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Lifestyle Matters

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What investing is all about?

Insights from Matt Sherwood

Financial plans for 2014
4 helpful points

Retiring happy
can be hard work!

“... I much prefer the growing net income and safety of shares.”

Intelligent Investing with Matt Sherwood

The Global Financial Crisis has been the catalyst for many people, including investment professionals, to reassess what investing is all about.

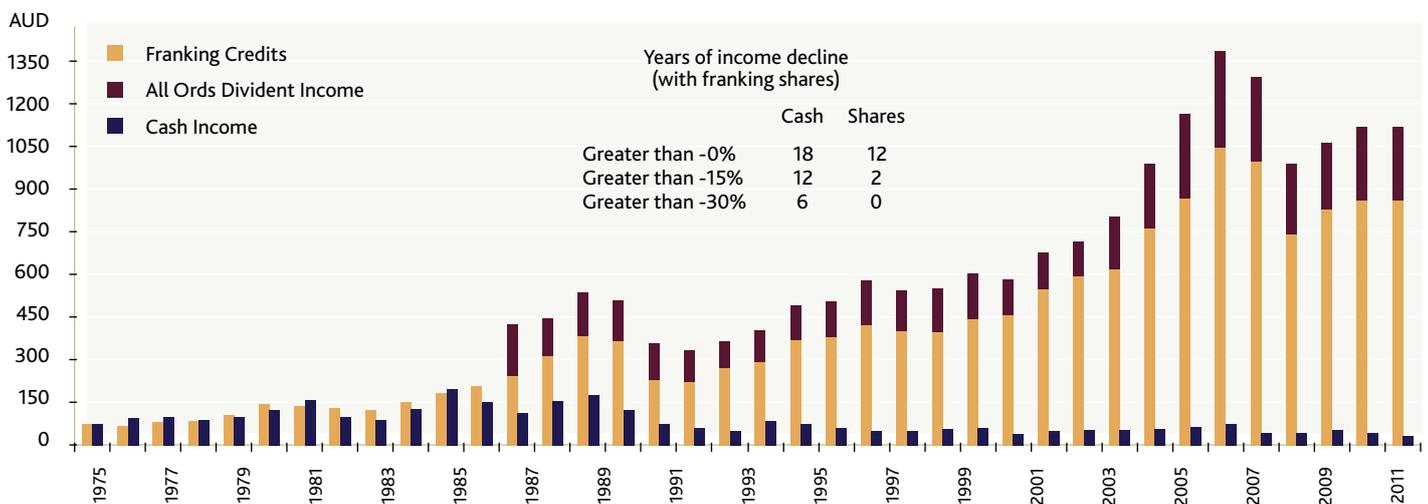
Ultimately, the goal of most investors is simply to achieve a reasonable return without taking unacceptable risks.

At Lifestyle we love a good investment book. Matt Sherwood's post GFC effort is one of the best we have read for some time. Matt is unashamedly a fan of investing in human ingenuity and creativity...through businesses. And the best way to invest in a variety of businesses is through buying shares, or managed

funds that invest in shares.

Matt says: “I don't like the low net income associated with cash, bonds and property, I much prefer the growing net income and safety of shares.” The “safety of shares” – that's a little controversial isn't it? We suggest you read the book to check out his rationale. The chart below provides plenty of support for this statement.

Investment Income: Cash vs Shares (AUD 1,000 Initial Investment)



Source: Perpetual Investments as at 30 June 2013

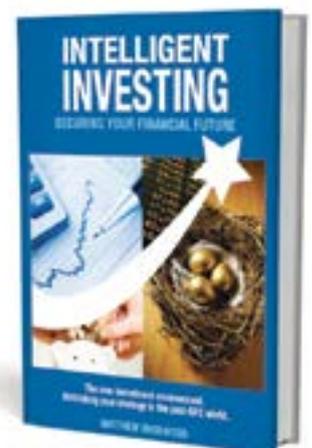
Intelligent Investing is a great read and also just happens to be highly consistent with the investment message Lifestyle has been communicating to our clients for over a decade.

The book talks about:

- Why investors should not be afraid of the sharemarket.
- The building blocks of wealth creation.
- The two parts of investors' total return and how to manage risk.
- The growing importance of income.
- The misconceptions about 'yield' and 'property' investing.

10 FREE COPIES OF "INTELLIGENT INVESTING"

Lifestyle has 10 copies of the book to give away to the first 10 people who call our office and request a copy. If you would just like to learn more about this topic you can find Matt's website at: www.intelligentinvestingcorp.com.au



Your Financial Plan in 2014

Financial Plans are somewhat like new cars; they depreciate over time. Times change, technology changes, and as your personal situation changes your financial plan must also change to remain relevant.

Often, the New Year provides a time to reflect on the year that was and to plan for the year ahead. To help you do this, we have provided a short hit-list to work through before the business of life takes over again:

Review your Year:

Recognise your achievements, identify your mistakes and note the areas that can be improved on. If you had written goals for the year, assess the extent to which these were achieved.

Write out your Goals:

It is generally accepted that if you “commit your goals to paper” there is a greater chance that they will be achieved. Further, hold yourself accountable. Most successful people will have a big picture plan, but will also have mini monthly (or even weekly) plans to ensure they are on track. This also allows them to reset goals as their situation changes. Try it out. You’ll be amazed by the results.

Read Books:

Reading biographies is a tremendous way to acquire wisdom and provide inspiration. Warren Buffet famously said: “If you tell me who your heroes are, I can tell you how you’re going to turn out in life.” If you would like something a little more structured here are some suggestions for holiday reading:

- *The One Minute Millionaire* looks at the habits of the wealthy and financially successful.
- *The Richest Man in Babylon* is a timeless classic. It looks at the secrets to acquiring and keeping money.
- *Intelligent Investing* examines investing lessons from the past and present - a great post-GFC look at the stock market.

Use Leverage:

The road to achieving your goals can be slow (and sometimes dangerous) if you do it alone. Leverage can allow you to use other resources to achieve your goals sooner and with less risk. Focus on what you do well and outsource other areas of your life to those who have the expertise to do a great job. When it comes to your own Financial and Life Plan, employing someone to help you put it together and hold you accountable will certainly increase your chances of achieving a great outcome.

LIFE STAGE PART 3 – Happy Retirement can be hard work!

Many people, who find the daily grind of work tough and aspire to early retirement, find they become busy in retirement with sorting out the bills, procrastinating over odd jobs, organizing social events and becoming so busy that they wonder how they ever found time to work. For some, particularly men, it is extraordinary how much of their identity comes from what they do as an occupation. Retirement can bring on unexpected depression and a sense of ‘disconnectedness’. A working person does not expect to be happy all the time. Every occupation has unpleasant elements and drudgery. However, there can be an expectation that once they are released from the constraints of having to work then life will become one long holiday.

We imagine our ‘job’ in retirement is the pursuit of happiness. When we find we are not necessarily happy seven days a week we can feel like a failure. There are still plenty of ‘mundane’ jobs to be done in retirement. If you own a home and a car there will still be lots of maintenance. There is shopping and chores to be done. You still end up doing the same errands you had to do when you were working but the errands aren’t keeping you from that ‘boring’ meeting at work; they are keeping you from a ‘fun’ game of golf.

When you leave work, you leave behind a social life and all kinds of social interactions and this can leave you feeling relatively lonely and isolated. At retirement, this built-in

social life disappears. If you have a spouse and children and a healthy network away from work you will probably be OK but sometimes your spouse keeps on working and you have some long hours alone during the day. If you retire earlier than your peers and your existing friends are still working, they won’t be available during the day and will be too tired in the evening to get together.

Proper planning and preparation can alleviate many of these issues. Retirement or semi retirement can be a terrific time to become more involved in your local community or not-for-profit organizations that will enable you to build new networks of like minded people that share a passion in common with you. Volunteer work can be rewarding and empowering and provide a sense of purpose and direction. You are working because you believe in something. You are working because you want to, not because you have to and this gives you a freedom and release from pressure.

The key to a successful transition to retirement is the same as for a successful and balanced life in the workforce. That is, to recognize that your job is what you do, not who you are. Your identity should be in your relationships as spouse, parent, uncle, aunt, grandparent or friend. Your ability to make a useful contribution to your community in so many non work related ways is what will ultimately define you.

What's happening at Lifestyle

It's been a busy 6 months for Jossel

Jossel is looking forward to a well earned break over the Christmas period. And he deserves it. The past 6 months have been busy!

Part of what attracted Jossel to move his business to Lifestyle was the opportunity to embrace Lifestyle's proven Investment Methodology and Model Portfolios. All the clients who have been in for a review since Jossel moved have accepted Lifestyle's Investment Methodology as the basis for managing their investments going forward. In most cases investment fees have reduced as a result.

Jossel expects that with ongoing investment monitoring and regular rebalancing his clients' goals will be achieved. He feels that the move to Lifestyle provides extra security for his clients and for his business.

"I have previously experienced the benefits of collaboration in business and I am just so happy to be able to work with a group of likeminded advisers seeking to achieve the same long term goals that I have for my clients and my business". JG

Sandy survives her first year

Sandy has just had her first anniversary at Lifestyle, settling in very well within

the team. On a personal level, Sandy recently went back to Hong Kong for a few weeks to spend time with her family, including her niece and nephew, Andrea and Marcus. She is a "very proud aunty".



Number five has arrived

Tim & Trudy are proud to announce the birth of Emily Egger born on the 13th September 2013. This makes five kids in the Egger household and an extremely busy life.



More Babies

As a follow-up from our last newsletter, Irene's daughter, Denise, gave birth to her third daughter, Joanna, in November. So that's 3 boys and 3 girls for the proud Kay grandparents.

"We wish everyone all the best for the festive season and a happy and prosperous New Year!"



Gareth Hall
CFP Financial Planner
Authorised Representative



Irene Kay
CFP Financial Planner
Authorised Representative



David Kissane
CFP Financial Planner
Authorised Representative



Shane Foster
CFP Financial Planner
Authorised Representative



Anne Kennedy
Finance



Jossel Ginsburg
Financial Planner
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Tim Egger
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Authorised Representative



Denise Chambers
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Sandy Lui
CFP Financial Planner
Authorised Representative



Stuart Nix
Financial Planner
Authorised Representative



Denise Woodward
Practice Support Officer



Kathy Kuersten
Receptionist