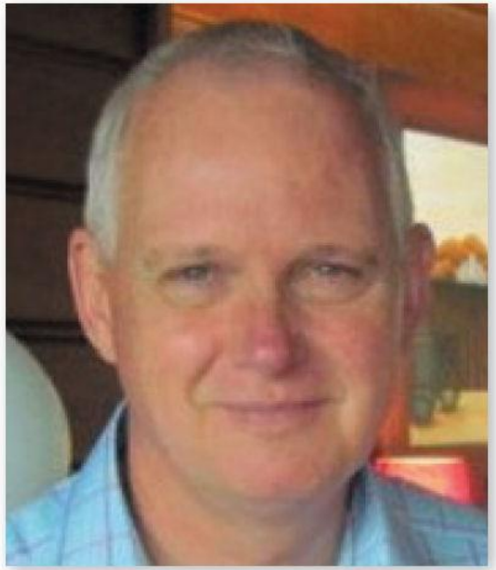


Mr Lance Dawber-Ashley

Senior Client Adviser

Gareth Morgan Investments

Friday, August 12, 2016

(Room 7)

16:30 - 17:25 WS #46: Risk/Returns on Investment in the New Low Interest Rate Environment

17:35 - 18:30 WS #56: Risk/Returns on Investment in the New Low Interest Rate Environment (Repeated)

South GP CME General Practice Conference & Medical Exhibition

Six Common Mistakes People Make When Investing

Lance Dawber-Ashley

Mistake #1 They underestimate their tolerance for risk

- Many investors don’t fully understand their personal tolerance for risk and how much they can stomach financially and emotionally.
- This can lead to problems when selecting investments to match your goals
- It can also lead to knee-jerk behaviour, such as buying high and selling low and derail your investment plan.

Mistake #2 They fail to plan ahead

- Research shows that those who plan for retirement accumulate much greater assets than those that do not
- You can’t put a price on your peace of mind and sense of control that comes with knowing your retirement will meet your expectations

Mistake #3 They don’t understand diversification

- Unfortunately many investors think diversification means buying shares in different industries such as technology and manufacturing
- However true diversification is about spreading wealth across different asset classes, such as shares, property, fixed interest and cash.
- This helps to even out the ups and downs of investment markets, as well as better protect your wealth if an unforeseen event occurs.

Mistake #4 They let their emotions get in the way

- Emotional behaviour when investing often leads to buying high and selling low, resulting in poor long term performance

Mistake #5 They don’t understand what they are investing in

- Smart investing means familiarising yourself with the likely risks, benefits and costs of any investment and asking lots of questions.

Mistake #6 They fail to seek advice

- It can be a tough business doing it yourself
- Seek advice from a credible source that is skilled and trained in that area, such as an Authorised Financial Adviser (AFA)

Understand the risk and return dynamic to be a better investor

- Risk and return is a fundamental investment equation. You can't have one without the other.
- It's a journey, you need to understand your emotional and financial tolerance to risk, your investment goals, and your timeline in order to structure your investments appropriately
- Get good advice, a good Adviser will help you get the right mix of investments to match your financial goals and your tolerance for risk

General pointers to remember in relation to risk

- The more money you have, the more risk you may be able to take
- The less time you have, the less risk you can take

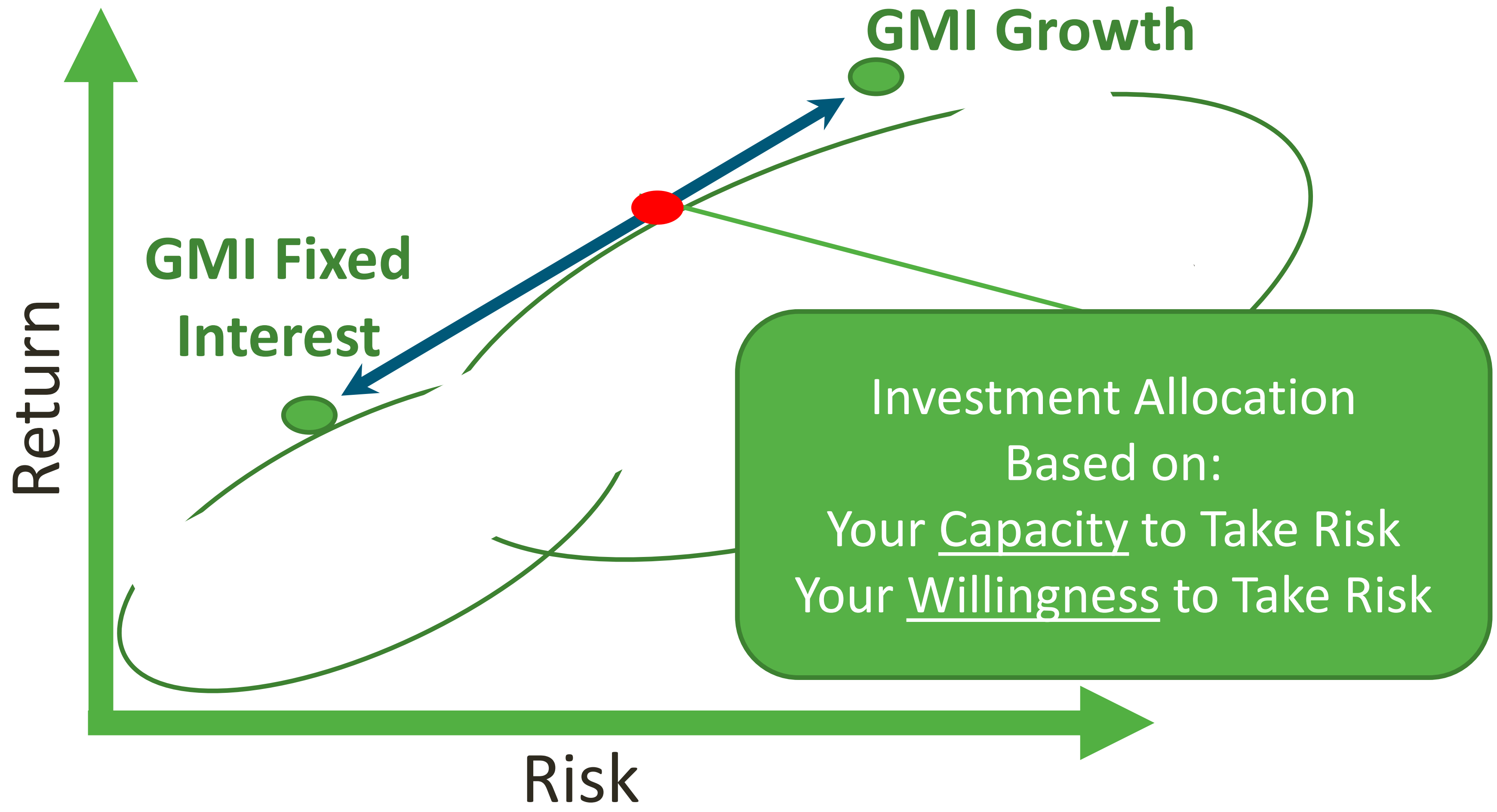
- Spreading money around different investments reduces risk

Three steps to successful investing

- Step one, watch your behaviour, careful planning, keep your emotions in check. Watch for fear and greed, that can result in a buy high and sell low behaviour
- Step two, stick to sound investment principles, diversify, understand what it is you are investing in, insist on transparency, know the risks and how to manage them
- Step three, know when to get professional advice.

Our mission:

To preserve and grow your wealth



GARETH MORGAN INVESTMENTS

Risks have eased, but reasons to be wary

Global share markets have recovered post UK Brexit vote. The main reasons for this are:

- Easy central bank policies and low interest rates
- Better US economic activity
- Fears over China's financial system not materialising
- Stabilising oil prices

Despite recent market gains, market sentiment is still fragile because of:

- Concerns that market valuations are too high in many markets.
- Doubts over whether China authorities can manage the economy's transition from investment-led to consumer-led growth.
- Vulnerabilities in European banks, particularly Italian banks.
- Nervousness about the rise of populism and protectionism in the US and Europe.

Heightened risks, but cautiously optimistic outlook

- Modest share market gains should be possible in 2016 given low interest rates and moderately growing economies.
- However, uncertainty and higher volatility may continue to characterise this year as concerns related to relatively high valuations, China's debt, the US presidential elections, and Italian banks persist.
- Interest rates should rise as the year progresses. However, rises are likely to be gradual given still low inflation and easy money from many central banks.

This is intended as general information only. It does not take into account your financial situation and goals and is not personal advice. For advice about your particular circumstances please see an authorised financial adviser.