



**MARINIS**  
FINANCIAL GROUP

2<sup>nd</sup> August 2010

Mr & Mrs Client  
11 Client Street  
CLIENTVILLE CV 1000

Dear Mr & Mrs Client

### **WHY I WANT YOU TO GET RICH SLOWLY!**

If you read the media three months ago you would have believed the Global Financial Crisis (GFC) was over, the Australian economy was bullet proof and the looming population boom will mean we are all going to be millionaires as a result of home prices going through the roof – another case of 'irrational enthusiasm.'

Recently we learned about the debt crises within the 'PIIGS' of Europe (Portugal, Ireland, Italy, Greece, Spain) and commentators would have us believe (once again) that the financial system is collapsing – some very inconsistent reporting in such a relatively short space of time.

These events make me even more convinced that the way to deal with the 'yo-yo' behaviour of the markets is to set a sound, conservative strategy and to stick to it over the medium to long term.

Fortunately, not all journalists have been seduced by market hype and I am heartened by an article in the Fairfax press written by Barbara Drury, which is available on our website [www.marinisgroup.com.au](http://www.marinisgroup.com.au) under the Media Archives section.

<http://www.smh.com.au/articles/2010/03/09/1267896783828.html>

The article, which examines the lessons learned in the recent dramatic downturn, endorses the underlying principles of the investment philosophy of Marinis Financial Group. That is, the importance of managing investment risk and costs via a 'core and satellite' approach to portfolio construction using index funds.

Because index funds are characterised by an absence of stock-picking and very little turnover in the underlying shares or securities, the incidence of taxation liability and the higher fees charged by active managers to impact on returns is substantially reduced.

With a core portfolio made up of index funds, investors are effectively 'buying the index' (or diversifying to spread the risk) with the benefit of market returns at low risk and low fees. To this cost efficient and well diversified portfolio, the 'satellites' made up of a lower and selective number of active fund managers, are then added to provide the potential for additional investment diversification and return.

In line with this approach, we remain committed to our philosophy of minimising the risks (and costs) associated with active stock-picking and market timing (which is, in our view, another form of gambling). Accordingly, our recommendations in respect of your particular investment strategy have included lower-volatility index funds.

Of course, you can get lucky, but as Robin Bowerman of Vanguard Investments Australia points out, "Market timing only succeeds on a few rare occasions.... and consistent success from market timing is virtually impossible." His article "Mission Impossible" is available on our website [www.marinisgroup.com.au](http://www.marinisgroup.com.au) under the Media Archives section.

[http://www.vanguard.com.au/personal\\_investors/news--commentary/smart-investing/mission-impossible.cfm](http://www.vanguard.com.au/personal_investors/news--commentary/smart-investing/mission-impossible.cfm)

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My advice to you continues to be, get rich slowly. The Marinis Financial Group philosophy is to protect you, our clients from the inevitable downturns and to conservatively grow your wealth over the medium to long term. This will be achieved by following a strategy which is clearly laid out and agreed with you.

As always, we welcome your input and feedback. If you have any comments or queries regarding this letter or associated articles, please feel free to contact us on 8130 5130.

We look forward to providing our ongoing support.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Theo Marinis', written in a cursive style.

**Theo Marinis B.A., B.Ec., CPA., CFP®**  
**Financial Strategist**  
**Authorised Representative**

