



Stonehouse 2023 Christmas Celebration's at Chairmans Lounge – Westin Brisbane

Cooling inflation and a strong economy with relatively low unemployment has sent investors back to Australian shares, with the S&P/ASX 200 hitting an all-time high on the last day of January. It was up by more than 12% since the end of October 2023.

Annual CPI for 2023 was 4.1%, much closer to the Reserve Bank's target of between 2% and 3%. CPI in the December quarter was the lowest since March 2021 and below market expectations. The unemployment rate remained steady at 3.9% in December.

However, prices for most goods and services are still rising and the fall in discretionary spending is taking retail sales with it. Retail turnover fell 2.7% in December after a fall of 1.6% in November.

The falling inflation figures and the expectation that the RBA would hold interest rates saw a drop in the Australian dollar, which is also coming under pressure from a strengthening US economy.

Oil prices, at the mercy of a contraction in Chinese economic activity and the crisis in the Middle East have steadied with Brent Crude at just over \$80 a barrel.

While the iron ore price halted its rise in January with a rapid dip mid month, it's since climbed back, defying expectations.

Phoebe Mumbray won the Stonehouse Medal Award for 2023



Stonehouse award winners continued on page 3

What to avoid when investing



Kane Livingstone
Partner

Investing successfully and improving your investment portfolio can be as much about tuning out the noise as trying to pick the ‘next big thing’. It’s all about taking a calm and considered approach and not blindly following trends or hot tips.

Let’s delve into some of the most common things to avoid and look at the principles that underpin a robust and successful portfolio.

Chasing hot and trending shares

Every so often there are industries or shares that are all over the media and you may begin to worry that you are missing out on something. Jumping on every trend is like trying to catch a wave; you might ride it for a bit, but you’re bound to wipe out sooner or later. That’s because the hot tips and ‘buy now’ rumours often don’t pass the fundamentals of investing test.

The key is to keep a cool head and remember that the real winners are often the ones playing the long game.

Not knowing your ‘why’

What would you like your investment portfolio to achieve? Understanding your motivations and goals will help you to choose investments that work best for you.

If you want to build wealth for a comfortable retirement, say 20 to 30 years down the track, you can afford to invest in riskier investments to play the long-term game. If you have already retired and plan to rely on income from your portfolio, then your focus will be on investments that provide consistent dividends and less on capital growth.

Timing the market

Timing the market involves buying and selling shares based on expected price movements but at best, you can only ever make an educated guess and then get lucky. At worst, you will fail.

As the world-renowned investor Peter Lynch wrote in his book *Learn to Earn*: “Far more money has been lost by investors trying to anticipate corrections, than lost in the corrections themselves”.ⁱ

Putting all the eggs in one basket

This is one of the classic concepts of investing but it’s worth repeating because, unless you are regularly reviewing your portfolio, you may be breaking the rule.

Diversifying your portfolio allows you to spread the risk when one particular share or market is performing badly.

Diversification can include different countries (such as adding international shares to your portfolio), other financial instruments (bonds, currency, real estate investment trusts, exchange traded funds), and industry sectors (ensuring a spread across various sectors such as healthcare, retail, energy, information technology).

Avoiding asset allocation

While diversification is key, how do you achieve it? The answer is by setting an asset allocation plan in place and reviewing it regularly.

How much exposure do you want to diversify into defensive and growth assets? Within them, how much should be invested in the underlying asset classes such as domestic shares, international shares, property, cash, fixed interest and alternatives.

Making emotional investment decisions

The financial markets are volatile and that often leads investors to make decisions that in hindsight seem irrational. During the COVID-19 pandemic, on 23 March 2020 the ASX 200 was 35 per cent below its 20 February 2020 peak.ⁱⁱ By May 2021, the ASX 200 crossed the 20 February 2020 peak. Many investors may have made an emotional decision to sell out during the falling market in March 2020 but then would have missed the some of the uplift in the following months in.

Seeking out quality and trustworthy financial advice can help to minimise investment mistakes. Give us a call if you would like to discuss options for growing your portfolio.

ⁱ <https://worth.com/from-the-archives-fear-of-crashing/>

ⁱⁱ <https://www.rba.gov.au/publications/bulletin/2022/mar/australian-securities-markets-through-the-covid-19-pandemic.html>

INTERVIEW WITH

Adam Polkinghorne

– Stonehouse client



Michelle Poulsen
Partner

Adam and his wife, Rebecca came to Stonehouse through a family member. They were keen to do a health check on their personal financial position and plan for the future. What transpired because of this meeting is nothing short of inspirational. Here is snippet of a recent interview with their adviser Michelle Poulsen.

Michelle: What made you seek personal financial advice?

I approached Stonehouse in Q4 2022 for advice to ensure that I was making the best-informed decisions to protect my family now and give my wife and I the best chance of retiring comfortably in the future.

Michelle: Why did you decide to coincide your financial plan and health plan?

During my initial consultation with Michelle, we effectively did a stocktake of my current financial situation and the risks to my current income streams and future wealth. I was also forced to sit down and really think about what my ideal retirement would look like and what I needed to do now to give me the best chance to achieve it. Immediately after this process, I was struck by the thought that there was no guarantee that I would



get to retirement if I didn't also apply the same lenses to my health. As such, I sought professional advice on my current health, the future risks and the strategies I could implement now to mitigate the risks to my health as I progress through my 40s as a man.

Michelle: Have you had to make any major changes to your everyday life?

The health recommendations were short and simple – exercise regularly and lose weight! Given that I had made the decision to invest time and money into improving my finances with the help of Stonehouse, I decided that to achieve these major changes, I also needed to prioritise getting assistance with achieving my health goals. This took the form of starting on a commercially available meal plan and signing up to a personal trainer to support me for two of four gym sessions a week. These changes, of course, came at a financial cost, but conditioned to now thinking

about the cost-benefit and potential risk mitigation, I decided that this needed to be a priority in our family budget.

Michelle: What impact has this had on you overall? Physical health improvements and having financial peace of mind?

Over the course of nine months, I've transformed my body and my approach to health and fitness. I've lost 30 kg and have gone from obese to a healthy weight. I feel strong, have more energy and have discovered an ability to push myself to achieve physical goals that I would never have dreamed were possible.

Following Stonehouse's advice, I've also been able to make timely decisions to manage my finances wisely, including a range of strategies to reduce financial risks as I slowly work my way to retirement.

Seeking advice from professionals who can support me to achieve my health and financial goals has given me an incredible peace of mind that I'm making the best choices now to benefit my family and I into the future.

Michelle: Why would you recommend this journey to someone who may be in the same position you were in?

I think that anyone serious about planning for their financial futures, particularly retirement, should also pause to seriously consider what they can do now to ensure that they will be around to enjoy it! It seems like good common sense and is undoubtedly financially prudent as well. And just like good management of your superannuation, I'm sure that the earlier you take actions to benefit your physical health, the bigger the payoff will be.

Michelle: What an amazing journey Adam and Rebecca have been on. Thank you for sharing your story and we look forward to seeing your continued financial and personal success for many years to come.

2023 award winners continued



Anya Djuric (left) and
Dakota Meki (right).

Joint winners of the
'Team Member Of
The Year Award'.



Stonehouse successes for 2023 and hopes for 2024



**Andrew Stewart –
Founding Director**

I am grateful for my family and the privilege of having the love of my children and thankful that they still include me in their daily life. I am praying for the health of my wider family in 2024 and that the year ahead is filled with much love/wisdom and laughter.



**Michelle Poulsen –
Partner**

2023 was a very rewarding year with my eldest finishing high school, our trip overseas and working with our clients at Stonehouse for a better future. 2024 will be similar as my youngest finishes her final year of high school and I look forward to seeing what the year will bring.



**Jeremy Chiel –
Partner**

I am grateful for my family which will be expanding from 3 to 4 in mid 2024. I'm excited for the year ahead personally and seeing my clients work toward their own goals too.



Phoebe Murray – Adviser

I am excited for the new year ahead and to continue working with both my new and existing clients. My goal for 2024 is to continue providing my clients with high quality holistic advice and ongoing support and guidance. I look forward to what 2024 brings in both my professional and personal life!



**Matt Devin –
Client Service Team**

I am proud to have continued my professional development in 2023. The outlook for this year is very exciting, I am looking forward to commencing my professional year and developing my skills as my journey with Stonehouse continues!



**Mohkam Singh –
Implementation**

I am grateful for all the love and support I get from my family and community. I joined Stonehouse Group at the end of 2023, and this year I look forward to this exciting new opportunity for me to learn and develop as a young professional in the Financial Planning Industry.



**Linda Hall – Senior
Bookkeeper**

2023 brought great opportunities for me moving back to Brisbane and joining the Stonehouse family. I am very excited to build strong friendships in the team and enjoy being around family again.



**Dakota Meki –
Advice Specialist**

I am grateful for the opportunity to start a new position as Paraplanner with Stonehouse in the past year. I'm looking forward to learning new skills and enhancing my knowledge within the role.



**Declan Baker –
Partner**

Having gotten married last year, my wife Anna and I are hoping to start a family in 2024.



**Cath Perry –
General Manager**

Excited and grateful to be part of the Stonehouse Group where my primary goal is to empower both our clients and team members to thrive by fostering a culture of continuous learning, collaboration, and innovation. Through personalised support, skill development initiatives, and streamlined processes, I aim to cultivate an environment where everyone can reach their full potential and contribute to our collective success.



**Tracy Burrows –
Implementation**

After joining Stonehouse in 2023 I am grateful to be enjoying my new role so much. On a personal note, I started Regency-era dance classes (think Bridgerton!) and am having lots of fun learning something new. This year I am looking forward to learning more new things by attempting some basic DIY home maintenance.



**Belinda Auld –
Senior Client
Service Specialist**

Looking forward to another busy year at Stonehouse and providing our clients with a great experience. I love spending time with my family, my 2 fur babies and my 3 Granddaughters, going camping and creating new adventures. The year started with the purchase of my 1st brand new car, which we are all enjoying.

