

as seen in

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makeover or makeunder

with John Mlikota

Extra, extra; it's fashionable! Get yourself a makeover. Try celebrity hairstyles, learn about makeup and skin care products. Get the latest fashion trends and find the best deals on your favourite products and stores.

A makeover is a term applied to changing one's appearance, sometimes through cosmetics. Makeovers can range from something as simple as a new haircut, to the use of cosmetic surgery, to plastic surgery.

A makeunder is based on the opposite principle – removing artificial enhancements to a person's appearance to give a more natural look.

I have been thinking about non-super investments and portfolios as well as superannuation, and how I could 'make over' the portfolio to enhance returns. Let's start with the hairstyle – let's try some length and breadth before adding colour. I have chosen to seek out a licensed adviser who can validate the existing style or recommend a change. Just like going to a doctor for a check-up.

Cosmetics – Shall we continue to use the existing

investment wrap or reporting platform we have used or is there a better, more affordable, flexible alternative? Indeed, just as there are new shades of red lipstick, hair colour and hair removers proliferating the marketplace, there are portfolio administration and investment access solutions.

Enhancements – Yeah baby, let's get bigger. Recognising the opportunities in the prevailing market cycle is important. Buying more because the price is falling is a sure way to lose more. One needs to overlay trends with fundamental analysis and a macro economic outlook. You do not wish to be undergoing remedial surgery because your enhancements have collapsed.

New outfit – Do I look beautiful in this? Try before you buy. If you are not bold and do not embrace change, you will continue to follow the herd. Replacing a 'set and forget' investment strategy with dynamic asset allocation ensures that mistakes are not repeated. Selling this bank share and replacing it with another bank share or indeed any share may simply be dressing up the problem.

In reality, most investors neither have the tools nor the capacity to exploit market unpredictability. Nonetheless, by tapping into the expertise of those who can, (those with a proven track record in active asset allocation) you can enhance investment returns.

To make over your investment / superannuation solution, we would commence by stripping back the costs. Re-establish the goals and time frames, carefully research all available solutions, consider the risks and navigate the complex choices in an objective manner.

Choose and invest money in accordance with your own ideologies. Where you, the investor, comes first. Maybe it's more natural makeunder rather than an 'artificial' makeover we need? ■

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