



Quarterly Newsletter	Issue: 019	December 2006
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Another Year Older, Another Year Wiser

Can you believe that it's the end of yet another year? It's staggering to look back over the last 12 months and see what has taken place!

We've seen the great Socceroos making a large impact at the World Cup Finals and scoring their first ever goal in the tournament! They bound a nation together as they made the world sit up and take notice. Go the Socceroos!

New arrival back in July, Max Pinkerton, added to our local family and continues to enthrall those around him.

At the same time Fiducian Newcastle has grown steadily over the year with clients joining us at a consistent rate.

I know this is beginning to sound like an Oscars thank-you speech – but we'd never have done it without you and the confidence that you've shown in us by referring your friends, colleagues and family.

On the subject of the Oscars, I suspect that those who are attending our Christmas drinks this year may well have learnt from last year and have brushed up on the escapades of the current crop of Hollywood starlets for our trivia competition.

Updates

There's the familiar sound of leather on willow and we've seen the temperature hit 38 degrees one day and 17 the next. It can only mean one thing - the beginning of yet another Aussie Summer!

And what a summer it's turning out to be, the first Ashes Test has established Dad's Army as outright winners over the Barmy Army (at least in the first test).

Summer or winter, the outstanding work of Fiducian's Investment Management team continues unabated

*Like what we do? Refer a friend.
Fiducian Financial Services*

as they guide the stable of Fiducian Funds to further accolades.



In September the Fiducian Growth Fund was rewarded with a powerful trifecta - being ranked the No.1 Growth fund over 3 years, 5 years and 6 years to the end of September 2006, according to the latest Mercer Investment Consulting survey.

Not to forget the other Fiducian Funds which also showed strong form performing strongly against their respective benchmarks and with the Australian Smaller Company Share Fund outperforming its benchmark over 7 years by a full 7.6% p.a.

Christmas Holiday Closure Times

Over the Christmas period our offices will be closed from
5pm - Friday 22nd December
until
9am - Monday 8th January.

As always if there is any urgent matter both Shane and Murdo can be contacted on their mobile phones

Shane – 0421 026 853
Murdo – 0410 645 742

New Office

As yet we've only had three clients turn up at the wrong office (*you know who you are*) but just in case, and to make

things a little easier for those coming into the new offices for the first time, we've included a map over the page which shows the location of **our new offices at 38 James Street, Hamilton.**

There's a recent snap (below) of the newly painted exterior of the building showing the Fiducian sign on the westerly wall.



Telstra -T3

It was a long time coming and there were a great many doubts surrounding the Government's final sell down of its shareholding in Telstra. Not the least of which was the bitter wrangling that continued between Telstra management and the Federal communications minister.

Still, when the T3 instalment receipts finally went to market they proved an unexpectedly popular offering. Certainly more popular than the government had anticipated, encouraging them to increase the number of shares offered in T3. Doubtless this will make Nick Minchin's Christmas a more relaxed event. The same cannot necessarily be said for Sol Trujillo who still has to try and guide this telecommunications giant through some pretty troubled waters before he can hang up his Christmas stocking.

Comment on our Service...

Can we improve our service? Let us know.

Telstra Bonus

While on the subject of Telstra there's a well-kept secret buried within their website about a discount of up to \$147 a year which Telstra provides to Pensioners using Telstra services, depending on the usage and plan that they're on.

For those with a Pensioner Concession Card and clocking up just \$9.00 per month of calls you can get:

- up to \$12.25 incl GST per month off your rental costs;
- free access to Call Control - a service that allows you to control access over certain call types; and
- a discount on new telephone service connection fees.

If you use Telstra and want more information on this lucrative little bonus, check out the Telstra website at:

www.telstra.com.au/accessforeveryone/pensioner_discount.htm

However should you currently use a different provider – maybe you should be asking them to match this!

So What Will 2007 Hold?

Well with an election around the corner would we be too cynical in suggesting there could be more than a few promises to be made on both sides of politics in '07?

It's time though to put on the x-ray



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specs and peer deep into the economic crystal ball.

To date the global economy has been strongly driven by that engine of economic demand, the United States. Recently though, US consumers seem to at last be tightening their belts following 2 years of interest rate hikes by the Federal Reserve. Economists believe that this belt-tightening could slow global growth over the coming months. However, offsetting this to some extent is economist's belief that, now the inflation genie is back in its bottle, there may even be a reversal in US interest rate movements.

For Australia though the omens aren't so good and another rise in interest rates could still be on the cards.

On equity markets, both globally and locally, prices appear to be at what seems fair value based on their relatively low historic price-to-earnings ratios (PER's).

Simply put - there is the potential for solid equity market appreciation over the coming year.

However, given the numerous variables involved and the increasingly complex interactions that exist within global markets we're just glad that we've got Conrad Burge and Dr Wai Chen's steady hands on the tiller at Fiducian.

Parking!

With our new location in Hamilton, we no longer need to tell you where to park,

since there's usually plenty of on-street parking in James Street and the other streets around the office.

These generally have 2-hour limits on parking, but are as yet un-metered (although the parking patrols can be ruthlessly efficient).



Thanks to Diane Schofield for this great picture.

Wishing you all the very best for the Festive Season!

Kindest Regards

Shane Pinkerton & Murdo Macleod

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Receiving Our Newsletter

If you would like to receive this newsletter electronically, please let us know by sending an e-mail request to one of the following:

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