

The image features a dark blue triangular overlay on the left side of a background image. The background is a blurred, bokeh-style photograph of a financial market display, likely a stock exchange floor, with numerous glowing blue and white lights and digital readouts. The text is white and positioned on the dark blue triangle.

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2018 Market Update  
& Investment Review

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## Important Information

The Corporations Act requires that a Financial Planner making an investment recommendation must have reasonable grounds for making that recommendation. This means that I must conduct an appropriate assessment of your investment objectives, financial situation and particular needs. The information requested in the pages that follow is necessary for the establishment of a reasonable basis upon which a recommendation can be made and it will be used solely for that purpose. Any advice I give may be inappropriate if it is based on incomplete or inaccurate information. You should consider the appropriateness of the advice if that is the case and consider your own circumstances before acting on any advice I provide.

This is general advice only and does not take into account your financial circumstances, needs and objectives. Before making any decision based on this document, you should assess your own circumstances or seek advice from a financial adviser. You should obtain and consider a copy of the relevant Product Disclosure Statement available from us or your financial adviser, before you acquire a financial product.

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Examples are illustrative only and are subject to the assumptions and qualifications disclosed.

**Past performance is not a reliable indicator of future performance.**

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# Market Overview

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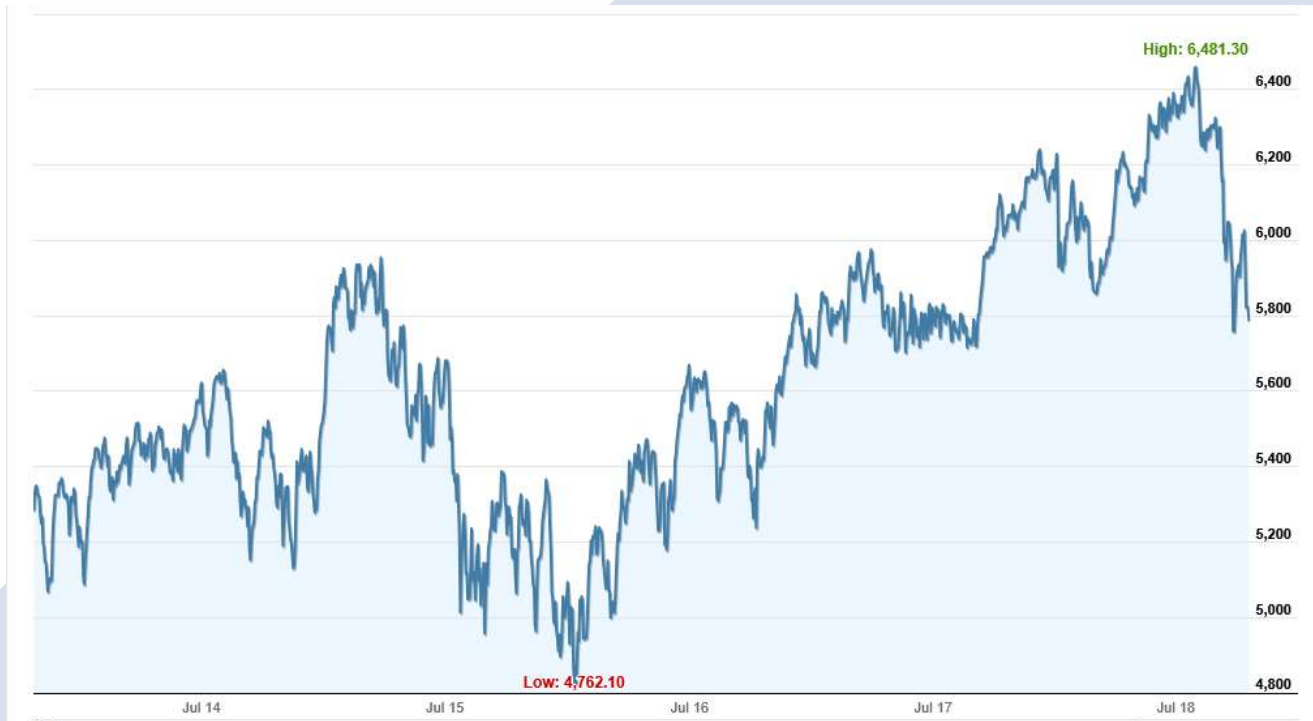
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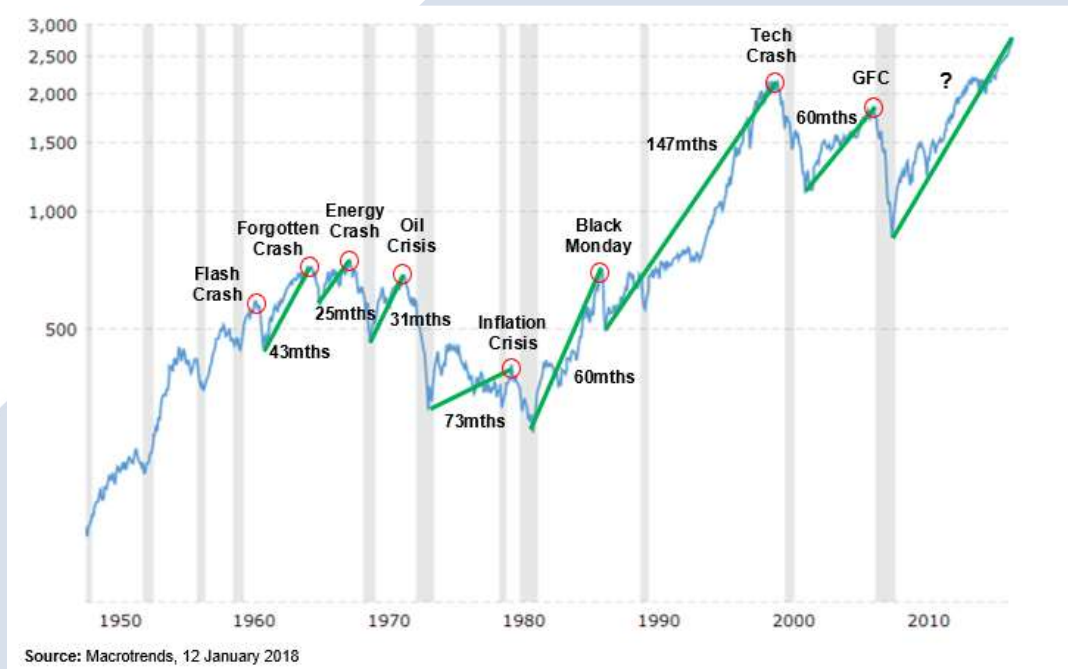
## Market Update 2018



Source: Commsec. All Ordinaries Index

# Market Outlook

## S&P 500 INDEX – BULL AND BEAR MARKETS



# Market Performance

## S&P 500 INDEX – THE CORRECTION



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## Market Volatility 2018



The background of the slide features a complex, semi-transparent overlay of financial data. On the left, a large, solid brown trapezoidal shape is positioned. Behind it and across the rest of the slide, there are faint, light-colored line graphs and bar charts. Some of the visible text includes the months 'Jul', 'Aug', 'Sep', and 'Oct' along the x-axis, and numerical values such as '300.0' and '17' on the y-axis. The overall aesthetic is professional and data-oriented.

What is going on?

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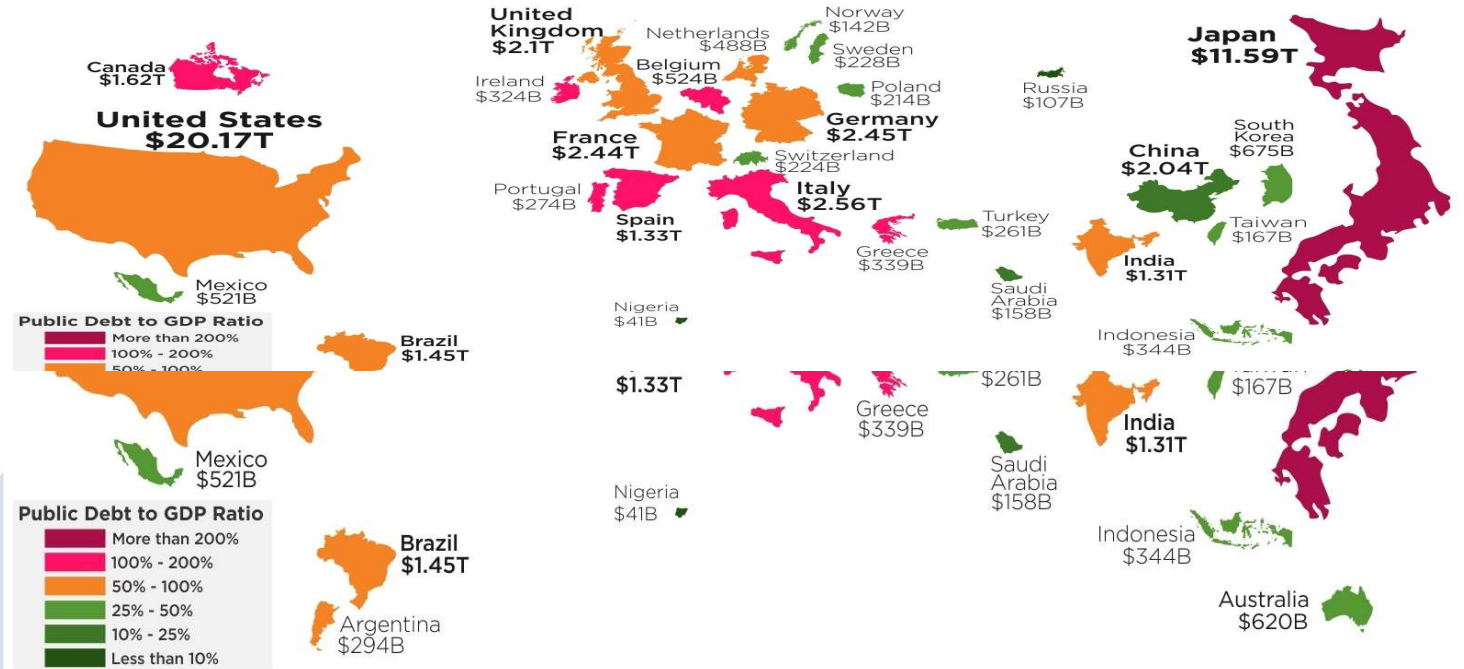


Uncertainty  
Driving  
Volatility



## Global Debt

### The Financial Impact of Sovereign Debt Around the World - 2017 This Map Shows Countries' Debt and Their Ability to Pay It Back



**How to read this map:** Countries appear bigger as their national debt is higher. e.g. USA. Conversely, countries with lower national debt appear smaller. e.g. Nigeria. The colour represent countries' debt to GDP ratio.

**Article & Sources:**  
<https://howmuch.net/articles/worlds-debt-2017>  
<http://www.usdebtclock.org/>  
 U.S. Treasury Department

## US Economy

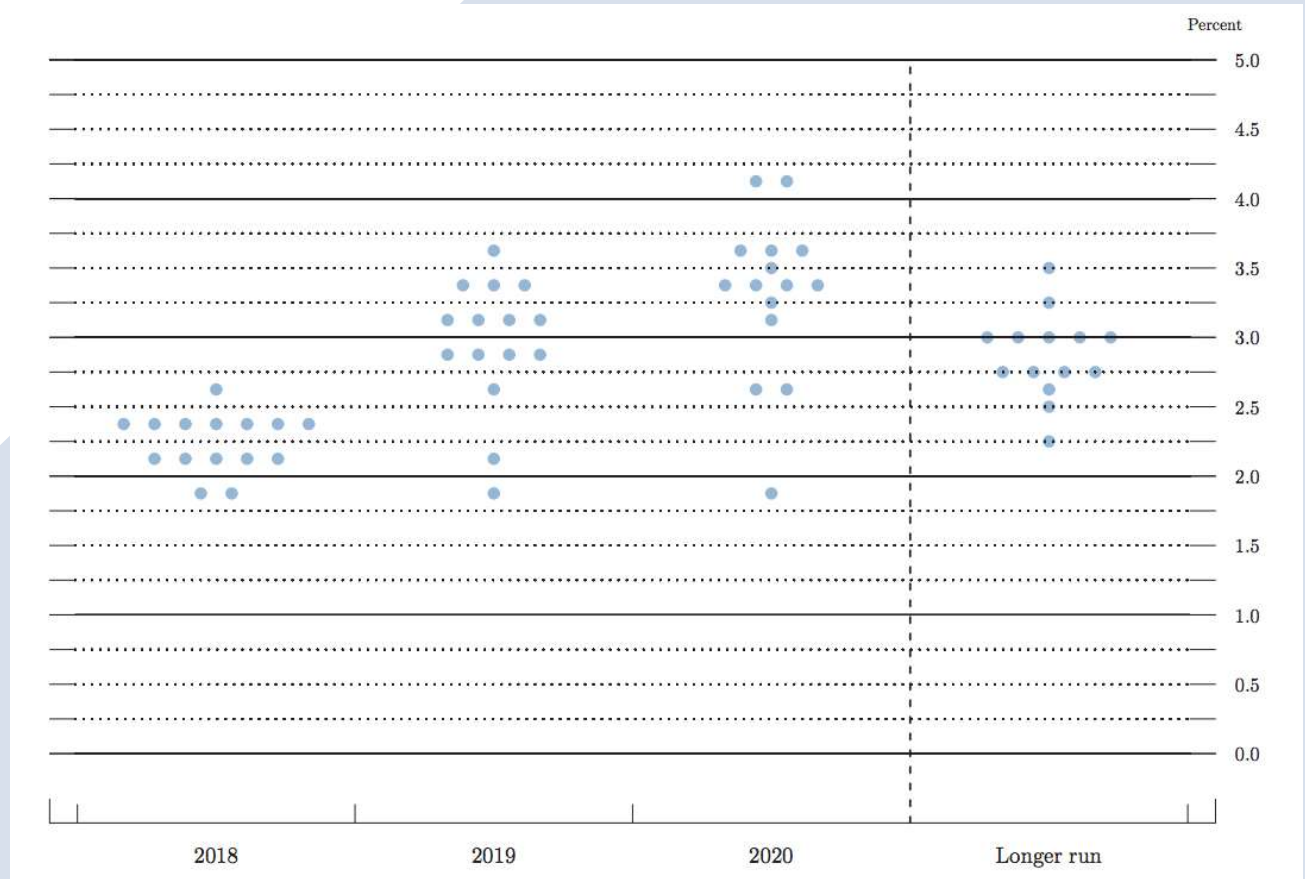


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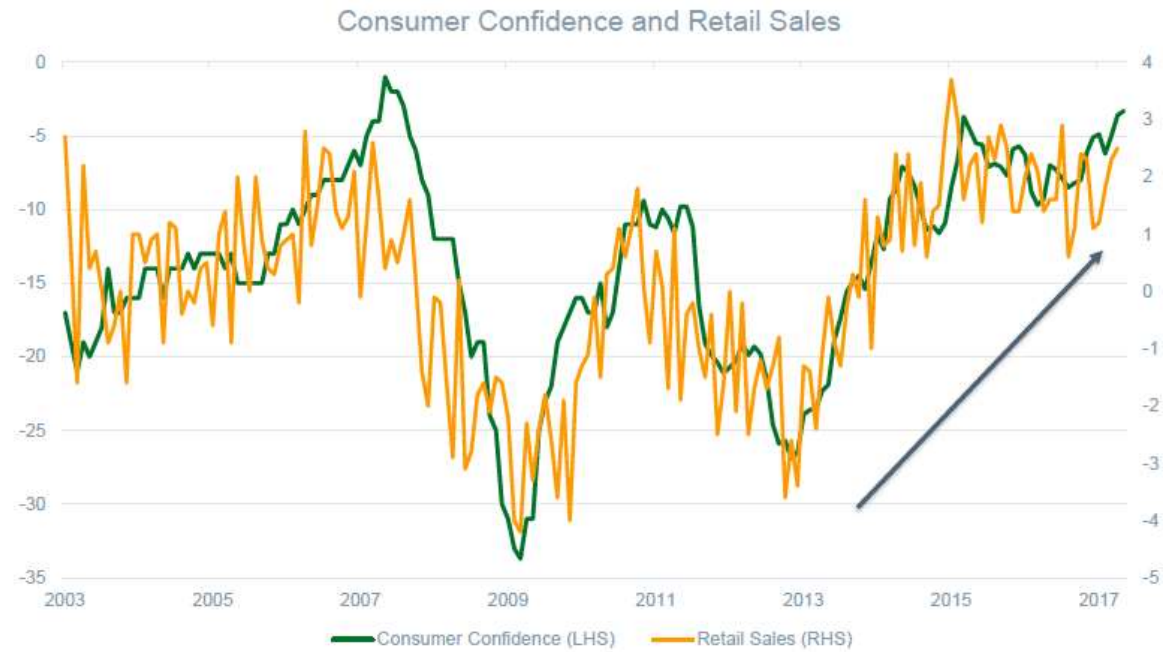
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# US Fed Funds Rate Prediction



Source: Bloomberg; Sept 2018 FOMC forecasts for appropriate pace of policy firming

## European Recovery



Source: Bloomberg 2017, IOOF 2017

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## China

CHINA GDP ANNUAL GROWTH RATE



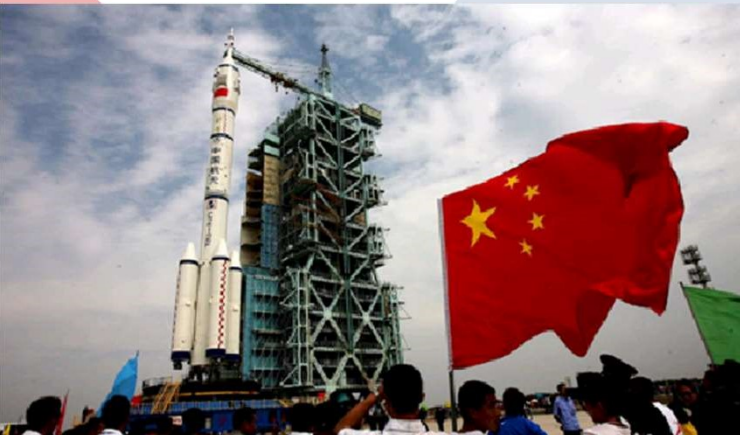
SOURCE: TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA



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# China “Made in 2025”



## FUNDING THE BELT AND ROAD INITIATIVE (in \$ billion)

	Silk Road Fund	54.5
	Asia Infrastructure Investment Bank	100
	New Development Bank	50
	China Development Bank	36.7
	Export-Import Bank of China	19
	China's humanitarian aid budget	8.8
	<b>TOTAL</b>	<b>\$269 BILLION</b>

China has launched institutions, such as the Silk Road Fund, and used both domestic and international institutions it controls to fund the massive land and sea infrastructure plan.

SOURCE: TS LOMBARD

## Australian Economy

Source: RBA, Key Economic Indicators 2018

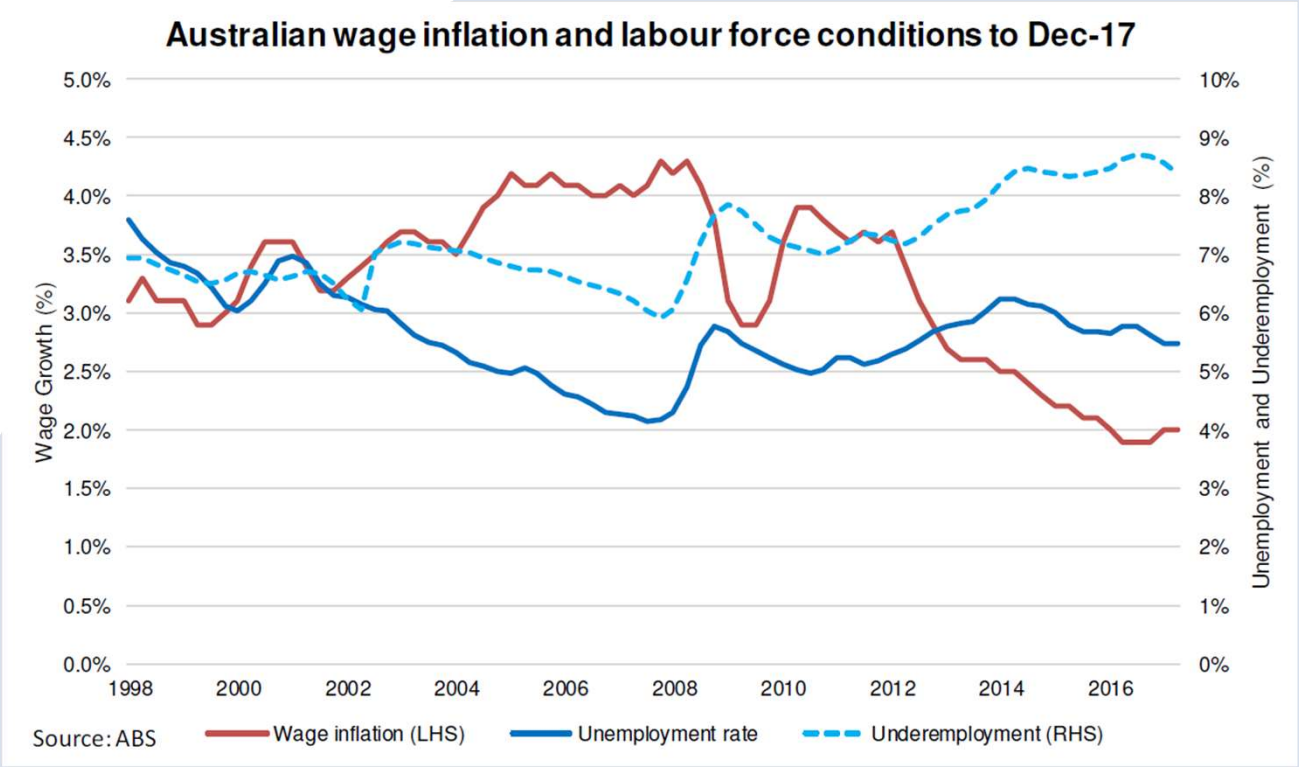


Source: RBA, Financial stability Snapshot Economy 2018





# Australian Wage Growth



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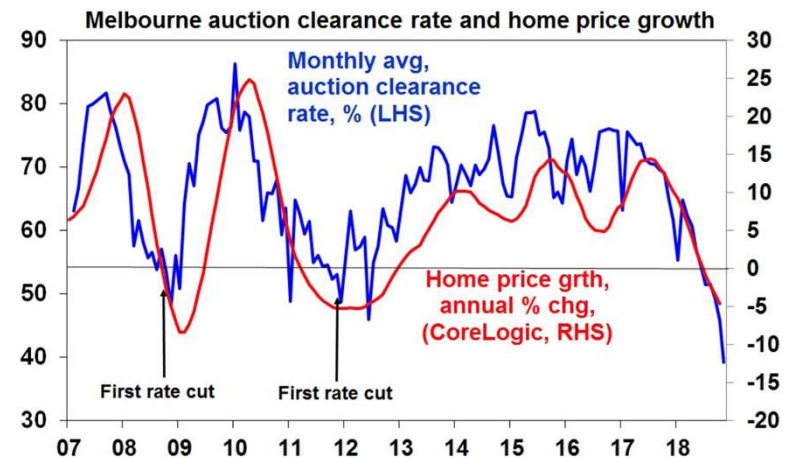
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Banking  
Royal  
Commission



- Auction clearance rates down
- New constructions down
- Housing prices slowing
- Leading to more uncertainty



The background of the slide features a faded financial chart with multiple lines and data points. A large, dark blue diagonal shape covers the left side of the image. The text 'Our Approach' is centered within this blue area.

## Our Approach

# Investment Transparency is Important

DO YOU KNOW WHAT YOU OWN?



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## Protect and Grow

*The importance of cash*

PROTECTION



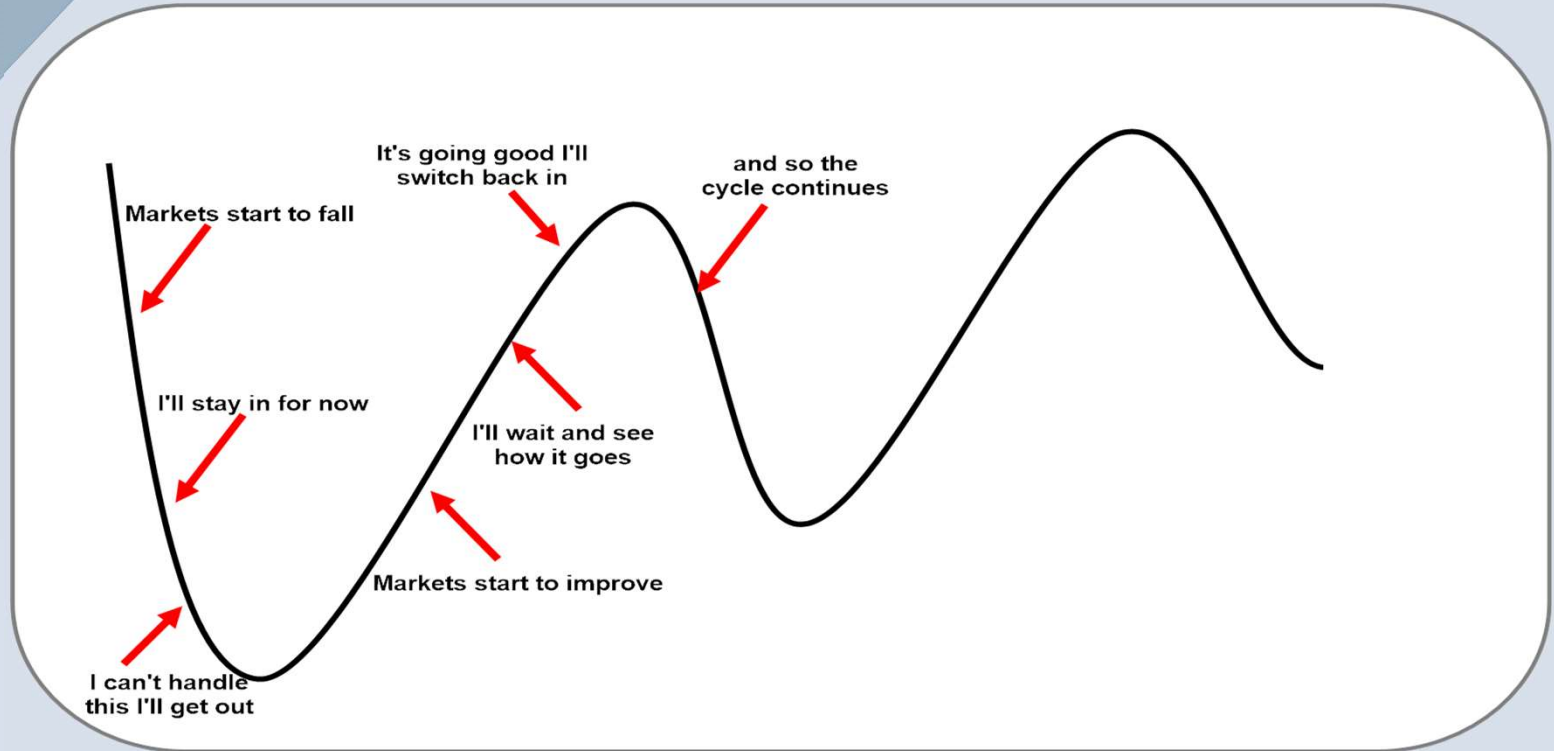
AMMUNITION



Conservative  
investors  
sleep well!

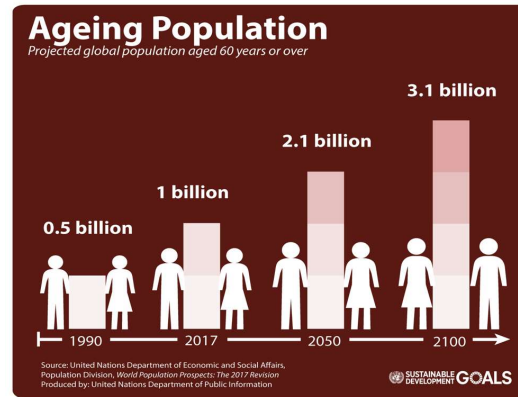
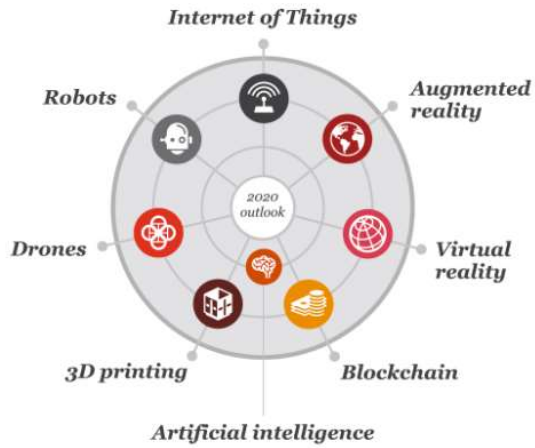
Growth is important. However, the return of  
capital is more important than return on capital!

## The Market Cycle – Emotional Intelligence



**Market Timing** - All investment markets will experience periods of negative returns. It can be difficult during these times to stay invested in the markets however by remaining invested ensures you will benefit from the positive performance when markets re-bound.

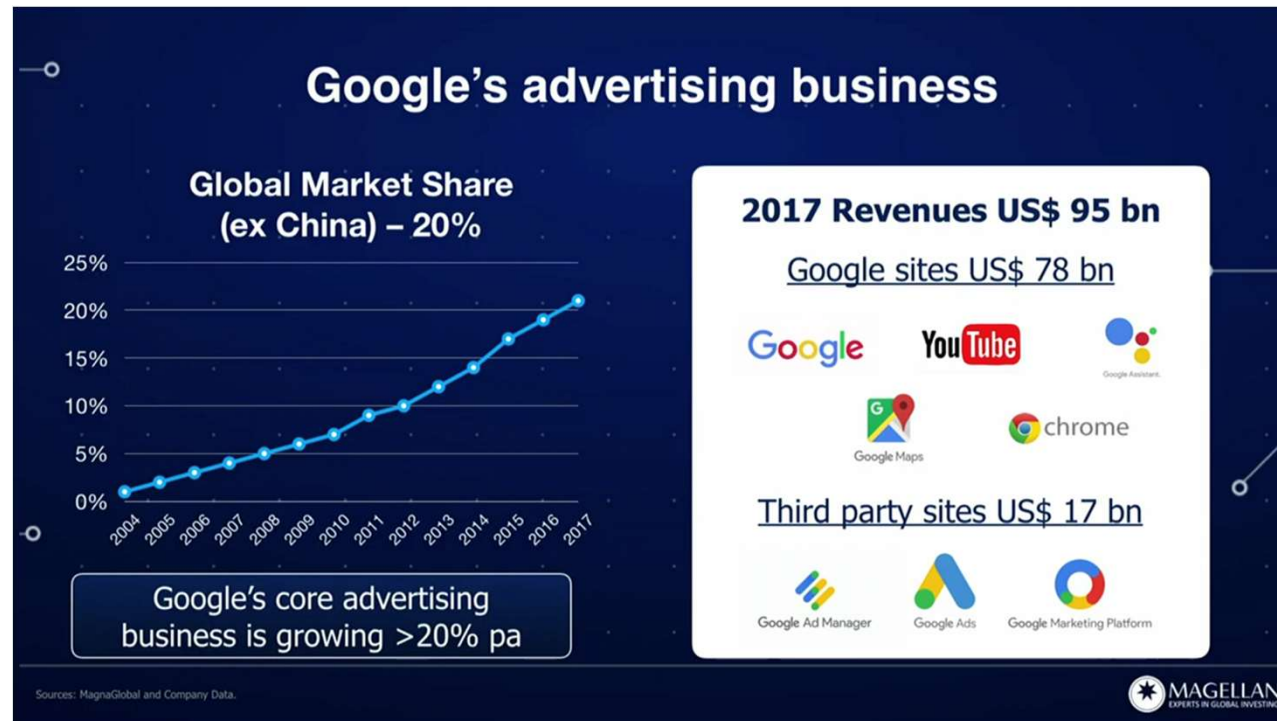
# Investment Themes





# Google

As traditional media businesses decline, Google is winning a significant share of growing online advertising revenues through its media platforms.



## Google

The google business model is maturing. In the interim, Youtube is set to generate significant revenue as advertisers move budgets to online media.

### Localised Advertising



ANDROID

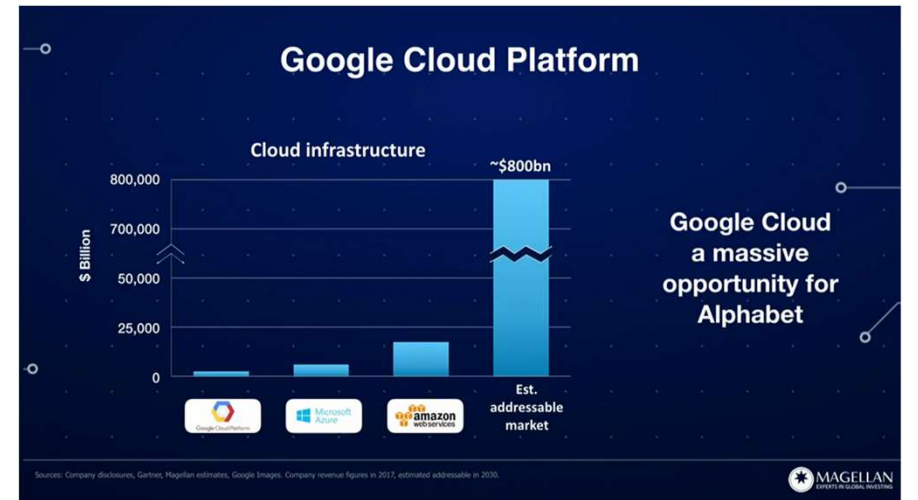
### Video Advertising



## Google Autonomous Cars & Cloud Platform

Waymo driverless vehicles have driven more 5 million autonomous miles in field trials around the US.

The market opportunity for cloud infrastructure services is enormous. Google's Cloud Platform offers a comprehensive suite of services, including big data and machine learning for developing businesses.

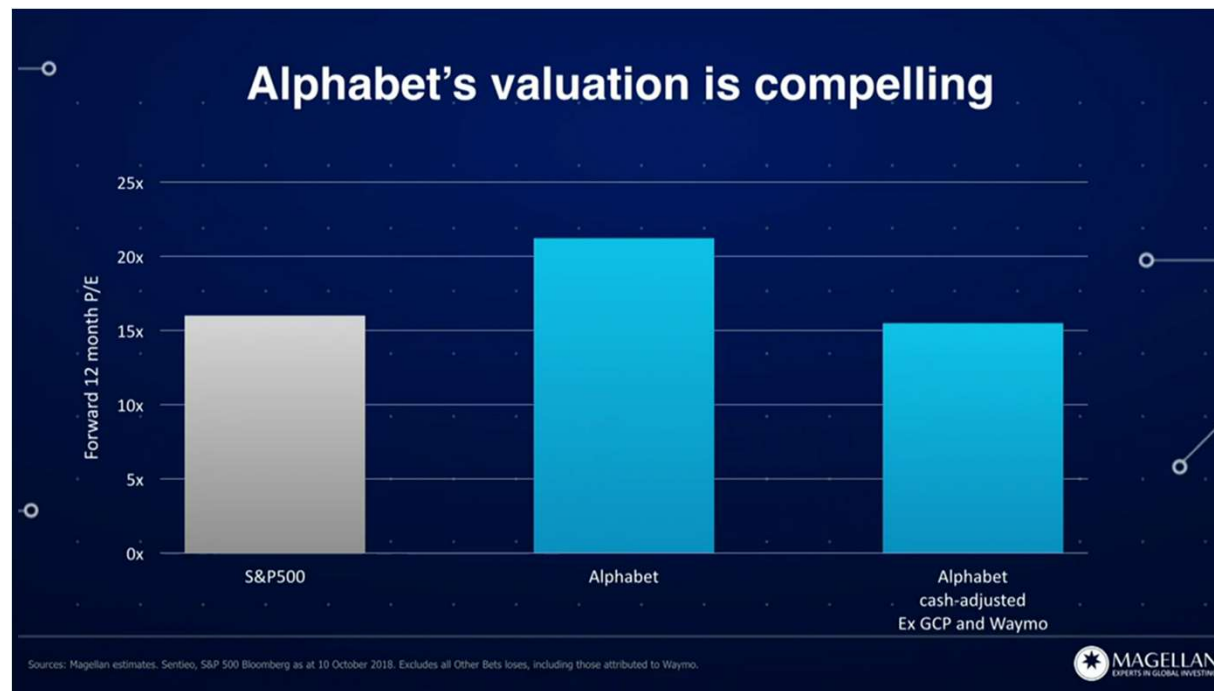


Introduction to Waymo driverless technology



## Google (Alphabet)

Alphabet Inc. was created through a corporate restructuring of Google on October 2, 2015, and became the parent company of Google and several former Google subsidiaries.

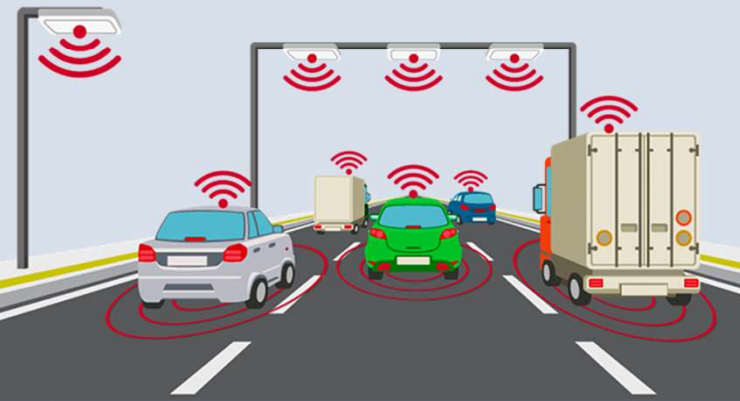


## Connected, Autonomous Vehicle Technology

UK Economic Impact of Connected and Autonomous Vehicles 2014-2030



Source: 2015 KPMG study commissioned by The Society of Motor Manufacturers and Traders

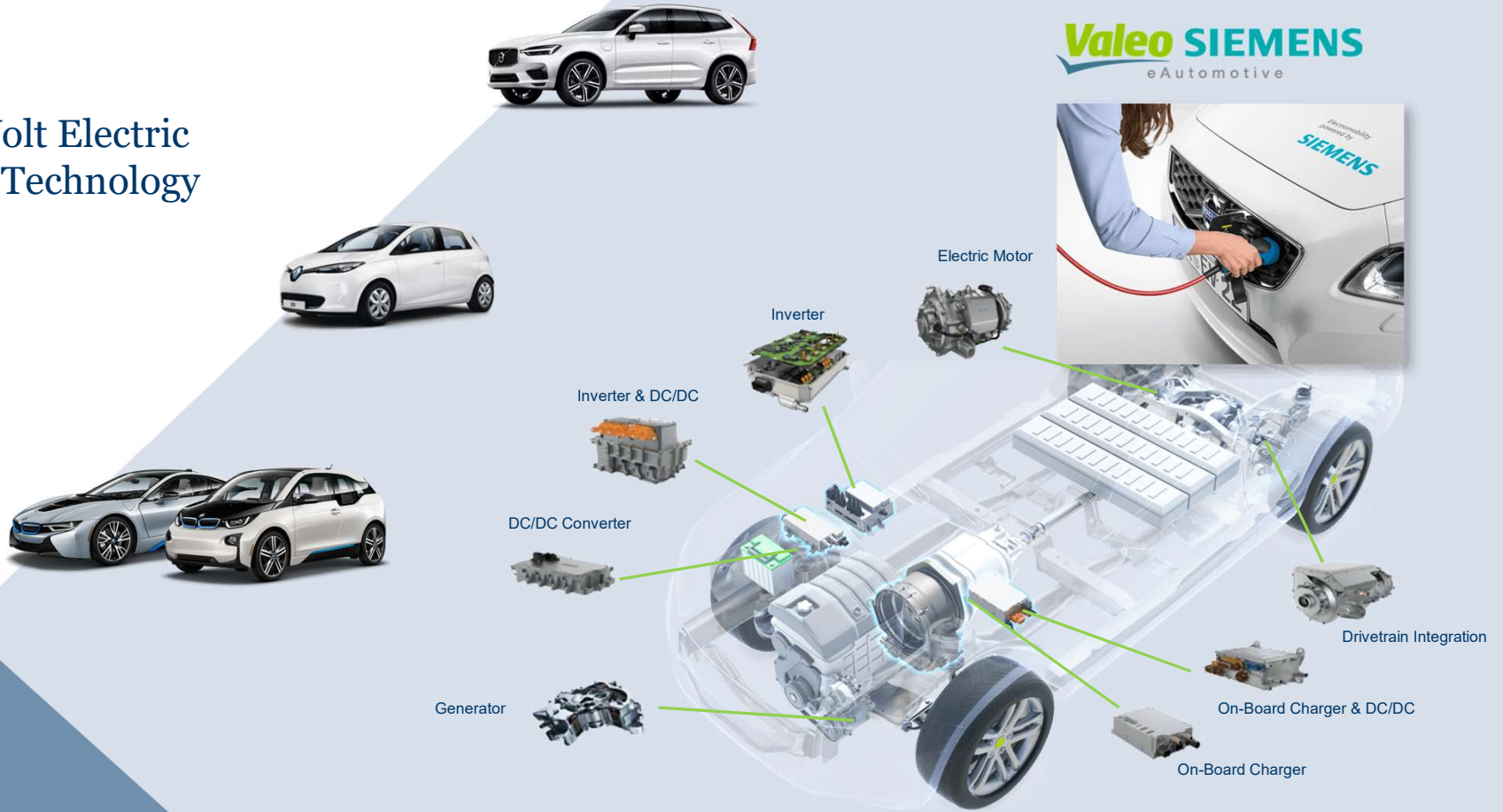


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## High Volt Electric Engine Technology



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## Robotic Diagnostic and Surgery Systems



This is here now!

**da Vinci** *Si* <sup>HD</sup>  
SURGICAL SYSTEM

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## Robotic Diagnostic and Surgery Systems



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### Da Vinci Surgery

- System cost \$1.8m
  - 30% of revenue
- Cost per surgery \$1850
  - 70% of revenue

### Efficiency Benefits

- Reduction of hospital days
  - 2 days at \$2,500 per day
- Reduction in complications
  - 8% at \$25,000 per complication
- Annual savings \$375,000

Source: Intuitive Surgical



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## Live for today



## Plan for tomorrow



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