Grow with Marinis

From: Grow with Marinis
Sent: Thursday, 22 November 2012 1:32 PM
To: Theo Marinis; Dino D'Aloia; Michael Callisto; Sofia Marinis; Julie Marinis; Jennifer Kulow
Subject: Chasing Greater Returns
Attachments: 2012 11 21 - Chasing Greater Returns.pdf

Dear Friends

As part of our eGrow initiative and as you requested, we have and intend to continue to communicate with you more frequently and more topically.

To that end, please find attached for your interest, a recent Media Article from The Advertiser on Monday 19th November 2012.

My comments explain how and why our Investment Philosophy is based on an Index Fund 'core and satellite approach'. Our Investment Philosophy of using a 'core and satellite' approach also explains part of the how we have been able to deliver the excellent administration and investment management fee savings for clients over recent years. The rest of the fee savings come from our objective to always be fully transparent and to pass on all administration fee savings we possibly can to our clients.

All of this is achieved without compromising in any way, the quality of the administration platforms or investments we recommend to our clients.

In doing so we strive at all times to adhere to our mission statement of ***"Providing informed exposure to the market which is appropriate to (our clients [individual] tolerance of risk . ...(and to always)... Construct solutions that are cost, tax, and where appropriate, Centrelink effective to ensure that everyone makes the most of their entitlements."***

As always, your feedback is greatly appreciated therefore please feel free to send us an email or contact our office on 8130 5130.

Kind Regards

Theo Marinis

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GROW @ Marinis

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The Advertiser | Monday 19.11.2012

Chasing greater returns

Low growth and high fees won't be tolerated, writes **Anthony Keane**

INVESTORS have become smarter about getting the best bang for their bucks, putting fewer dollars into higher-fee and lower-return assets.

A *Your Money* analysis of Reserve Bank of Australia data has found that while deposits have surged in the past five years, money held in cash management trusts has more than halved, while managed funds have dropped 23 per cent.

Investors are simply voting with their feet. Cash management trusts used to be popular among savers because of their flexibility, but the interest rates they now pay are well below those offered by term deposits and online savings accounts.

"People are starting to take control," says Alex Dunnin, director of research at financial information group Rainmaker.

Managed funds, which pool investors' money to invest in things such as shares, property, bonds and alternative assets, have struggled amid the rise of low-cost alternatives that don't employ expensive fund managers to choose investments.

"A lot of funds have been whacked hard by the market meltdown and that probably scared people off," Dunnin says. "There's nothing like low returns to get people upset about fees."

Research group Morningstar says some funds still charge management fees near 3 per cent, but investors can pay just one-tenth of that using low-cost exchange-traded funds that track the performance of a share market index or sector.

It says there is still a place for managed funds, which deliver excellent diversification for investors, but they need to offer more value for money.

Financial strategist Theo Marinis says he has long argued that managed fund fees should be lower, particularly when research has found three-quarters of active fund managers don't deliver better returns than the overall market.

"The main reason for moving away from managed funds is cost. When markets are down and returns are low ... investors are questioning more."

FUND TRANSFERS

	2007	2012	Move
Managed funds	$338b	$259b	-23%
Superannuation funds	$947b	$1185b	+25%
Cash management trusts	$49.8b	$24.4b	-51%
Term deposits with banks	$211b	$543b	+157%
Other deposits with banks	$265b	$453b	+71%

Source: RBA