




**JBWere**

**Asset Management**

**GROWTH**



Slow and  
**steady**  
**wins**  
the **race**

# Life was simpler then...

These days, it's hard not to get the feeling that time is against us. Things are changing – and fast. One minute the economy's up, the next it's down. We're constantly bombarded with headlines and warnings that send out mixed messages – 'it's time to get in!' ... 'it's time to get out!' But sometimes, the most sensible approach when investing to build long-term wealth is simply to take our time.

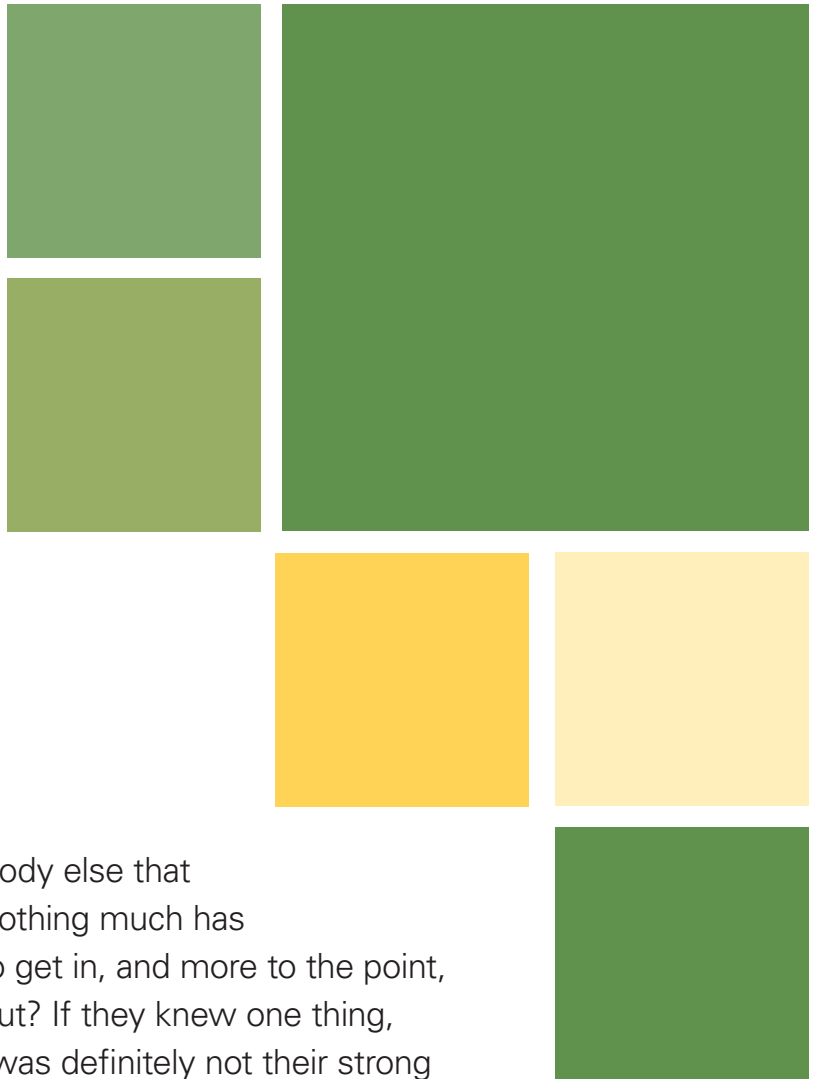


# Chris and Angela start small

In 1989, Chris and Angela had been married two years. They were paying off a mortgage, and they knew they wanted to start a family, but there was still the outstanding matter of an investment plan. They knew they wanted to do something – but what?

Even then they knew as well as anybody else that stock markets could be fickle – and nothing much has changed! When was the right time to get in, and more to the point, how would they know when to get out? If they knew one thing, it was that predicting market moves was definitely not their strong point. So, wanting to make sure they had some expertise on their side, they sought the advice of a financial adviser.

That same year, they made their first official investment in Australian shares via a managed fund. It was a humble start, investing \$2,000 along with arranging to their investment a monthly \$200 boost through a savings plan. After that, all that was left for them to do was sit back and let time go to work.

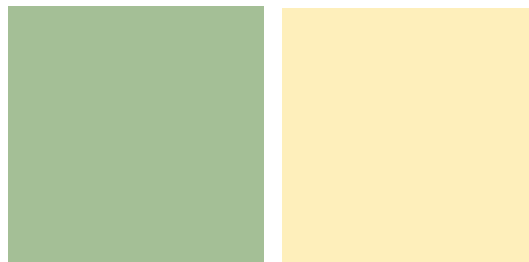


# It's time in, not timing that counts



History has shown that the most successful approach to investing involves time.

By starting early and adding to your investment regularly, you can give yourself the best chance to grow your wealth, and also avoid the hassle and anxiety of always searching for that 'right time' to invest.



## It's never too soon to start

Many investors put off investing because they think they need a large lump sum in order to make a start. But a sizeable reserve of cash doesn't have to be the starting point for a successful investment.

In fact, there's no time like the present when it comes to kick-starting your long-term investment plan.

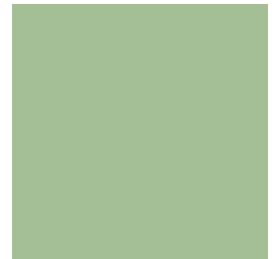
It's okay to start small – the key to success is to start soon so that you can gradually build your wealth over time with the help of dollar cost averaging.

# Megan will start... soon

In 1989, Angela's older sister Megan wasn't ready to start investing. She'd always planned to, but there were other things she wanted to do first. She still wanted to take an overseas trip, and there was the small matter of her mortgage to think about. Besides, she didn't really have a decent amount of money saved up – certainly nothing substantial enough to make a strong start.

Meanwhile, time rolled on for Chris and Angela. By 1993 they were putting their two children through school, and their mortgage was getting smaller, albeit slowly. And all the while, their investment was working away in the background.

Over time, even with the ongoing mortgage payments and the growing financial obligations associated with their growing family, they were so used to saving that \$200 (invested in their managed funds savings plan) every month that they never really missed it.



# Changing fortunes

In 1995 Megan finally took the plunge – she'd had her overseas trip, and even though she was still tackling the mortgage, she'd saved up some money to invest. With some help from her financial adviser, Megan invested \$10,000 in Australian shares via a managed fund. Following her sister's disciplined example, she also decided to start a savings plan. She contributed \$200 per month to her investment, and planned to keep up the instalments for the next few years before cashing in her nest egg.

In 2005 Chris and Angela's financial priorities changed when Angela lost her job. While they held onto their investment, they decided to ease the financial pressure a little and stop their monthly \$200 instalments.

## The power of regular savings

By combining a long-term approach with basic wealth-building tools, you can put your investment on the path to long-term growth. All you have to do is make a regular contribution to your investment through a savings plan. As little as \$200 a month allows you to apply the basic principle of compounding – steadily growing your investment over time.

In addition, a regular savings plan ensures that you get value for your money as a result of 'dollar cost averaging'. If markets are falling, your set instalment will buy you more while prices are relatively cheap. Just as importantly, when markets are rising, your set instalment will buy you less while prices may be inflated.

Megan stuck firmly to her savings plan. Now, Megan, Chris and Angela, are ready to reassess their financial plans and see how their investments have performed.

Chris and Angela's total contribution since 1989 (\$2,000 initial investment + 15 years of \$200 monthly instalments = \$38,000) had grown to ~ \$120,559 by 31 March 2009.

Megan's total contribution since 1995 (\$10,000 initial investment + 14 years of \$200 monthly instalments = \$43,600) had grown to ~ \$85,114 by 31 March 2009.

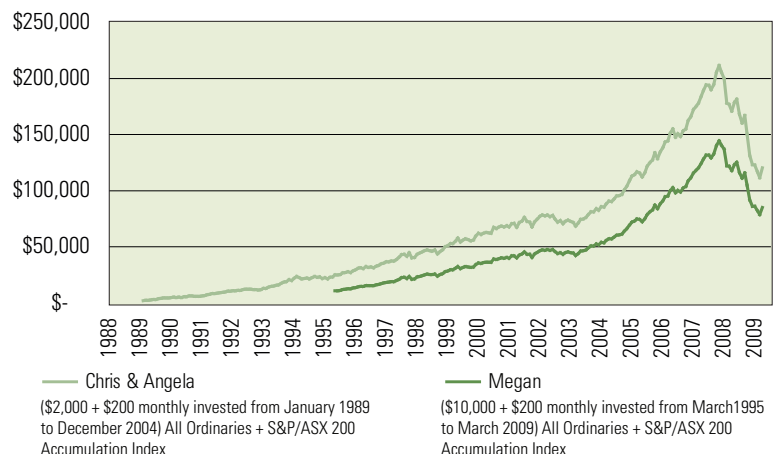
# The rewards of a long-term approach



## So how did Chris and Angela do it?

Like Megan, they invested through a managed fund, and like Megan, they built their investment with the help of a savings plan. And yet, they invested considerably less money than Megan. The key to their success was their early start – which ensured that they had time on their side.

Comparison of two different investment scenarios



For illustrative purposes and comparison purposes we show returns of the All Ordinaries and S&P/ASX200 Accumulation Index rather than a specific managed fund and we assume reinvestments of all dividends. Please note that investing in a managed fund will incur fees which differ from fund manager to fund manager and which will reduce the overall return on your investment. There is no guarantee, and is unlikely that one of our managed investment schemes will perform in a similar way to the All Ordinaries and S&P/ASX 200 Accumulation Index, and the portfolios may not be similar. Past performance is not a reliable indicator of future performance.

# Long-term success with managed funds

With managed funds it's easy to get time on your side sooner rather than later. Many funds provide investors with access to diversified or specialised investment portfolios with a minimal initial investment.

Many funds also come with a savings plan option that allows you to make regular contributions to your investment, enabling you to build your wealth over time and put your investment on the path to long-term success. Your adviser can show you how.

## Keys to long-term investment success

- Focus on your long-term goals.
- Take a long-term approach to building your wealth.
- Time in the market is more important than timing the market.
- It's ok to start small, but make sure you start soon.

Slow and steady wins the race – commit yourself to a regular savings plan to steadily grow your investment over time.



**Would  
you like to  
know  
more?**

Talk to your financial adviser today about a long-term approach to investing, and to learn more about how a savings plan can help you build your investment further.

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