

from the offices of **Gray Foreman & Robert Latimer**

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Name change to ...

"Partner Financial Group"

"What's in a name? That which we call a rose by any other name would smell as sweet."

It's not often that Shakespeare gets quoted around here, but it's worth noting that whilst we have changed our name from Hillross Burwood East to **Partner Financial Group**, nothing in essence has really altered. So why the change? Well, I suppose it's partly an identity thing ... wanting to clearly differentiate ourselves from the many other Hillross businesses out there, and partly the desire to have a name which better represents what we do.



We settled on the name "Partner" because we have always viewed our financial planning role as very much like a partner in the "business of life"; your life.

Helping you to organise and understand your financial affairs in a simple, straightforward way, while guiding you along the best path. We hope you like the new name.

Rob & Gray

FREE Budget Planner

Money in ... money out ...
money in ... money out ...
... like the daily ocean tides,
our money comes in but then
goes out again ... we don't
get to see it for long.



Why is that?
Knowing where it all goes can be a great way to start answering that question. Call now for a **FREE** budget planner—either a paper copy, or Excel version. Alternatively, download a copy from ...

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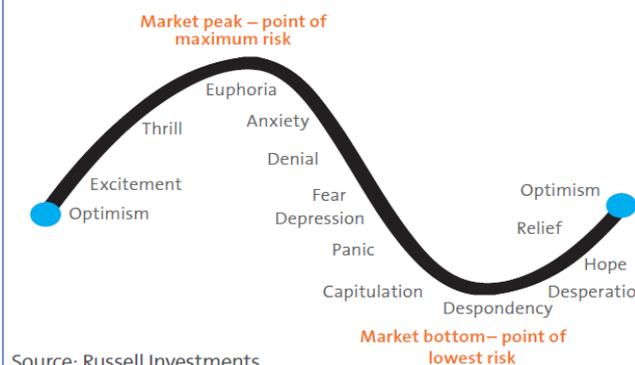
Booms, Busts & Investor Psychology

We've heard it all before, but in a recent article, economist Shane Oliver reminds us that ...

"Investment markets are driven by more than just fundamentals. Investor psychology plays a huge role and helps explain why asset prices go through periodic booms and busts. The key point for investors to be aware of is the role of investor psychology and the influence of psychological illusions. The best defence is to be aware of past market cycles (so nothing comes as a surprise) and to avoid being sucked into booms and spat out during busts." Shane Oliver goes onto say ...

consistent with their financial objectives risk tolerance.
4/. Investors should essentially stick to this broad strategy even when surging share prices otherwise tempt them to consider a more aggressive approach,

Investor emotion through the market cycle



1/. Investors also need to recognise that not only are investment markets highly unstable, they can also be highly seductive. The key here is to be aware of past market booms and busts, so that when they arise in the future one does not overreact.

2/. Investors need to recognise their own emotional capabilities. In other words, investors must be aware of how they are influenced by lapses in their own logic and crowd influences.

3/. Investors ought to choose an investment strategy which can withstand inevitable crises while remaining

or when plunging values might suck them into a highly defensive approach.
5/. Finally, if an investor is tempted to trade they should do so on a contrarian basis. Buy when the crowd is bearish, sell when it is bullish.

Extremes of bullishness often signal market tops, and extremes of bearishness often signal market bottoms. But investors need to recognise contrarian investing is not foolproof—just because the crowd looks irrationally bullish (or bearish) doesn't mean it can't get more so.

Source: Oliver's Insight, 15/4/2011

Farewell Cameron

Part of the team for the last 5 years, Cameron recently announced his intention to move on and we wish him every success for the future. We'll miss Cameron around the office plus of course his Footy Tipping insights.



Clients previously dealing with Cameron will in future be cared for by either Robert or Gray, with the Ivanhoe office being maintained. Those directly affected will already have been contacted but of course if you'd like to arrange a face-to-face meeting, or have any questions, simply call the office. Your peace-of-mind is our main priority at this time and we can assure you of our continued personalised service at all times.

Wisdom

Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen.

Courage is going from failure to failure without losing enthusiasm.

Winston Churchill

Moral excellence comes about as a result of habit. We become just by doing just acts, temperate by doing temperate acts, brave by doing brave acts.

Aristotle

We are made wise not by the recollection of our past, but by the responsibility for our future.

George Bernard Shaw

My Lord Chancellor, Mr Speaker, Mr Prime Minister, my Lords, and Members of the House of Commons: I have known few greater honors than the opportunity to address the Mother of Parliaments at Westminster Hall. I'm told the last three speakers here have been The Pope, Her Majesty the Queen, and Nelson Mandela, which is either a very high bar or the beginning of a very funny joke.

Barak Obama , 2011

Quiz questions

Q1 What 5 letter word becomes shorter when you add 2 letters?

Q2 A window cleaner is cleaning the windows on the 25th floor of a skyscraper, when he slips and falls. He is not wearing a safety harness and nothing slows his fall, yet he suffered no injuries. Explain.

Q3 Mr. and Mrs. Jacks have five children, half of them are boys. How is this possible?

Q4 Divide 40 by half and add ten. What is the answer?

Q5 Some months have 31 days, how many have 28?



Work Bonus Benefits

The Work Bonus was introduced on 20 September 2009 and provides an incentive for older Australians to enter or remain in the workforce by allowing working pensioners to keep more of their pension while they are

working. For pensioners entitled to the Work Bonus, only half of their first \$500 of gross employment income per fortnight is counted in assessing their pension rate. This means that the maximum amount that can be disregarded is \$250 a fortnight, or \$6,500pa.

Recently announced changes, effective 1 July 2011, however, now mean that the first \$250 of employment income each fortnight will now be exempt under the income test. Further, if the pensioner earns less than \$250 in a fortnight, they can accrue a credit (up to \$250 per fortnight) in an "Employment Income Concession Bank", for later use. It's an important change and one which could open the door to higher Age Pensions for some and others qualifying for the first time, even though they are still working and not yet retired. To find out more, or to review your situation, simply call the office on 9814 9333.

How long could you survive?

Imagine your salary stops. You're sick. Disabled. You can't work. Now imagine we're six months down the track, you're still sick, disabled — can't work. All your sickpay, annual leave and long service leave have been used up and you don't qualify for a Centrelink disability pension. There's no salary coming in and the unpaid mortgage, school fees



and other expenses of life are mounting up. How would you cope? If your lifestyle relies on you going to work each day to earn the money to pay the bills, then protecting that income, through insurance, is as logical and sensible as insuring your car or home. Even more so given that for every home that's lost through fire it's estimated that 48 are lost through disability*. (ie By NOT being able to pay the mortgage as a result of prolonged illness or injury). Yes, a lot of people have temporary income insurance through their super. But mostly it's inadequate and if called upon, won't fully do the job. If you, or someone you know, would like to review your/their personal situation, simply call the office now to arrange a time for a chat.

* Source MLC



Quiz Answers

A1 Short. A2 He was cleaning inside. A3 The other half are also boys. A4 90. (Dividing by half is the same as multiplying by 2). A5 They all have at least 28.

Long-term strategies pay off for investors

It may seem hard to believe but Australian equities are beating residential investment property as the best performing asset for the last 20 years; an important consideration for those building their retirement nest-egg through superannuation. In the 13th Russell Investments/ASX Long-Term Investing Report, released recently, Australian shares have outperformed residential investment property and both asset classes delivered better returns than the more conservative asset classes such as cash and fixed income. The results, compared over 10, 20 and 25 year periods to 31 December 2010, found Australian shares returned on an after-tax basis at the lowest and highest marginal tax rates, 11.2% and 9.0%, respectively while residential investment property was 9.2% and 7.7%.

Residential investment property performed best over the 10-year period on both marginal tax rates.

Greg Liddell, director of consulting and advisory at Russell Investments, told the Financial Standard that investors should focus on diversification and long term growth asset return, with the key factor being a lack of volatility over the 20 year period. "The lessons out of that is the importance of when you adopt a long term strategy that you stick to the strategy. We know a number of investors who pulled out of investment programs in March 2009, which was exactly the wrong time to do that," Liddell said.

"If you focus on long term performance rather than short term strategies, it will tend to pay off, or at least deliver on their objectives." Overseas equities were technically the worst performing asset class over the last 10 years due to the GFC and the strong Australian dollar but a 20 year assessment found it was similar to other growth assets.

Source: Fin. Std, 29 June 2011