



CONTACT

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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 education 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.

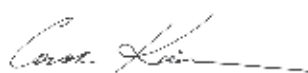
Through our partnership with the Public Education Foundation, Teachers Mutual Bank is proud to offer again in 2015 a 'Harvard Club of Australia Teachers Mutual Bank Scholarship' worth **\$10,000**. The scholarship will give one principal from a government primary or secondary school in Australia the 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. I look forward to working closely with you throughout 2015.

Best wishes,



Conor Kiernan



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Introduce your kids to good money habits



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Find out more tinymonstersbank.com.au

[^]Brought to you by Teachers Mutual Bank.

 **Tiny Monsters Bank**
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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

**Think Principals
deserve world-class
education
opportunities?**

The feeling's mutual



Through our partnership with the Public Education Foundation, we are offering one school Principal a 'Harvard Club of Australia Teachers Mutual Bank Scholarship' worth \$10,000.

The scholarship will give a Principal from a government primary or secondary school in Australia the opportunity to undertake a short professional education program at the Harvard Graduate School of Education in the USA. Applications close 27 February 2015.

For more information or to apply³ visit
tmbank.com.au/Harvard

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 **Teachers
Mutual Bank**
We put you first

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 (lbgi-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.** Eligibility criteria applies. Full terms and conditions available at tmbank.com.au/Harvard **4.** Fees and charges and lending criteria apply. Consumer Lending terms and conditions available online or from our offices. **5.** Redraw is subject to application and registration. Teachers Mutual Bank ABN 30 087 650 459 AFSL/Australian Credit Licence 238981 | 004785-MAR-0215-NT

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