



CONTACT

tmbank.com.au

Welcome to the Term 1 edition of Contact

Welcome back to Term 1, 2015. I hope you had an enjoyable, relaxing break and are looking forward to an interesting and productive year ahead.

Teachers Mutual Bank is dedicated to putting teachers at the heart of everything we do. We create opportunities for teachers and the education sector to flourish. This is demonstrated via our investment back into the teaching sector via collaboration with a wide range of education sector partners. We provide financial support through sponsorships, partnerships, grants, scholarships, donations and charities. We measure our total community investment using the London Benchmarking Group (LBG) framework.

In 2014, we invested 4.1% of pre-tax profits into the education sector, 12 times the average of the LBG¹ financial services sector.

Through our partnership with the Public Education Foundation, Teachers Mutual Bank is proud to offer again in 2015 a 'Harvard Club of Australia Teachers Mutual Bank Scholarship' worth **\$10,000**. The scholarship will give one principal from a government primary or secondary school in Australia the opportunity to undertake a professional education program at the Harvard Graduate School of Education in the USA. Applications opened 7 October 2014 and close 27 February 2015. Please visit tmbank.com.au/Harvard for further details, as

well as for a video from 2014 recipient John Goh discussing how the Scholarship has benefited him.

Our Teachers Environment Fund provides teachers with the opportunity to promote and implement environmental awareness and practices through learning experiences. Round one of the Teachers Environment Fund is open for new applications from 26 January 2015. We encourage you to visit tmbank.com.au/TEF to read about how your school can benefit from this grant, as well as a list of frequently asked questions to assist you with your application.

If I can be of any assistance, please do not hesitate to contact me on **9421 8701**,

or contact your Business Relationship Manager Jazmin Hinkley on **0467 805 673** or jhinkley@tmbank.com.au. We look forward to working closely with you throughout 2015.

Best wishes,

Carolyn Murphy



Carolyn Murphy
WA Regional Manager

Introduce your kids to good money habits



Our **Tiny Monsters Bank**[^] teaches children up to 12 years of age tips about money and helps them develop good savings habits. It's full of fun characters, practical ideas and stuff your kids will love to do. All while they learn.

Find out more tinymonstersbank.com.au

[^]Brought to you by Teachers Mutual Bank.

 **Tiny Monsters Bank**
Brought to you by Teachers Mutual Bank

The basics of investing in shares

For all Australians' love of bricks and mortar, solid Australian equities consistently deliver the best long-term performance, yet investing in shares remains a mystery for many – a mystery that occasionally burns novices when they try to find out more.



Janine, member since 2008

Learn more about shares and improve your financial literacy. Visit moneysmart.gov.au

The first thing to understand about investing in the stock market is the difference between investing and punting. Punters buy shares like picking horses at the race track – looking for an instant big win instead of steady appreciation. A minority of punters with a great deal of skill and experience can win – but there tends to be plenty of pain and losses in gaining that experience.

Investors don't try to pick stocks that might suddenly make them rich. They're not concerned about the daily noise of prices rising and falling, but concentrate instead on the longer-term nature of good companies that make profits and pay dividends. They're also realistic about the sort of returns they should expect over time and don't get spooked by the likelihood that any decent portfolio will end up containing the odd dog.

Successful investing is a steady process of learning as well. There is plenty of free advice available online and several good books that can help, but try to steer clear of any expensive trading or investing seminars. As a rule of thumb, the more expensive the 'training', the less useful it's likely to be. And don't be sucked into the foreign exchange trading game.

Depending on how keen an individual might be about becoming involved in stock selection and how quickly they can learn, a good way to start is by gaining exposure to a ready-made portfolio. Take a look at some of the 'old school' listed investment companies (LICs), such as Milton, Argo, DUI, Brickworks and AFIC. They tend to invest conservatively with a bias towards solid, dividend-paying stocks and their management expense is extremely low – much lower than the average managed investment fund. There are some 'new school' LICs that charge more like managed funds and generally

work better for the management team than the shareholders.

The other low-cost entry point is via index funds that mimic the main stock market indices. They certainly have their uses, but the better LICs tend to outperform the index over time by avoiding some of the more obvious dogs that are included in the index.

“Investors don't try to pick stocks that might suddenly make them rich.”

By studying the LICs' annual reports and the breakdown of their portfolios (either sent to you as a shareholder or readily available on their own websites or the ASX website), a cautious investor can build up a feeling for the way the LIC management go about the business. With a little effort put into researching individual companies, it's a small step to add to your own portfolio when you find a company you feel particularly confident about.

There is a vast amount of advice around about how to invest. It's up to the individual to work out what makes best sense for them, but all of it should be aimed at becoming more financially secure gradually – not getting rich quick.

If your finances allow it, reinvesting dividends brings the 'magic' of compound interest to work for you, making the wealth building less gradual.

Concentrating on a growing dividend stream instead of share price gyrations should also help you to sleep more soundly. And with the generous franking credits available to Australian investors (effectively refunding to shareholders the tax already paid by the company), it tends to be a rewarding sleep.



Bring your school's eco project to life

**Applications
are now open!**

Apply for a grant of up to \$2,000 for your school and bring a great eco project to life? Go to tmbank.com.au/TEF or call 13 12 21.

Our Teachers Environment Fund was launched in March 2008 to assist schools and TAFEs/CITs to enhance their sustainability. We offer grants of up to \$2,000 bi-annually to help with environmental projects. Since the program launched in 2008, we've provided grants of \$370,000 to 141 schools – assisting a total of 780 teachers and 87,000 students.

Frequently Asked Questions

What are the eligibility criteria?

All criteria can be found in the application form. We would like to fund projects which can demonstrate:

- long-term viability
- a link to broader environmental education strategy
- school and wider community support
- a maximum expenditure of \$2,000 (we encourage smaller grants for minor projects as well)
- enthusiasm to showcase and communicate your project to other schools via newsletters, websites, etc.

How will Teachers Mutual Bank assess my application?

We assess applications based on the following:

- Meeting the eligibility criteria and terms and conditions
- Geographical spread of applicants
- Passion for teaching sustainability
- Merit, equity and need

What activities do you support?

There is no definitive list, but typical projects in sustainable education programs include:

- Water and energy savings
- Habitat conservation, biodiversity, tree planting
- Chicken coops, worm farms
- Outdoor learning areas
- Waste, recycling and composting projects
- Aboriginal cultural projects
- Vegetable and kitchen gardens, organic produce

We prefer not to fund straight capital works projects, such as fencing, building materials, footpaths or grounds maintenance. We also no longer fund water tanks as nearly all schools have one.

“We believe that teaching sustainability is as important as practising it. The more our next generation know how to look after the world now, the more we can all look forward to later. Through this program, we are helping teachers bring their sustainability projects to life.”

Steve James

Teachers Mutual Bank CEO

Connect with educators online

Are you a new educator needing support with professional and industrial issues?

The New Educator Network WA, developed by the union to assist you with training, gives you access to free resources like TOPS and will help ease your workload through collaboration. The group is on Facebook, so if you're studying teaching or in your first five years of teaching and a member of the State School Teachers' Union of WA, you are able to join.

Simply go to [facebook.com/groups/NewEducatorNetworkWA](https://www.facebook.com/groups/NewEducatorNetworkWA), apply to join and start chatting with your peers.



WA Education Awards 2014

Congratulations to **WA College of Agriculture – Cunderdin campus** for winning 2014 WA Secondary School of the Year.

Located in 160km east of Perth, the College is a Registered Training Organisation delivering a range of AQTF qualifications, with the campus including a piggery, trade training centre and a design and technology workshop and classroom.

Judges were impressed with the focus on establishing VET/ATAR pathways and the idea of school as a 'workplace' preparing students for real employment opportunities. Also evident was the dedication of staff, committed to helping students achieve their personal best and realise their educational/career goals.

For the full list of awards, finalists and winners, please visit:

www.education.wa.edu.au



Above: Principal Bernard Beatty and Steve James, CEO, Teachers Mutual Bank

Seeking Retirement Advice³

Did you know that research by the Financial Services Council shows people who received financial advice were almost \$100,000 better off at retirement[#]? And that almost half of retirees regret not saving more for retirement?^{*}

So, isn't it time that you put a plan in place? What is financial advice?

Financial advice is all about making the most of your money, whatever your stage in life. Everyone is different and has different needs, goals and objectives. So there is no 'one size fits all' solution. As with any important decision in life, it pays to seek advice from a qualified professional. While many people are aware that they need professional advice, it's hard to know where to start.

The quest isn't simply to find a planner, but to find one you feel you can trust. One who will provide you with advice that meets your needs and who can continue to offer advice and service long after an initial investment has been made.

[#] Financial Services Council research 'KPMG Econtech Value of Financial Advice_Final Report - January 2011' (fsc.org.au) shows that with a financial advisor, a 30-year old would save an additional \$91,000, a 45-year old would save an additional \$80,000 and a 60-year old would save \$29,000 more than those without a financial planner. ^{*}Investment Trends 2010 report, investmenttrends.com.au



To find out more, call **Todd Campbell** today on **08 9221 7566** and make an appointment. The initial consultation is complimentary and obligation-free.

Financial advice makes a difference

We have an established alliance with Bridges to provide financial advice to our members. For over 25 years, Bridges has been helping Australians save for their retirement. A Bridges financial planner will develop a plan specifically for you; one that's tailored to your needs and circumstances, to help you achieve your goals, both in the lead up to retirement and during retirement.

They can help you to:

1. Understand how much you'll need to live comfortably
2. Match your investment strategy to your plans
3. Make the most of your superannuation
4. Determine whether a transition to retirement strategy is right for you
5. Get retirement ready!



Things you should know

If you work in the Australian education sector or you are a family member or partner of a TMB member – you may join TMB. Information contained within the articles of this edition of Contact newsletter is of a general nature only and should not be construed as providing advice on any of the topics discussed. Your needs and financial circumstances have not been taken into account. Some articles published in this issue of Contact are sourced from an independent writer. Please consult with your financial and/or tax advisor(s) before making decisions about acquiring Teachers Mutual Bank products or services. For further information call 13 12 21 or go to tmbank.com.au **1.** LBG (lbg-australia.com) is the internationally recognised standard for measuring and evaluating a corporation's community investment. **2.** Applications are open to any public school, TAFE or CIT in Australia. The teacher who is leading the project and applying for the fund must be a member of Teachers Mutual Bank. Full terms and conditions available at tmbank.com.au/TEF **3.** Bridges Financial Services Pty Limited (Bridges). ABN 60 003 474 977. ASX Participant. AFSL Number 240837 Part of the IOOF Group. In referring members to Bridges, Teachers Mutual Bank Limited does not accept responsibility for any act or omission or advice provided by Bridges and its authorised representatives. This is general advice only and does not take into account your individual situation, needs or circumstances. You should assess your own financial situation, or seek professional advice before making any financial decision based on this advice. If we refer you to Bridges for financial advice we may receive a referral fee ranging from 0-30% of any entry fee and/or any ongoing fee paid by you to Bridges. Teachers Mutual Bank ABN 30 087 650 459 AFSL/Australian Credit Licence 238981 | 004785-MAR-0215-WA-JH