

Getting the investment ball rolling

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Disclaimer

WARNING This publication is general information only, which means it does not take into account your investment objectives, financial situation or needs. You should therefore consider whether a particular recommendation is appropriate for your needs before acting on it, seeking advice from a financial adviser or stockbroker if necessary.

DISCLAIMER This publication has been prepared from a wide variety of sources, which InvestSMART Pty Ltd, to the best of its knowledge and belief, considers accurate. You should make your own enquiries about the investments and we strongly suggest you seek advice before acting upon any recommendation.

PERFORMANCE Past performance is not a reliable indicator of future results. Our performance figures are hypothetical and based on recommendations from Intelligent Investor using stock prices at date of publication. Brokerage costs have not been included. As stocks rise and fall, returns may be negative. We encourage you to think of investing as a long-term pursuit.

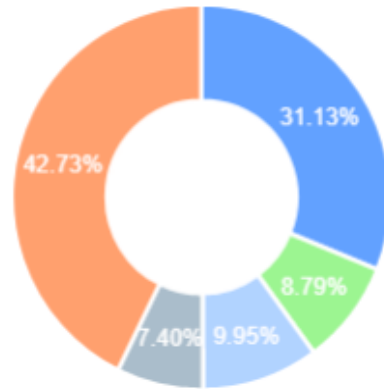
From a recent ASX study

- Over the last five years the portion of 18-24 year olds has doubled from 10% to 20%
- 25 – 34 year olds has increased from 24% to 39% over five years
- 81% of investors under 35 are seeking guaranteed or stable investment returns

Longer time horizon = more growth assets

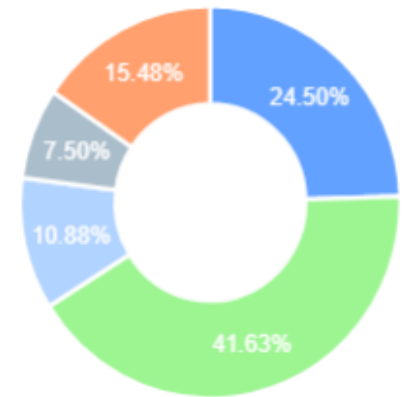
Conservative Portfolio

- AUSTRALIAN EQUITIES | 31.13%
- INTERNATIONAL EQUITIES | 8.79%
- PROPERTY | 9.95%
- CASH | 7.4%
- FIXED INTEREST | 42.73%



High Growth Portfolio

- AUSTRALIAN EQUITIES | 24.5%
- INTERNATIONAL EQUITIES | 41.63%
- PROPERTY | 10.88%
- CASH | 7.5%
- FIXED INTEREST | 15.48%



Growth
investment
options with
InvestSMART

For a high growth portfolio combine **80%**
InvestSMART Core Growth with **20%**
InvestSMART International Equities

ASX Year to Date



Source: CommSec

Long-term ASX Returns



Source: CommSec

1

Managed
Funds

2

Separately
Managed
Accounts

3

Exchange
Traded Funds

4

Listed
Investment
Companies

Suitable investment structures

Things to consider

1

How hands on do you want to be?
Managed funds and ETFs very little

2

LICs you may have to watch closer

3

Direct shares – much more hands on

4

Do you want to pay for potential outperformance?

5

Regular contributions? Is it easy to add more?

Setting up a dividend reinvestment plan

01

Direct shares:

- Contact the share registry e.g. Computer Share, Link Market Services, Boardroom Pty Ltd

02

Managed funds:

- Reinvestment option should be on application form or contact fund administrator

Receiving
dividends as
cash

Receive the cash & redeploy when appropriate
Keep in mind transaction costs

1

Minors cannot personally buy shares

2

You can buy shares on their behalf and they are the beneficiary

3

You can do this without the need of setting up a formal trust

4

Transfer the shares into the child's name once they are 18

Investing for children

Tax Considerations

1

If the child earns more than \$416 a tax return will need to be completed

2

If you are investing for a number of children you may be better off setting up a family trust

3

Tax free threshold for a minor is \$416. From \$417 - \$1,307 tax payable is 66%

4

Income over \$1,308 the tax payable is 45%

Tax considerations continued

- An alternative is not to put in the child's TFN & the adult to pay the tax
- This will be charged at the adults marginal tax rate
- This may have an impact on social security benefits the adult is receiving
- Adults investing on behalf of children should seek advice from their accountant or financial adviser

Equity Income Portfolio

+ 14.28%
PERFORMANCE*



HIGH RISK

3.9%
ESTIMATED INCOME P.A.

*Return per annum since 01 Jul 2015 after investment and admin fees.

Equity Growth Portfolio

+ 12.47%
PERFORMANCE*



HIGH RISK

3.27%
ESTIMATED INCOME P.A.

*Return per annum since 01 Jul 2015 after investment and admin fees.

Core Growth Portfolio

+ 7.37%
PERFORMANCE*



HIGH RISK

3.47%
ESTIMATED INCOME P.A.

*Return per annum since 24 Oct 2014 after investment and admin fees.

InvestSMART portfolio examples