



PROFILE
FINANCIAL SERVICES

PROFILE'S CORNER

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*Asset class returns referred to in this publication are based on the following indices: Australian shares: S&P/ASX 300 Accumulation Index. International shares: MSCI World (AUD) TR Index. Fixed interest: Bloomberg Composite All Maturities Index. Cash: Bloomberg Ausbond bank bill Index. Gold: Spot Gold Bullion (USD).

Profile CEO Update

By Lena Ridley, CEO

Welcome to Volume 46 of our Summer newsletter. In this section, I provide an update on what's happening at Profile.

Happy New Year,

After the last three years it would be easy to keep focus on the things that bring continued turbulence, but we have had a glorious summer in several ways. Many of us have felt the warmth of classic summer outings with family and friends, I have seen Profile clients and staff enjoy well deserved holiday breaks, and we are feeling the fresh enthusiasm of having new clients to help and new staff to Profile.

This enthusiasm becomes pride when we help families over the long-term and into different generations. Our clients are the heart of our Profile family and we have recently seen the passing of the patriarchs of two long-term Profile families. We pass our condolences to the Konyari and McGloin families.

We were inspired after our travel seminar in November where we celebrated clients who were retiring with fantastic plans and purpose. We will be hosting a webinar in the coming weeks on 'Retiring with Purpose' for those who are seeking to start their retirement journey at any point in the next decade. Please keep an eye out for your invitation. We will also be running a webinar for people currently outside the Profile family, so please let us know if there are family, friends, or contacts who might be interested so that we may invite them.

The external environment does continue to bring turbulence though and we remain keenly aware of the impacts that the economic and regulatory environment will have on us all in 2023 and beyond.

We saw a raft of cost increases to business expenses in 2022 and these have shown no signs of slowing. We continuously look for and implement ways to increase our internal efficiencies and be cost effective without compromising service. Nevertheless, we have had to increase our minimum fees for new clients joining Profile and are currently undertaking a review of all client fees. Please discuss this with your Adviser during your next review as we will need to realign fee schedules in some instances.

More broadly, our industry has seen the final report on a Quality of Advice Review hit our inboxes last week from Treasury. I am part of a group of heads of financial services licensees advocating for a simpler, more cost-effective regulatory regime that

allows Advisers to provide good advice to more Australians with a less confusing and cumbersome set of rules and paperwork requirements sitting on top of their professionalism and expertise. Although the political process can be a long and winding road, the report brings some hope that the next round of regulatory reform for our industry keeps focus on good advice and strips some of the paperwork and cost out of our ability to provide it.

Our perpetual goal is to help people live the life they want, with confidence. Profile remains here for you and your family. We look forward to continuing to serve you in 2023.

Economic Update

By Andrew Squires, Financial Adviser

With major share markets closing negative for the 2022 calendar year, many are hoping for better news during 2023. The short-term sentiment among investors remains cautious with high inflation, interest rate uncertainty, and geopolitical matters all impacting share market return estimates.

Central banks have responded to inflation worries with 2022 seeing simultaneous interest rate hikes across the globe. Interest rate hikes are traditionally used as the major tool in the fight to lower inflation by tempering the demand for consumer goods and services with an increase to the cost of borrowing.

House prices remain heavily impacted by a record price downturn across Australia. At the time of writing, borrowers have already experienced eight consecutive rate increases, impacting hip pockets and the capacity to borrow further. Despite this, many capital city house prices remain largely intact following strong gains in the last three years (Sweeney, 2023) ¹.

It is safe to say that we all feel the cost of living increases, from the supermarket checkout to insurance premiums, while the biggest pinch for many is the sharp increase in mortgage costs. The future direction of interest rates rests largely with inflation data, with the same being said about a stock market recovery.

While 2022 ultimately fed investors with a 'more down than up' calendar year, history suggests that the long-term investor has little to worry about. We saw a higher downturn in growth stocks when compared to value stocks; investors fearing a further downturn tend to rotate out of growth stocks with a speculative outlook and move into value stocks with more solid underlying fundamentals.

¹ Sweeney, N. (9 January 2023). <https://www.afr.com/property/residential/record-downturn-sends-house-prices-plunging-8-4-pc-from-their-peak-20230109-p5cb6k>

Navigating through uncertainty can be comfortably achieved by taking a long-term perspective. For example, the table below demonstrates how time in the market can have an immense impact on portfolio returns, with the 10-year return showing the rewards given to those that have maintained discipline and a long-term perspective.

	1-year return (2021 calendar year)	1-year return (2022 calendar year)	10-year return (pa)
ASX 300 Index	17.54%	-1.77%	8.61%
S&P 500 Index	26.89%	-19.44%	10.41%
Balanced Portfolio (traditional)	12.42%	-7.91%	7.36%

Lonsec Irate – Market Indices, 2023²

Quality of Advice Review - What does this mean for the profession and most important, YOU the client?

By Yue Leng, Associate Financial Adviser and Spiros Christoforatos, Head of Adviser and Client Growth

The former government announced a review of the Financial Advice profession in early 2022, answering to calls from the public and the industry to simplify the framework around the provision of financial advice so more Australians could access quality and affordable advice. The then government appointed Ms Michelle Levy, a leading superannuation lawyer and adviser to banks and wealth managers, as the independent reviewer.

The review considered the law and rules that govern the provision of financial advice, and the roles of financial planners, licensees, and professional associations in ensuring financial advice meets the needs of clients. The key to this review, as mentioned above, is the affordability and accessibility of quality financial advice for everyday Australians.

The review commenced in March 2022, the findings and recommendations were presented to the government in December 2022 and made public a few weeks ago.

In summary, the review aimed to identify areas where improvements could be made to improve the

quality of advice being provided to people. The review identified several broad areas where improvements could be made, including greater emphasis on the importance of professional qualifications, improved disclosure of fees and advice costs, better information about the performance of advice services and improved processes for assessing and managing conflicts of interest.

For the financial advice profession, the review is a positive development as it provides a clear and comprehensive framework for improving the quality of advice provided to clients. The review also provides a framework for the profession to improve their practices and processes to better meet the needs of their clients.

For clients, the review provides assurance that their financial advisers are taking the necessary steps to provide quality advice that meets their needs. The review also provides clarity on what clients should expect from their financial advisers and how they can assess the quality of advice they receive.

All in all, both consumer groups and the profession welcomed the recommendations. Now it is up to the government to decide if all or some of the recommendations will be implemented.

Client Story – The Nambus

By Gordon and Christine Lawson, clients of Kelly Lindsell

In 2011, I first had the pleasure of meeting Gordon and Christine Lawson and in the years since then, we have developed a strong business and personal relationship.

Gordon and Christine are 'salt of the earth' people, who love life to the fullest and who are always there to help a mate. Whilst being there for your mate is an innate quality for both of them, it is also a common trait for many of the Veterans I have had the honour of helping over the years.

Gordon has been active in the veteran community for many years and in a variety of ways, but one that is dear to his heart is the 'Nambus'. I asked Gordon to share with us all a history of the Nambus and this is its story.

The Nambus was incorporated by the members of the Vietnam Veterans Association Sub Branch at Ettalong Beach, approximately 30 years ago. It was mostly done with voluntary labour and with the help of Ourimbah Technical College.

² *Lonsec Irate – Market Indices (23 January 2023). <https://irate.lonsec.com.au/MarketIndices>*



The bus shows route no 521 (this representing the 521 Australian soldiers killed in Vietnam) and has the number plates NAMBUS.

The bus has serviced Year 10 high school students, covering the Central Coast, Newcastle, Port Macquarie, Sydney, and Sydney outer suburbs. It also toured the outer western areas of N.S.W. for about 1 month, changing relieving crews by rail.



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It has visited 367 schools and veterans have spoken to approximately 40,000 students in those 30 years. The bus has also done many static displays at 139 country showgrounds and military displays.

It was resolved by the Sub Branch Committee, that the bus had to be retired due to the age of the Veterans and the difficulty with the falling amount of drivers (who have to hold a Heavy Rigid Licence) to be able to drive the bus. The crews consist of the 3 military services, some of these men are now in their mid-70's to mid-80's.

The children always seemed to enjoy the instruction, which was mainly on a light-hearted note, but the instruction also got across both the political and general frustrations that were part of the 1960's.

The bus left for The Vietnam Veterans War Museum on Phillip Island on 19th January 2023 and took 3 days to get there. Firstly, we stopped at a Vietnam Veteran Museum at Bowral, run by a Vietnamese/Australian citizen, who showed us absolute friendliness, kindness, and respect. They supplied us with a BBQ lunch and would not accept any payment. We all donated money for the

Vietnamese orphanage that he supports. A great stop for anyone travelling through Bowral.



Next stop was Gundagai and we celebrated like we were still soldiers. Hard to get up the next morning. Then it was on to Seymour where the bus was photographed next to the Vietnam War Memorial Wall. More celebrating that night as one of the crew was celebrating his 84th birthday.

Next morning was harder to rise and shine but we took off for the destination of Phillip Island. We were welcomed with warmth and we handed over the much loved bus. We looked over the museum and the Victorian men put on a BBQ and told us what they intended to do with the bus. They will continue to display the bus and will also set up as a static display inside their museum when the extensions are completed.

The view of both sides of the occasion was the bus had returned home.

I have personally been involved with the bus for the last 13 years and have been President for the last 3 years. Many members have contributed to the running of the bus over this 30 year period and there are far too many to mention. It could not have happened without the enthusiasm of the Ettalong Vietnam Veterans Sub Branch.



'It has been my privilege and honour to be involved in this wonderful project'.

Gordon Lawson

Staff Profile

By Maryam Elzaghir, Client Support Officer

In the early years of the Profile newsletter, we used to introduce a different staff member in each issue as a way of helping our clients know more about Profile's dedicated work-family. We hope you enjoy getting to know us all a little more again.



How long have you worked with Profile?

I have worked with Profile since September 2022.

What are you reading/watching right now?

I am currently watching a series on Netflix called 'The Office'. I don't have much time to read, as I'm still completing my Bachelor of Business university course online.

Favourite recipe and where can we find it?

My favourite recipe to make is tiramisu. You can find it on the Catherine Zhang website.

Any pets/kids/spouse?

I have a kitten named Biscuit, I don't have a spouse or any kids yet.

The one movie you just keep going back to..

'The Hangover' - Part 1 and 2.

Why do you work in financial planning?

I want to one day become a financial advisor to help others achieve their financial goals and help them manage their money.

What are your top 5 key values?

- Kindness
- Compassion
- Growth
- Respect
- Discipline

Who has influenced you most in life and how?

My parents - they've always inspired me to seek higher education and a professional career.

What makes you smile?

Helping others and spending time with friends and family.

Heart to Heart Charity Work

By Maria Christoforatos, wife of Spiros Christoforatos. Spiros and Maria lived in Shanghai for 5 years.

February is National Heart Health Month. According to the World Health Organization (WHO), cardiovascular disease is the world's number one cause of death, killing over 17 million people every year...

Heart to Heart is a Shanghai based charity which is a 100% volunteer organization. It provides corrective surgery for Chinese children from all over China with congenital heart disease (CHD) whose parents are unable to afford the surgery.



To date H2H has sponsored over 2,377 children for heart surgery. The surgeries not only saved their lives but transformed the lives of their families.

While in Shanghai I volunteered for H2H for over 4 years. I represented the charity at leading Shanghai international schools by doing presentations or being involved in their fundraising endeavours. I sorted donations from expats that were leaving Shanghai and also helped prepare the teddy bears which were sold to raise funds for the surgeries.

Three times a year a field trip was organized to visit local low-income schools and previous heart surgery recipients.

On average 6 to 8 schools were visited each trip. During these visits a donation was made to help start or add to their library with either books or technology. Bags of clothes and toys were also donated to the school community.

We would also visit 6 to 8 former heart surgery patients. These children would normally be aged between 6-month-old babies to young teenagers. We would make sure that after this life saving

surgery they were doing well and didn't need any further attention. We would take gifts, clothes and toys for the child and families and give a volunteer funded "hongbao" which is a red envelope cash gift to the families.

In my last two years in Shanghai, I founded the annual Heart to Heart Art Show. This art show was started with no budget and purely funded by donations, volunteers, and sponsorships. Each art show raised enough to fully fund corrective heart surgery for 10 children.



When I started working for the charity, I thought it was my way of giving back and being of service.


What I didn't realize is that I would be blessed with so much more. I simply gave my time and effort and in return I got back smiles, love, joy, gratitude, fulfilment, fun, experiences, lifelong friendship, laughs and so much more.


The time at H2H will forever be in my heart.



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