



STUART + CARLYON

Financial advisers for your lifetime goals

Our focus is not only on money

Sometimes it's useful to stop a moment and recap what exactly we do as a financial planning business. Our slogan actually sums things up – we're financial advisers but our focus is on your lifetime goals.

People who come to us generally look for more than investment advice. For sure, we all wish to grow our wealth and get a good balance of returns versus risk, but this needs to be taken in context of our individual situations. Indeed what prompts most clients to first see us are the significant shifts in their lives. The change might stem from a change of personal or financial circumstances.

A life change

- Losing a spouse or gaining a family
- Switching career or buying a business
- Retirement – planned or unexpected
- Or a change in one's independence – for example moving into a rest-home

A change in financial fortunes.

- Repayment of a mortgage which frees up money
- The arrival of a large sum of money from selling a business or receiving an inheritance
- A devastating loss of money or capital – for example through a financial collapse or the earthquake

Change can be stressful because it isn't always easy to see the way forward. Our first work then is to help you deal with the new situation – discussing not just the financial implications but checking that you've covered-off the other things you may need to consider so you can easily navigate your way forward.

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For this reason we sometimes discourage clients from making investment decisions until they have other things sorted first. There may be some troublesome family matter or legal issue that needs clarifying before investments can be safely made. This gets over the problem of having investments locked-up when the money may be required elsewhere.

Our 'life focus' explains why we routinely, and only with our clients' permission, liaise with other professionals. For example you may be setting up your will or family trust, and by working with your family solicitor we can arrange finances to match your other needs and objectives.

Our approach does assume that you have clear answers to these three questions:

1. What objectives do you hope and expect to achieve?
2. How deeply committed are you to these objectives?
3. What future changes should you take account of? What things could come along and upset your plans? (Example – adult children move back in, or a parent needs full-time care.)

That second question is one of the keys. A plan that has only a weak underlying commitment is already in jeopardy. We see this in pessimistic times when the short-term urge to move to cash, or to chase incremental tax advantages can jeopardise the attainment of long term goals.

That third question is also important. Every individual is in a unique situation and there may be things in your own business, your own life, or the situation of your family that need to be considered. Your plan needs to be flexible enough to cope with personal changes.

For example if your health was an issue – a wildcard that might throw your retirement plans - then we can help you explore options. A serious illness might bring forward your retirement date as you refocus on lifestyle and family. Incapacity in later years may mean moving to a retirement village: calculating how much you could sell your house for, and how much money you'd have left to invest to help pay the extra weekly costs for the care you need. In this manner we can help you prepare for the unexpected.

We have life-long relationships with so many of our clients and have helped guide them through different stages. Our family of clients has given us the experience in dealing with almost all life's transitions. That's what makes our profession truly interesting. It isn't about money. Money is merely a resource that helps us reach more valuable objectives.



A match made in hell

The global automotive industry has been in turmoil over the past 20 years. Yes, some brands have hit the sweet spot in burgeoning growth markets. Chalk one up for BMW, for example, who sell more than half their global output to the insatiable prestige-seeking Chinese market.

But in the traditional old-world markets of Europe and North America the players have been under real strain. Demand for cars has dropped. The squeeze from the Korean imports has grown tighter and brands such as Oldsmobile, big steel icons of the 20th Century, have disappeared without fanfare, while the major automakers have tried desperately to find economies through mergers, acquisitions and partnerships.

Here's the problem. This industry requires massive capital investment. It takes billions of dollars to even play at this table, and to survive you need access to several markets. That has been Chrysler's problem. Detroit's number three manufacturer has little access to other global markets. Meanwhile in Europe smaller players such as Fiat and Citroen have been increasingly marginalized.

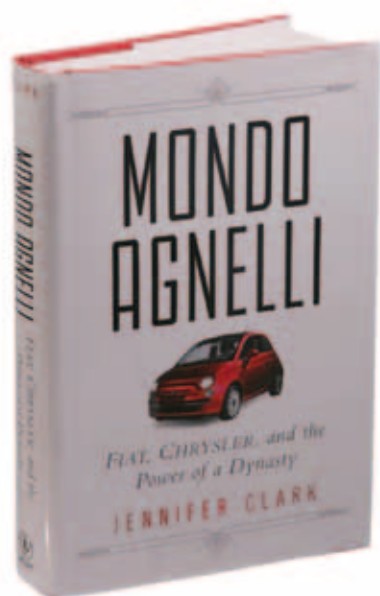
That's why we've seen some remarkably co-operative stories such as Nissan - Renault: a marriage of unlikely bedfellows. But not all of these stories end in success. The much heralded Daimler-Chrysler merger was one major misjudgment: a paper marriage that ended in an ugly and expensive separation.

This is high stakes poker, and by the end of 2008 with the global economic crisis, some major players were quickly running out of chips.

With this as a backdrop, the book, MONDO AGNELLI - FIAT, CHRYSLER, and the Power of a Dynasty by Jennifer Clark makes riveting reading.

The author used to work as a journalist covering Italian business, politics and finance for the Wall St Journal and is well versed in the politics and dramas that face the big European dynasties among whom the Agnelli family is preminent. This is a drama where old money and old ideas run headlong into desperate circumstances. In some ways it is a perfect metaphor for the changing global economic picture.

The Agnellis are a fascinating clan, immersed in explosive rivalries and inheritance



battles. When their Fiat empire was against the ropes ten years ago, they finally appointed an outsider to rescue the business. The choice of Sergio Marchionne proved to be a masterstroke.

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These days he practically lives on a plane, shuttling between Europe and the USA. It was he who engineered the unexpected alliance with Chrysler in 2009.

What he brokered was a deal between the auto-workers who faced company closure (they nevertheless hold a massive pension fund that could help unlock the company), Chrysler a company that needed new technologies, shared platforms and access to global markets, and Fiat that needs access to North America. With the help of a high interest \$US 6bn Government bailout, (already paid off years ahead of due date) Marchionne engineered a marriage that was tempered in the hellfire of the global economic crash.

Neither Fiat or Chrysler are completely out of the woods yet, and there's no reason to think that the future is ever going to be easy. But the book suggests that any report of the death of the old world economies is greatly premature. With capital, creative design and commitment from workers, the old Empire can fight back. For every Kodak there's an Apple. For every Oldsmobile there's a newsmobile.

Go to *60 Minutes* for an interview with Sergio Marchionne. You will catch a glimpse of his range of fast cars and Dart the first child of the Chrysler-Fiat marriage. <http://www.cbsnews.com/video/watch/?id=7403188n>

Paper trail

As part of an audit requirement, Aegis sends our clients a cash statement on a quarterly basis. If there have been transactions, an asset transaction summary and a pending report will also be included. Because they come directly from Aegis, it acts as a safeguard for investors. We suggest you discard the previous quarter's statements when you receive the latest.

Note that we also send statements as part of your regular portfolio reviews, but these will usually comprise the valuation, income and performance schedules.

While on the subject of paper, the IRD expects you to keep tax records for 7 years.