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Advisers Association

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SIAA EDITORIAL GUIDELINES



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The SIAA Editorial Committee is responsible for administering this guideline which applies to all SIAA publications including *SIAA Monthly* and *SIAA Newsroom*.

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As the professional body for the stockbroking and investment advice industry in Australia, our readers are Market Participants and those who work in Advisory firms that provide securities and investment advice, execution services and equity capital-raising for Australian investors, both retail and wholesale, and for businesses.

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ARTICLES

- Articles should be a minimum of 600 words and a maximum of 1200 words, or as agreed with SIAA. Although not essential, if appropriate we encourage the inclusion of a chart or graph to support the article. Ideally, charts, graphs and images are to be supplied as separate files.
- Ideally articles must be original and must not have been published previously or be under consideration by another publication. However, with prior agreement, previously published or previously published and updated articles will be accepted for the SIAA Newsroom.
- The article is to be attributed to an author with the byline to include the name, title and company.
- Articles submitted must be the final copy, fully edited and proofed for grammar and concept and provided in word format.
- Advertorial, commercial or promotional articles will not be accepted. While we appreciate articles on new ideas and investment opportunities, our readers wish to be educated, not sold.
- We will publish articles by our sponsors, which may feature information about their products or investment opportunities. In such cases, the article will always be published as a 'Sponsored article', so that our readers are fully informed.
- We will apply house style to the articles and will edit them to correct spelling, typographic and grammatical errors. We will contact you should more substantive editing be required.

SUPER SHIPMENTS

Change is a constant, but not always good



Elephants are known for their strength and intelligence, but they are also known for their stubbornness. In a world where change is constant, it's not always good to be stubborn. Sometimes, it's better to adapt and move with the times. This is the lesson that the elephants in the story learn. They are faced with a new challenge and must decide whether to stick to their old ways or embrace change. In the end, they choose to adapt and thrive.

Find out how we're leveraging innovation that delivers efficiency and value for you and your clients



Empowering Retailer Financial Futures, Together

Is a self-managed super fund right for all clients?

By Alan Hooper, CEO, AMS Super

The ever-increasing focus on the client's best interest raises an important question: is a self-managed super fund (SMSF) the right option for the client?

According to the Australian Tax Office (ATO), nearly 600,000 SMSFs in Australia held \$622 billion in assets as at June 2021. Which accounts for approximately 25% of the \$2.5 trillion superannuation industry.

SMSFs are clearly popular because they offer greater control and investment flexibility than the traditional retail super platform or wrap offerings. However, this flexibility comes with additional responsibilities and challenges, including:

- maintaining trustee obligations
- complying with regulations
- increasing the time spent managing the fund
- potential trustee liabilities

SMSF trustee obligations

As an SMSF trustee, the client is ultimately responsible for running the SMSF and they must understand their duties, responsibilities, and obligations. If they fail to perform these responsibilities under the law, they may face penalties or prosecution.

Some of the rules an SMSF trustee needs to follow include:

- Act honestly in all matters concerning the fund
- Exercise care and diligence in managing the fund
- Act in the best interest of all members at all times
- Keep the money and assets of the fund separate from other money and assets

FOUR FACTORS DRIVING THE NEXT COMMODITIES SUPERCYCLE

Commodities, lower investment, increasing mining complexity and new demand drivers will support higher commodity prices for longer.

The commodities cycle has entered its final phase, with prices for most commodities expected to rise significantly over the next 12-18 months. This is driven by four key factors:

- 1. Reduced capital expenditure** - Over the past decade, capital expenditure in the commodities sector has been significantly reduced, leading to a shortage of new supply.
- 2. Increased demand** - Growing demand for commodities, particularly in emerging markets, is driving prices up.
- 3. Rising complexity** - Increasing complexity in mining operations, particularly in deep-sea and underground mining, is driving costs up.
- 4. Geopolitical risk** - Geopolitical tensions and trade wars are creating uncertainty and driving prices up.

Chart 1: S&P 500 Index of Commodity Prices (2000-2020)

Chart 2: The volatility of mining, a factor in exploration compared to the last time mining was up

Benefits of holding gold in Australian dollars

By Andrew Oliver, Managing Lead Product & Investment Research, The Trade Desk

Gold prices have risen to more than US\$1,400 per troy ounce (oz) in early March as the conflict in the Ukraine, heightened inflationary concerns, and strong economic growth continue to support demand for the precious metal.

There is a strong case for holding gold in Australian dollars (AUD) as a hedge against inflation and currency risk. The AUD is a floating exchange rate, which means its value can fluctuate significantly against other currencies. Holding gold in AUD can help protect the value of the investment from currency fluctuations.

Performance wise, the precious metal (gold) in US dollars has now outperformed US equities by approximately 10% since the start of the year (to date 15 March 2022). This has been true for the last 10 years.

US dollar gold price and the S&P 500 price index (1980-2022)

Chart 1: AUD gold price vs S&P price index



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