



FIDUCIAN FOCUS

Summer
2011

PROPERTY, SHARES & MANAGED FUNDS

Inside this issue...

- PROPERTY, SHARES AND MANAGED FUNDS
- FIDUCIAN ONLINE
- HOW'S THAT SHARE MARKET LOOKING?
- SPONSORING ST HELENS BOWLING CLUB, TASMANIA
- COMMONWEALTH GAMES BRONZE MEDAL FOR CHLOE HOSKING

Comparing investment returns of shares, managed funds and property is hard, with good and bad examples to be found for each. However, comparing their features is somewhat less difficult.

Direct Property gives an investor the opportunity to purchase a physical asset, bricks and mortar. A share gives an investor the opportunity to directly own part of a company. A managed fund "pools" investor monies to invest in an asset and allocates each investor units based on the amount invested.

Generally, when investing in Direct Property, the entire property must be purchased, whether as a sole owner, a joint owner or a tenant in common. An indirect investment like shares or managed funds provides the investor with the option to purchase "parcels" of various sizes.

Continued page 2

PROPERTY, SHARES & MANAGED FUNDS

CONTINUED FROM PAGE 1

This flexibility provides the investor greater opportunity to decide the amount to commit to a particular investment and whether gearing (using borrowed money) should be used.

Direct Property is an unlisted asset and the market value is only determined when it is formally valued or when the property is sold. The value of listed publicly offered company shares is determined on a daily basis on transactions that have occurred

through the stock exchange. Managed Funds are generally unlisted but are regularly valued by the fund manager using the value of the underlying assets. As a general rule, assets that are regularly valued are more liquid than an asset which is only valued irregularly. Put another way, assets regularly valued can be sold in full or part,

more quickly than an asset which is not.

In summary, there are many considerations prior to making an investment. For more information about an investment and to discuss what it means in terms of diversification, your investment goals and your objectives, please contact your Fiducian Financial Adviser.

FIDUCIAN ONLINE

Summary	Details	Allocation	Pension	Profiles	Transactions	Statements
Account Details						
Account Type	Super					
Account Commenced Date	22/06/2001					
Eligible Service Date	29/05/1995					
Power Of Attorney						
Authorised Agent						
Portfolio Review Fee	0.00%					
Insurance						
	Description	Amount	Premium	Frequency	Commencement Date	End Date
	Tower - Death & TPD	60,000.00	2.90	Monthly	01/09/2007	31/08/2011

Fiducian Online is a powerful tool to provide you with information on your investments through the Fiducian Services. Fiducian Online now allows Superannuation members to view their Nomination of Beneficiary details. The name of a beneficiary, the percentage of benefit they are to receive and the expiry date

of the nomination are displayed in the "Details" tab.

To access your account details you will need to login to the secure section of Fiducian Online.

Please visit www.fiducian.com.au and register your details in the Fiducian Online section, or contact your Fiducian Financial Adviser.

SUDOKU PUZZLE

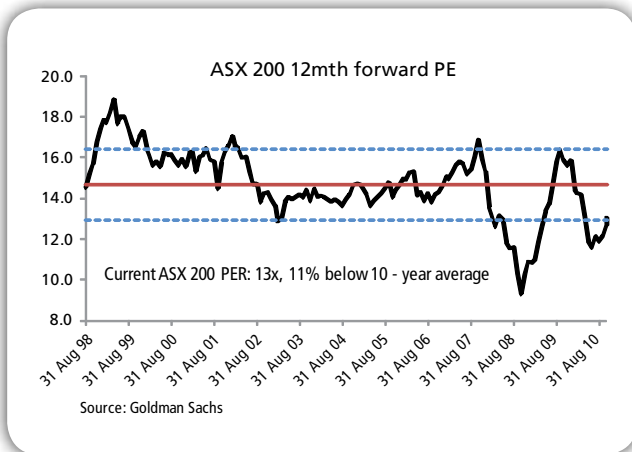
6		4	1					8
7	3		9		6	5		1
	9	8	7		5	6		
			6				1	5
	1		3					
4	6			1				
		1	8		7	4		
		6	4				2	9
9		5			1	7		

See page 4 for answers.

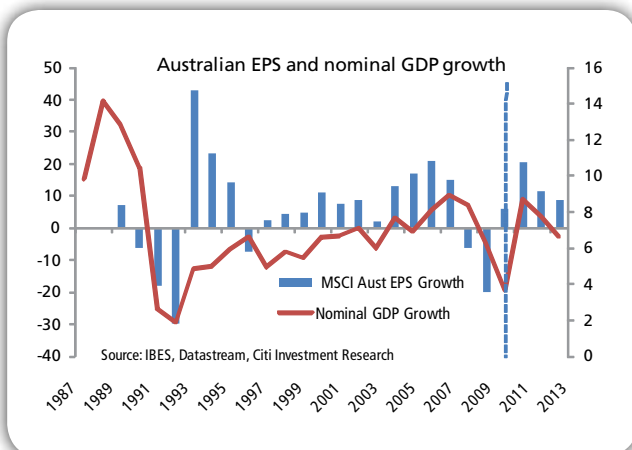
HOW'S THAT SHARE MARKET LOOKING?

Brian Han, Head of Research and Doug Little, Managing Director, Constellation Capital Management Limited

Given the current exuberance of the resources sector, one may be forgiven for thinking that the Australian equities market is becoming heated. At a broad level, however, we continue to see decent value in the market. One commonly used measure of the valuation of the share market is the so-called price-to-earnings ratio (PE ratio). It provides a rough guide to the relative value of a market over time, as it measures the (weighted) average price of all stocks in the index relative to average company earnings (or profits) over different time periods. As at end-October 2010, analysis of the PE ratio over time indicated that the market was trading at an 11% discount to its ten-year average, as illustrated by the following graph:



Other valuation measures, such as the average market dividend yield and the price-to-book ratio (which measures the price of



the market relative to the average net asset value of the stocks in the index), also point to the market being attractively priced at current levels. Of course, one key reason for the market appearing to be historically cheap at present is that average company earnings are forecast to grow solidly over the coming year, as shown in the graph below.

However, a risk posed to the relatively attractive valuations of the Australian equities market is the general macroeconomic picture. This may sound surprising given the mostly relatively rosy earnings per share and economic growth forecasts at present. Nevertheless, we believe the overall picture masks a stark two-speed economy. On the one hand, the

strong economic growth outlook in China (around 10% growth in GDP per annum and forecast growth of around 5% - 6% per annum for other emerging market economies) is likely to continue to underpin the resources and related sectors in Australia. On the other hand, this resources-driven strength is likely to ensure that the Reserve Bank keeps interest rates relatively high to control anticipated inflationary pressures, thereby putting a brake on the housing and consumer sectors as a counter-balance. To make matters worse, the commodity-driven surge in the Australian Dollar is also adversely affecting the outlook for non-resources exporters, although continuing economic recovery in the US and other developed economies could be expected to assist these Australian exporters over time.



“One key reason for the market appearing to be historically cheap at present is that average company earnings are forecast to grow solidly over the coming year.”

*We wish you,
your family and
friends a very
Merry Christmas
and safe and
successful 2011.*



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FIDUCIAN IN THE COMMUNITY
SPONSORING ST HELENS BOWLING
CLUB, TASMANIA

Fiducian is pleased to be sponsoring St Helens Bowling Club for a third year. The community focused bowling club is the hub for bowls activity along the East Coast of Tasmania. Our sponsorship supports the club's major bowling tournaments over the summer months.



Fiducian Adviser Matthew Clingeffer with the St Helens Bowls Club President Colin Lomas and Secretary Lorraine Webb

COMMONWEALTH GAMES
BRONZE MEDAL FOR CHLOE HOSKING

Fiducian were sitting on the edge of their seats as Canberra road cyclist Chloe Hosking cycled her way to a Commonwealth Games bronze medal at this year's Commonwealth Games in New Delhi, India. Having supported Chloe for many years, everyone at Fiducian is thrilled for her success and looks forward

to watching her future successes. Congratulations Chloe!



Bronze medalist Chloe Hosking with winner Rochelle Gilmore



Answer

6	5	4	1	3	2	9	7	8
7	3	2	9	8	6	5	4	1
1	9	8	7	4	5	6	3	2
2	8	9	6	7	4	3	1	5
5	1	7	3	2	9	8	6	4
4	6	3	5	1	8	2	9	7
3	2	1	8	9	7	4	5	6
8	7	6	4	5	3	1	2	9
9	4	5	2	6	1	7	8	3