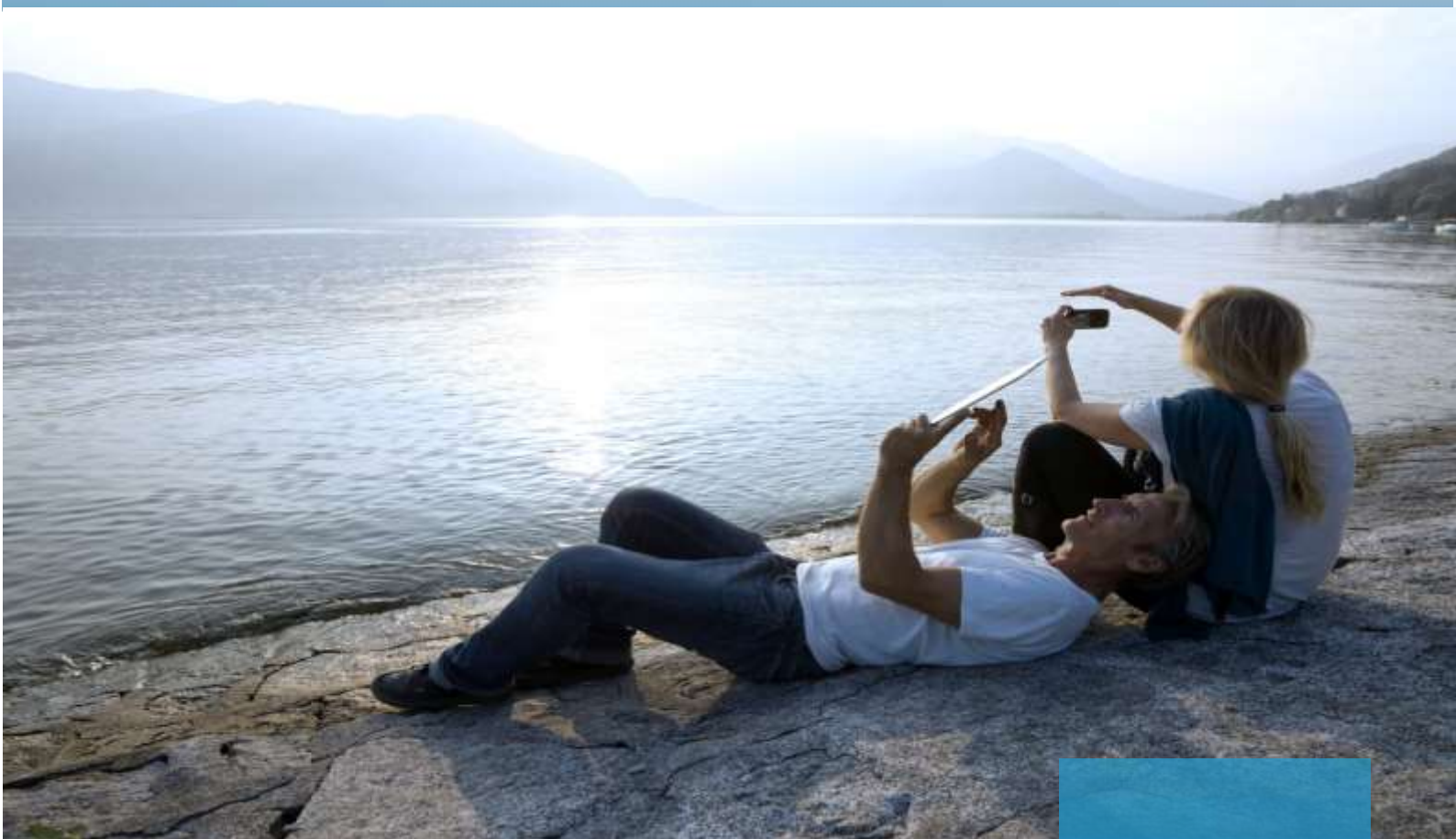


PROFILE'S CORNER

WINTER 2023



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FACTUAL INFORMATION AND GENERAL ADVICE WARNING

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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).

CEO Update

Welcome to Volume 48 of our quarterly client newsletter. In this section, I provide an update on what is happening at Profile.

BY LENA RIDLEY, CEO

Hello,

Last week Profile celebrated our 37th birthday. I'd like to thank all our clients and staff, both current and former for being the reason we exist today. This simply would not have happened without you.

A little more than the last decade of Profile's journey has included the growth and management of Profile Portfolio Solutions, an offering by which we were able to source and procure investment opportunities for clients with greater speed and transparency as part of our core commitment to the provision of quality advice.

With the decision to divest this part of the business driven by regulatory change, Profile is on the precipice of a new phase of growth. Our unwavering commitment to quality advice that helps current and future clients live the life they want, with confidence remains steadfast and we look forward to many more years of serving you and other families.

As part of our growth, we have been promoting Profile a great deal more through social media channels. Please find us and follow along on your channel of choice as we are releasing educational articles, e-books and other posts you may want to share with others. Links are below for:

- **Facebook:** [Profile Financial Services \(2\) Facebook](#)
- **LinkedIn:** [\(1\) Profile Financial Services: Posts | LinkedIn](#)

Notwithstanding our excitement for the future, the economy and external environment remain challenging for many. Whether the interest rate increases are challenging or beneficial for your personal situation, we are here to help.

Please enjoy the latest edition of your newsletter,

Lena

Economic Update

BY CHARLIE WARNER, PROVISIONAL FINANCIAL ADVISER

After a very rocky (volatile) 2022, markets have made a remarkable recovery in global equities, as demonstrated in the MSCI AC World ex Australia TR Index AUD's 16.64% return (30 June 2023)¹ since the beginning of the year, which has been primarily driven by the recovery in a select few US "mega stocks."

INDEX PERFORMANCE GROSS RETURNS (%) (June 30, 2023)

	ANNUALISED							
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 31, 1987
SCI ACWI ex Australia	2.92	7.12	21.12	16.64	12.78	11.00	12.95	8.22
SCI World	3.14	7.66	23.07	17.60	13.99	11.94	13.65	8.42
SCI ACWI	2.91	7.00	21.00	16.41	12.77	10.93	12.85	8.25

These US technology companies have seen approximately 50% increases in value this calendar year alone, while the rest of the US equities market has remained relatively stagnant. However, history has taught us that such narrow equity recoveries may not be sustainable over the medium to long term.

On the domestic front, Australian shares have shown resilience as well, thanks to the robust performance of energy-related assets, along with Australia's own buzz with artificial intelligence. As of July 31, 2023, the S&P/ASX 200 Total Return Index has delivered a year-to-date return of 7.53%². Despite facing tighter monetary policy, residential house prices have displayed unexpected resilience. The demand for housing has been bolstered by the rebound in net overseas migration, the limited availability of rental properties, and persistent tightness in the labor market. These factors have collectively contributed to the surprising strength in residential house prices.

Meanwhile, fixed interest prices experienced downward adjustments due to heightened expectations of interest rate increases. Although, we are now starting to witness the positive effects of reallocating funds from maturing fixed interest instruments into new securities offering higher interest rates, leading to improved returns in the asset class.

Amidst these market developments, it is crucial to recognise that many of the recoveries may be considered mere noise. The economic challenges that have been accumulating over the past year have not vanished. Households' savings built during COVID are well and truly starting to disappear, with cost-of-living pressures such as increased; loan repayments, general housing expenses (food and utilities), and energy

prices. These pressures will start having impacts on companies, with their profit margins contracting as they may not easily pass on the higher input costs.

PERFORMANCE

INDEX LEVEL	RETURNS		
	1 MO	3 MOS	YTD
Total Return			
91,599.3	2.88%	2.04%	7.53%
Price Return			
7,410.42	2.88%	1.39%	5.28%
Net Total Return			
86,131.28	2.88%	1.98%	7.42%
BENCHMARK* Total Return			
90,381.94	2.89%	2.03%	7.38%
BENCHMARK* Price Return			
7,363.95	2.89%	1.38%	5.16%

* The index benchmark is the S&P/ASX 300

Looking forward, an essential indicator we use to gauge the economic outlook is the yield curve, which is inverted in both Australia and the US. Historically, an inverted yield curve has signaled economic contraction and recessions, reflecting reduced policy rates in response to lower economic growth and inflation.

Although some analysts are suggesting that this may be the new norm, characterised by higher inflation and interest rates compared to the last decade. Only time will tell the impact of individual federal banks interference on the domestic and global economy.

¹ MSCI ACWI ex Australia Index (AUD) MSCI ACWI ex Australia Index (AUD) | Available at: <https://www.msci.com/documents/10199/0f8162fc-490b-4a00-9f1b-61d6e33cbd75>.

² S&P/ASX 200 - S&P Dow Jones Indices. [online] Available at: <https://www.spglobal.com/spdji/en/indices/equity/sp-asx-200/#overview>

What are the Top Five Things you Need to Look for When Choosing a Financial Adviser?

BY KELLY LINDSELL SENIOR FINANCIAL ADVISER

Looking for a Financial Adviser can be a daunting proposition, particularly given the negative press the profession received following the findings of the Hayne Royal Commission. This has left many people not sure of who to turn to, or what to look for when doing so. That said, making the decision to engage a Financial Adviser has the ability to shape your financial future for

the better and help you to live the life you want, with confidence.

Now a destination worth reaching, requires careful planning on how to get there and with so much at stake, choosing the right professional to guide you on your financial journey is key. But what should you be looking for in a Financial Adviser?

When choosing a Financial Adviser, we believe that you need to consider the following 5 things:

1. THEIR CREDENTIALS AND QUALIFICATIONS

Let's face it, when you are entrusting your future financial well-being to anyone, it is important to confirm that they are the professionals they claim to be.

So how do you verify their credentials and qualifications?

You begin by making sure that they are licensed to provide advice or are the Authorised Representative of an Australian Financial Services Licensee. You might do this by reference to the Financial Adviser Register, which is a register of people who provide personal advice on investments, superannuation and life insurance. You can use this register to find out where a financial adviser has worked, their qualifications, training and memberships of professional bodies. You can also obtain information on what products they can advise on.

This register can be found on the Government's **Money Smart Website**: Financial advisers register - [Moneysmart.gov.au](https://www.money-smart.gov.au)

You might also seek out Advisers with professional designations such as Certified Financial Planner (CFP). Such a designation can signify a high level of experience, education and importantly, adherence to ethical standards.

2. EXPERIENCE AND SPECIALISATION

Experience matters when it comes to your financial advice and it is important to consider the Financial Adviser's areas of specialisation and expertise to be confident that there is alignment with your specific situation and the advice required. One size definitely doesn't fit all when looking for a Financial Adviser, so it may be necessary to shop around to find the professional that is right for you and your particular needs.

You should look for someone, or a business that has a solid reputation in the industry and to whom you have ideally been referred to by someone you trust and whose experience with the Financial Adviser is a testament to their expertise and ability.

You may need to ask if the Adviser provides comprehensive advice or if they simply provide an investment and placement service only.

3. FIDUCIARY DUTY

A financial adviser's fiduciary duty to their clients is both a legal and an ethical requirement and as such, ethical financial planning is an essential aspect of ensuring the wellbeing and financial success of any individual or businesses, seeking advice.

The Adviser's fiduciary duty therefore plays a critical role in establishing trust, integrity and decision making that is focussed on you. It serves as a guiding principle for financial advisers, demanding and compelling them to place their clients' best interests ahead of their own and requiring them to disclose any potential conflicts that could impact their decision making.

Whether the Financial Adviser exhibits this high standard of care in their relationships and advice to clients will be evident in the strength of the referrals they receive.

4. TRANSPARENCY OF FEES

Understanding how a financial adviser is compensated for their advice is crucial for making an informed decision on who to use.

It is not unusual for Financial Advisers to employ varying fee structures. Some charge a professional set fee for advice, some a percentage of the value of the assets under management, while others earn commissions from insurance products.

It is essential that whatever fee arrangements they promote, that these are clearly explained and disclosed to you along with any potential conflicts of interest.

Details of these types of fee arrangements should be clearly set out in their Financial Services and Credit Guide, which must be provided to you and explained before any advice can be given.

5. COMMUNICATION AND RAPPORT

For your partnership with a Financial Adviser to be successful, clear and effective communication and a strong rapport is essential.

You should look for an Adviser who communicates clearly and who explains complex concepts and strategies in a way that you can understand. Someone that actively listens to your needs and your financial goals and who genuinely seeks to make a connection with you.

Without a strong personal connection, built on clear communication and trust, an effective and long term relationship is not possible.

In conclusion, it is important that you take time to do your research, when selecting a Financial Adviser, as this decision will impact your financial future. Ask for referrals to Financial Advisers that your friends and or family trust as these are often the most effective qualifiers, but do not neglect to consider their track record, qualifications and experience, the transparency of the fees, their communication skills

and any history of disciplinary actions. Most importantly seek an Adviser that aligns with your values and financial aspirations and work closely with them to achieve a successful relationship.

Interview with Colm Kiely: An Irishman's Journey to Australia

BY SCOTT UNGARO, SENIOR FINANCIAL ADVISER.

As an Adviser at Profile for nearly 12 years, I have had pleasure to meet some incredibly successful and courageous individuals. Colm Kiely, an Irishman who made the bold decision to move from Ireland to Australia in 2008 is one such individual who agreed to be interviewed for this Newsletter.

Scott: What made you decide to move to Australia back in 2008?

Colm: Well, Ireland was going through a tough economic period, and I was seeking better career opportunities and a fresh start. Australia had always fascinated me with its diverse landscapes and the promise of a better quality of life. So, after careful consideration, I took the leap and decided to move Down Under.

Scott: How long were you initially planning to stay in Australia?

Colm: Initially, I thought I'd stay for a year or two, just to experience life here and see how things unfolded. But once I settled in and started building a life, I realised how much I loved the country, and my plans to stay extended indefinitely.

Scott: And where did you first settle in Australia? Did you work on a farm?

Colm: When I first arrived, I landed in Brisbane and worked on a farm for a while. It was an eye-opening experience, coming from a city background in Ireland, but it allowed me to learn a lot about the Australian way of life and appreciate the hard work that goes into agriculture.

Scott: Your career has taken interesting turns, from IT to insurance. How did that happen?

Colm: Yes, it was quite unexpected, to be honest. After completing my farm work, I moved from Queensland to Sydney and transitioned into the insurance sector. I did not lose my interest in technology, though. As I learned more about insurance and its potential to be assisted with advances in technology, I was able to help transition an outdated industry to where we are today.

With dedication and some further education, I managed to land a senior position at QBE, which has been both fulfilling and rewarding.

Scott: It sounds like you've had quite an exciting journey so far. Let's talk about your personal life. You met your wife, Kate, in 2013. Can you tell us more about that?

Colm: It is a perfect transition to my personal life as I met Kate during a work trip to the Philippines in 2013. We instantly connected and shared many common interests. As our relationship grew stronger, we realised that we wanted to build a life together.

Scott: And Kate is Australian? Why was she in the Philippines?

Colm: As I mentioned, I was in the Philippines for work as we attempted to outsource some day-to-day administration for the business. Coincidentally, Kate was also an employee of QBE and was doing a very similar role for another sector of the business. Kate was based out of Melbourne, so when our time in the Philippines came to an end we had to make some decisions. We had a bit of long-distance relationship for about 9 months, before Kate was able to transfer to Sydney.



Scott: You two got married in December 2017?

Colm: Yes, that's correct. We had a beautiful wedding in the Hunter Valley surrounded by our closest friends and family. It was a joyous celebration of love and commitment.

Scott: After tying the knot, your family expanded with the arrival of your children. Can you tell us about them?

Colm: Absolutely! Our first son, Christopher, was born in June 2018. Becoming parents was a transformative experience for both of us, and we were over the moon with joy. Then, in December 2020, we welcomed our second son, Vincent. It's been an incredible journey watching them grow and being there for each milestone.

Scott: The COVID-19 pandemic brought about significant changes worldwide. How did it impact your family?

Colm: Like many others, the pandemic disrupted our plans and daily lives. We decided to move to Noosa in between lockdowns, seeking a quieter and safer environment for our family. We were fortunate to purchase a lovely house with a pool and large garden for the boys to play in. It was an adjustment, but one we are so happy we made.

Scott: What made you decide on Noosa?

Colm: Kate grew up in Noosa and her mother and father continue to live there. It's a beautiful part of Australia. We were also able to retain our jobs and work remotely.

Scott: And you had your third child during the pandemic, right?

Colm: Yes, that's correct. Our daughter, Georgina, was born in 2021, adding even more joy and love to our family during challenging times.

Scott: You've been clients of Profile since 2012. Can you tell us more about your experience and your reasoning to seek advice?

Colm: Profile has been my (and now our) trusted financial advisor since I first arrived in Australia. They continue to guide us through various stages of life and helped us with financial planning, investments, and protecting our family's future. Their expertise and personalised approach have been invaluable to us.



Scott: It's clear that Australia has become a significant part of your life, and you've built a beautiful family and career here. Any final thoughts you'd like to share?

Colm: Moving to Australia was a big decision, but it has been one of the best decisions I've ever made. The country has welcomed us with open arms, and we've created a fulfilling life here. I'm grateful for the opportunities and experiences we've had, and I'm excited to see what the future holds for our family.

Staff profile

BY YUE LENG, ASSOCIATE FINANCIAL ADVISER

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 joined the awesome Profile team on Oct 10th, 2022.

What are you reading/watching right now?

I'm hooked on the TV series 'The Crown' on Netflix, and I'm also diving into the fascinating e-book 'Asset Allocation' by Roger Gibson.

Favourite recipe and where can we find it?

As a foodie, I have many favorites; but right now, I'm learning to make the mouthwatering "Chili Beef Lettuce Wraps" by Gordon Ramsay. You can find the recipe on YouTube!

Any pets/kids/spouses?

My boyfriend and I are considering adopting a cute fur baby to bring joy into our home.

The one movie you just keep coming back to...

The timeless classic "Notting Hill" is a movie I keep coming back to, always a delight.

Why do you work in financial planning?

I have a deep passion for helping people, and financial planning allows me to connect with everyone while making a positive impact.

What are your top 5 key values?

Four of my key values align with our company values, and I'm adding a fun twist to the mix with "Fun" as my 5th value. Because enjoying what you do is very important!

Who has influenced you most in life and how?

My life-long friend and mentor, Greg Owen, has had the biggest impact on me. He was also my first boss in the financial services industry and introduced me to this

incredible world of people business. I am forever grateful to him!

What makes you smile?

I love anything funny that brings laughter, especially sharing a good laugh with people. Cheers to spreading smiles!

Some of the Sights and Sounds of Greece that I have experienced.

BY SPIROS CHRISTOFORATOS, HEAD OF CLIENT AND ADVISER GROWTH

With Greece's widespread influence and the world becoming more accessible, an increasing number of people are drawn to its origins, captivating landscapes, ancient ruins, vibrant culture, and beautiful beaches. Having visited Greece multiple times in the past 15 years, I continue to be amazed by the breadth of activities it offers. If you haven't considered visiting Greece as yet, make sure to add Greece to your bucket list and hopefully what I have to say and experienced below will encourage you to do so.

Ancient Marvels

In Greece, ancient ruins dating back thousands of years can be found throughout the country. Even during preparations for the 2004 Olympics in Athens, numerous discoveries were made while constructing the new metro system. Today, many metro stations in and around Athens preserve these ruins behind glass, allowing everyone to admire them while commuting. Apart from renowned sites like **The Acropolis** and **The Agora in Athens**, there are other remarkable locations like **Delphi**, **Ancient Olympia**, and the **Theatre of Epidaurus**. Personally, I am captivated by the ancient city of Lindos on Rhodes' eastern coast and the Medieval Old Town of Rhodes, constructed by the Knights of St John – both of these sites are very amazing. In fact, people that have seen the movie the Guns of Navarone, may not know that the movie was shot on Rhodes, specifically Lindos.

Greek Islands



Kalamos Beach, Agios Apostolos

When thinking of Greece, the mind often goes to the Greek Islands. There are around 6,000 islands scattered in the Aegean and Ionian Seas. While not all are inhabited, each one possesses its own charm. The well-known ones include **Mykonos**, famous for the rich and famous, **Santorini** with its stunning sunsets and volcanic setting, and **Crete**, the largest island with Minoan ruins and picturesque villages. Personally, I find myself repeatedly drawn to **Kefalonia**, located in the Ionian Sea. Despite being affected by a major earthquake in the 50's, it gained popularity through the movie "Captain Corelli's Mandolin" in 2001. The island's people, local cuisine, and sites are truly amazing. Though I may be biased as it's my father's birthplace. Kefalonia is a must-visit destination in Greece.



Myrtos Beach, Kefalonia

Beaches

Having travelled across Australia, Asia, Europe, and North America, I can say that Greece boasts an abundance of pristine beaches, unmatched by any I've seen in my travels. Whether on the islands or mainland, the beaches are incredible, catering to all preferences, from secluded spots to vibrant beach parties beaches. While I've only experienced a fraction of them, my top three are **Myrtos Beach** in Kefalonia, known for its golden sand surrounded by lime mountains, creating mesmerizing blue waters.



Shipwreck Beach, Zakynthos

Navagio Beach, or **Shipwreck Beach**, in Zakynthos comes in second- just amazing, and third is Agios Apostolos in Kalaymos, a sleepy seaside fishing village located about 50km north of Athens with amazing little taverna's that specialise in local seafood.

Gastronomic Delights

For food enthusiasts, Greece offers a delightful

culinary journey. While dishes like moussaka, lamb on the spit, and souvlaki are well-known to most, the legume dishes like Chickpea soup, Lentil Soup, and Greek White Bean soup are equally enticing. The vegetables, particularly the tomatoes, are unparalleled in flavour. Wild Greens boiled with olive oil and lemon, known as Horta, are a delightful treat. And of course, the seafood, including fresh BBQed sardine, mackerel, and whitebait, is a must-try. All this can be savoured with a carafe of ouzo or locally sourced light red wine. Greece will undoubtedly leave your taste buds dancing with joy.

Festivals

If you have ever been invited to a Greek party – you would know the Greeks don't mind a party and its festivals are a testament to the lively spirit of its people. My most amazing experience is when I travelled to Greece during Easter, a significant religious experience for all Greeks steeped in tradition and feasts. Another is during the summer months when the **Epidaurus Festival** is in full swing. This period showcases a wide range of performances in ancient theatres around the country from big act music events like Sting to ancient comedies, tragedies, or satire plays. The experience of seeing Sting at the Theatre of Epidaurus nestled below the Acropolis in Athens is nothing short of spectacular – a kind of new meets old – stunning!

Music and Dance



Following on from the vibrant festivals, Greek dance and music plays a significant role in Greek culture. Everywhere you go in Greece, you will encounter melodies of the bouzouki and the rhythm of the "syrtaki" made famous by **Anthony Quinn** in the movie **Zorba the Greek** coming from little obscure taverna's to village town squares. And don't be surprised if you also see spontaneous folk dancing in any of these settings – it's all part of the authentic Greek experience.

Conclusion

As I mentioned earlier, every visit to Greece never ceases to amaze me and leaves me grateful for the experience. There is just so much to do. And whilst I may be a little bias due to my heritage, apart from Australia – Greece is a wonderful country – its people, climate, cuisine, attractions and generally the way of life is something very inspiring. I do encourage everyone to experience it once and make memories that would last a lifetime - Opa!



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