

September 2022 eGrow

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Dear Friends

Sticking to our Strategies

Over the last few months, I have been asked many times if we are on the verge of a recession – or – will there be a massive rebound in the investment markets? Many have been a little surprised at my response: “it does not matter”.

Those of you who are in the income draw-down phase of super have been protected by your Marinis Buffer – that is the cash shock absorber we build in to protect you against downturns. And those of you who are still in accumulation phase are buying shares at discounted prices. History suggests that in the long term, the market will rebound and take everyone who did not panic with it.

My investing hero Warren Buffett has described the stock market in the short run as a ‘voting machine’; in other words, it measures popularity. In the long run he calls it a ‘weighing machine’; it finds true balance.

Those of us who are over 35, however, know that the downturns can take an awfully long time, and the upswings can be dramatic. What is important is to be fully invested when the good times roll in.

My approach is unashamedly conservative. I do not promote ‘get rich quick’ ideas; I like my clients to ‘stay rich.’

And whilst my crystal ball is a bit cloudy, the drums of war are never good omens for the future. It seems likely that Europe will have a tough winter as Russia coercively rations energy – and this may lead to all kinds of worrying scenarios – ranging from Europe’s (and therefore NATO’s) capitulation over Ukraine, through to a terrifying nuclear standoff. On the other hand, a peaceful resolution would lead to a market boom as the rebuilding of Ukraine drives demand.

There are also issues with the ongoing effect of COVID-19 in China as (at the time of writing) the Communist Party refuses, as we have decided in the West, to live with the virus. This refusal, with its continuing whole-city lockdowns, is dramatically slowing its economy.

And then there are the structural issues of inflation and interest rates.

All my readers know these are just the latest of a litany of problems – all man-made – which impact on the ‘irrational exuberance’ of investors. They function as breaks, to slow us down. As individuals, frankly all that we can and should do, is to stick to our medium to long term investment strategies.

I have been warning readers of eGrow for months of the current scenario, so the current message should not come as a shock. This publication is one of my most important educational tools and it is designed to help explain why we recommend as we do.

If we knew when rebounds were going to happen, we would all be ‘zillionaires.’ I definitely am not. I simply recognise that learned economic theory, together with lived experience is proof of the benefits of the approach we take at Marinis.

As usual, there will be the ‘Spooky October’ headlines coming our way – and before too long we will be reading about ‘rebounding markets’. The timing gap remains the mystery.

Term Deposit Rates:

Many of our clients choose to store excess cash in term deposits outside of the investments they also hold under our advice, and this is a perfectly reasonable approach.

If you are one of these people, I would remind you when the money becomes due, don't just roll it over, compare the rates available in the market.

One of my favourite '90+ year olds' in Hobart was recently offered 1% by her usual bank to roll over her 'sale of the family holiday house' proceeds. She discovered, however, that another bank had 3.6% available for exactly the same term – and so she moved her cash, much to the surprise of the local branch of her bank!

Clarification:

Some of you may have recently seen criticism of a 'My Super' product, namely, the BT Super Retirement Wrap. (The fund in question is the Westpac Group Plan 'My Super' product, which along with BT's other 'basic' superannuation products have been sold and will soon be taken over by Mercer.)

Please note that this product should not be confused with BT Panorama – a premium Investment Platform providing administration services for superannuation and investment accounts. This platform meets our selection criteria for low-cost administration, extensive range of investment options and its best-of-breed Cyber Security features, including two factor ID authentication.

Marinis Financial Group does not recommend any 'My Super' (or 'one size fits all') products for any of our clients.

And One More thing:

Should you wish to read the Eulogy for my friend and former mentor – and the original adviser for many of our clients, Mr John Thomson RIP, please see attached. It was a great honour to share with those who attended his farewell, what a 'Diamond' he was.

Media:

My latest contributions to the long-term savings debate in the Australian media can be found [here](#) if you are interested.

As always, if I or any of the other member of the Marinis Financial Group can be of assistance, please do not hesitate to get in touch. Contact us either via email at admin@marinigroup.com.au or call (08) 8130 5130.

Yours sincerely

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John Thomson's Eulogy 1st September 2022

I would like to thank John's family for giving me the privilege to honour John by eulogising him today.

For those of you who don't know me, I met John in 1996 at SGIC after doing what I call my 'financial apprenticeship' with the ATO, Centrelink and the Insurance and Superannuation Commission.

It was, to quote Humphrey Bogart *"The beginning of a beautiful friendship."*

John taught me to build on the excellent training and legislative knowledge from my Public Service past, and to embrace entrepreneurship and client service.

His wisdom has driven the growth and success of our business in ways that constantly astounded John and I, but it was all based on the principles he quietly (*sometimes*) and loudly (*often*) taught me.

In many ways I feel that John was like my 'Aussie Dad' – which is interesting given he was Scottish, and I am of Greek Macedonian descent! But John always treated me as he did everyone he met - with kindness, generosity and understanding as I made those early mistakes, just as a loving father would. We stayed connected, until Covid stopped our regular catchups.

I'd like to encourage you to try and focus on being thankful that you knew this wonderful man. How many other people do you know that could light up a room with laughter the way John did?

Grief is normal. It's an emotional process and affects us all individually. As much as we all need to grieve, I encourage you to think about the energy, joy, and the kindness of John – and to celebrate the light he brought to our lives.

To mangle a line from an old song, *'To know John was to love him'* – and it is reasonable to say everyone here 'knew' John and we all loved him.

We are the lucky ones.

We knew and got to love John Thomson.

John was my mentor, friend, conscience, and compass in business and even in life. He was once my boss, and later entrusted me with the responsibility to care for his clients, some of whom are present with us today.

But for me more than anything else, it was his living example of his love for Pam, that quiet daily service after retirement, which most proved to me that he was a man of not just decency, but someone who lived his word. He had promised to love and serve her until they parted – and he delivered in spades. He was a key role model for all husbands.

It is the charity of John which will always inspire me. He was the man who not just asked *'how are you going'* but listened to the answer. He would remind you that you were a worthy person.

In business John taught me that I would only succeed if my clients did.

He would laugh, riotously at short-term thinking or self-centred competitors. He found the fun side of life – but he was also teaching me and others not to be so narrow minded.

Last week we sent out a memorial email for John, which we sent to all our clients. The following excerpt I feel, summarises John Thomson, perfectly.

“One memory that both my family and I have of John is the way in which he emphasised the importance of treating waitstaff. From the very first lunch I ever attended with John, he made a point of going out of his way to chat to our waiter, showing respect and genuine interest in who the person serving us was.

In this small act of self-awareness, John, every time, would find out such interesting details of these people's lives, all while sharing a laugh with them. And John loved to laugh.

In these scenes, I would observe an interaction perceived as transactional, become one filled with meaning. This is just one example of John's warmth; and although he may not have realised, it was always impactful and really demonstrates the sort of man that he was. This notion has touched my family and I creating a ripple effect in the reminder of treating others with respect, dignity, and warmth.”

I received dozens upon dozens of heartfelt messages from clients because of this email that we sent out to honour John. Many from his former clients, but also many from more recent clients that had never met John but were touched by the examples of his character.

Today, I also have the honour to lead the successor business to John's. The *'life-laws'* he instilled in me are being passed on to a new – younger - generation of the finance industry.

Ethics are at the heart of the way he taught me to do business, and how I teach them.

To Pam, Alison and Graham, Fiona and Robert, Christina and Chris, and John's cherished grandchildren, Lara, Erin, and Aiden, thank you for letting me have these few minutes to pay my respects to John.

I am sad today, like us all, but I am also feeling so lucky to have known John - and be assured I will carry his lessons on throughout my life and teach others, as he taught me.

We are ALL incredibly lucky people to have known John Thomson.

John always told me that if I *"stuck with ... (him) ... I would wear diamonds ... and they WOULD be paid for."*

I now fully understand that John was that diamond.

Thank you.