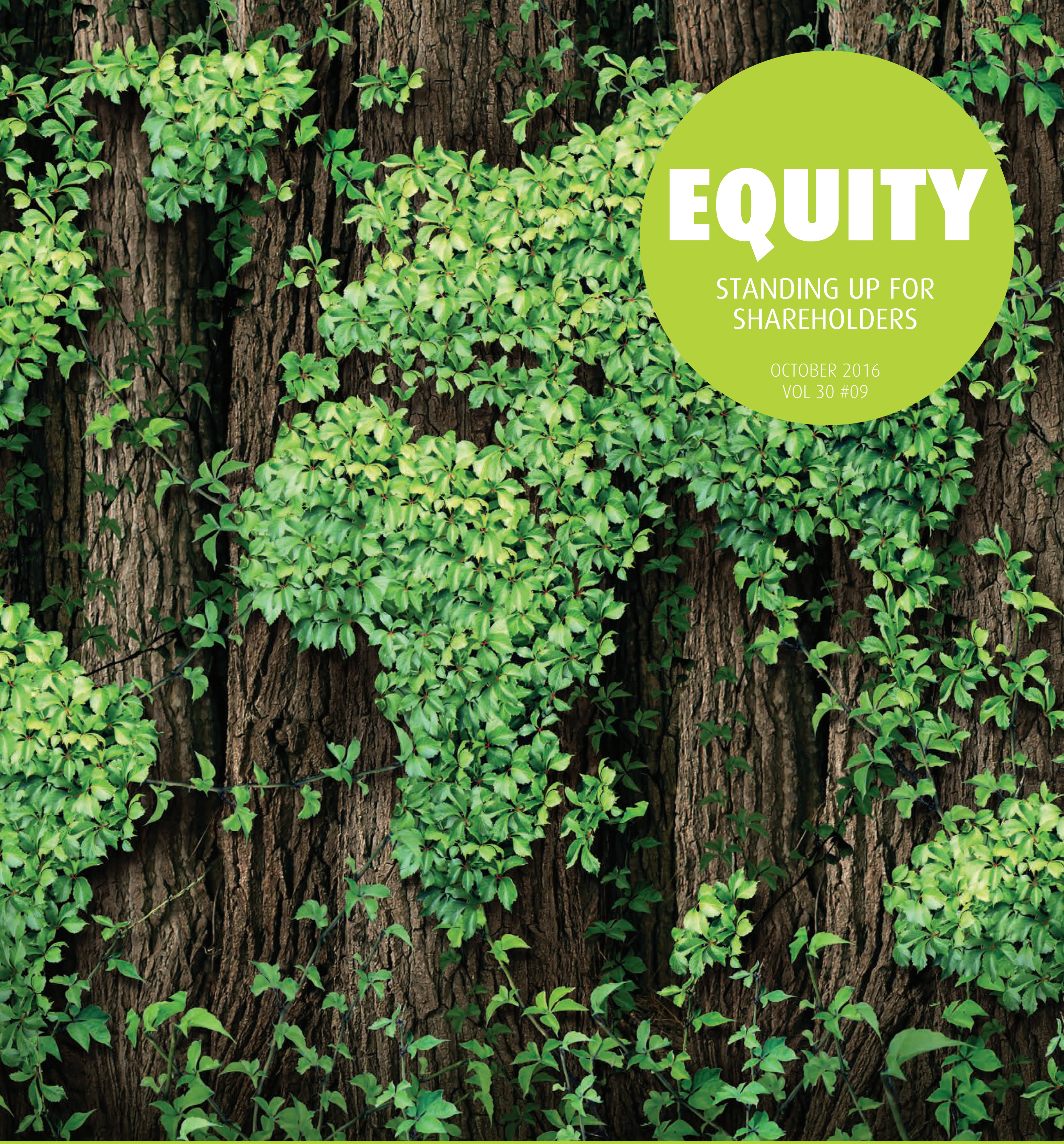


EQUITY

STANDING UP FOR SHAREHOLDERS

OCTOBER 2016
VOL 30 #09

BREAKING NEWS

2017 Conference dates 15-16 May plus a third day of optional activities

Grand Hyatt Melbourne

Hold these dates!

asa Australian Shareholders' Association

RRP $10
www.australianshareholders.com.au

EQUITY
STANDING UP FOR SHAREHOLDERS
OCTOBER 2016
VOL 30 #09

FEATURES THIS MONTH

Australian Shareholders' Association

BOARD OF DIRECTORS
Diana D'Ambra BCom MCom FCA MAICD, Chairman
Geoffrey Bowd BCom MCom
Betty Clarke-Wood ACIP
Allan Goldin BA BLaw
Don Hyatt BAppSc DipEd M Ed MACE
Stephen Mayne BCom, GAICD

NATIONAL OFFICE
Silvana Eccles
National Operations Manager
Samantha Clark
Events & Member Services Officer
Veronika Ilnycky
Communications Officer
Anna Lau
Head of Research
Louise Sinclair
Administration Assistant

STATE BRANCHES

ACT Edward Patching	act@asa.asn.au
NSW Richard McDonald	nsw@asa.asn.au
QLD Alison Harrington	qld@asa.asn.au
SA Kevin Parken	sa@asa.asn.au
VIC Don Hyatt	vic@asa.asn.au
WA Barry Nunn	wa@asa.asn.au

EQUITY EDITORS
Silvana Eccles and Veronika Ilnycky — equity@asa.asn.au

CONTACT DETAILS

TELEPHONE	1300 368 448 02 9252 4244
FAX	02 9252 4966
ADDRESS	Suite 1A, Level 2 20 Loftus Street Sydney NSW 2000 GPO Box 359 Sydney NSW 2001
ABN	40 000 625 669
EMAIL	share@asa.asn.au
WEBSITE	www.asa.asn.au

www.australianshareholders.com.au

CHAIR REPORT

By Diana D'Ambra

Like many of you I am troubled why a number of our top companies are "behaving badly." Whether it is rigging prices, avoiding tax, bribing foreign officials, rejecting valid insurance claims, using creative accounting to improve earnings, or expanding the company unwisely and then writing down the investment a short time later, many large companies appear to not be able to assess the consequences of their decisions.

These are not the companies retail shareholders wish to invest in.

Boards of directors are responsible, as our agents, to establish the culture, set the tone and ensure management operates properly and ethically.

I recently attended the launch of the Australian Ethics Index. The Governance Institute of Australia (GIA) sponsored research into the perception of Australians on the level of ethical behaviour in our society generally - a great initiative by the GIA, and one they intend to conduct annually. Like most studies the data was cut and diced to look at the different perceptions of ethical behaviour in different industries, organisations, and occupations, as well as within our families and communities.

In broad terms the lowest Ethics Index score went to the banking, finance and insurance sectors, large corporations and media. On the other side health, education, charities and not-for profits had the highest overall ethical ratings with nurses, vets, pharmacists and school teachers all highly regarded. Professional sports clubs and unions did not score well.

The main influence of good ethical behaviour in financial institutions was perceived to be a good corporate culture and governance practices. The CEO and Directors were considered to be the most influential in setting the ethical standard; whilst government and regulations had the greatest external influences.

So why are we seeing numerous examples of poor behaviour by some large companies both in Australia and overseas? I can only suggest boards are not setting sufficient example at the top and ensuring the CEO and management embed the values at all levels of the organisation.

Fortunately our volunteer monitors play a pivotal role in holding Australian companies to account by looking at company behaviour and results and asking questions of the board at the AGM. We are extremely fortunate to have them representing our interests in the current AGM season.

In July the Financial Reporting Council (FRC) in UK released their report on the importance corporate culture plays in delivering long-term business and economic success, and the role of the board. Interestingly FRC interviewed investors and shareholders. There was a clear appetite from shareholders for an improved dialogue with companies on culture.

There was also a clear consensus that currently FTSE 100 companies are not providing sufficient information for investors to assess culture of the organisation. We know there will be no uniform standard of cultural measures that will suit all companies, but clearly this is an area where improvement in reporting by boards to their shareholders is required.

I call on Chairmen of our top companies to not only acknowledge the importance of their corporate culture but to explain in their Annual Reports, and at their AGMs, what steps they are taking to ensure their company is acting ethically at all levels. Failure to tackle this important issue will, I am sure, lead in the future to some companies losing their "social license" to operate and this will impact their economic performance and their reputation more severely than any other failure of governance.

We, as retail shareholders, have the power to use our proxy votes to hold directors to account. Don't waste your vote. Give your proxies to Australian Shareholders' Association.

After more than four years as Queensland State Chairman, from 1 October Alison Harrington will be stepping down. On behalf of the Board, I would like to thank Alison for her contribution in advancing the ASA. Please see page 20 for Alison's final State Report. We welcome Bryan Moore into the role and wish him well. E

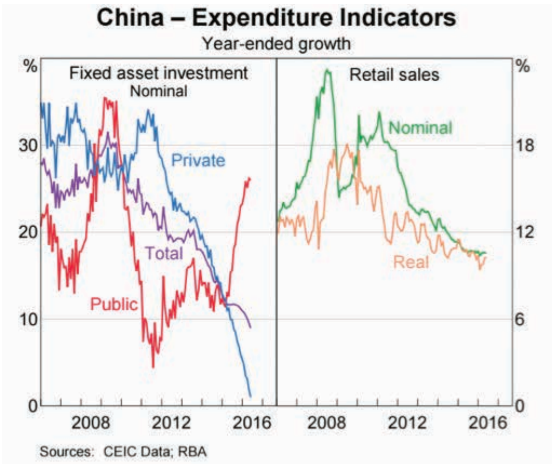
Caution warranted, but global waves should not capsize the good ship Australia

By David Bassanese, Chief Economist at BetaShares

As a still relatively small and open economy, Australia is naturally buffeted from time to time by global developments. This year has been no exception.

Already we've had to deal with concerns over a slowdown in the Chinese economy, the United Kingdom's decision to exit the European Union, and wavering by the United States Federal Reserve over whether it should raise official interest rates.

We needn't stop there.



We can throw into the mix the ongoing scourge of global terrorism, the "hijacking" of the United States presidential election by Donald Trump, global warming and cyberattacks.

The good news, however, is that the Australian economy still appears to be coping with these shocks relatively well. Economic growth has been above trend of late, and the unemployment rate has held below 6%.

Business confidence is at above average levels, house prices (at least along the east coast) are rising and consumer spending has been fairly robust.

Low inflation has also allowed the Reserve Bank of Australia to recently cut interest rates further, and the market is anticipating at least one more rate cut over the coming three to six months. The RBA is openly targeting stronger growth in the economy and a decline in the unemployment rate to around 5% at least.

So what are we to make of recent global developments, and could further shocks still threaten to rock our boat?

China

Let's start with China.

Although analyst concerns over China continue to wax and wane, to my mind the economy is still likely to muddle along, albeit with growth continuing to steadily ease due to slowing population growth and less productivity catch-up potential due to rising living standards.

At present, Chinese authorities have set a growth target of 6.5 to 7% for this year, which so far still remains on track (to the extent that official Chinese statistics can be considered robust!).

The challenge for China is that it has quickly lost its "workshop for the world" status thanks to rising wages, rising inflation, and an inflexible currency peg to the rising US dollar. This has been evident from weakness in exports and a major drop in private investment over recent years.

China has made up for this lost source of growth by encouraging domestic home building and infrastructure development – typically via state-owned enterprises financed through the banking sector. So far so good, but China has now built too many apartments – particularly in 2nd tier cities outside of Shanghai and Beijing. It has also already built a lot of questionable transport and other social infrastructure projects for its major cities. These investments, while keeping industrial activity ticking over, are not overly profitable, which is why debt levels have increased to plug the financing gap.

Rising debt is seen as a worry in China. The reality is that this is effectively a state subsidy provided through the state-controlled banking sector and the central government can, and will, likely pick up the cheque should China's banks get into trouble.

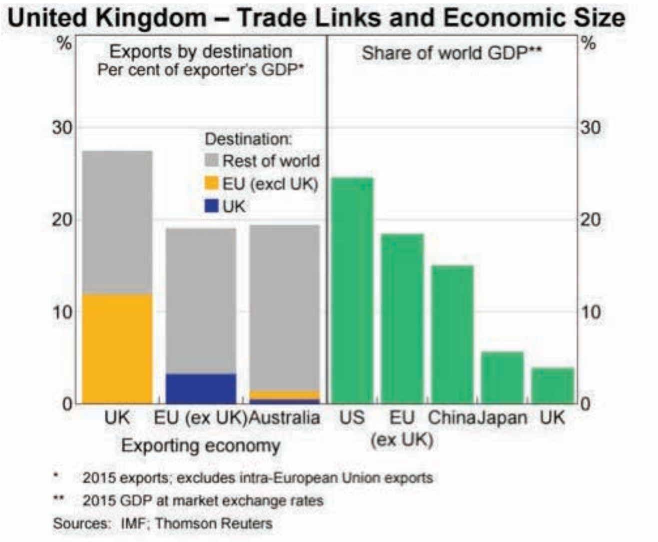
At 250% of GDP, China's overall debt level may seem high, but it's still well short of the 400% of GDP debt load in Japan – which has been playing a similar game of debt-fuelled capital works projects since its own bubble-economy burst two decades earlier. And as in Japan, most of China's debt is locally owned.

What does this mean for iron ore prices? They seem to have defied reality for several months now, helped by yet another Chinese stimulus package for the already over-extended housing sector.

A weaker US dollar and local investor speculation has also helped prop up prices, but given the likelihood that Chinese steel production is still trending down and iron ore supply is still ramping up, iron ore prices should at best move sideways, and at worse re-test their lows of late last year at some stage in 2017. In this regard, it seems premature to be backing resource stocks and a resumption of a bull market in commodities any time soon.

Brexit

As for Brexit, as some have suggested, this now appears to have been a storm in a British tea cup. Global markets seem to have dealt with the shock decision pretty well, helped by the promise of ample further central bank monetary stimulus if need be. At face value, the huge potential disruption to trade relations with Europe should be a sufficient shock to UK firms that it sends the British economy into recession.

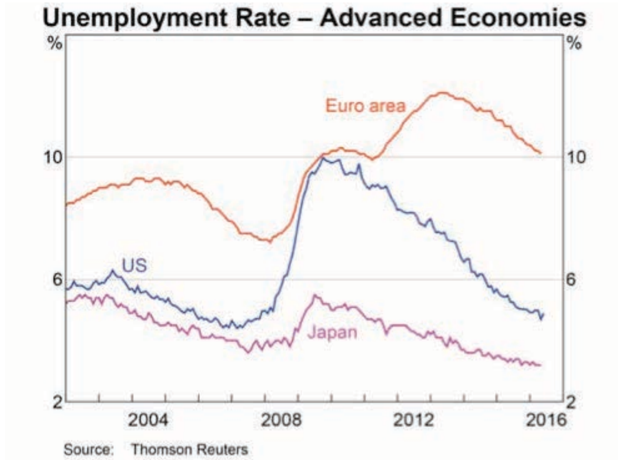


Against this, however, the British Pound has weakened and interest rates have fallen, providing some offsetting stimulus. And it also appears that the UK Government won't formally trigger its exit from the EU until such time as it has negotiated a clearer set of new trading arrangements. Although it's still early days, judging by the encouraging post-Brexit rebound in UK stocks, it seems investors are debating whether the economy will tumble into recession after all.

What's more, from a global perspective, we should not lose too much sleep if the UK did buckle, given it only accounts for around 2.5% of global GDP.

The US of A!

That then leaves probably the biggest challenges still facing the global economy – the fate of the world's largest and most important economy, the United States. One challenge is the fact that America's post-financial crisis "sweet spot" - of reasonably good economic growth unchallenged by rising interest rates due to lingering spare capacity and low inflation – appears to be coming to an end. The economy is now close to full employment and wage growth is starting to stir. The Federal Reserve, long loath to raise interest rates, is running out of excuses and has recently hinted it could raise interest rates as early as September, and if not, December. Unless the US economy slows of its own accord, the Fed will likely raise interest rates by year-end. Either way, with equity market valuations pushed up by very low interest rates, and earnings growth still sluggish, Wall Street faces an increasingly troubled road ahead.



The other challenge in the United State is Donald Trump, whose controversial positions over recent months suggests he might derail US business and investor confidence were he to be elected to the most important office on the planet. For what it's worth, however, he's still trailing badly in the polls and most experts think he has little chance of beating establishment-candidate Hillary Clinton. But even if Trump did win, I have a sneaking suspicion he doesn't really believe half the extreme things he's said over the past year - and that they were instead all part of a clever ploy to win over the hard right delegates that ultimately decide the Republican nomination. Of course, it's better not to have to hope that Trump would be more circumspect once in office, and instead I prefer to hope that the current polls will be proven right.

Investment Implications

For investors, while the current global economic outlook is not as bad as some may suggest, it still warrants a degree of caution. While China's economy is unlikely to crash, for example, its demand for our key commodities should still slow, meaning our resource stocks could continue to face a challenging environment. And while fallout from the Brexit decision is likely to remain contained to the relatively small UK economy, a far bigger issue is the maturing of America's economic expansion.

Either through higher interest rates, or slowing US economic growth, Wall Street's admirable resilience of late is likely to be tested in the months ahead. Our market will not be immune.

Accordingly, to the extent investors still desire some exposure to the market – if only because of the attractive dividend yields on offer – they might consider more defensive high-income focused sectors and strategies and/or risk-managed equity products which offer more downside protection.

Investors might also consider some exposure to less cyclically sensitive global industries which offer "secular" growth opportunities, such as for health care and food.

The opportunities in global equities for Australian investors

By Graham Hand, Managing Editor at Cuffelinks

There's a popular myth that individual investors, especially trustees of their own self-managed super funds (SMSFs), do not invest much in global equities. While it's true SMSFs are less diversified than large institutional funds, global equities are readily available and eagerly sought by trustees and personal investors.

The myth is conveniently perpetuated by managers of global funds, who often claim the SMSF allocation is less than 1%. They argue investors should correct the asset allocation and lack of diversification by placing more money into their funds.

At a recent global fund launch, a high-profile manager even talked about how his product filled a 'gap' in the market. Let's see if he was right.

How does the ATO collect the SMSF data?

The major reason for this mistake is the way the Australian Taxation Office (ATO) collects statistics on SMSFs. The ATO's SMSF Statistical Report for March 2016 shows 'overseas shares' and 'overseas managed investments' worth only $2.4 billion, while total assets were $590 billion. That's a paltry 0.4%. Unfortunately, the data is misleading and counterproductive.

The ATO collects data via annual tax returns. In the recent report, the ATO says its 'estimates' are extrapolated from 2013-2014 data, and it guesses some allocations. Crucially, a wide range of global equity investments held by SMSFs which are reported as listed trusts, unlisted trusts, other managed investments and even listed ETFs are assumed to be Australian equity investments. The vast majority of global investments is lost in the data collection.

On enquiry, the ATO confirmed to me that the small amount listed under 'overseas shares' is only the direct share investments held on overseas exchanges. The ATO looks at the first point of domicile of the investment vehicle, and the vast majority of global shares are held in domestic vehicles.

How much should be invested in global equities?

Professional asset allocators handling billions of dollars of client money in multi-asset funds spread their exposure to reduce risk and take advantage of diverse opportunities. A typical balanced fund suitable for most investors will hold about 60% in 'growth' assets (mainly equities and property) or 40% in 'defensive' assets (such as cash and fixed interest).

The Australian Prudential Regulation Authority's (APRA) Quarterly Superannuation Statistics for June 2016 (http://www.apra.gov.au/Super/Publications/Documents/2016QSP201606.pdf) reports asset allocation by large super funds as shown in the following table.

Superannuation industry asset allocation June 2016 (institutional funds)

Asset category	$ billion	% of total
Cash	177	13%
Fixed income - Australian	183	13%
Fixed income - global	103	8%
Equities (listed) - Australian	310	22%
Equities (listed) - global	297	22%
Equities (unlisted)	62	5%
Property	125	9%
Infrastructure	68	5%
Other (eg hedge funds)	55	4%
TOTAL	1,382	100%

Source: APRA Quarterly Superannuation Statistics

Institutional funds allocate about the same amount, 22%, to both global and Australian listed equities, with another 5% to unlisted equities. Plus there is another 9% in infrastructure and hedge funds, much of which is also outside Australia. The total global equity exposure for most large funds is therefore between 25% and 30% (and another 8% in global fixed income). This is far more than most SMSFs.

What is a more accurate number for SMSFs in global equities?

The ATO number of 0.4% in global equities is inaccurate, but what's better? Nobody knows the exact number. A study which looks through the structure to the final investment is produced by SMSF administrator, SuperConcepts, based on data inside 3,300 funds. It shows SMSFs hold about 13% of assets in international shares. As these particular SMSFs have a large number with adviser connections, this is perhaps on the high side for all SMSFs, most of which are non-advised. A more accurate overall number is about 10%. This is less than half the allocation by professionals managing diverse funds, suggesting SMSFs investors should find more global investing opportunities.

Why should Australian investors buy global shares?

There are two main reasons to invest in global equities:

1. More and better opportunities

The Australian Securities Exchange (ASX) is highly concentrated, with the Top 10 companies comprising 50% of the market weight of the S&P/ASX200 index, and banks making up about 30%. Other big names are BHP, Telstra and Wesfarmers, each facing their own headwinds. There are important market sectors such as technology and consumer goods which are not well-represented on the ASX. Consider, for example, the excellent long-term outlook for companies like the FAANGs of Facebook, Apple, Amazon, Netflix, Google (now called Alphabet).

2. Currency diversity

Investments in global shares can also benefit from a declining Australian dollar, perhaps a useful hedge against the overall prosperity of Australia for portfolios where most of the assets are local. Currency gain may add to the equity performance.

Where can Australians invest in global equities?

SMSF trustees are eager to use funds to gain exposure to global companies because they are less familiar with transacting on foreign exchanges than they are on the ASX.

1. Unlisted managed investments or trusts

There are dozens of unlisted global managed funds available either directly from fund managers or via an administrative platform from any of the large providers. Watch for the cost as the platform fee may be additional to the manager fee, with most managers available for around 1% (excluding advice fees). The two most popular are Platinum (funds under management $23 billion, mainly Australian retail) and Magellan (funds under management $39 billion, of which Australian retail is $12 billion). The global funds of Schroders, Lazard, Fidelity, Vanguard, BT, Colonial First State, AMP Capital, Henderson, Aberdeen, Ibbotson and dozens of other popular managers have large SMSF support, not only in broad markets but specific sectors like infrastructure and resources.

2. Listed Investment Companies

Many popular LICs on the ASX have global exposure, such as Hunter Hall (ASX code:HHV), PM Capital (ASX:PGF and PAI), Templeton (ASX:TGG), Platinum (ASX:PTM and PAI), Global Value (ASX:GVI) and Magellan (ASX:MFF). One unusual structure, issued by Future Generation Global Investment Company (ASX:FGG), passes the fees received to selected charities, and the fund managers are a select group who offer their services without charge.

Care should be taken when investing in LICs as they are closed-end funds (that is, the liquidity comes from buying and selling on an exchange rather than units being redeemed or created) which can trade at a discount or premium to the value of the underlying investments, or the Net Tangible Asset value.

3. Exchange Traded Funds (passive or index)

Index ETFs are increasingly popular as they are easy to transact on the ASX, and usually carry a lower cost than actively-managed funds. According to BetaShares, in July 2016, there were 179 ETFs trading on the ASX, with a value of $23 billion, up 18% in the previous year. At the moment, the fund category with the highest monthly inflows is international equities, while Australian equities are in outflow.

Most of the ETFs offer broad index exposure, such as Blackrock's iShares S&P500 ETF (ASX:IVV) or State Street's SPDR Global Dividend Fund (WDIV). However, there are also specialist sector ETFs, such as a range from BetaShares with exposure to healthcare (ASX:DRUG), agriculture (ASX:FOOD), energy (FUEL) and global technology (ASX:NDQ).

4. Exchange Traded Funds (active or managed)

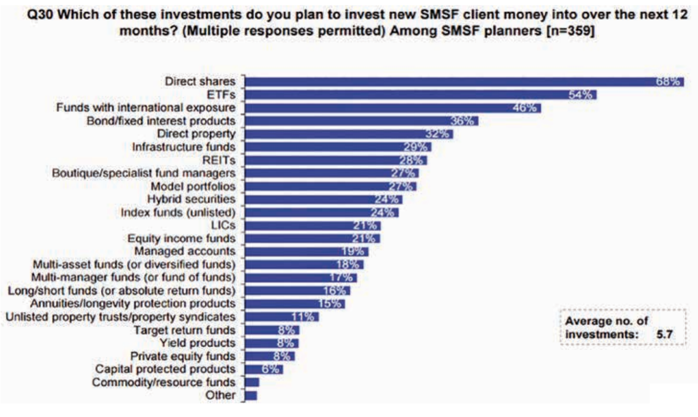
In the last year, a wider range of actively-managed ETFs has hit the ASX, bringing convenient access with the potential performance of professional management.

The largest is Magellan's Global Equity Fund (ASX:MGE), while AMP Capital recently launched three funds; Dynamic Markets (ASX:DMKT), Global Infrastructure (ASX:GLIN) and Global Property (ASX:RENT). Schroders has a global multi-asset 'real return' fund (ASX:GROW).

5. Direct Investments on Foreign Stock Exchanges

Most stock brokers, including online providers such as nabtrade and CommSec, provide services which allow investors direct access to foreign stock exchanges. This enables Australian investors to buy some of the world's greatest companies directly.

As evidence of demand for global funds, a recent Investment Trends/Vanguard survey of financial planners who specialise in SMSFs reveals the popularity of ETFs and funds with international exposure, as shown in the following chart.



Source: 2016 Investment Trends/Vanguard March 2016 SMSF Investor Report.

In summary, SMSFs and self-directed investors are far more active in global equities than is popularly believed, worth about 10% of their portfolios.

This allocation should be more like 20% in a typical diversified portfolio, and there are now more exciting and accessible ways to create this exposure than ever. E

Graham Hand is Managing Editor of the Cuffelinks newsletter. Members of the ASA can register for free at www.cuffelinks.com.au/newsletter-invite/ and receive a copy of the latest highlight articles in the Cuffelinks Showcase.

How to invest overseas without leaving home

By John Addis, Founder at Intelligent Investor

A few years ago when one Australian dollar purchased one US dollar, or thereabouts, the idea of investing overseas carried much credence. US markets were comparatively cheap and, with a strong currency, you got potentially more value for money.

The case played out as we hoped. The US dollar strengthened as its economy recovered from the GFC and the Australian dollar fell as the mining boom went 'bang'. Investors that got exposure to US markets have done pretty well since then. Our recommendations on CSL and Cochlear for example, both ASX-listed stocks with global earnings exposure, are up significantly since – in the case of CSL more than tripling in price - beneficiaries of stronger earnings and reporting in a lower local currency.

Has the opportunity been lost to time? Not entirely. Even without a strong local currency there are powerful benefits to international investing. Fishing in a global pool means more opportunities and better portfolio diversification. And now there are now many more ways to get it, without the hassle and expense of trading overseas-listed stocks.

Perhaps the first, easiest and often cheapest is to use exchange traded funds (ETFs). ETFs are, as their name implies, funds that trade on a stock exchange, making purchase and sale simple. Select ETFs by country, commodity or sector and you're guaranteed to earn the market return minus fees, which are usually very reasonable, sometimes as low as 0.25%. EFTs are convenient, cheap and structured in a way that their prices tend not to stray too far from underlying asset value for long. The trouble is, that last reason means it's unusual to find a cheap ETF.

The second strategy gets you out of doing the legwork, but still holds the prospect of being able to buy a few stocks for less than they're worth. By investing in an international listed investment company you get a ready-made portfolio of international stocks run by a professional manager. For inexperienced or time-starved investors it's a good choice, if you don't mind the higher fees.

The growth in popularity of overseas investing has meant that choices in this regard are now plentiful (see table) but only one of these companies currently resides on our Buy List.

International LICs

Company	ASX Code
Magellan Flagship Fund	MFF
Templeton Global Growth Fund	TGG
Hunter Hall Global Value	HHV
Platinum Capital	PMC
PM Capital Global Opportunities Fund	PGF

Managed by Paul Moore of PM Capital, PM Capital Global Opportunities Fund is an international but ASX-listed listed investment company (LIC). Hitting the boards in 2013, its goal is to provide long-term capital growth by investing in a concentrated portfolio of global and Australian equities and other investment securities.

That sounds like boilerplate fund manager-speak but Paul Moore is a little different. As he said in his company's recent annual roadshow: "When it comes to investing, there is no safety in numbers; you have to be doing something different from what other investors are doing." That's easier said than done. As Moore continued: "You must be able to stand your ground under intense pressure and ridicule."

That pressure is mounting. At 31 July 2016, about 57% of PM Capital's portfolio consisted of financials, with 21% in foreign banks. When we upgraded the company in January this year, part of the attraction was its exposure to US, UK and European banks, which were much cheaper than their Australian counterparts.

But Brexit hit the share prices of both European and US banks and investors have reasoned that worldwide interest rates would now be lower for even longer – thus penalising banks' net interest margins. Among the banks in PGF's portfolio, British-based Lloyds Banking Group declined 38% in the last financial year, Bank of America fell 23% and ING Group declined 39%. Falls in Sterling have made matters worse (PGF also owns shares in Barclays).

We think the long-term impact of Brexit on both the British and European economies won't be as bad as many have predicted. And since then, much of the initial shock has dissipated. Patience will be required, though. Being a high conviction contrarian has been Paul Moore's trademark since founding PM Capital in 1998. The approach can lead to high volatility in returns, including periods of underperformance but the past 18 years are evidence of its success.

PM Capital's Global Companies Fund – which PGF aims to mimic – has returned more than double its benchmark. This despite its unit value falling 19% since its high point in July 2015, significantly underperforming the 4% decline in its benchmark during this period. The clincher, though, is that you can purchase PM Capital Global Opportunities Value Fund at a more than 10% discount to its underlying holdings. As Moore himself notes, "I find it intriguing that I can obtain exposure to the very same investments at a significant discount to their public market values via an investment in PGF."

The third strategy is to stay local, buying familiar blue chip companies with overseas earnings at a discount to their intrinsic values. A few years ago there were many such companies on our Buy List, including CSL, Aristocrat Leisure, Macquarie Group and Sonic Healthcare. Unfortunately, those days are over, bought to an end by low rates and the subsequent rush into seemingly safe stocks with attractive yields plus a little growth. There are however two companies that do fit the bill.

Share registry operator and mortgage processor Computershare may be facing tough conditions but management is dealing with them head on. The very first slide in the company's recent results presentation showed how underlying operating profit before depreciation and amortisation (EBITDA) – ignoring currency movements and the interest the company earns (or doesn't earn more like) on client cash balances (aka 'margin income') – had risen 4% in 2016 and 14% a year over the past three years. It didn't exactly dispel concerns that the company is diluting the quality of its business with a lower returning mortgage servicing business, but the fears have been allayed. These are both good businesses.

Despite all the optimism, though, underlying EPS still fell 7.9% in 2016, compared to guidance for a fall of about 7.5%, mostly due to the strength of the US dollar (the company reports in US dollars, so a rise in that currency reduces the value of non-US revenues) and lower margin income. The currency effect will come and go and is largely immaterial to Australian investors in any case, since the US dollar value of Computershare's earnings needs to be converted back into Australian dollars. Indeed, if Computershare reported in Australian dollars, its underlying EPS would actually have risen 6%.

Management would have us believe that Computershare is powering along on an underlying basis but, given the weakness in Registry revenues, that's a stretch. Conditions are difficult and the company is plugging away satisfactorily, and no more. The valuation is the real attraction. Even if we assume the current low levels of margin income continue for eternity, little growth is needed from the rest of the business to justify a price-earnings ratio of 14 and underlying free cash flow yield of 7–8%. That's the reason why this business remains on our Buy List.

News Corp is the only other ASX-listed blue chip that holds a similar place. The recent results were a mixed bag with its part-ownership of REA Group a standout success and Foxtel at the other end of the spectrum. News Corporation is cheap but it requires a leap of faith. Quite a big leap, in fact. You're betting that Rupert Murdoch and the intelligent people he employs are right, and that the market is wrong. There's no doubt buying structurally challenged businesses is difficult but there's clear value in this unusual conglomerate.

News Corporation's wonderful Digital Real Estate business, together with its cash, effectively justifies more than 80% of the company's market capitalisation. You get the remaining businesses – with revenues of around US$7bn – for not much more than US$1bn. The price has risen lately, but it remains a compelling opportunity. E

Disclosure: The author owns shares in Computershare and ResMed.

John Addis is the founder of Intelligent Investor. This article contains general investment advice only (under AFSL 282288). Authorised by Alastair Davidson. To unlock Intelligent Investor stock research and buy recommendations, take out a 15-day free membership at http://landing.intelligentinvestor.com.au/asa

Letters to the Editor

Dear Editor

Diana D'Ambra's Chair Report for September was particularly informative. Since many are indicating the prices of Australian shares are too high on the ASX, it was interesting to note that they came in fourth on the returns over the last ten years. The return on bonds and the lack of their volatility was surprising. I feel this area has one of the lowest allocations because investors don't know enough about them.

Lately the ASA has introduced some pleasing changes. The two year membership at a discount price and the email sent at the beginning of the month informing members about upcoming events are excellent. There is always something going on-articles to read, meetings and educational conferences with guest speakers to attend. As a member, I feel I am "getting my money's worth."

Kerrie Bible

ESTATE PLANNING SERIES

I'm not dead yet - avoiding the testamentary trust

By Christina Wolfsbauer, Senior Associate and **Peter Bobbin,** Managing Principal at Argyle Lawyers

Introduction

Testamentary Trusts are very much in vogue in today's estate planning landscape. It seems that almost every practitioner recommends a testamentary trust based Will – however it is important to recognise that whilst a testamentary trust based Will is always an answer, it may not necessarily be the best answer.

This article considers the modern testamentary trust and highlights ten common errors where a testamentary trust based Will may not be appropriate.

What is a testamentary trust?

A testamentary trust is simply a trust created in a testamentary manner; that is, a trust created after the death of a person under a probated will. Its attractiveness in modern estate planning arises from a testamentary trust also being an investment 'structure' recognised by Government as legitimately tax effective, that also enables spouse and creditor financial asset protection.

The key drivers to use a testamentary trust are typically tax effectiveness and asset protection. Accordingly, as a general rule of thumb, there needs to be wealth of at least $200,000 - $300,000 or a strong perceived need for asset protection to justify the adoption of a testamentary trust.

10 common errors when considering a testamentary trust

1. Don't do it unless the value and reason is there. Is there a real need for asset protection? Will the beneficiaries appreciate and adopt this? Are there children for whom the tax benefits are available? (Remembering that the family tax advantages for a testamentary trust are applicable only where there are minor beneficiaries to receive income).
2. Understand the assets need to be available for the testamentary trust to work. Lifetime asset protection strategies (commonly by using a family discretionary trust and owning the family home in the non-exposed spouse name) does not work with a testamentary trust estate plan. This is because the lifetime asset protection strategy has been to denude the person of wealth. The testamentary trust strategy needs more thought and planning to make it work with an asset protection mindset.
3. The testamentary trust requires a valuable estate. But this puts assets in the firing line of a claim on the estate. If there is real risk of an estate challenge, in some States of Australia the best way to deal with this is to set up the structures and/or make the gifts before death and die with nothing. A carefully designed and operated lifetime-created family trust can more likely survive and evade such a claim and ensure that the desired specific trust controls can and will be achieved. Consider which is most appropriate in the circumstances. (Note that NSW is the most problematic of the States in this area.)
4. It looks complex and is often many pages long. This can facilitate a claim by a disgruntled and expectant beneficiary who may seek to argue that the deceased could not have endorsed it, they may use the testamentary trust concept to challenge the whole Will by claiming that the deceased could never have embraced it and thus lacked true testamentary intent.
5. Tax effective yes, but how much really is this worth? Assume a new born. Maximum potential tax saving is $981,846 based on a potential tax saving of $54,547 per year. Impressive yes, but is it likely that the trust will generate this level of income per child - $180,000?
6. Forcing family members together in a single testamentary trust may force a later separation that can trigger stamp duty and/or capital gains tax. If you cannot expect harmony, perhaps seek a beneficiary management agreement by all regarding the estate and testamentary trust operation in the future. Exclude in-laws and require broader family estate planning to independently secure and thereby exclude them.
7. Under capital gains tax, original cost bases can survive and pass through an estate into a testamentary trust and on again through it to its beneficiaries – possibly resulting in a latent capital gains tax liability. Sometimes, rather than relying on the testamentary trust, it is better to crystallise a capital gain sooner rather than later and use available tax concessions such as small business relief to reset cost bases.
8. Can design the Will to allow beneficiaries the option of whether to inherit personally or via a testamentary trust. However, the option should be carefully designed and should be one that rejects the trust, not directs its creation.
9. Thinking laterally, is there another way to achieve a discrete objective? For example, maybe a special disability trust set up during lifetime will be more effective? It has social security gifting benefits to the person who adds to it. Alternatively, another approach can be putting money into a child's super account as a way to 'buy' the child's financial future with the benefits of all of the restrictions and protections of superannuation.
10. Speaking of super, despite all of the current changes, it is still the greatest legal tax haven in the world. Maybe the testamentary trust should rank second to superannuation as the estate planning tool between spouses.

Often a testamentary trust will be the right answer, but it is the reason for it that is most important. Often the reason will then drive the design that achieves the real purpose and need. The key is to ensure that in the estate planning process, the emphasis is on the planning. E

This is the fourth article in the ESTATE PLANNING SERIES. Next month's article embraces the testamentary trust.

Margin lending - why,who and how should it be used?

By **David Arnold,** Head of Leveraged

We need to have a serious conversation about how we create wealth today. Is our money working hard enough? Are we exploring every avenue for financial success? One investment option – sometimes overlooked, but used by Australians for the past three decades – is margin lending.

Margin lending is a tool to beef up your portfolio using borrowed funds - in addition to your own savings - to invest in shares and managed funds. Key benefits feature a greater exposure to market growth and increased diversification across portfolios.

But how does it work, is this strategy right for me at this stage of my life and how do I mitigate risk? This article explores the ins-and-outs of margin lending (or gearing), breaking down how investors use this as part of their wealth creation strategy and chase down financial goals quicker.

Why should I use margin lending?

We all have important goals that we're striving towards. The unfortunate reality is lots of these milestones, such as home ownership, are not as easily affordable anymore.

Everyone would have loved to have been on board the property boom of recent years; however, many Australians, particularly our youth, weren't lucky enough to get a boarding pass. We're now asking young Aussies to fork out nearly $150,000 for a first-home deposit in our capital cities. That's a tall order for even those on lucrative salaries.

Cash is still the most popular saving and investment strategy. However, basement-low interest rates mean potential returns are paltry at best and financially regressive at worst, when considering inflation. The question then becomes, how do I ensure that the money I'm investing is working its socks off and helping me to my goals quicker?

The share market has vastly outperformed cash in recent years. Margin lending can be the proverbial shot in the arm for your portfolio, providing impetus for larger returns.

How does it work? Basic example:

Jane has $25,000 in XYZ shares.

She provides them as security and borrows $75,000 to buy more XYZ shares.

Her total investment in XYZ is $100,000.

If XYZ rises by 10%, Jane's gain is $10,000 or a 40% return, instead of $2,500 with no margin loan.

Who is margin lending designed for?

Margin lending has been thought of as something for sophisticated investors. However, used appropriately, gearing can feature in a range of wealth creation strategies or for those looking to realise goals faster. In addition to house-hunting Gen Y investors, those of Gen X often use gearing to fund their children's education, pay off the home loan or boost their retirement savings.

Australians are also living longer than ever before, and this also presents an issue called longevity risk – outliving your nest egg. Your super may not be enough to support a 'comfortable' retirement; therefore baby boomers, or those in retirement, are using gearing to fund the lifestyle they desire.

Some investors don't have any particular goal in mind and are simply targeting a greater return on investments. Low interest rates, coupled with certain stocks providing good value, have resulted in some investors being positively geared: dividends paid are greater than the borrowing costs.

How deep do I swim?

Borrowing to invest gives you a larger investment. If the market performs well, all the gains on that larger investment belong to you. If the market does not do well, you take the larger losses.

Beyond your investment, the ongoing cost of a margin loan is largely interest. There is no set timetable to repay the loan.

You should never borrow more than you can afford in interest and you must have a medium to long term investment horizon of 5+ years.

Mind the gap

You can typically borrow up to 80% to buy a house. This is called the loan-to-value ratio (LVR). A typical LVR for good quality shares is 75%. Most investors leave a gap between the amount they borrow and the LVR. They may borrow only $50 for that $100 portfolio; a gearing ratio of 50%.

If the shares fall in value, the gearing ratio increases. If your gearing ratio exceeds the LVR, the bank will demand an immediate fix. This is called a margin call. Usually it means reducing the loan by selling some investments. A larger gap means more breathing space should the market fall.

Play the field

Some investors may have the skills and experience to gear a portfolio containing only a few different shares. For everyone else, old advice is still good advice; don't put all your eggs in one basket. Diversification is the art of mixing your investments so one capricious event does not wipe out everything; thus, reducing the prospect of a margin call.

So is margin lending for me?

Generating wealth is a tough ask for many Australians today. Nothing's guaranteed – nor should it be – but investors should be giving themselves every opportunity for success. Gearing has long been a leading driver in many Australian's wealth creation strategies and, in today's environment of low interest rates and soaring house prices, will continue to help Australians maximise their investments and realise important life goals. E

METCASH AGM

3 year chart

MONITORS: Allan Goldin & Roger Ashley

Date	31 August 2016
Venu	Wesley Conference Centre, Sydney
Attendees	76 shareholders plus 45 visitors
ASA proxies	1.56m shares from 163 holders
Value of proxies	$3.3m
Proxies voted	Yes
Market cap	$2bn
Pre-AGM meeting	Yes, with Chairman & Chairman of People and Culture

Big bonuses despite not making targets + falling markets = First strike

Why do companies persist in merely repeating their Annual Report, holding their AGM in rooms much larger than required and then ask why there is falling attendance?

There was some future news thanks to the purchase the week before of Home Hardware from Woolworths (subject to a legal challenge). This purchase will make Metcash the number 2 player in Hardware and is putting two organisations with very similar marketing strategies together. The share purchase plan portion of the capital raising to fund this acquisition is capped at $20 million to ensure that Metcash has maximum EPS accretion in the first year, which is in shareholders' interest, but it would have been better if they were given the opportunity to participate to the maximum extent permitted by law. Happily if the offer is in the money, those who are interested will be able to apply for greater allocations.

The other future orientated comments were that dividends will hopefully be re-introduced in mid-2018 and that the transition plan was continuing full steam ahead. It is hoped that this will mean improving results in the future.

As the media reported, ASA led the charge against the Remuneration Report questioning why the CEO who had failed to meet the targets set two years ago, received a 100% increase on his previous year take home pay, while revenues remained static and EBITDA has fallen from 4.2% in 2013 to 1.9% in 2016. Unsurprisingly, a first strike was achieved with a 29.87% vote against and the CEO's future performance rights received a sizeable 18.27% vote against it.

The directors who are all well qualified were elected with more than 99% in favour with the only question being Mr Allaway's potential conflict as he sits on the board of David Jones, which has announced a major move into food.

The ASA had asked that Chairman Rob Murray either stand aside or stand for re-election considering he had been the Chairman of the ill-fated Dick Smith. The board read a statement at the beginning of the meeting expressing their support for him, unfortunately they did not give the shareholders the opportunity to express the same or otherwise.

There were many questions from the floor, which were well answered and ranged from the state of some IGA stores, lack of a national loyalty program, the need to not only compete on price alone, explaining how Mitre 10 differs from Bunnings, lack of dividends and the impact Aldi has had on South Australia to date.

OZFOREX AGM

1 year chart

MONITORS: Joyce Yong & Elizabeth Dunphy

Date	3 August 2016
Venue	Establishment Hotel, Sydney
Attendees	20 shareholders plus 47 visitors
ASA proxies	433,750 shares from 42 holders
Value of proxies	$1.06m
Proxies voted	Yes
Market cap	$583m
Pre-AGM meeting	Yes, with Chairman

Upbeat meeting in spite of inclement weather

It was a well-attended, upbeat meeting despite the inclement weather. The fact that it was an afternoon meeting to be followed by drinks and canapés helped make it more convivial. The meeting was chaired by outgoing Chairman Peter Warne, flanked by Chairman elect, Steve Sargent, whom he introduced. He acknowledged ASA's regret that shareholders were unable to vote on the election of Mr Sargent at this meeting but assured us that the formal election of Mr Sargent would be on the agenda next year. He called upon Mr Sargent to address the meeting following his introduction. Mr Sargent appears well qualified, having worked in the finance and technology areas both overseas and in Australia. We are heartened that he wants to schedule a meeting with us once he's settled in.

The rest of the meeting went smoothly. We liked it that CEO Richard Kimber incorporated addresses by Mark Ledsham, Chief Financial Officer, and Craige Pendleton-Browne, Chief Technology Officer, in his address. It meant Craige Pendleton-Browne was able to answer a question relating to system security directly.

As the lifeblood of OFX is getting more clients both the Chairman and the CEO took the opportunity to encourage the audience to become both clients and shareholders in the company.

All resolutions were carried on polls of 96 to 99% for each resolution. Mr Warne pointed out that proxies given to the Chairman had been tallied and included in the votes for each resolution. ASA had advocated votes for all items except Item 6, Approval and issue of shares to CEO Richard Kimber under the Executive Share Plan. Our reason for advocating a vote against this item is because OFX uses the Black-Scholes method to calculate the value at which the shares would be issued. We have found this method results in a 'fair value' that can be very unfair to shareholders. The Chairman tried to explain but it added to the confusion. To his credit he invited ASA to meet with him again to clarify this.

At this follow up meeting, Mr Warne provided a detailed explanation of the process the company used in relation to the issue of shares to satisfy the long term incentives.

BRICKBATS & BOUQUETS

Brickbats

To Collins Foods for calling some shareholders numerous times to see how they would vote, but then conducting voting at the AGM by a show of hands. We find this bizarre because if they cared about what individual shareholders thought then poll voting is the best reflection of shareholder sentiment. By voting by show of hands, the 6-7% of proxies which were left open were not counted. Collins Foods also issued an updated Annual Report after the AGM, as the page with the auditor's opinion on the financials and remuneration report was not included in the original.

To Metcash to failing to deliver on its turnaround strategy and ignoring ASA's calls for the Chairman (who was also the Chairman of Dick Smith at the time of its collapse) to stand down or put himself up for re-election at its AGM. Metcash also launched a placement and share purchase plan (SPP) to fund its purchase of Woolworths' Home Timber & Hardware business, but disappointingly decided to limit subscriptions under the SPP to $10,000 (instead of the $15,000 maximum) and cap the SPP at $20 million. ASA raised this issue at the AGM.

To Slater & Gordon for increasing the fees payable to non-executive directors last year to reflect the additional workload and complexity arising from its UK acquisition. Chairman John Skippen's fees increased by over 50% to $240,000. We are not convinced the increased NED fees are justified when the company's share price and market cap has dropped dramatically and shareholders have suffered considerably.

To the last day laggards such as Independence Group, Wellard and Atlas Iron who reported their full year results on the last day possible in August. You might recall ASA previously found that amongst those reporting on the last day, most announced losses. This year was no different with many, including the three aforementioned companies, revealing writedowns and statutory losses.

Bouquets

To ASX for adding the ASA to the menu of preselected proxy appointees on the online AGM voting form. Proxies are important to the ASA as it adds to our voice at AGMs. Most companies, when asked by monitors to add the ASA to the online form, are reluctant to agree because they are afraid to do something different, even though it is possible and would make it much easier for shareholders to appoint the ASA as their proxy. We applaud the ASX for responding to our request.

To Independence Group for responding positively to ASA's request to lift the cap on its recent share purchase plan. The company had originally announced a placement capped at $30 million, following a $250 million institutional placement. ASA wrote to the company requesting it to lift the cap and it was pleasing that it agreed.

Members are welcome to send in their suggestions to equity@asa.asn.au. Comments included here do not necessarily reflect those of all members.

Monitor talk

Be careful when voting online that you don't inadvertently change your communication preferences

Most of you will be aware that there is a push by companies and share registries to move shareholders to electronic communications, with some companies even offering prizes for any shareholder who agrees to the switch.

ASA members who are familiar with Computershare's online Investor Centre will know that there is a section which allows you to select your communication preferences for each of your companies. This allows you to elect whether you wish to receive your annual report, dividend statements, notices of meeting and company announcements by email or hard copy.

You may also notice that during the online voting process on Computershare's website, there is a page about electronic communications. Prima facie, this page asks you to confirm your email address if you have previously selected to receive any of the above documents electronically, and to advise of any changes to your email address.

It is only when you read the lengthy shareholder consent on that page that you realise by confirming your email address, you also agree to receive all future shareholder communications via email.

We often receive complaints from ASA members that they had elected to receive certain documents in hard copy and others, such as the full annual report, by email. We think the page mentioned above in the online voting form may have our answer as to why some preferences appear to have been ignored.

We raised this issue with Computershare recently and it is unfortunate that they have decided not to change the online interface. As a result, we strongly encourage you to revisit your communication preferences on the Computershare website to ensure that your preferences are correct so that you can receive documents in your preferred format.

You may have read our earlier commentary about Treasury's proposed changes that will make it easier for companies to send documents electronically. For those wishing to receive hard copy documents, this means you need to carefully read what you are agreeing to, to ensure that your communication preferences are not inadvertently changed.

Voting on the Link website does not appear to have a similar screen regarding electronic communications.

UPDATE TO COMPUTERSHARE STANDING PROXY FORM

Computershare has recently updated its Standing Proxy Form to enable shareholders to use the one form to appoint the ASA as their proxy for more than one company, provided that the shareholder's SRN/HIN is the same for each of those companies. This will make it much easier to complete the form.

If completing the form for multiple companies, write each company's ASX ticker code separated by a comma. If completing the Computershare form for one company, write the company's full name.

Please remember to check the relevant share registry for your companies. The new Computershare form, as well as the Link and Boardroom forms, are available on the ASA website https://www.australianshareholders.com.au/asa-your-standing-proxy A copy of new Computershare form has also been included in this month's EQUITY.

Please call the National Office on 1300 368 448 if you have any questions about standing proxies.

OUTPERFORMING THE INDEX

Monday, 7 November from 9am to 4.30pm
Quality Hotel Mermaid Waters, Cnr Markeri St & Sunshine Blvd, Mermaid Waters

Due to popular demand, we are repeating this workshop on the Gold Coast.

This one day workshop will help you develop or refine your investment plan, providing an investment system and a strategy appropriate to your risk tolerance, financial situation, time frame and beliefs. You will backtest your strategy and should be in a position to confidently invest and potentially outperform the index.

WORKSHOP OUTLINE

- the design of an investment plan, system and strategy
- understanding risks and how to control them
- understanding expectation and the factors which affect system efficiency
- system evaluation and backtesting
- understanding position sizing and how it affects investor performance
- psychology, the hidden issue for investors

THE PRESENTER – BILL DODD

Producer of the ASA share market course, Bill Dodd is an experienced investor with a strong interest in investor education. Bill is concerned at the lack of knowledge of many investors who generally have poor investment returns and become vulnerable to unscrupulous professionals.

EARLY BIRD PRICES

ASA members and partners	**$130 per person**
Non-members	**$180 per person**

Includes lunch, refreshments and pre-reading material posted to the website.

Early bird prices will increase by $20 after 17 October 2016.

Register online at www.australianshareholders.com.au/events/gold-coast-outperforming-the-index-workshop
or call the office on 1300 368 448

Places are strictly limited to 25 people, so register early to avoid disappointment.

Testimonials

"A very informative workshop where I gained many ideas. Combining practical hands-on with theory was a useful way to learn, I look forward to seeing the results as I apply what I learned." M aged 56

"Bill is to be congratulated on an excellent workshop. This is true learning, where you have to work too. Congrats to the ASA for putting on such a rewarding day." J aged 61

Upcoming AGMs

Company	ASX code	Date	Location
AFIC	AFI	12-Oct	Melbourne
Amcor	AMC	20-Oct	Melbourne
Ansell	ANN	19-Oct	Melbourne
ANZ	ANZ	16-Dec	Melbourne
Ardent Leisure *	AAD	27-Oct	Sydney
Argo Investments	ARG	26-Oct	Adelaide
Aurizon Holdings	AZJ	18-Oct	Brisbane
Aveo Group	AOG	16-Nov	Sydney
Bank of Queensland	BOQ	30-Nov	Brisbane
Beach Energy	BPT	10-Nov	Adelaide
Bendigo & Adel Bank	BEN	25-Oct	Melbourne
BHP Billiton	BHP	17-Nov	Brisbane
Blackmores	BKL	27-Oct	Sydney
Bluescope Steel	BSL	10-Nov	Melbourne
Boral	BLD	3-Nov	Sydney
Brambles	BXB	16-Nov	Sydney
Cardno	CDD	27-Oct	Brisbane
Challenger	CGF	27-Oct	Sydney
Cleanaway Waste	CWY	28-Oct	Brisbane
Codan	CDA	27-Oct	Adelaide
CBA	CBA	9-Nov	Perth
Computershare	CPU	9-Nov	Melbourne
Crown Resorts	CWN	20-Oct	Perth
CSL	CSL	12-Oct	Melbourne
Dexus	DXS	26-Oct	Sydney
Downer EDI *	DOW	3-Nov	Sydney
DUET Group	DUE	16-Nov	Sydney
Elders	ELD	16-Dec	Adelaide
Fairfax Media	FXJ	3-Nov	Sydney
Flight Centre	FLT	9-Nov	Brisbane
Fortescue Metals	FMG	9-Nov	Perth
Goodman Group	GMG	17-Nov	Sydney
GUD Holdings	GUD	25-Oct	Melbourne
GWA Group	GWA	28-Oct	Brisbane
Healthscope	HSO	21-Oct	Melbourne
Hills Holdings	HIL	4-Nov	Adelaide
IAG	IAG	21-Oct	Sydney
IOOF Holdings	IFL	24-Nov	Melbourne
iSelect	ISU	18-Nov	Melbourne
JB Hi-Fi	JBH	27-Oct	Melbourne
LendLease	LLC	11-Nov	Sydney
Magellan	MFG	13-Oct	Sydney
McMillan Shakespeare	MMS	25-Oct	Melbourne
Medibank	MPL	9-Nov	Melbourne
Mirvac	MGR	17-Nov	Sydney
Monadelphous	MND	22-Nov	Perth
NAB	NAB	16-Dec	Adelaide
Navitas	NVT	16-Nov	Perth
Newcrest	NCM	8-Nov	Melbourne
NIB Holdings	NHF	2-Nov	Newcastle
Nine Entertainment	NEC	15-Nov	Sydney
Origin Energy	ORG	19-Oct	Sydney
Orora	ORA	13-Oct	Melbourne
Perpetual	PPT	3-Nov	Sydney
Platinum Asset Mgt	PTM	17-Nov	Sydney
Qantas	QAN	21-Oct	Sydney
Qube Holdings	QUB	24-Nov	Sydney
Ramsay Health Care	RHC	9-Nov	Sydney
REA Group	REA	8-Nov	Melbourne
Seek	SEK	24-Nov	Melbourne
Sirtex Medical	SRX	25-Oct	Sydney
Slater & Gordon	SGH	4-Nov	Melbourne
Sonic Healthcare	SHL	17-Nov	Sydney
St Barbara	SBM	30-Nov	Melbourne
Star Entertainment	SGR	28-Oct	Gold Coast
Steadfast	SDF	27-Oct	Sydney
Super Retail Group	SUL	24-Oct	Brisbane
Tabcorp	TAH	25-Oct	Sydney
Tassal Group	TGR	27-Oct	Melbourne
Tatts Group	TTS	27-Oct	Brisbane
Telstra	TLS	11-Oct	Sydney
The Reject Shop	TRS	19-Oct	Melbourne
TPG Telecom	TPM	7-Dec	Sydney
Transurban	TCL	13-Oct	Melbourne
Treasury Wine	TWE	10-Nov	Melbourne
UGL	UGL	27-Oct	Sydney
Village Roadshow	VRL	17-Nov	Melbourne
Vocus Comms	VOC	29-Nov	Sydney
Westpac	WBC	9-Dec	Adelaide
Whitehaven Coal *	WHC	27-Oct	Sydney
Woolworths	WOW	24-Nov	Sydney
WorleyParsons	WOR	25-Oct	Sydney

For companies marked with an asterisk (*),
ASA will attend the meeting to collect proxies only.
To access a full list of upcoming AGMs, visit the ASA website at
www.australianshareholders.com.au/upcoming-agms

EVN

Evolution Mining Limited

AUGUST 2016

This report was compiled by ASA members: Len Roy and Peter Denham with significant input from the Perth BIG E Group

Big members

Peter Denham, Len Roy, Lloyd Phillips, Stephen Weston, Rod Stewart, Geoff Sherwin, Stan Taylor, Keith Mellis, Peter Tallentire, Derek Miller, Peter Scales

References

Annual Report, company website, ASX releases, Morningstar

The company and its business

Evolution Mining Limited has rapidly developed into Australia's second largest listed gold miner, with silver and copper being relatively small by-products. The company has successfully taken advantage of its multiple (6-8) mine sites involving open pit and underground mining to exploit optimum overall gm/tonne yield performance. Currently, Evolution (EVN), is producing around 800,000 ozs of gold per annum and employs the owner–operator strategy to achieve competitive C1 and All In Sustainable Costs (AISC) across its multiple asset portfolio. The company states that all mine assets are cash flow positive after capital investment programs and indicative mine life across all assets is currently 8-10 years.

EVN was established in November 2011 from the merger of Conquest Mining Ltd & Catalpa Resources Ltd and the concurrent acquisition from Newcrest Mining of its interest in the Cracow and Mt Rawdon mines. The creation of EVN was described at the time as "an all scrip merger of equals" and today the business is benefitting from Australia's gold renaissance. Globally, the gold sector is undergoing change and consolidation in response to the trends of the commodity price. Evolution Mining's global Ore Reserves are 5.2 million ounces of gold and Mineral Resources, 12.7 million ounces of gold.

FY17 guidance indicates EVN is planning on mining 745,000 – 800,000 ozs of gold within a C1 cost band of A$675 - 735 per ounce and AISC range of $970 -1,030 per oz.

EVN Updated FY17 mine output guidance

Mine	Gold production (oz)	C1 cash costs (A$/oz)	All-in sustaining cost (A$/oz)	D&A (A$/oz)
Cowal	245,000 – 260,000	615 – 675	885 - 945	240 - 250
Mungari	150,000 – 160,000	740 – 800	970 - 1,030	450 – 470
Mt Carlton	90,000 – 100,000	400 – 450	675 - 725	565 – 585
Mt Rawdon	90,000 – 100,000	690 – 770	960 - 1,040	75 – 495
Edna May	80,000 – 85,000	1,020 – 1,100	1,140 - 1,220	510 – 530
Cracow	80,000 – 85,000	740 – 800	1,100 - 1,160	550 – 570
Pajngo	10,000	840 – 860	1,230 - 1,270	n/a
Corporate			30 - 35	
Revised Group	745,000 – 800,000	675 – 735	970 - 1,030	420 - 450

Cowal, Mungari and Mt Carlton provide the strongest mine cash flows.

EVN's FY16 group exploration expenditure increased by 15% to A$27.8m when compared with FY15: A$24.0m. EVN has stated its focus is for operations within Australia ("but it will be open to overseas opportunities").

Considering the rapid development since 2011, the review committee felt it would be appropriate for EVN to ensure appropriate emphasis is placed on consolidation and optimization of existing mine assets.

Financial performance

The market capitalisation of EVN is $3.3b with a share price at time of review of $2.24 and 1,495.8m shares on issue. The shares have traded between $0.986 and $3.04 over the last twelve months. The current PE is 16.53 and the dividend yield is 1.1% unfranked.

Total Shareholder Return

Period	1yr	3yr	5yr
Return	84.6%	45.3%	11.6%

Gold was priced at USD1771 per ounce September 2012 and went into a general decline bottoming at USD1076 per ounce in December 2015. The total shareholder return table above looks much more attractive than it actually is. The bull run in the past 10 months has given rise to the positive reported 3yr and 5yr returns.

Five Year Financial Performance

Evolution Mining Limited (EVN)

	2012/06	2013/06	2014/06	2015/06	2016/06
Market Cap ($m)	1,043	404	497	1,141	3,421
No of Shares (m)	770	772	774	1,011	1,496
Earnings pre-abnormals (cps)	6.4	10.0	7.3	14.0	10.1
Dividends unfranked (cps)	0.0	0.9	1.8	2.0	2.9
Franking (%)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	1.8	2.9	1.7	1.3
Payout ratio (%)	0	9	25	14	29
NTA ($/s)	1.47	1.07	1.11	1.13	1.06
Revenues ($m)	470	605	634	666	1,329
Operating margin (%)	35%	35%	34%	41%	24%
Net Profit Before Abnormals ($m)	37.3	76.9	58.3	106.0	142.9
Net Profit ($m)	37.3	-307.4	50.0	100.1	-24.3
Operating cash flow ($m)	172	233	202	285	574
Free cash flow ($m)	(59)	(203)	31	125	357
Shareholders Equity ($m)	1,056	755	785	1,124	1,551
Return on Equity (%)	3.5%	10.2%	7.4%	9.4%	9.2%
Net interest cover (x)	18.8	10.3	5.1	8.6	4.4
Debt to equity	3%	18%	21%	2%	19%

Morningstar has indicated the operating margin reduced in 2016 to 24% (from 34% - 41% range). The operating margin is measured by EBITDA/Sales and is a measure of pricing, ie lower operating margin indicates price discounting. EVN report the EBITDA margin as 46%. EVN indicate that EBITDA margin is non IFRS and not subject to audit. The review committee felt the difference may be in the bedding down of acquisitions.

10 year chart

5 year chart

1 year chart

BETTER INVESTING GROUP

It was noted that return on equity was calculated on reported equity with impairments (reduction in equity) in a reporting year resulting in a higher reported ROE as compared with a case where there were no impairments.

Debts and Intangibles

At the end of 2015-16, the amount of net debt held was $279m with Morningstar reporting debt to equity of 18% and gearing of 19%. The interest cover was 4.4x.

EVN does not appear to have any intangible assets.

Impairments

In the past 5 years, for a net cumulative profit of negative $144m, EVN net impairments amounted to $566m. Significant asset write-downs were $384m in 2013 and $167m in 2016.

Board of directors and senior executives

Name	Position	Appointed	Holdings		
			Shares	Options	Rights
Jacob Klein	Executive Chairman	Oct 2011	7,737,989	4,677,436	9,622,314
Lawrie Conway	Non Executive Director, Finance Director & CFO	Oct 2011 Aug 2014			
James Askew	Non Executive Director	Oct 2011	669,231	52,954	
Graham Freestone	Non Executive Director	Nov 2010	98,953		
Colin Johnstone	Lead Independent Director	Nov 2015	94,415		
Thomas McKeith	Non Executive Director		138,461		
Naguib Sawaris	Non Executive Director	Sep 2015	Nil		
Sebastien de Montessus	Non Executive Director	Sep 2015	Nil		
Vincent Benoit (EVP Strategy & Bus. Devel. Endeavour Mining)	Alt. NED to Naguib Sawaris		Nil		
Amr El Adawy (CFO La Mancha Group)	Alt. NED to Mr de Montessus		Nil		

There are three board committees

Nomination & Remuneration	chaired by NED Thomas McKeith
Audit	chaired by NED Graham Freestone
Risk	chaired by NED Colin Johnstone

Remuneration

The company has a relatively common remuneration strategy based upon Total Fixed remuneration (TFR), plus at risk incentivised Short Term (STI) and Long Term (LTI) awards. The 23 page remuneration report includes a display of 7 financial performance line items over a 5 year period to support alignment with shareholder interests.

The total remuneration fee cap for NEDs is currently set at $950,000 and NEDs do not participate in incentivised STI and LTI awards. The review committee felt the remuneration report was complex but tailored to EVN's business structure and financial performance. At risk STI & LTI components were increased effective July 1 2017.

Major shareholders

Substantial shareholders as at September 22 2015 were:

La Mancha Group BV	30.95%
Van Eck Global	12.8%

The majority of the remaining Top 20 shareholders were represented by Nominee Pty Ltd entities. The total of the Top 20 shareholders equated to 89% of total shareholders.

Business risks and growth

Two major business risks for EVN are gold and silver commodity prices and (given that EVN reports in AUD and sells its gold and silver in USD), exchange rates. Both are outside of EVN's control.

As with mining generally, ore reserves and mineral resources are estimates and EVN mitigates the associated exploration and mining risks by engaging professional geologists and mining engineers with relevant experience.

Weather conditions both dry and wet can be serious disruptors and EVN's 6-8 mines across the country provide some insurance for upholding contract of sale agreements.Other typical risks encountered in the mining sector are compliance with

- Native Title requirements
- Environmental regulations and
- Federal & State government permit and licence conditions.

The company mitigates against non-competitive operational mining costs by being in direct control as an owner–miner and the multiple mine assets are managed to optimise yield and output.

The review committee acknowledged that since its establishment, EVN had made a number of acquisition and divestment decisions which appear to have been successful, however with volatile commodity prices and unpredictable exchange rates, it would be timely to consolidate the existing mine asset portfolio and focus on financial performance of the existing business. E

External Administration – a shareholder's perspective

By John Price, Commissioner, Australian Securities and Investments Commission

Often, the last thing shareholders want to hear is that the company they have invested in is under a form of external administration. An obvious question for shareholders is, where do they sit in the order of priorities when it comes to recovering their investment? This article briefly sets out the different types of external administration, a shareholder's priority, reporting and meeting requirements and transferring shares.

Voluntary Administration

Voluntary administration is designed to resolve a company's future direction quickly. The voluntary administrator takes control of the company to try to work out a way to save either the company or the company's business. A mechanism for achieving this is via a deed of company arrangement (DOCA). If this can't be done, then the aim is to administer the company's affairs in a way that results in a better return to creditors than if the company had, instead, been immediately wound up.

A voluntary administrator is usually appointed by a company's directors, after they decide that the company is insolvent or likely to become insolvent. A report to creditors is prepared following investigation into the company's business, property, affairs and financial circumstances. The voluntary administrator must then recommend whether the company should enter into a DOCA, go into liquidation or be returned to the control of the directors. It is creditors, not shareholders, who vote on the future of the company.

The DOCA would set out how creditor claims will be dealt with. A DOCA may also affect shareholders rights.

Liquidation

Liquidation is the orderly winding up of a company. It involves investigating the company's affairs, realising its assets, ceasing or selling its operations, distributing the proceeds of realisation among creditors and, then, distributing any surplus among shareholders. The liquidator takes control over the company from the directors but the directors remain in office.

The liquidator will investigate and, usually, report to creditors about the company's affairs, including possible claims against the company's officers. The liquidator is required to report to ASIC on any possible offences committed by company officers and, some others.

After fees and costs, a liquidator would, subject to rules concerning employee entitlements, pay secured creditors and then unsecured creditors. Only after paying creditors would the liquidator pay shareholders in their capacity as members (some circumstances mean a shareholder can claim as a creditor). If a shortfall exists in payments to creditors, the liquidator can call on the holders of any unpaid or partly paid shares in the company to pay the amount outstanding on those shares.

A liquidator must hold a joint meeting of the creditors and shareholders at the conclusion of the winding up. Shareholders can make a request to call and hold a meeting during the liquidation, but it would usually be at their own cost.

Receivership

A secured creditor or a court can appoint a receiver. The receiver's primary role is to collect and sell enough of the company's secured assets to repay the debt owed to the secured creditor.

Secured asset realisations will be distributed, (subject to rules around so-called, "circulating security interests"), first, to pay the receiver's costs, then to the secured creditor. The company is entitled to receive remaining funds, if any.

Unlike voluntary administration and liquidation, directors continue to hold office in a receivership. However, control of the secured property, which often includes the company's business, is removed from the directors.

Notwithstanding a receiver's primary duty is to the secured creditor, a duty to unsecured creditors and shareholders is imposed on the receiver requiring them to take reasonable care to sell secured property for not less than its market value or, if there is no market value, the best price reasonably obtainable.

Reporting, meetings and transferring shares

The statutory reporting and Annual General Meeting (AGM) obligations of listed and large proprietary companies change during external administration. In liquidation, companies do not need to provide the usual statutory financial reports or hold AGMs. In voluntary administrations and receiverships, ASIC will often allow companies to defer financial reporting and AGMs, if the administrator or receiver agrees to answer, free of charge, reasonable enquiries from shareholders about the administration or receivership during the deferral period.

External administrators are only required to report to creditors (and in the case of receiverships, only to report to the secured creditor that appointed the receiver). However, all external administrators must lodge an account of receipts and payments with ASIC every six months and at the end of their administration. A copy of these accounts of receipts and payments may be obtained from any ASIC Business Centre, on payment of the relevant fee.

Shareholders cannot transfer shares in the company without the external administrator's or Court's permission. E

ASIC publishes a number of information sheets on external administration that can be found at www.asic.gov.au/insolvency

ASA Strategy Update September 2015-August 2016

Strategic priority	Progress update
Membership • Build a culture where all Australian retail investors feel they need to be a member • To be the 'go to' association for retail shareholders	**Tailored membership marketing and expanded payment options** • Introduced two year discounted subscriptions - just over 20% of renewing members take up this offer • An EOFY offer to subscribers (increasing membership by 84) • Trialling a three month free membership program to new subscribers so they can familiarise themselves with ASA (yielded 14 members since June) • A new email direct marketing system has been introduced **Improved membership retention** • Membership decline has reduced to less than 3% (compared to 8% for 12 months to 31 August 2015) due to our membership retention program • Approximately 25% of lapsed members renew following a telephone call from volunteers • Chairman to Chairman contact netted a 19% increase in corporate members • Provided better access for members to meetings by increasing number of discussion groups • Inner West Group established in Sydney at Concord • Four coffee groups set up in regional Victoria • Coffee group established in Bathurst with two to roll out in Dubbo and Orange, NSW • Two coffee groups set up on the Gold Coast • Tour of Tasmania to meet with members to take place in November
Advocacy • To be the voice of retail shareholders on corporate governance	**Increased influence of ASA** • Almost doubling number of submissions to regulators (ASX, ASIC and Treasury) • Increased number of media releases compared to the prior 12 month period • Updated ASA Policy Guidelines and increased requests from companies seeking engagement with ASA • Expanded ASA social media presence with 25% increase in Twitter and Facebook followers • Easier navigation for members of advocacy issues impacting retail investors • Introduced Voting Intention email during 2015 main AGM season • Introduced Advocacy News Desk email to better inform members of our monitoring and advocacy work, and encourage them to access our website • Super desk on home page to update members on controversial Superannuation changes
Education • To provide focussed learning resources for our members	**Better targeted and focussed education choices for members** • Intergenerational wealth planning; Investors Big Day Out seminars held in most capital cities • National Conference and Disruptor Seminar held in Sydney • Trialled 'Filtering fundamentals' workshop in Brisbane • Resources produced to trial 'Outperforming the index' and the 'Investment Concepts' workshops • Conducted six Focus Groups in May and June with members and subscribers to better inform us of end user's requirements • Launched first investment podcast in July
Volunteer Engagement • Build a culture where our volunteers feel rewarded and supported	• Improved communications to state committees by providing monthly National Office activity reports and regular Board reports • Improved resources for company monitors by increasing number of monitor training sessions and upgraded training materials. • Resources for Filtering Fundamentals workshop are available for convenors to aid their discussion groups
Strong Organisation • Effective structure • Right people in the right roles • Good governance • Financially secure	• CEO search in progress • Board renewal is underway - seeking new directors to widen board experience • Better access to office space and meeting rooms for volunteers with recent National Office relocation • Available reserves improved by 25% from 31 August 2015 to 31 July 2016

ASA NOTICES

ASA BENDIGO LUNCH

Join fellow members for lunch and a presentation "Bucket list investing – protecting your nest egg" by guest speaker John Cowling.

Date: Thursday, 13 October 2016
Time: 12 noon – 2pm
Venue: Bendigo RSL Club, 73-75 Havilah St, Bendigo
Cost: $40 per person; includes 2 course meal and tea/coffee

To register, call the national office on 1300 368 448 or online at www.australianshareholders.com.au

Special thanks to Bendigo Bank for sponsoring this event.

WOLLONGONG MEETING – NEW VENUE & TIME

Based on feedback from members, we have decided to change the time and venue of the Wollongong meeting group for October and November.

The group will now meet on the second Tuesday from 10.45am at the Boat Harbour Motel Function Room, 7 Wilson Street, Wollongong.

The next meetings will be held on: 11 October will be a Discussion Group and 8 November we're pleased to have a presentation by VectorVest. Please support our new time slot by coming along. Guests are very welcome.

Queensland Report

By **Alison Harrington,** Queensland State Chairman

In the four and a half years since I became involved in ASA Queensland the external investing circumstances have changed markedly. The mining boom is over, iron and oil prices have collapsed, the Federal government and the Queensland governments are struggling with debt and falling revenues, the RBC cash rate is very low, and the dollar has fallen to well below parity. Yet, although not to pre GFC levels, the market has recovered well. There are many well run companies whose share price has risen rapidly; Blackmores and CSL for example. ETF's are growing in popularity, property prices in major cities continue to rise. Meanwhile the media still trumpet the doom and gloom and ignore the positives and the opportunity for well educated investors to make good returns from well planned strategies in the purchase and sale of stocks. With a few changes this is the same paragraph I wrote for EQUITY 18 months ago. I still consider opportunities are there for educated investors.

This year Queensland members have had three unique opportunities to participate in hands on workshops to gain specific skills. **Mining the Miners** was a brilliant day and illustrated the cycle of the resource industry in a way to give you confidence to foray into the area with some potential good rewards.

Joanne Stuhmcke, a member of the National Education Committee for the last four years, ran a **Filtering fundamentals workshop** in May. This practical, hands on learning was well presented and Joanne generously donated her material to ASA to be used by other presenters. Joanne has stepped down from the Education Committee and we thank her for being an excellent contributor, and for her assistance with creating education content for the website. Joanne shows anyone can become a successful educator and investor as, like me, she had no investing experience before joining AIA and ASA.

Bill Dodd is passionate about educating independent investors and his **Outperforming the Index** is just that - skills and strategy to improve your investing returns. Bill considers the only thing stopping you is your fear of failure and your lack of strategy. **Outperforming the Index** is planned to be held in the Sunshine Coast and the Gold Coast on Monday, 7 November this year so at last regional members do not have to travel for quality education.

Our sincere thanks to Rob, Ross, Michael, Joanne and Bill for the professionalism and work they have put into these events.

ASA Investors Big Day Out, in conjunction with the ASX, was an excellent day with a lot of learning. This is the third of these and I hope they continue as they give every State an opportunity to hear the same leading investment speakers.

Queensland Company Monitors do an excellent job on a range of very important companies headquartered in Queensland. Thanks must go to Kym D'Arcy, our working Queensland Company Monitor Chairman.

Toowoomba has had a busy year and is moving to the Toowoomba Library under the leadership of Jill Douglas and her team. Thank you every one in Toowoomba for making this group vibrant and friendly. Sunshine Coast is a successful group under Don Matthews. The Gold Coast has been run smoothly by Bryan Moore and his team. Brisbane and Gold Coast have continued to have an excellent range of speakers as Bryan and I have coordinated interstate speakers to present to Gold Coast on Tuesday and Brisbane on Wednesday. As always, I encourage members to bring family and friends to any ASA education event so they can see for themselves how beneficial ASA membership can be to their financial skill development. Thank you to Marion Loughnan, Graeme Thistlethwait and the rest of the volunteers in Brisbane for making our meetings and our seminars flow so well.

Bryan Moore, from the Gold Coast is taking over as State Chairman and I am so pleased for Queensland he has agreed to take on this task. Bryan is ex Air Force, an enthusiastic golfer and developed his investing skills at a Bill Dodd course. He is welcoming, open and enthusiastic.

When I started University, on the first day of a very difficult subject, one of the professors said she had found that the smartest people often asked the dumbest questions. Smart investors are not frightened to appear dumb as the only loser from their lack of skills is themselves.

I thank AIA and ASA for all the dumb questions I have asked in the past as, when faced with the recent loss of my husband, I knew how to make a smooth financial transition.

Thank you everyone for your support. I will continue to run the Brisbane Investor Forum and be the Education Officer for Queensland.

Brisbane Investors' Big Day Out 2 September 2016

PORTFOLIO CONSTRUCTION & MANAGEMENT masterclass

ADELAIDE • PERTH • MELBOURNE • CANBERRA • BRISBANE • SYDNEY

Join Lincoln Indicators Director of Research & Education, Elio D'Amato, for this exclusive masterclass.

PART 1 – Principles of successful portfolio management

Learn how to implement a successful investment strategy, including when to exit a stock, by understanding your investment goals.

PART 2 – Building a portfolio relative to your objectives

Learn how to construct a rock-solid portfolio by identifying quality stocks aligned to your investment objectives.

Don't miss out on this unique opportunity to spend time with a leading industry expert and learn how to make informed and disciplined decisions based on your investment objectives and risk profile.

SPEAKER - ELIO D'AMATO, DIRECTOR OF RESEARCH & EDUCATION, LINCOLN INDICATORS

Elio D'Amato heads up Lincoln's Stock Doctor research team. He is also the company's chief educator and key media spokesman. You may recognise him from regular segments on ABC and Sky Business television networks. Elio is a monthly contributor to Smart Investor magazine and regularly presents at a wide range of industry events and investment workshops.

DATES

ADELAIDE
Friday 14 October 9am to 12.30pm
Hackney Hotel, 95 Hackney Road, Hackney

PERTH
Saturday 15 October 9am to 12.30pm
Metro Hotel, 61 Canning Highway, South Perth

MELBOURNE
Friday 21 October 9am to 12.30pm
Batman's Hill on Collins, 623 Collins Street, Melbourne

CANBERRA
Saturday 22 October 9am to 12.30pm
Canberra Southern Cross Club Woden,
92-96 Corinna Street, Woden

BRISBANE
Friday 28 October 9am to 12.30pm
Broncos Leagues Club, Fulcher Road, Red Hill

SYDNEY
Saturday 29 October 9am to 12.30pm
Harbourview Hotel, 17 Blue Street, North Sydney

EARLY BIRD PRICES (ENDS TWO WEEKS PRIOR TO EACH EVENT)

ASA Members & partners	$49 per person
Non-members	$69 per person

Includes morning tea and access to online papers.

Early bird prices are available up to two weeks prior to the event, at which time registrations will increase by $20.

To register, call 1300 368 448
or register online at www.australianshareholders.com.au/portfolio-construction-masterclass

Spaces are strictly limited.

	LOCATION	DATE	TIME	VENUE	SPEAKER	TOPIC
ACT	Weston	04-Oct-16	12.30pm	Weston Club, 1 Liardet St, Weston	Southside Discussion Group	General investment topics
	Macquarie	13-Oct-16	12.30pm	Canberra Southern Cross Club Jamison, Cnr Catchpole & Bowman St, Macquarie	Northside Discussion Group	General investment topics
	Canberra	22-Oct-16	9am-12.30pm	Canberra Southern Cross Club Woden, 92-96 Corinna St, Woden	Elio D'Amato, Lincoln Indicators	Portfolio construction & management
	Weston	01-Nov-16	12.30pm	Weston Club, 1 Liardet St, Weston	Southside Discussion Group	General investment topics
NSW	Bondi Junction	04-Oct-16	10.30am	Mill Hill Community Centre, 31-33 Spring St, Bondi Junction	Discussion Group	Investment topics
	Port Macquarie	07-Oct-16	10.00am	Senior Citizens Centre, Munster St, Port Macquarie	Discussion Group	General investment topics
	Inner West	11-Oct-16	10.00am	Concord Library, Function Room, 60 Flavelle St, Concord	Discussion Group	General investment topics
	Wollongong	11-Oct-16	10.45am	Boat Harbour Motel, Function Room, 7 Wilson St, Wollongong	Discsussion Group	General investment topics
	Sydney Investor Forum	20-Oct-16	12.00 noon	Sydney Mechanics' School of Arts, Mitchell Theatre, 280 Pitt St, Sydney	Chris Stott, Wilson Asset Management	Finding stocks to outperform
	Sydney - North Shore	21-Oct-16	10.00am	Killara Uniting Church Hall, 9 Karranga Ave, Killara	Discussion Group	General investment related topics
	Taree	27-Oct-16	10.00am	Greater Taree City Library, 242 Victoria St, Taree	Discussion Group	General investment topics
	Sydney	29-Oct-16	9am-12.30pm	Harbourview Hotel, 17 Blue St, North Sydney	Elio D'Amato, Lincoln Indicators	Portfolio construction & management
	Hunter Region Discussion Group	31-Oct-16	10.30am	Club Macquarie, 458 Lake Rd, Argenton	Discussion Group	General investment topics
	Bondi Junction	01-Nov-16	10.30am	Mill Hill Community Centre, 31-33 Spring St, Bondi Junction	Discussion Group	Investment topics
	Inner West	08-Nov-16	10.00am	Concord Library, Function Room, 60 Flavelle St, Concord	Discussion Group	General investment topics
	Wollongong	08-Nov-16	10.45am	Boat Harbour Motel, Function Room, 7 Wilson St, Wollongong	Rob Markham, VectorVest	A simple process for finding safe and consistent high dividend shares
QLD	Gold Coast	11-Oct-16	9.30am	Robina Community Centre, cnr San Antonio Court, Robina	Glenn Rushton, Rushton Financial	How to generate consistent profits in both rising and falling markets
	Brisbane Investor Forum	12-Oct-16	11.00am	Wesley House, 140 Ann St, Brisbane	Gabriel Radzyminski, Sandon Capital	Activist investing in an Australian context
	Toowoomba	17-Oct-16	1.30pm	University Open Learning Centre, 27 Jellico St, Toowoomba	Daryl Wilson, Affluence Funds Management	Finding the best listed investment companies and managed funds
	Sunshine Coast	18-Oct-16	10.00am	Good Life Centre, 100 Buderim Pines Road, Buderim	Rob Markham, VectorVest	Minimising risk & maximising returns in the share market
	Brisbane	28-Oct-16	9am-12.30pm	Broncos Leagues Club, Fulcher Rd, Red Hill	Elio D'Amato, Lincoln Indicators	Portfolio construction & management
	Gold Coast	07-Nov-16	9am - 4.30pm	Quality Hotel Mermaid Waters, Cnr Markeri St & Sunshine Blvd, Mermaid Waters	Bill Dodd, ASA	Outperforming the Index (REF PAGE 14)
	Gold Coast	08-Nov-16	9.30am	Robina Community Centre, cnr San Antonio Court, Robina	Ben Rundle, NAOS Asset Management	TBA
SA	Adelaide	05-Oct-16	10.30am	University of Adelaide Club, L 4, Union House, WP Rodgers Room, Adelaide	Led by Keith Potts, ASA	Resource related topics
	Adelaide	12-Oct-16	10.30am	University of Adelaide Club, L 4, Union House, WP Rodgers Room, Adelaide	Led by Genevieve Ward, ASA	Industrial shares
	Adelaide	14-Oct-16	9am-12.30pm	Hackney Hotel, 95 Hackney Rd, Hackney	Elio D'Amato, Lincoln Indicators	Portfolio construction & management
	Adelaide	19-Oct-16	11.30am	Scots Church Hall, Cnr Pulteney St & North Tce, Adelaide	General meeting	General investment topics

LOCATION	DATE	TIME	VENUE	SPEAKER	TOPIC	
Adelaide Investor Forum	19-Oct-16	12.00 noon	Scots Church Hall, Cnr Pulteney St & North Tce, Adelaide	Chris Giles, Havilah Resources	Havilah Resources	SA
Adelaide	02-Nov-16	10.30am	University of Adelaide Club, L 4, Union House, WP Rodgers Room, Adelaide	Led by Keith Potts, ASA	Resource related topics	SA
Warrnambool	04-Oct-16	10.00am	Warrnambool RSL Club, Cnr Liebig & Merri Sts, Warrnambool	Coffee Morning Discussion Group	Investment related topics	VIC
Campaspe	05-Oct-16	10.00am	Caledonian Hotel, 110 Hare Street, Echuca	Discussion Group	Investment related topics	VIC
Melbourne Investor Forum	05-Oct-16	12.00 noon	Telstra Conference Centre, 1/242 Exhibition St, Melbourne	Riki Polygenis, National Australia Bank	Economic update	VIC
Manningham	11-Oct-16	10.00am	Koonarra Hall, 7 Balwyn Rd (cnr Furneaux Grove), Bulleen	John Parrott, ASA	AGMS and the reporting season	VIC
Geelong	12-Oct-16	6.00pm	Waurn Ponds Hotel, Princes Hwy, Waurn Ponds	Remo Greco, Sanlam Private Wealth	Financial markets give me a headache!	VIC
Ballarat	12-Oct-16	7.30pm	McCallum Conference Centre, Leopold St, Alfredton	John Cowling, ASA	Stop losses	VIC
Kingston	13-Oct-16	10.30am	Longbeach Place, 15 Chelsea Road, Chelsea	Discussion Group	CSL Company Monitor Report 2016/AGM	VIC
Bendigo	13-Oct-16	12.00pm	Bendigo RSL, 73-75 Havilah Rd, Bendigo	John Cowling, ASA	Bucket list investing (REF PAGE 19)	VIC
Monash	18-Oct-16	10.00am	Wheelers Hill Public Library, 860 Ferntree Gully Rd, Wheelers Hill	Denys Smerchanskyi, Tax & Super Australia	Tax & the investor	VIC
Geelong	18-Oct-16	6.00pm	St George Workers Club, 212 Pakington St, Geelong West	Night Discussion Group	Investment related topics	VIC
Bendigo	19-Oct-16	10.00am	Bendigo Club, 22 Park St, Bendigo	Discussion Group	Investment related topics	VIC
Wimmera	20-Oct-16	10.00am	Horsham RSL Club, 36 McLachlan St, Horsham	Coffee Morning Discussion Group	Investment related topics	VIC
Mornington	20-Oct-16	12.00pm	Mornington Golf Club, Tallis Dr, Mornington	Stephen Mayne, ASA Director	Mornington Lunch	VIC
Melbourne Evening Meeting	20-Oct-16	6.00pm	Limerick Arms Hotel, 364 Clarendon St, Sth Melbourne	Sebastian Evans & Julia Stanistreet, NAOS Asset Management	Time to look outside the ASX top 100 stocks	VIC
Melbourne	21-Oct-16	9am-12.30pm	Batmans Hill on Collins, 623 Collins St, Melbourne	Elio D'Amato, Lincoln Indicators	Portfolio construction & management	VIC
Albury-Wodonga	25-Oct-16	10.00am	Commercial Club, 618 Dean St, Albury	Linda Martin, ASA	Navigating the Financial Review	VIC
Ballarat	27-Oct-16	10.00am	Barkly's Restaurant, 45-47 Main Rd, Ballarat	Coffee Morning Discussion Group	Investment related topics	VIC
Campaspe	02-Nov-16	10.00am	Caledonian Hotel, 110 Hare Street, Echuca	Discussion Group	Investment related topics	VIC
Melbourne Investor Forum	02-Nov-16	12.00 noon	Telstra Conference Centre, 1/242 Exhibition St, Melbourne	Geoff Wilson, Wilson Asset Management	TBA	VIC
Manningham	08-Nov-16	10.00am	Koonarra Hall, 7 Balwyn Rd (cnr Furneaux Grove), Bulleen	Discussion Group	Investment related topics	VIC
Geelong	08-Nov-16	12.00 noon	White Eagle House, 46 Felmongers Rd, Breakwater	Day Discussion Group	Investment related topics	VIC
Perth Members Monthly Meeting	04-Oct-16	10.15am	State Library Bldg of WA, 25 Francis St, Perth	Guest speaker	Investment topics	WA
Perth Investor Forum	04-Oct-16	12.00 noon	State Library Bldg of WA, 25 Francis St, Perth	Robin Bowerman, Vanguard	TBA	WA
Perth	15-Oct-16	9am-12.30pm	Metro Hotel, 61 Canning Highway, South Perth	Elio D'Amato, Lincoln Indicators	Portfolio construction & management	WA
Perth Investors' Corner	20-Oct-16	10.00am	Citiplace Community Centre, City Station Complex, Wellington St, Perth	Discussion group led by Lorraine Graham & Peter Scales, ASA	Equity investments including yield stocks, LICs & selected shares	WA
Busselton	26-Oct-16	9.30am	Busselton Volunteer Marine Rescue Group HQ, Geographe Bay East, Busselton	Discussion group led by members	Investment related topics	WA
Perth South of the River Group	28-Oct-16	10.00am	Canning River Eco Education Centre, 'Melaleuca Room', Lot 8 Queens Park Rd, Wilson	Discussion Group	Investment topics	WA