



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

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As the year draws to a close, we take this opportunity to wish you and your family a safe and peaceful Christmas plus a wonderful New Year.

Our move from Hillcross, the adoption of our own separate "Partner Financial Group" brand and the use of Dover as our provider of future dealer services has been an exciting move and we thank you most sincerely for your support and encouragement.

Thank you also to those who have referred friends and family to us for assistance throughout the year. We appreciate the trust you have placed in us and assure you of our best attention at all times.

Once again, have a joyful Christmas and a happy New Year... From

Rob, Gray, Chris, Wilson, Soo Wah, Linda and Neridah.



All together for an office dress -up Christmas dinner, (left) Jess, Linda, Robert and Chris (right) Wilson, Soo Wah, Gray and Neridah.



THANK YOU !!

Thank you so much to everyone who placed presents under our office giving tree this year.

All toys are distributed through "North Ringwood Care" which has been operating a volunteer-based emergency food relief and referral service for nearly 10 years.

Having access to a supply of toys means that at Christmas time, clients can select a toy for their child (or, in some cases their grandchild) in addition to receiving some food.

Here we see Soo-Wah, Chris and Wilson with a few of the 84 donated toys before they are bagged-up. Thank you again!!



Christmas Office Hours

The office will close at 12:00 noon on Friday 23 December and will reopen at 9:00am, Tues 3rd January 2012.

Looking Back... Looking Forward

To quote economist Shane Oliver...

... 2011 has been a year full of disasters with floods, earthquakes, civil wars in the Middle East, and of course public debt woes in Europe and the US.

Fears of another global financial crisis and global recession have resulted in a rough ride for share markets.

The shadow cast by Europe means greater uncertainty than normal. However, despite reasonable profit growth, shares have fallen suggesting they have already discounted a lot of the bad news. On top of this, everyone seems to be bearish and monetary conditions are easing further.

(ie interest rates falling). Whilst short term investment returns are always difficult to pick Shane Oliver summarises his views on next year's market returns in the above table.

Investment returns for major asset classes (To Dec 7, 2011)

Total return %	2010* actual	2011* actual	2012 forecast
Global shares (A\$)	-2.0	-5.0	5.0
Global shares (local currency)	10.4	-5.0	10.0
Asian shares (local currency)	15.2	-11.0	15.0
Emerging market shares (local currency)	14.1	-11.0	15.0
Australian shares	1.6	-6.0	12.0
Commodities (in US\$)	26.9	-4.0	15.0
Global bonds (hedged into A\$)	9.3	8.0	2.0
Australian bonds	6.0	10.0	3.5
Global listed property securities	22.5	0.0	12.0
Listed property trusts	-0.4	3.0	12.0
Unlisted non-residential property	10.9	8.5	9.0
Australian residential property^	7.0	-1.0	2.0
Global listed infrastructure†	11.4	7.6	11.0
Unlisted infrastructure	11.2	7.9	12.0
Cash	4.7	4.7	4.0
Avg balanced super fund, estimate	4.0	-1.0	8.5

* Source: Thomson Reuters, Morningstar, REIA, AMP Capital. 2011 figures are year-to-date returns. ^ Estimate † AMP Index.

Your Financial Checklist ...

No matter what your stage of life **NOW** is always a good time to review your current financial strategies.

It's like building a brick wall. There are lots of bricks, but they all need to be assembled the right way in order to form a useful, lasting structure. Are there any bricks missing in your "brick wall"? Call the office now for a check-up.



Still there for the taking ...

If you earn less than \$31,920 in this current tax year and make a \$1,000 personal contribution to super then you might get an extra \$1,000 paid into your fund by the Government. It's called a super "Co-contribution" and it's well worth considering; even for grand children. To find out more visit ... www.ato.gov.au

Why start a pension?

You've turned 55, you're still working and over the Christmas BBQ your friends start talking about drawing a pension from their super ... a thing called **"Transition to Retirement"**. *What's it all about?* There are several reasons why the "Transition to Retirement" strategy is worth considering, most centre around paying less tax and accumulating more super. Specifically...

- Once in the "pension-mode" tax on earnings generated by the fund is nil, so returns are higher.
- Income drawn as a pension from your fund is concessional taxed and tax exempt over age 60.
- Paying less tax means more money can be contributed back into super for retirement.

Donate Old Spectacles



Do you have any old glasses or spectacles you don't need any more?

Then why not drop them into the office in support of the...

Vanuatu Prevention of Blindness Project

Jargon Busters

Quantitative Easing...

A government policy occasionally used to increase the money supply by buying government securities or other securities from the market. Quantitative easing increases the money supply by flooding financial institutions with capital, in an effort to promote increased lending and liquidity.

Central banks tend to use quantitative easing when interest rates have already been lowered to near 0% levels and have failed to produce the desired effect. The major risk of quantitative easing is that, although more money is floating around, there is still a fixed amount of goods for sale. This will eventually lead to higher prices or inflation.

Monetary Policy...

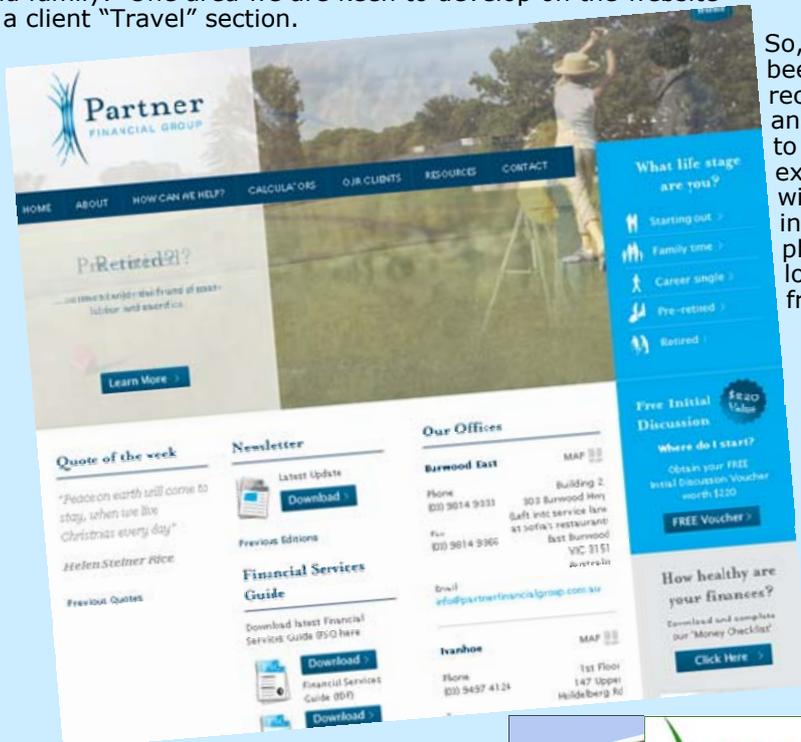
The actions of a central bank, currency board or other regulatory committee (in Australia it's called the Reserve Bank) that determine the size and rate of growth of the money supply, which in turn affects interest rates. Monetary policy is maintained through actions such as increasing the interest rate, or changing the amount of money banks need to keep in the vault (bank reserves).

If the money supply grows too fast, the rate of inflation will increase; if the growth of the money supply is slowed too much, then economic growth may also slow; which can impact on the level of unemployment. In general, the Reserve Bank target range for inflation is between 2% to 3%, with official interest rate currently set at 4.5%pa.

www.investopedia.com

www.partnerfinancialgroup.com.au

If you get a spare moment over Christmas, why not check out our new website. Hopefully you will find the information and links of value, with our offer of a **"Free Initial Discussion"** being something you might like to pass onto friends and family. One area we are keen to develop on the website is a client "Travel" section.



So, if you've been away in recent times and you'd like to share your experiences with others, including photos, we'd love to hear from you.

Online Banking



Internet banking might be new to some, but for many it already offers a great way to better manage their money. Particularly when it comes to paying bills. This is because they can make the payment the day before it is due, with the result being that more of their money is retained in the bank longer, where it earns interest.

So instead of paying the bill the day the invoice arrives in the mail — maybe writing a cheque, addressing an envelope, buying a stamp and posting in a letterbox — why not arrange with your bank to obtain computer "log in" access.

Then, instead of paying the account straight away, schedule the payment for a future date—the day before it is due. Your money stays in the bank longer where it earns interest.



It seems such a simple idea, lending small amounts of money to hard working entrepreneurs in under-privileged environments so they can help get themselves out of poverty. Described by Oprah Winfrey as one of her all time "favourite things", in its few short years of operation, Kiva is now in 61 countries, has facilitated \$266 million in loans, has 652,000 lenders, 450 volunteers, 146 field partners and a repayment rate of 98.96%. They even have **Gift Cards** – a great Christmas or birthday present idea. Check out their website at...

www.kiva.org

WISDOM

Charity begins at home and justice begins next door.

Charles Dickens

No one has ever become poor by giving.

Anne Frank

We make a living by what we get, but we make a life by what we give.

Winston Churchill

I cannot believe that the purpose of life is to be "happy." I think the purpose of life is to be useful, to be responsible, to be compassionate. It is, above all, to matter and to count, to stand for something, to have made some difference that you lived at all.

Leo C. Rosten

Most people are about as happy as they make up their minds to be.

Abraham Lincoln