

INVESTSMART

ASX INVESTOR DAY

November 2024

25TH
anniversary
INVESTSMART

INVESTSMART
10
YEARS
PORTFOLIOS

25TH
anniversary
INTELLIGENT INVESTOR

"My greatest fear is retiring in a polyester outfit and drinking cask wine."





Who am I?

- ❖ Mother
- ❖ Wife
- ❖ Author
- ❖ Money Editor, Channel 9
- ❖ Money commentator
- ❖ Director, InvestSMART
- ❖ Director, Ecstra

Disclaimer

Let's get real ... I'm pretty sure this presentation won't put you to sleep and it should help out with some money questions but I'd hate for you to solely rely on it.

This is not intended to replace or supersede, independent or other professional advice.

I am NOT a financial adviser so the information in this preso is intended as general information only.

A little nudge to get you motivated about your affairs but not the answer to your individual affairs.



Money For Jam, Channel 9 (2009)

Revision

**Where do I find the
money to invest?**



5 main money personalities

PEACOCK
THE
SPENDER



Does this sound like you?

- Money is meant to be spent!
- I deserve this!

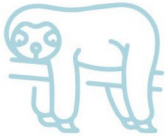
SQUIRREL
THE
SAVER



Does this sound like you?

- I save regularly
- I prefer having my money in cash

SLOTH
THE
DEBTOR



Does this sound like you?

- I don't follow a budget
- I use credit to supplement my income

OWL
THE
INVESTOR



Does this sound like you?

- I check my investments every day
- I would move accounts for just a 0.5% difference

OSTRICH
THE
AVOIDER



Does this sound like you?

- I always say: "I'm gonna do it!"
- I've never looked at my super statement

Unlock financial
success by
understanding
yourself.

We can justify just about any purchasing decision and it seems the more irrational it is, the greater the *justification*.

Marketing mind games

REMOVE THE COMMA



Researchers have found removing commas can make the price seem lower.

'RULE OF 100'



Percentage discounts are used on small values to make it look like a better deal.

ESSENTIALS AT THE BACK



Milk and eggs are at the back of supermarkets so you're tempted to buy other items along the way.

PAYMENTS IN INSTALMENTS



People are anchored on the lower price. It's why 'buy now, pay later' is so successful.

SEPARATE SHIPPING



By separating the shipping price people focus on the base price.

PAYING UPFRONT



A fixed price upfront removes the pain of uncertainty and paying later. Think Uber.

Marketing

mind games

- ❖ One-click ordering
- ❖ Fear-based marketing
- ❖ Decoy pricing
- ❖ Free trials
- ❖ Free gifts/cashbacks

The screenshot shows a product page for a Zimmermann dress. Several elements are circled in red to highlight marketing tactics:

- BESTSELLER**: A badge indicating popularity.
- ZIMMERMANN**: The brand name.
- Crochet-trimmed fil coupé cotton-gauze mini dress**: The product description.
- \$641**: The current price.
- ~~\$1,337~~ 52% off**: A price reduction indicating a discount.
- Color: White**: The selected color.
- Select a size**: A label for the size selection buttons.
- Size Guide**: A link to a size guide.
- 00**, **0**, **+**, **2**, **3**: Size selection buttons, with **3** being the selected size.
- ONLY ONE LEFT**: A scarcity message.



Investing 101

TEST YOUR

INVEST SMARTS

Unlock your investing IQ.
Take the test. Reap the rewards.

Start the quiz



Question 10 / 15

Which of the following are considered concessional superannuation contributions? Please select all that apply.

A Super guarantee contributions made by your employer

B Contributions made into your super fund by the government

C Salary sacrifice contributions

D Contributions you make from your after-tax income and then claim a deduction

E Don't know

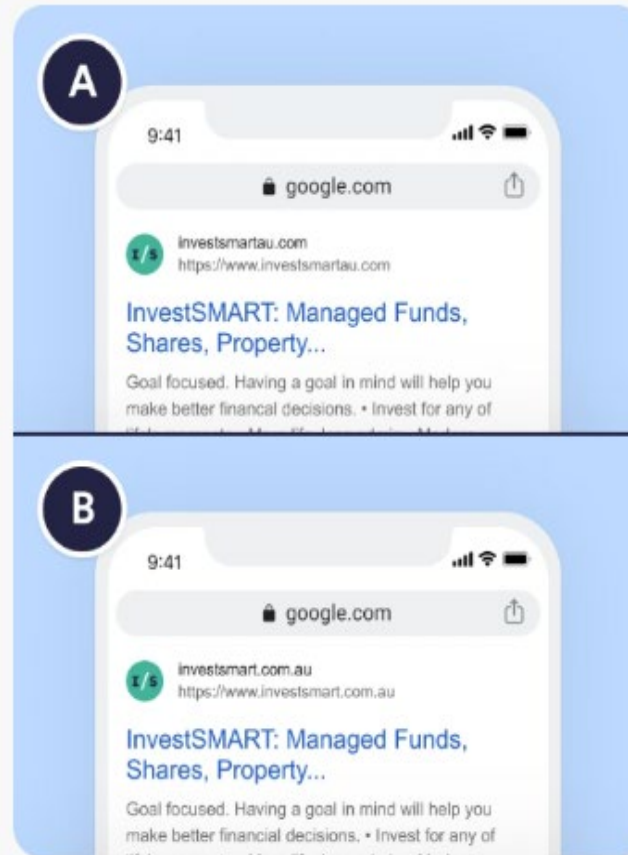
Question 5 / 15

If an ETF tracks the S&P/ASX 200 Index what does that mean?

- A It tracks the performance of the 200 largest companies listed on the ASX
- B It tracks the performance of the 200 best-performing companies listed on the ASX
- C It tracks the performance of the 200 different commodities traded on the ASX
- D Don't know

Question 7 / 15

One of the below Google search results is real and the other is fake. Which one is the scam?



- A A is the scam
- B B is the scam
- C Don't know

Setting goals and making a plan

Assess your goal and set realistic time frame, ie:

- ❖ Buy a property in 5 years
- ❖ Retire in 20 years

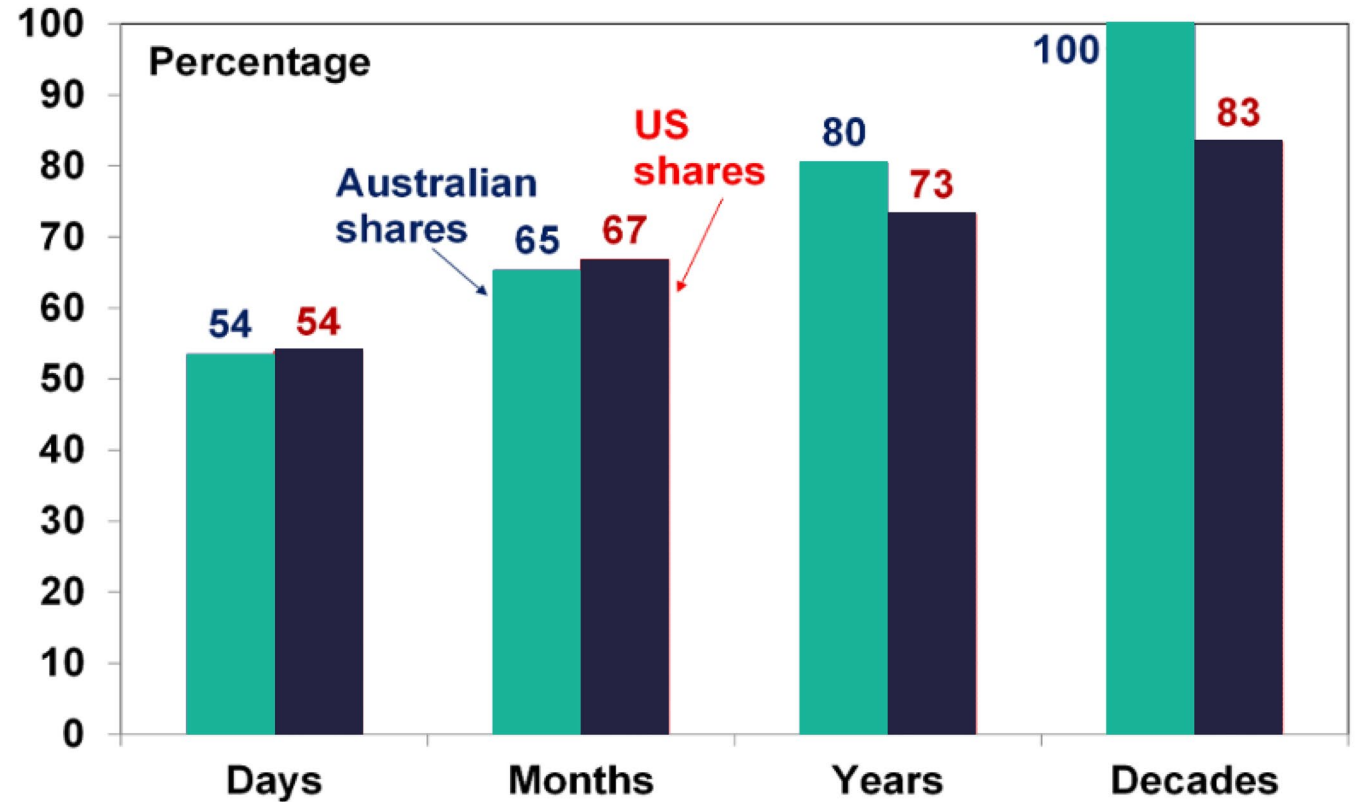
Your investment time frame gives you great insight into the level of risk and the style of portfolio you're building

- ❖ 0-3 years is considered low to medium risk (Conservative profile)
- ❖ 3-5 years is medium risk (Balanced profile)
- ❖ 5-7 years is high risk (Growth profile)
- ❖ 7 years or longer is higher risk (High growth profile)

Plan and research using InvestSMART tools and calculators

- ❖ How much do you need to invest, for how long and what sort of ongoing contributions do you need to make each month to achieve your goal?

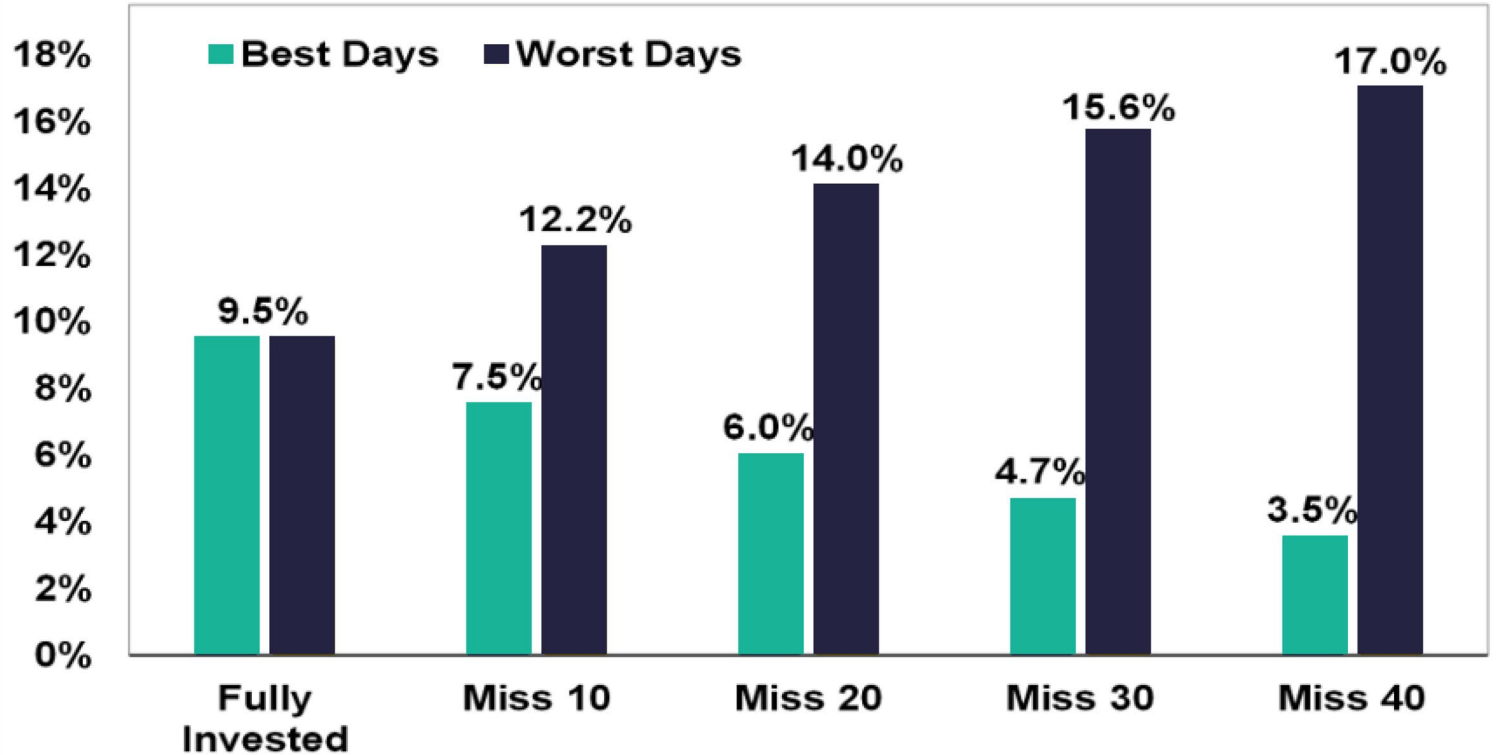
Percentage of positive share market returns



Daily & mthly data from 1995, yrs & decades from 1900. ASX, Bloomberg, AMP

Missing the best days and the worst days

Return on Australian shares, % pa (All Ords Accumulation Index, 1995-now)



Source: Bloomberg, AMP

Treat investing like a subscription

Started Investing	Weekly Investment	Total Invested	Total Earnings	Total Balance
15 years ago	\$20	\$15,600	\$16,537	\$32,137
	\$50	\$39,000	\$41,343	\$80,343
	\$100	\$78,000	\$82,687	\$160,687

Returns to October 2024. Weekly total return of the ASX200 Accumulation Index over the past 15 years. Weekly deposit made at the end of the week. No fees/brokerage included.

WHY INVEST



PRICE GAINS

+



DIVIDENDS

EXAMPLE	
\$1,000	
 Commonwealth Bank	
CAPITAL	\$478
INCOME	\$48
	<hr/>
	\$526

Assumes: Purchase date 31 Oct 2023 and closing price 31 Oct 2024. Source InvestSMART.

Pros

- ❖ Diversification
- ❖ Low cost

Cons

- ❖ Brokerage fees
- ❖ Sector risk



Graphic: Today show (Ch9)

ETF landscape 2024

Top three reasons for considering ETFs



56%

Building wealth



31%

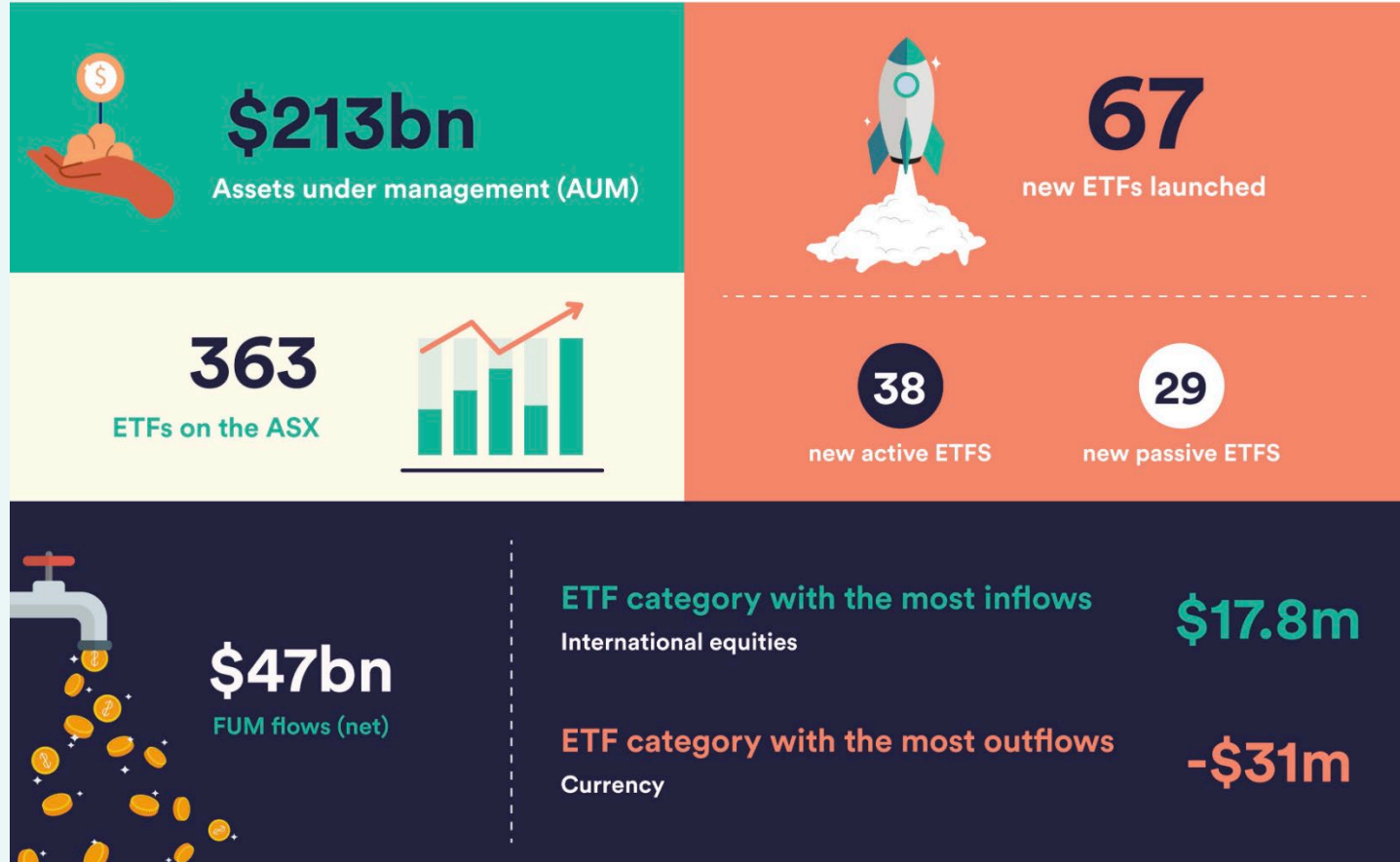
Retirement



6%

Investing for kids

Source: InvestSMART



Source: InvestSMART ETF Scorecard 2024 31/8/2024

ETFs

Passive

- ❖ Aim to track the performance of a particular index
- ❖ Lower fees
- ❖ Lower risk

Active

- ❖ Aim to outperform a particular index
- ❖ Higher fees
- ❖ Higher risk

How ETFs work

\$3,000 TO INVEST



**ISHARES S&P/ASX 200 ETF
(ASX: IOZ)**



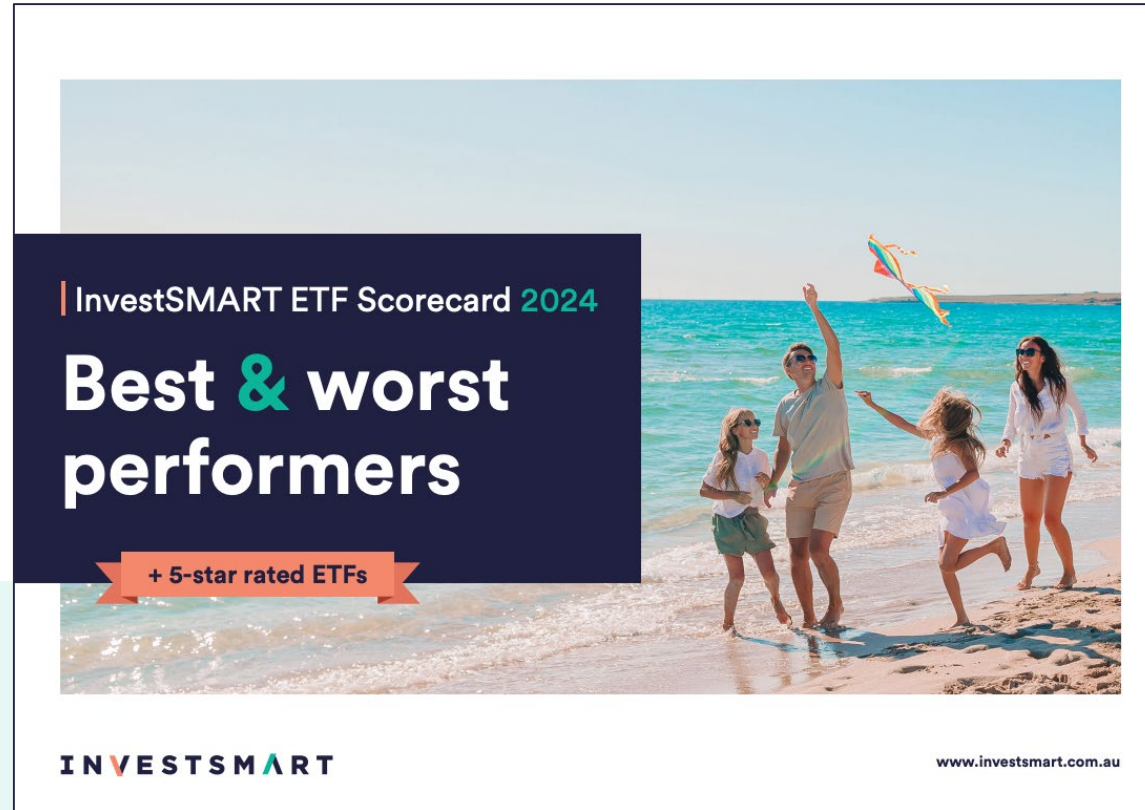
**IF 1 UNIT COSTS \$30, SALLY
WILL BUY 100 UNITS**



WEIGHTINGS
 $8.3\% \times \$30 = \2.49

SALLY OWNS
100 UNITS CBA = \$249

REST OF THE MONEY
ALLOCATED BY
WEIGHTINGS OF OTHER
COMPANIES



AUM

\$200bn+

Assets under management

ETFs

363

ETFs on ASX

BEST

46.6%

Betashares Geared US Equity Fund (Hedged)

WORST

-40.5%

Global X Ultra Short Nasdaq 100 Complex

Source: InvestSMART ETF Scorecard 2024 (31-Aug-24)

Most popular ASX ETFs

ASX code	ETF name	Category	Net inflow (\$m)	1-yr return	MER	Growth of \$1K over 1 year	Star rating
VAS	Vanguard Australian Shares Index ETF	Australian shares	\$2,524	16.1%	0.07%	\$1,161	5
A200	Betashares Australia 200 ETF	Australian shares	\$2,437	16.7%	0.04%	\$1,167	5
QUAL	VanEck MSCI International Quality ETF	Global shares	\$2,027	23.1%	0.40%	\$1,231	4
VGS	Vanguard MSCI Index International Shares ETF	Global shares	\$1,816	17.7%	0.18%	\$1,177	5
IVV	iShares S&P 500 ETF	Global shares	\$1,798	19.6%	0.04%	\$1,196	5
NDQ	Betashares NASDAQ 100 ETF	Global shares	\$1,382	19.9%	0.48%	\$1,199	4
IOZ	iShares Core S&P/ASX 200 ETF	Australian shares	\$1,165	16.1%	0.05%	\$1,162	5
BGBL	Betashares Global Shares ETF	Global shares	\$1,148	18.0%	0.08%	\$1,180	5
SUBD	VanEck Australian Subordinated Debt ETF	Australian fixed income	\$954	7.0%	0.29%	\$1,070	5
VGAD	Vanguard MSCI Index International Shares*	Global shares	\$895	21.8%	0.21%	\$1,218	4

* Hedged

Source: InvestSMART ETF Scorecard 2024 (31-Aug-24)

5-star rated ETFs

Best-performers over five years

ASX code	ETF name	Category	5-yr return (%p.a.)	MER	Growth of \$1k over 5yrs
SPY	SPDR S&P 500 ETF Trust	Global shares	15.32%	0.09%	\$2,040
IVV	iShares S&P 500 ETF	Global shares	15.07%	0.04%	\$2,018
VTS	Vanguard US Total Market Shares Index ETF	Global shares	14.62%	0.03%	\$1,978
IWLD	iShares Core MSCI World ex Australia ESG ETF	Global shares	13.94%	0.09%	\$1,920
GEAR	Betashares Geared Australian Equity Fund (Hedge Fund)	Australian shares	13.62%	0.8%	\$1,893

Source: InvestSMART ETF Scorecard 2024 (31-Aug-24)

104 ETFs received a
5★ and 4★ rating

11 ETFs received a
1★ rating

5 best-performing Australian share ETFs

ASX code	ETF name	1-yr return	3-yr return (%p.a.)	5-yr return (%p.a.)	MER
VLC	Vanguard MSCI Australian Large Companies Index ETF	24.58%	12.92%	11.26%	0.20%
QOZ	Betashares FTSE RAFI Australia 200 ETF	23.85%	12.18%	10.48%	0.40%
ILC	iShares S&P/ASX 20 ETF	23.78%	12.05%	10.80%	0.24%
SFY	SPDR S&P/ASX 50	23.09%	11.35%	9.68%	0.20%
A200	Betashares Australia 200 ETF	23.34%	10.49%	9.94%	0.04%

Source: InvestSMART - 08/11/2024. Based on ETFs in Australian Equity and Australian Small/Mid Cap categories per ASX Investment Products Report (30-Sep-2024). Returns are provided by Bloomberg. Dividend are reinvested. Gross dividends are used in the calculation for returns. Price is used to calculate total returns. Table sorted by 3-year return. Historical performance is not a reliable indicator of future performance.

GROWTH OF \$5K OVER 5 YEARS

AUSSIE SHARES

Vanguard
VLC

\$8,556

INTERNATIONAL

 **betashares**
NDQ

\$12,562

31 August 2024

past performance not an indication of future

INVESTSMART

InvestSMART's

ETF Filter



Exchange Traded Funds (ETFs)

Filter & compare ETFs

Top ETFs

Compare ETFs

ETF Insights

Our ETFs portfolios

Find the right ETF for your portfolio using the filters below including our quantitative rating system which we use to select the ETFs we put into our Diversified ETF Portfolios and Single asset class ETF portfolios.

Keyword Search

e.g. VAS or Global

Category

All

Geographical Focus

All

Management Type

All

InvestSMART Rating

Any

Yield 1Yr (%)

>=

Yield 1Yr (%) greater than or equal to

Order By

Return 3 Yr

Ascending
 Descending

Compare ETFs

Reset Filters

Impact of fees

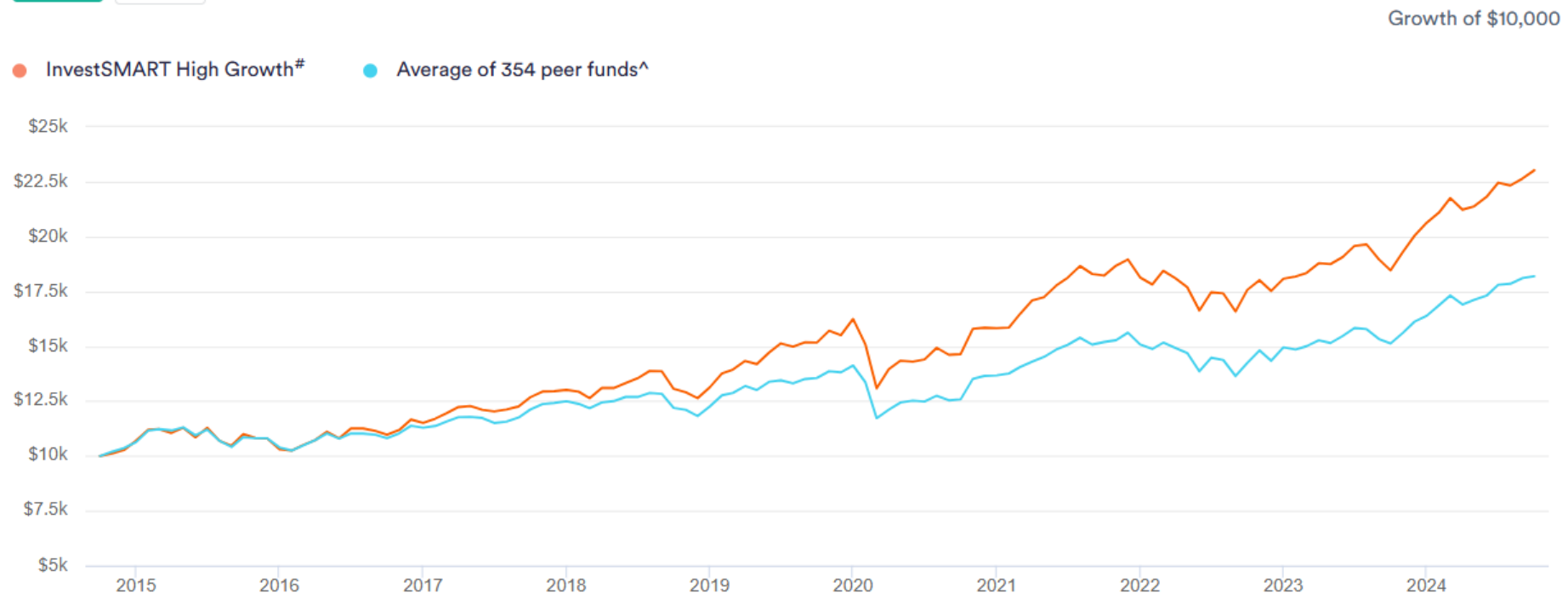
In the short term, you won't see the difference fees have on returns

but compound the difference over time and the gap grows.

Performance[#] as at 31 October 2024

Chart

Table



Fees matter[^]: InvestSMART High Growth fees are 0.55% Vs Average of 354 peers 1.00%.

Here's to your financial *health!*

Follow me: @effiezahos



Get your InvestSMART goodie bag:



- ❖ Test Your Invest Smarts: Financial knowledge quiz
- ❖ InvestSMART ETF Scorecard: Best & worst performers
- ❖ How to outperform the fund managers webinar
- ❖ Free statement of advice