

"OUR DUTY IS YOUR FUTURE"™



MESSAGE FROM MANAGER

With The Investment Collective now owned by Alteris Financial Group, there's a stack of work to do in keeping The Investment Collective running as it should, while helping to integrate the two businesses to get the best out of both. I'm staying with the group and I'm very excited for the future.

In discussing the new arrangements with clients and shareholders, I am humbled by some of the comments shared. Across the three existing offices, there are many people with a genuine affinity toward our business. Several staff were named personally, and not just advisers. One client said, "you've taken all the worry out of the last 17 years." Another recounted me providing retirement advice in perhaps 2005 or 2006, the gist of



which was that after working for a few more years and consolidating some assets, he would be able to rebuild a house on his beachside allotment and happily retire there. Guess where I visited him?

And then there are the clients, who like my own family, have had to deal with all sorts of very personal and challenging life events. The knowledge that our staff care and will get personally involved to deal with lawyers, bureaucracy and even family conflict is a great support in difficult times. Other clients are more focussed on portfolio returns, and over just shy of 22 years we have helped clients build wealth, positioning portfolios for growth without taking on too much risk, and putting a chock behind the wheels in bad times. That's important because

the move 25 to 30 years ago, to market-based superannuation meant government and employers were no longer underwriting superannuation balances. That risk was passed onto individuals, and clients appreciate that's a big ask for people with little knowledge of financial markets.

"In discussing the new arrangements with clients and shareholders, I am humbled by some of the comments shared."

It's also funny where people drift to. My visits and those of Chris Heyworth led us through cities (boy the inner western suburbs of Brisbane have changed), to remote and not so remote farms, to skyscrapers at the Gold Coast. Ours is a people business and it's a privilege to be able to relate to people in their "natural environment." It's also a delight to see huge challenges surmounted and new lives created, especially where The Investment Collective has been part of creating that new world.

People who know me well will be



aware of my deep interest in finance and my love of economics, but the actual reason I built this business (and built it in a particular way) was to help people. For right or wrong, it's always been a core motivation, stretching back to when I was a dental technician in the hospital system, and then in studying economics (business is about maximising returns, finance is about measuring money, economics is about making society better off overall). Making a difference in people's lives means a lot to me.



Wherever you are and however you came to be associated with The Investment Collective, I am very grateful for your support as clients and for your faith in me and the business over all these years. I am proud of our staff who deal with all sorts of client matters, some complex and some mundane, and do it because they want things to be right. I am grateful to shareholders who enabled us to structure a business that did not depend too much on debt financing, and despite some hairy moments, stuck it out. It's humbling to think that people who invested in the business when they were 55 are now over 70. I was 37 when we started it, I'm now 59. Where did the time go? I'm sure the previous owners of Pentad feel much the same.

As I said above, I'm still part of the business. The alignment with Alteris is an important next step in ensuring

the longevity of the business, and over time it will result in a wide range of benefits for clients and staff across the combined organisation. If you have any concerns and would like to chat, please call me on 0412 534 637.

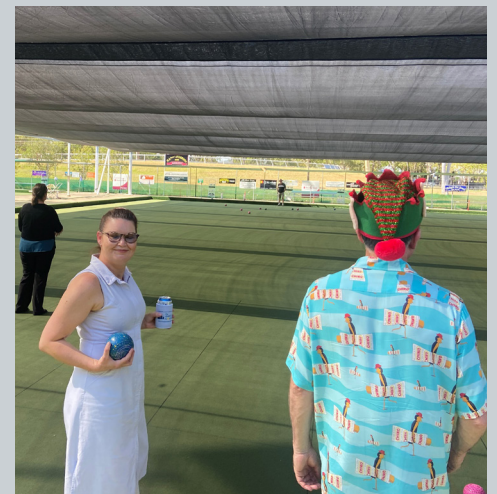
David French
Joint Chief Executive Officer

Celebrating 2022!

The Investment Collective team wrapped up 2022 with barefoot bowling and loads of laughter.

It was wonderful to have things back to post pandemic normal, so that all staff could get together to celebrate the year. Rockhampton and Melbourne bowling greens were gifted with our talent and staff showcased their skills, as they have done all year at work, with some pretty stellar performances.

The theme, as always, was teamwork and we look forward to continuing this into 2023 as we all work together on the merger with Alteris!





All about residential aged care

Whether considering options for yourself or deciding how best to help someone close to you, residential aged care can be a complex area requiring careful thought. The uncertainty surrounding where to move, how much it will cost and where the money will come from can be overwhelming and stressful.

There are typically three steps you need to take before entering residential aged care.

Firstly, before entering residential aged care, your health must be assessed to determine your eligibility for care. The assessment can be performed by any doctor, nurse or social worker who is a member of an Aged Care Assessment Team (ACAT, or ACAS in Victoria). You can visit myagedcare.gov.au to request an assessment.

"Residential aged care can be a complex area requiring careful thought."

Secondly, finding an aged care facility. Make sure you find an aged care facility that you are comfortable in and that will suit your needs. You may like to visit a few different places, as you can apply to as many facilities as you like. The accommodation costs for all aged care facilities are published on myagedcare.gov.au. This website also

provides a description of the rooms and services available at the facility.

Thirdly, organising your finances. Upon entry to an aged care facility, you may be required to pay either an accommodation contribution or an accommodation payment. This may involve a lump sum payment, periodic payments, or a combination of both. Some people will have their accommodation costs met in full or in part by the government, while others will need to pay the accommodation price agreed with the facility. The Department of Human Services will advise which applies to you determined by your level of assets and income at entry.

There will also be a basic daily fee to pay and there may be a means-tested care fee which is determined by your level of assets and income reassessed quarterly. Some aged care facilities offer a higher level of service or a higher standard of accommodation or food as an extra service or additional fee.

Keeping or selling your former home often forms an important part of the strategy as does how you invest. A poorly structured and executed plan can result in lower Age Pension entitlements and higher ongoing care costs. Your adviser can walk you through the options and any implications. For example, if you keep your home, we can discuss strategies to pay the agreed accommodation payment and explain how your home will be treated for Centrelink/DVA and aged care purposes. If you sell

your home, we can also help identify the best way to invest the proceeds and get the balance right between generating an income, maximising Age Pension entitlements, and reducing ongoing care costs.



There is a lot to consider and decide upon, and with the right advice, it does not have to be overwhelming or stressful. We are here to help, so please contact your adviser to discuss.

Robert Syben
Head of Financial Planning



Is your insurance all it claims to be?

Many Australians hold some form of personal insurance, with many of us choosing to hold insurance through our superannuation provider. However, few truly understand the cover, how it works and if it is actually suitable to their personal needs.

A few common misunderstandings we encounter:

Group insurance

Group insurance covers a group of people, most commonly members of a particular super fund.

Most industry super providers will offer default (group) insurance. This insurance has not been underwritten by an insurance provider, tends to be lower quality with the benefit amount decreasing as you get older, when the likelihood of a claim becomes higher.

Most industry super funds will allow you to fix your cover or apply for higher levels of cover through group insurers (subject to underwriting).

Any claim is likely to be checked for prior illness or injury as part of the payment process. Any prior issue may result in a declining of payment.

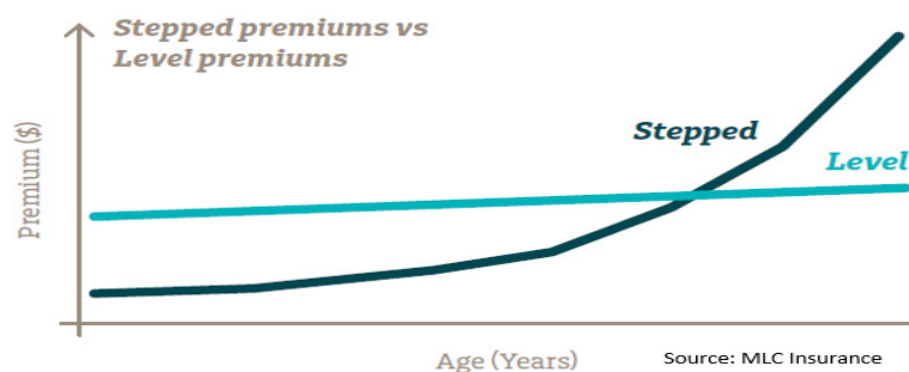
Retail insurance

An alternative to group insurance is retail insurance, with more industry super funds providing the option to fund these retail policies.

Retail insurance policies are underwritten by insurance providers before cover is offered. This generally results in the insured gaining higher quality cover and generally a higher chance of a successful claim as the insurance company will note any exclusions from cover up-front.

Linked policies

This option allows you to combine cover. The most common situation is linking Total and Permanent Disability (TPD) cover (life or trauma) with TPD. Linking policies reduces the premium more than if you were to hold the cover separately. However, many



people do not realise if you claim on one (i.e. TPD), this amount will then reduce from the life benefit available, unless you have a buyback or reinstatement option on your cover. This option tends not to be offered with industry super insurance.



Income protection

Many people understand they have income protection. However, wait periods before a claim can be made and can vary from 14 days to two years. It is important to know what your wait period for a claim is to ensure you can fund your living expenses whilst being unable to work. In addition, benefit periods typically vary from two years to age 65, this is the length of time you are able to be covered/receive income payments from the insurer.

We like to think we would recover from stress or injury within two years, but it is rather common to be incapacitated for longer than two years, for example, mental health or spinal injuries. Extended benefit periods should always be considered

when applying for cover.

Premium types

Stepped: these premiums start out lower but the base premium increases as you get older. Generally, this type of premium is good for younger applicants working on building wealth or clients who only need insurance for a shorter period.

Level: these premiums start out higher but as you age, they increase slower, generally with Consumer Price Index. If you think you need insurance up to retirement at age 65, this type of premium will work out more cost-effective for the life of the policy.

Insurance benefit amount

It is important to ensure you have the right level of cover to suit your needs such as clearing debt, maintaining your lifestyle and funding medical expenses. You may have other items of importance to cover such as funding children's education.

Liz Whalley

Provisional Financial Adviser





What can we expect in 2023?

What we can expect in 2023 is much the same as what we have been through in 2022. Organised chaos. As we head into 2023, we look back at a year that took many by surprise. As the champagne corks popped and we rolled into 2022, many were optimistic that we had passed through the hard lockdowns brought on by COVID-19 and the world was at peace and ready to embrace and celebrate all the wonderful things we had previously taken for granted (freedom, family, friends and fulfilling jobs and lives).

While most people were celebrating their newfound freedoms, experts knew that lurking in the shadows were cashed up consumers, the threat of war and supply chain issues thanks to COVID-19 still spreading across the globe. All in all, this made for a perfect inflationary storm. On top of all this, the Reserve Bank of Australia (RBA) only added fuel to the fire when the RBA chief Phillip Lowe predicted that there would be no interest rate rises until 2024.

However, on 4 May 2022, the RBA began an aggressive move to raise interest rates as it was clear that inflation had surged upward since the beginning of the year, not only here in Australia but also globally. Since May, interest rates have increased from 0.10 to 3.10.

So, as we head into 2023 it is clear that turbulence is still on the horizon, inflationary pressures will persist well into

2023. With uncertainty in Europe, COVID-19 still running rampant and supply chain issues, the world has many challenges ahead. However, people are resilient, and over the last four decades, we have faced major world crises and each time the world and economies have bounced back. This time will be no different, although at the moment it's unclear as to how long this will take.

"What we can expect in 2023 is much the same as what we have been through in 2022. Organised chaos."

One of my favourite quotes "It's always darkest before the dawn" sums up where the world is right now. However, there is a glimmer of hope on the horizon as the largest world economy (the USA) might be gaining a stranglehold on inflation. In October 2022, inflation in the US retracted by 0.5%. So, stick the course and stay true to your beliefs and in the end you should come out the other side with new opportunities and possibilities.

John Zahra
Provisional Financial Adviser



Need more cash?

Ok so the heading sounds great, and who wouldn't want more cash? With rising interest rates and general market uncertainty, we all want a little extra in our bank balance.

Let's have a look at some options out there that may just provide an added windfall.

"With rising interest rates and general market uncertainty, we all want a little extra in our bank balance."

Lost super

Remember that job you had once packing shelves at the supermarket or the paper delivery? Do you wonder where the super went? Changed jobs and never really looked at the paperwork you signed? Changed address / email or lost contact with an old fund? Chances are you may have some lost super out there and it is worth checking.

Good news – the money is still yours, you just need to claim it. It will either be with the ATO or with the original super fund. The search is relatively simple.

- Go to MyGov website and log in.

- Ensure your account is linked to the ATO.

- Select 'Super'.

This will show details of your super accounts and consolidate them into one fund if that is your preference. Not everyone wants to do this, consider whether there is insurance held in super you require, which account to consolidate and if there are advantages to a particular fund.

You can also call or fill in a form to look for super. More detail can be found at <https://www.ato.gov.au/forms/searching-for-lost-super/>.

Sorry to say, that unless you meet a condition of release, this isn't going to benefit you until retirement.

Unwanted items

One option for an immediate cash injection is to sell some unwanted items from around the house. Remember those presents from last year, that unwanted home décor, the kid's bike they have outgrown, computer games that just aren't cool anymore? Clothes can definitely raise a few dollars from a clean out of the closet. With a multitude of options to sell online, this can be an excellent way to raise money and buy something you want now.

Depending on the online platform used, take care with scams, consider insurance for expensive items sent out and consider where is best for pick up / drop off of items.

Yesterday's goods are today's treasures!

Grow your own plants

During school holidays when your kids are looking for something to do. Why not put them to work on making a veggie garden? This can be a fun experience for the kids and yourself.

Take the kids to your local garden centre and let them choose some of their favourite veggies and herbs. The enjoyment of eating your own carrots or cherry tomatoes combined with a few extra dollars off the grocery bill. Planting a citrus tree will also pay off over time.

Airtasker / Uber and part-time roles

Part-time roles can help fill a gap at this time of year and whilst time with the family is important, a few hours spent on an odd job could just get the ultimate present for someone.

Airtasker is an online site where people list odd jobs they want done. If you can assemble flat packs or trampolines, this may be for you. Have a look on the site for typical prices and know what you are worth before you sign up for a job.

Uber will allow you the flexibility to choose your hours and your trips. You don't always get to choose who the passenger is, but if you are going from point A to point B anyway and can get some money from someone needing a lift, this may be perfect.

These ideas may not be for you and perhaps controlling the budget in other areas is a better way to save. If you need some help, talk to your financial adviser.



Allan McGregor
Financial Adviser



Investment Update

I would like to welcome everyone to 2023, which I am sure will be another interesting and volatile year for global financial markets. The markets need to work their way through inflationary pressures, rising interest rates, recessionary concerns, and geopolitical tensions. These challenges highlight the need for focused and consistent investment processes.

Recently, one of our financial advisers received some questions highlighted in blue below. I thought it might be valuable to share these questions with our client base to clarify our investment methodology.

"Do you have any information you can send me on the methodology and process used to assess the market and decide which products go on the Approved Product List (APL)?"

Our investment strategy stocks on our APL:

- We buy stocks that have a strong core business and provide consistent growth.
- We do not day trade.
- We avoid buying cyclical stocks which have potential for volatility in earnings.

What we look for in a business:

- A sensible strategy that can be executed well.
- Strong /experienced management team.
- An industry that is profitable and growing.
- A market position that is powerful and defensible.
- Substantial barriers to entry.
- High returns on capital relative to risk.
- The business is understandable.

The belief is if you know how to



identify high-quality companies which can endure the market cycle, you will likely outperform over time. We are not interested in short term volatility or noise.

The two essential traits of a quality business:

- Pricing power - means businesses can raise their prices with minimal or no impact on demand for the product, e.g. Woolworths Group Ltd (WOW).
- Pricing model - allowing the company to pass increased costs to the price of the underlying good or service, e.g. Amcor CDI (AMC).

"How are stocks assessed and categorised into buy or sell recommendations?"

As mentioned above, stocks are essentially not traded but bought on long term fundamentals. However, this is always subject to market prices and company information. We consider the market price when buying stocks, it needs to be fair and when we see excessive prices, we will trim or sell the holding.

"What is the methodology for a stock to be added or removed from the API?"

After constant internal monitoring and analysis, followed by discussions with relevant management teams, The Investment Committee (5

senior members of The Investment Collective) headed by Owen Evans (Chief Investment Officer) and myself (Head of Portfolio Management) will vote on the addition or removal of a stock/fund. The Committee meets weekly to discuss market conditions.

I hope this helps to give a clear and informative description of the process involved in the stock selection process and monitoring the stocks / funds in our APL.

"I would like to welcome everyone to 2023, which I am sure will be another interesting and a volatile year for global financial markets."

Mathew Caskey
Head of Portfolio Management





Centrelink Update

Are you caring for someone who has a disability or is frail aged? If so, you may be eligible for a payment through Centrelink if you meet the eligibility criteria. There are two payments you may be entitled to the carer payment or the carer allowance. The differences between the two payments are explained below.

Carer payment

A payment if you give constant care to someone who has a severe disability, illness, or an adult who is frail aged.

To receive a carer payment, you must:

- Be an Australian resident.
- Care for someone who is an Australian resident.
- Care for one or more people who have care need scores high enough on the assessment tools used for an adult or child.
- Care for someone who will have these needs for at least six months.
- Be under the pension income and assets test limits.

• You must be providing constant care in the home of one of the following:

- Someone with a severe disability or severe illness.
- Someone who is frail aged.
- Two to four children younger than 16 whose needs equal one child with severe needs.
- One or two children younger than 16 and one adult whose needs equal one child with severe needs.

Carer allowance

For people who give additional daily care to someone with a disability or medical condition, or an adult who is frail aged. Carer allowance can be stacked on top of Age Pension if you are already receiving it.

To receive a carer allowance, you must:

- Care for someone whose care needs score is high enough on the adult or child assessment tools.
- Care for someone who will have these needs for a minimum of 12 months.

• Meet an income test.

• Care needs - you must be providing additional daily care and attention to someone because they either have a disability, severe illness or are frail aged.

Income and assets tests

There is no assets test for carer allowance but there is an income test. To get carer allowance, you and your partner's combined adjusted taxable income must be under \$250,000 a year.

Carer allowance is \$136.50 each fortnight. If you're providing care to someone 16 or older there is no health care card for the person you provide care for.

If you are providing care for a child under 16 you will also receive a health care card for the child.

If you are interested and believe you are eligible to receive the carer payment or carer allowance, please contact your adviser. Also, continue to inform us if your income and asset values change, so we can notify Services Australia and ensure you continue to receive your full entitlement.

Carrie Large
Centrelink Administrator



| Pension rates per fortnight | Single | Couple each | Couple combined | Couple separated by ill health |
|-----------------------------|------------|-------------|-----------------|--------------------------------|
| Maximum basic rate | \$936.80 | \$706.20 | \$1,412.40 | \$936.80 |
| Maximum pension supplement | \$75.60 | \$57.00 | \$114.00 | \$75.60 |
| Energy supplement | \$14.10 | \$10.60 | \$21.20 | \$14.10 |
| Total | \$1,026.50 | \$773.80 | \$1,547.60 | \$1,026.50 |



Staff

Rockhampton - 1800 679 000

| | |
|-------------------|--|
| David French | Joint Chief Executive Officer |
| Elizabeth Whalley | Provisional Financial Adviser |
| Larissa Dowdle | Advisory Assistant |
| Rebecca Smith | Reception / Implementation Administrator |
| Ben Perfect | Compliance Manager |
| John Phelan | Compliance Officer |
| Bronwyn Nunn | Training Manager |
| Katrina Tearle | CHESS Administrator |
| Natasha Kuhl | Portfolio Administrator |
| Carrie Large | Centrelink Administrator |
| Emily Scott | Funds Administrator |
| Shobi Salam | PAMA Liaison Officer |
| Christine King | Bookkeeper |
| Sandra French | Bookkeeper |
| Sue Hutchison | Bookkeeper |
| Hayden Searles | Marketing Officer |

External

| | |
|-----------------|--------------------------------------|
| Lisa Norris | General Manager - Clients & Insights |
| Diane Booth | Operations Manager |
| Pauline Zapanta | Bookkeeper |

Melbourne - 1800 804 431

| | |
|-----------------|---|
| Robert Syben | Head of Financial Planning / Senior Financial Adviser |
| Cheng Qian | Managing Adviser |
| Tracey Briggs | Managing Adviser |
| John Zahra | Provisional Financial Adviser |
| Joshua Koster | Advising Associate |
| Jayde Garth | Advisory Assistant |
| Lisette Swanink | Advisory Assistant |
| Laura Sciacca | Reception / Admin Support Officer |
| Hannah Smith | Paraplanning Manager |
| Mathew Caskey | Head of Portfolio Management |
| Dylan Tyler | Business Analyst |
| Connor Lavery | Trainee Portfolio Manager |
| Elijah Tanarte | Investment Portfolio Administrator |
| Ming Hou | IT Manager |
| Yan Li | Programming Assistant |

Gladstone - 07 4972 0451

| | |
|----------------|-----------------------------------|
| Allan McGregor | Financial Adviser |
| Nicole Brown | Paraplanner |
| Cara Vloedmans | Reception / Admin Support Officer |

*Please note that the content in this newsletter is general in nature and has not taken your personal or financial circumstances into consideration. If you have any questions please contact your adviser.