. History shows that over the longer term shares outperform cash and bonds. The graph shows that since 1990 Australian shares have returned nearly 12% pa compared to 6% for bonds and 4.8% for cash.

## What's Inside…

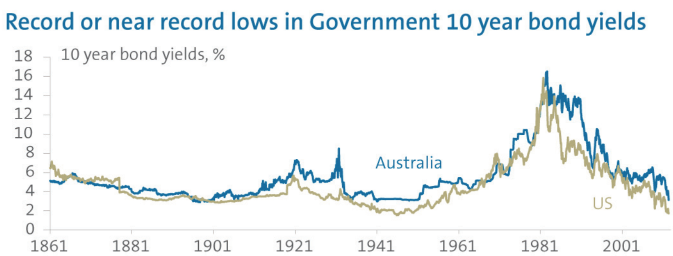


In the longer term context, what we are going through is not unusual. From late 1969 through the 1970s, shares churned roughly sideways but also down. It took six years for share prices to recover after the 1987 crash. In both cases after the turmoil, shares resumed generating solid returns.

It is impossible to predict exactly when the bull market will resume, as growth in economies and markets is being held back by public and private debt deleveraging.

The traditional alternatives to shares are not attractive. Over the last 30 years, yields on 10 year Government bonds have dropped from around 15% to record lows, previously seen only in times of depression, deflation or war. US 10 year bonds are paying 1.74% whilst the Australian 10 year bond yield is now 3.1% - the last time it was that low was in 1941!

The decline in bond yields was driven by the falls in inflation and concerns about global deflation. The declining yields have provided significant capital growth for bond holders, but that is behind us now. Bond rates cannot get much lower, so short-term capital gains will be meagre, while income will be very low.




Source: Global Financial Data, Bloomberg, AMP Capital

For long term investors, staying put and even increasing exposure to quality companies (if investors have the cash) is a viable strategy given the attractive valuations currently available. There is a lot of potential upside.

However, for those with a shorter term time horizon, other options should be considered.

### Yield-based investing

This approach is to focus on assets that provide a decent investment yield because there is a greater certainty of return in a period of high market volatility and low capital growth.

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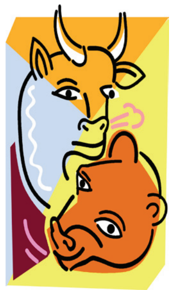
# Bulls And Bears – A Picture Says A Thousand Words



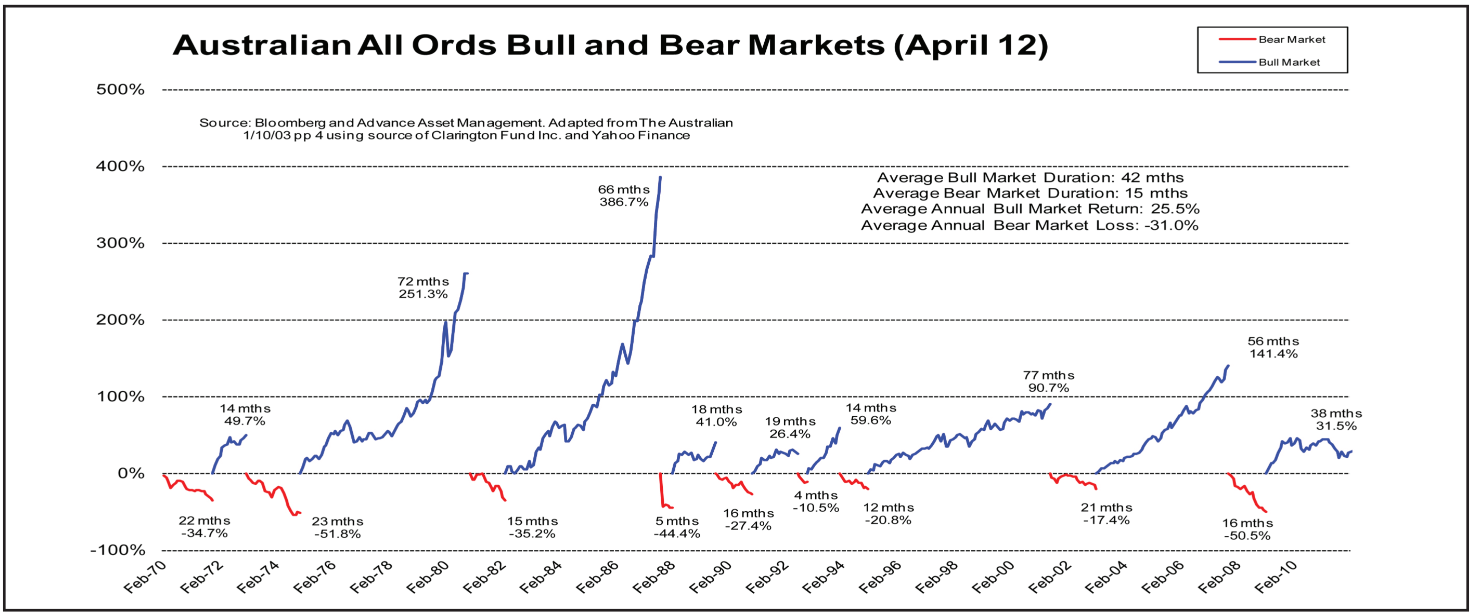
Many investors are feeling battered right now and may well be wondering when shares will start rising again.

History is useful, so they say, to prevent us making the same mistakes our parents made. The chart below from Advance shows the duration of bull and bear markets in Australia over the last 42 years. A bull market is when the market is going up – like a bull tossing the market upwards with its horns. A bear market is when the markets are going down – like an upright bear clawing the market down with its paws.

**What does this tell us?**

There have been nine bull/bear cycles in the last 42 years. Just looking at the chart it is obvious that the duration of bull markets is longer than bear markets. Most of the blue lines go up more than the red lines come down.

The current period can scarcely be called a bull run as the market has gone mostly sideways or down for the last two years. In this respect it is not dissimilar to the late 1980s and early 1990s. After a couple of hesitant starts the market took off again in 1995.





" THE BIRDS AND BEES I KNOW ABOUT, I NEED TO KNOW MORE ABOUT THE BULLS AND BEARS."

Averages are not a reliable guide in the short term, but the last 42 years show the following outcomes:

| | Average duration | Average growth per year |
|---|---|---|
| Bull markets | 41 months | +25.4% |
| Bear markets | 15 months | -31.0% |

This reinforces that bear markets are usually short and steep – the longest in the chart is just under two years in 1976. On the other hand, bull markets run on much longer – the longest on the charts are 6.5 years up to 2002, six years up to 1980 and 4.5 years up to 2008.

It is likely that in 20 or 30 years time our children will be looking at the performance of share markets and seeing the last five years as just another blip on the long term, erratic but upward trend of the share market.

## Lessons In Logic

Practice makes perfect, but nobody's perfect, so why practice?

How come "abbreviated" is such a long word?

Hard work never killed anybody, but why take the risk?

# Cash Is Not King For Long-Term Investors

The Organisation for Economic Co-operation and Development (OECD) has commented that the allocation to shares in Australian superannuation funds is much higher than in retirement schemes overseas.

Some local commentators also have expressed concern, though some represent organisations selling bonds and annuities so perhaps they are not totally unbiased. Politicians have made statements about fluctuating values in super probably more to appease voters than to give a considered view.

So is cash a better place for investing for the long term. At least cash is safe, isn't it?

Let's look at some facts for long term investors – like many members of super funds

### Time frame and volatility

There is no doubt shares are volatile especially over the last few years with the uncertain direction of the global economy. Over one year periods, shares are twice as volatile as property and infrastructure, four times more volatile than bonds and seven times more volatile than cash. Shares are traded daily and this volatility reflects the moods of investors.

A different story emerges when volatility is measured over longer time frames. The volatility of shares for instance falls by about 70% when viewed over a 20 year period.

### Shares beat bonds

Bonds pay interest, whereas shares pay dividends and produce capital growth over the long term. Over the past 100 years, shares have outperformed bonds in all but three decades. Over that whole period shares have outperformed bonds by 3.5% pa globally and 6% pa in Australia. Negative returns for Australian shares over a decade are very rare - in the last 100 years, just the period including the Great Depression.

Shares have always recovered from past slumps and then gone on to post new market highs. Why should this time be different?

### Shares are investments in businesses

Owning a share means having a part-ownership of a business. Remember businesses are not static – they are continually changing, innovating and adapting to suit their markets. Some will disappear while many others will flourish. But none will stand still. This is why it is important to diversify your portfolio adequately.

Share prices are strongly correlated to earnings over the long term and sentiment over the short term. Currently corporate profitability is high around the world despite weak economic conditions and growth prospects. Share prices are currently low reflecting the pessimistic views of investors. We can expect that when economies improve share prices will go up too.

It is unlikely that in future we will see the same strong growth we experienced in the last 30 years which was caused mainly by the lowering of inflation and interest rates, higher productivity as a result of the information technology revolution and the freeing up of global trade.

However, investors should still be well rewarded for investing in shares over the long term – particularly from current price levels.

In a capitalist economy, ownership beats "loanership" over the long term – that is, owning quality assets must give you a better return that simply lending your money to financial institutions which then on-lend to someone else.

In addition to the tax benefits of growth investments, this is because quality assets – whether property, infrastructure or shares – must rise in value over time as a result of economic growth and inflation.

With shares, for example, economic growth and inflation flow through to higher profits for companies, which then can pay higher dividends. It is the rising income stream which pushes up the value of shares over time.

## Where are the returns now?

*Continued from Page 1*

Many of the traditional options here are less attractive. As previously noted, returns on Government bonds are at historical lows. Term deposit rates may fall to 4% by the end of this year should the RBA lower rates further.

Income from residential property has fallen with the house price boom of the last 20 years. After costs, the yield is currently around 3%. Property values are likely to remain stagnant for some time.

So if the traditional sources of yield are unattractive what are the alternatives? There are five possible options.

1. **Dividend paying shares.** The grossed-up yield on many Australian shares (excluding resources) is now over 7% and higher than term deposits. Higher yields are can be achieved in some sectors - 8% for telecommunication and utilities and 9% for bank shares. Of course investors should seek out companies with a track history of paying dividends, with low leverage and good business models.
2. **Corporate debt.** Investment grade corporate bonds are paying around 6% and lower quality companies even higher.
3. **A-REITS.** After a disastrous slump in the Global Financial Crisis, Australian Real Estate Investment Trusts have recapitalised, paid down debt and focussed on their core business of managing properties and collecting rents. Returns are currently around 6%-7% and their share prices seem more stable.
4. **Unlisted commercial property trusts.** Yields from a high quality, diversified mix of buildings is about 7% and for a portfolio of smaller lower quality buildings can be over 10%. The disadvantage is this sector lacks liquidity.
5. **Listed and unlisted infrastructure.** These funds are underpinned by the steady income from assets such as utilities, airports and toll roads and offer yields of around 6%.

Talk to your Retirewell adviser if you have questions or concerns about your portfolio.

# New Tax Rates And Super Thresholds For 2012-13

**Significant changes have been made as part of the carbon tax compensation arrangements.**

### Personal income tax rates

| 2011 - 2012 | | 2012 -13 | |
|---|---|---|---|
| **Tax thresholds** | **Tax** | **Thresholds** | **Tax** |
| $0 to $6,000 | Nil | $0 to $18,200 | Nil |
| $6,001 to $37,000 | 15% for every $1 over $6,000 | $18,200 to $37,000 | 19% for every $1 over $18,200 |
| $37,001 to $80,000 | $4,650 plus 30% for every $1 over $37,000 | $37,001 to $80,000 | $3,572 plus 32.5% for every $1 over $37,000 |
| $80,000 to $180,000 | $17,550 plus 37% for every $1 over $80,000 | $80,000 to $180,000 | $17,547 plus 37% for every $1 over $80,000 |
| Over $180,000 | $54,500 plus 45% for every $1 over $180,000 | Over $180,000 | $54,547 plus 45% for every $1 over $180,000 |

The new rates will provide a modest tax saving for people earning under $80,000. For example, someone earning $60,000 will save $600 in tax.

### Low income tax offset

| LITO | 2011 - 12 | 2012 - 13 |
|---|---|---|
| Maximum offset | $1,500 | $445 |
| Income when offset starts to reduce | $30,000 | $37,000 |
| Income when offset cuts out | $67,500 | $66,667 |
| Cut out rate | 4c in the dollar | 1.5c in the dollar |

The combination of the new tax rates and LITO will mean income up to **$20,542 pa** is tax free.

### Superannuation contributions

| | 2011 - 12 | 2012 - 13 |
|---|---|---|
| Concessional contribution cap per person per year | Under age 50 - $25,000<br><br>50 and over - $50,000 | $25,000 |
| Non-concessional contribution cap per person per year | Under age 65 - $150,000 but with the ability to bring forward 2 years of cap to $450,000<br><br>Age 65 and over - $150,000 | Under age 65 - $150,000 but with the ability to bring forward 2 years of cap to $450,000<br><br>Age 65 and over - $150,000 |
| CGT exempt contribution cap for small businesses | Lifetime cap of $1.155 million | Lifetime cap of $1.25 million |

### Co-contributions

| | 2011 - 12 | 2012 - 13 (proposed) |
|---|---|---|
| Lower income threshold | $31,920 | $31,920 |
| Upper income threshold | $61,920 | $46,920 |
| Maximum payment | $1,000 | $500 |
| Reduction rate | 0.3333 per cent | 0.3333 per cent |

### Other superannuation thresholds

| Threshold | Usage | 2011 - 12 | 2012 - 13 |
|---|---|---|---|
| Low rate threshold | Part of taxable component that is tax free when a benefit payment is taken between age 55 and 59 | $165,000 | $175,000 |

### Tax free redundancy payment

| | 2011 - 12 | 2012 - 13 |
|---|---|---|
| Base amount | $8,435 | $8.806 |
| Amount per year of completed service | $4,218 | $4,404 |

# ‘Fairer’ Tax Concessions For Super

The current Federal Government holds the view that the tax concessions on super contributions are unfair.

High income earners have been getting the biggest concession because they incur only 15% contributions tax in the super fund instead of up to 46.5% if they had received the money as income. Low income earners have been disadvantaged because they incur 15% tax on their super contributions, but may pay no tax or 15% or 16.5% (with Medicare levy) on their income.

To redress this inequity, the Government has made or proposed four new measures.

### Low income superannuation contribution (LISC)

The Government will refund to members’ super accounts the contributions tax on superannuation contributions from 2012-13 for people on adjusted incomes of up to $37,000. The maximum refund will be $500.

### Co-contribution reduction

From 2012-13, the Government is proposing to reduce the maximum income threshold to $46,920 and reduce the maximum co-contribution to $500.

### Contribution caps: One size fits all

Concessional contributions for everyone will be at $25,000 per person per year from 2012-13. The plan to allow a $50,000 cap for people over age 50 with less than $500,000 in super has been deferred for two years.

### High income contributions surcharge

The Budget proposed that people on adjusted incomes over $300,000 will face an extra 15% on their concessional contributions from 2012-13.

In all these measures ‘income’ includes taxable income plus fringe benefits, reportable superannuation contributions and investment losses. This means salary sacrificing to get under the income thresholds is not an effective strategy.

### Impact of reduced concessional contribution cap

The flat cap of $25,000 per person per year is likely to have a significant impact on many retirement plans. For example:

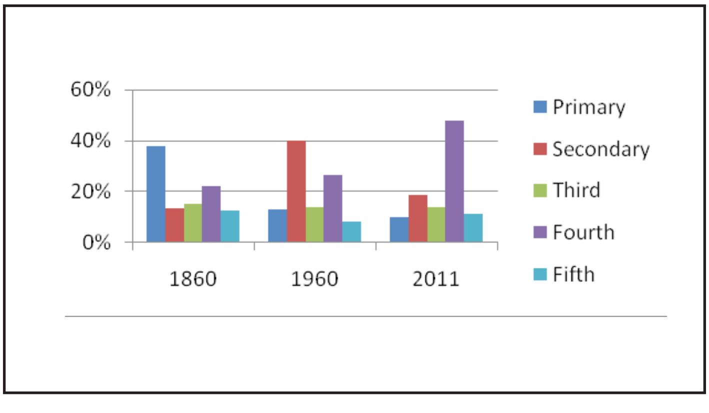
- **Anyone over age 50 who planned to contribute over $25,000 pa in deductible contributions (including employer contributions) will need to review their plans. This could include employees who are salary sacrificing large amounts or employees using a transition to retirement strategy.**
- Employees who have elected to salary sacrifice a bonus for 2011-12 that will be paid in 2012-13 should take special care.
- SMSF trustees considering Limited Recourse Borrowing Arrangements should review their cash flow projections considering a lower level of concessional contributions.

If you have any concerns or questions about these changes, please talk to your Retirewell adviser.

# Changing Face Of Industry

As Bob Dylan said - the times they are a-changing. In fact they always have. Society has developed through various broad stages over the last 200 years. It started with the agrarian revolution when we settled down in towns and villages. This primary stage was dominated by agriculture and mining.

In the secondary stage, manufacturing, construction and utilities dominated, followed by wholesaling, retailing and transport in the tertiary stage. From the 1960s we entered the fourth stage when services and telecommunications came to the fore and we are now entering a fifth stage where hospitality, health and recreation are major industries.




The chart shows how the mix of industries has changed between 1860 and 1960 and then up to 2011. These graphs are based on each industry’s share of Gross Domestic Product. You can see how primary industry dominated in the 19th century and was replaced by secondary industry by 1960 as the basic infrastructure of Australia was created. By 2011, fourth stage industries dominated with services such as communications, finance, insurance, property and business services, education and government administration.

There are concerns at the decline in secondary industries such as manufacturing. In reality, the change occurs in all developing societies as they focus on being better at fewer things. The global economy means we can buy some better products and services cheaper than those we can provide ourselves. Industry must adapt to meet the needs of consumers.

Admittedly, this adaptation is painful for some sectors of society, but we cannot advance economically by clinging to the past. Prospering from our skills in the service sector is a new frontier. Globally, trade in services is growing faster than growth in goods and within a couple of decades exports in services are expected to overtake minerals (which overtook manufacturing, which overtook agriculture).

Bob Dylan was right.

# Impact Of Inflation On Wages

In a recent radio talkback show one caller said, "$180,000 is quite enough for anyone to live on. I never earned anything like that when I was working."

Now the caller didn't say how old he was and when he was working, but he probably did not appreciate the impact of inflation. The Reserve Bank website has an inflation calculator and this can be used to show what $180,000 income in 2011 was worth in the past.

| Year | $180,000 equivalent | Average inflation rate |
|---|---|---|
| 2001 | $135,244 | 2.9% over 10 years |
| 1991 | $107,727 | 2.6% over 20 years |
| 1981 | $33,166 | 5.8% over 30 years |
| 1971 | $18,873 | 5.8% over 40 years |

We wonder what the caller would think of these figures. They certainly show the importance of investing for capital growth to maintain purchasing power in retirement.

# Look For The Positives

Sometimes we don't know how lucky we are. Many commentators are saying Australia is absolutely the best place in the world to be - not only sunny skies and great beaches, but also:

- Continued growth through the GFC when most developed economies have been in recession
- A strong banking system that survived the GFC
- Low interest rates (and tipped to go lower)
- Unemployment around 5% (there used to be a time when that was considered as full employment!). There are skill shortages in many industries.
- OECD research ranking Australia highly on criteria such as income, housing, jobs and health
- One of the safest places to invest in the world.

Despite all this good news the Westpac Melbourne Institute consumer confidence indicator is at its lowest since 2001. The media may take some of the blame for our negativity for focussing on bad and sensational news. Many consumers are concentrating on paying off debt rather than new spending.

We are in a period of uncertainty – the balance of power in the global economy is moving east and the developed countries are struggling. In Australia, the share market has been going sideways, utility prices are rising, politics is in transition both at a national and state level and the type of work we are doing is changing.

It has been said that there are only three certainties in life – death, taxes and uncertainty!

# Keeping Your Money Safe

Bonnie and Clyde robbed banks, but today's crooks are much smarter. Many can get your money without even leaving home. ASIC regularly publishes warning of new scams on its Money Smart website.

These are some of the top tips.

**Check for a licence**
Anyone offering financial services must hold an Australian Financial Services Licence. If you get an unsolicited call or email, don't believe what they say but check for a licence on the ASIC website. Many investment schemes are marketed from overseas where they are out of the reach of ASIC.

**Watch for the hidden fees**
Free get-rich-quick seminars offer to let you in on the "secrets" of investment success. You might wonder why someone would want to share such a secret – and the answer is so they can charge you high fees for courses and software to use their "secrets".

**Ignore early access strategies**
Your superannuation is for retirement unless you can show you are in genuine hardship. If someone offers a foolproof way to get your super early - beware. It is illegal so you may be fined or have to pay extra tax and the promoters of these schemes will charge you a hefty fee.

**Stay off the pyramid**
Some "investment opportunities" are just old-fashioned pyramid schemes. You "invest" to join and get your money back by enrolling new players in the plan. There is no investment and you may end up losing a lot of money (and also the friends you signed up).

**Understand the business model**
One good tip is to ensure you understand what you are investing in. Some investment schemes rely on borrowed funds or a steady flow of new investors. Some agribusiness and mezzanine finance schemes were like this and fell over when interest rates rose, new loans could not be secured or new investors could not be found.

**Keep your eyes open**
Scammers can seem to be the nicest people – so friendly, helpful and convincing – just like a pickpocket in a Charles Dickens' novel. If someone promises easy money, much higher returns than normal or a fast track to wealth, make sure you look through the friendly face and see what is behind.

The old adage is "if it seems too good to be true, then it probably is." For more on scams, dodgy investments and illegal activities go to www.moneysmart.gov.au

## Warren Buffett Speaks...

*"You know, people talk about this being an uncertain time. You know, all time is uncertain. I mean, it was uncertain back in 2007, we just didn't know it was uncertain. It was uncertain on September 10th, 2001. It was uncertain on October 18th, 1987, you just didn't know it."*

# What Comes After Z?

**Have you ever wondered exactly who the Baby Boomers or Generation X are? The terms are often mentioned in the media, but rarely defined. Below is an explanation - where do you fit in?**

| Generation Name | Born | Age in 2012 |
|---|---|---|
| Seniors | Before 1926 | 86+ |
| Builders | 1926 - 1945 | 67 - 86 |
| Baby Boomers | 1946 - 1964 | 48 - 66 |
| Generation X | 1965 - 1981 | 31 - 47 |
| Generation Y | 1982 - 2000 | 12 - 30 |
| Generation Z | 2001+ | <11 |

**Seniors:** This generation was born during and after the First World War. Seniors have never been comfortable with debt, and tend to live a frugal existence. They will turn off lights as they leave the room - to save money rather than the planet.

**Builders:** Born during the Depression and World War II, these people are also known as the "Silent Generation" or the "War Babies". They were used to the concept of a job for life, and feared unemployment as it could result in hunger. The Builders are generally conservative and security conscious.

**Baby Boomers:** Born into a more prosperous society, the young Baby Boomers were idealistic and keen to change the world. They have had a less structured working life than the previous generation and tend to continue working part-time while semi-retired. Boomers are more affluent and consumerist than the Builders.

**Generation X:** This generation was brought up with television and personal computers, and were late to marry and leave home. They are strongly individual and are also referred to as the "Me Generation".

**Generation Y:** Children of the Baby Boomers, these teens and twenties are comfortable with technology and have lived a cosy and affluent life, indulged by their parents. If work doesn't engage or entertain them, they look for a new challenge. Deeply tribal in their friendships, they have a short attention span.

**Generation Z:** These children are used to the concept of single and blended families, and are often born to older parents. They grow up fast and often miss the joys of childhood. They have been exposed to the Global Financial Crisis while young and may become the new conservatives.

## Why God Made Mums - Part I

*Answers given by 2nd grade school children to the following questions:*

**1. Why did God make mothers?**

a. She's the only who knows where the sticky tape is.
b. Mostly to clean the house.
c. To help us out of there when we were born.

**2. How did God make mothers?**

a. He used dirt, just like for the rest of us.
b. Magic plus super powers and a lot of stirring.
c. God made my Mum just the same like he made me. He just used bigger parts.

## MARKET INDICES TO 31 May 2012

| MARKET | INDEX | 1 Mth % | 6 Mths % | 1 Yr % pa | 2 Yrs % pa | 3 Yrs % pa | 5 Yrs % pa |
|---|---|---|---|---|---|---|---|
| Cash | UBS Warburg Bank Bill Index | 0.38 | 2.30 | 4.83 | 4.90 | 4.52 | 5.32 |
| Australian Sharemarket | S&P/ASX All Ordinaries Accumulation | -6.90 | 0.98 | -9.49 | 0.65 | 7.14 | -4.15 |
| | S&P/ASX 20 Leaders Accumulation | -6.54 | 0.83 | -9.25 | -0.09 | 6.90 | -1.39 |
| | S&P/ASX100 Accumulation | -6.40 | 1.42 | -8.75 | 0.41 | 6.82 | -3.78 |
| | S&P/ASX300 Accumulation | -6.74 | 1.11 | -9.33 | 0.38 | 6.75 | -4.27 |
| | S&P/ASX Small Ords Accumulation | -10.22 | -2.12 | -14.88 | 0.25 | 6.15 | -7.98 |
| Property | S&P/ASX300 A-REIT Accumulation Index | -1.24 | 8.70 | 5.55 | 5.58 | 12.44 | -14.20 |
| Aust Fixed Interest | Aust Comm Bank All Series/All Maturities Accumulation | 3.75 | 6.66 | 15.75 | 10.56 | 8.45 | 8.34 |
| International Sharemarkets | MSCI World Accumulation Index ($A) (MSCI - Morgan Stanley Capital International) | -1.83 | 7.05 | -1.67 | -0.18 | 2.78 | -6.53 |
| USA | MSCI USA Accumulation Index ($A) | 0.74 | 12.53 | 9.18 | 4.32 | 7.91 | -3.85 |
| UK | MSCI UK Accumulation Index ($A) | -4.97 | 2.31 | -4.92 | 0.53 | 1.88 | -8.51 |
| Europe | MSCI Europe Accumulation Index ($A) | -5.62 | -0.53 | -16.04 | -4.34 | -2.84 | -10.67 |
| Japan | MSCI Japan Accumulation Index ($A) | -2.25 | 4.85 | -1.48 | -7.93 | -5.37 | -10.26 |
| Asia Ex Japan | MSCI Far East ex Japan Accumulation ($A) | -2.71 | 10.58 | -8.12 | -1.62 | 3.29 | -1.38 |
| International Fixed Interest | Citigroup World Govt Bond Unhedged Accumulation ($A) | 6.67 | 7.20 | 12.96 | -0.12 | -1.16 | 3.82 |
| Inflation | CPI – Weighted Capital Cities (@ 31/3/2012) | N/A | 0.05 | 1.58 | 2.45 | 2.60 | N/A |

# Retirewell News

## New Staff Members

**Leeanne Holborow** joined Retirewell in January 2012. She has previously worked as a secondary school maths and business teacher and as a paraplanner with an AMP practice. Leeanne also ran her own bookkeeping business. She holds a Bachelor of Commerce in Financial Planning and Investments with a Major in Accounting, a Certificate in Tax Preparation with ITP and a Graduate Diploma in Secondary Education. Leeanne will continue her education by doing a Master of Financial Planning degree. She assists Tony Gillett as a paraplanner and in the preparation of plans and client reviews.

Leeanne is a mother of two girls and grandmother of one, who enjoys spending time with her family and friends and just loves reading good novels (and finance magazines) on her daily train journey from the Gold Coast.

**Rebecca Capel** has worked for Retirewell as bookkeeper since 2000. She has recently added to her roles, becoming Tony's Personal Assistant, assisting with client services and support - as Angela Laffey is now working on a part-time basis due to family commitments. Rebecca has run her own professional bookkeeping business for many years and holds a Diploma of Business as well as various business related certificates.

Rebecca is married and cares for a blended family of nine children. She enjoys photography, bushwalking, gardening and cooking...in her spare time!

## Keep Your Emotions In Check

It's the mid-year sales. Prices are slashed and you are ready to splurge. Then a friend tells you prices are so low because we are going to have a recession. You need to keep your cash because you'll need it in the hard times ahead. You are worried and stay at home.

Summer is coming and you need some new clothes. Prices are high, but all your friends are going shopping so you join in.

How does it relate to investing? Well, one of Warren Buffett's most famous quotes is "be fearful when others are greedy. Be greedy when others are fearful." Like most successful investors he knows economies and markets go in cycles. Long-term investors want to buy when prices are low (like in the mid-year sales), not when everyone else is buying and prices are high.

Sadly, many investors let their emotions rule their decisions. This was shown in the dotcom boom in the late 1990s and again in the GFC. Everyone piled into the share market in the unsustainable boom times just in time for the crash.

There's a sale on in the sharemarket right now. It may be just the time to buy.

**One of the pleasures of our business is that many of our new clients come to us because our existing clients suggest that they do. If you like what we've done for you, please tell your family, friends and colleagues about us. We promise to give them the same high quality of advice and service you have come to expect.**

RETIREWELL

WEALTH MANAGEMENT SOLUTIONS

**A.D. (TONY) GILLETT**
CFP® FPA Fellow CDec

**ALAN BAKER**
MCom(FinPlan) CFP® DipFP

**MARK HOLZWORTH**
MCom(Prof Acctg) GradCert Prof Acctg, Adv DipBus, DipFP FIPA

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