Unlock the formula to doubling your dough

ANTHONY KEANE PERSONAL FINANCE WRITER

HEALTHY RETURNS: Ramsay Health Care shares have risen from $12 to $62 in a decade.

DOUBLING your money in 10 years is not as simple as it used to seem for Australian investors.

Previously-popular sayings such as "house prices double every decade" or "buy blue-chip shares" have been shot down in flames.

Residential property prices have grown less than 40 per cent in most capitals since late 2007, while the share market's value is up just 8 per cent in 10 years.

Today's investors are being urged to broaden their thinking. Certified financial planner Patrick Canion said doubling an investment only required an average 7.2 per cent annual return, including reinvested income.

"You don't need to do anything crazy to achieve it," he said.

"Most of the billionaires alive today are self-made – they weren't born into wealth. So don't think that all the good investments have already happened."

Nobody can predict the future, but here are five investments with promising potential to double in a decade:

1 **HEALTHCARE**

A great performer over the past 10 years has been healthcare, which has tripled in value on the ASX, led by biotechnology giant CSL's shares surging from $36 to $157, and Ramsay Health Care rising from $12 to $62.

Many investment specialists believe this sector will continue growing.

Mr Canion said he looked at longterm demographic trends.

"In developed countries, people are wealthier and living longer – so you would think that anything to do with health and/or aged care should benefit from this trend," he said.

He said a good way to invest was through exchange traded funds that diversify across companies, sectors and countries.

JBS Financial Strategists chief executive Jenny Brown said our ageing population was key.

“They’re going to need more assistance and healthcare, which should benefit healthcare stocks, but that’s not necessarily saying it will,” she said.

2 **ROBOTICS AND A.I.**

We’ve seen social media, search engines and online retail companies fuel a fresh tech boom, and investors are now eyeing artificial intelligence as the next wave.

The total market value of robotics companies has been forecast to grow from $60 billion today to $1.2 trillion by 2025.

It’s high-risk but also high-return.

“If you have a long-term view and are investing in quality companies, there’s nothing wrong with taking a punt with a small proportion of your portfolio,” Ms Brown said.

3 **RARE EARTHS**

Another risky but enticing idea is companies involved in rare earths – materials used in fastgrowing technologies such as mobile phones, batteries and electric motors.

Respected Australian investment manager L1 Capital recently said rare earths miners were on its radar, with local company Lynas the only major producer outside China.

Wealth Within chief analyst Dale Gillham said rare earths used in smartphone technology were at “real risk of scarcity”.

“An investment into firms that deal in rare earths, although long-term, will most likely be fruitful,” he said.

4 **START-UPS**

The biggest windfalls often flow to the earliest investors, mainly wealthy angel investors and venture capitalists.

However, in January, the Australian Securities and Investments Commission licenced online platforms to allow equity crowd-funding, enabling everyday Australians to buy into start-up businesses with as little as $50.

These are the highest-risk investments, so if you’re looking for a something a little less volatile, read below.

5 **MIX IT UP**

Marinis Financial Group managing director Theo Marinis said the most proven way to double money in a decade was through a diversified portfolio of growth investments, and avoid speculation.

“Invest for the long term like the casino, not like the punters,” he said.

“Nobody’s got a crystal ball. If somebody tells you they know, they’re lying.

"Diversify within all asset classes and across all asset classes and do it with low-cost index funds. In the long term, you will always get a better and less volatile outcome."

Ms Brown said investors should build a good quality diversified portfolio that they understood, and include both dividends and capital growth in their calculations.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group
T 08 8130 5130 | F 08 8331 9161 | A 67 Kensington Road, NORWOOD SA 5067
E admin@marinisgroup.com.au | W marinisgroup.com.au
ABN 54 083 005 930 5067 | AFSL No: 326403