

Portfolio Details 2016-17

Updated to 30 June 2017

The stocks shown in this document may not be a suitable investment for you at this or any other time. They are there to suit my investment plan and are only shown as part of my ongoing reporting of my returns and teaching of investing skills using my portfolio as an example.

Readers need to assess the relevance of anything in this document to their investment plan, seeking advice from a licensed adviser if they are not able to make such an assessment for themselves.

No stock holding or level of market exposure shown in this document is either intended or implied as a recommendation for anyone to invest. It is simply a factual record of my portfolio, which is provided because I believe that anyone teaching investing should disclose their investment performance.

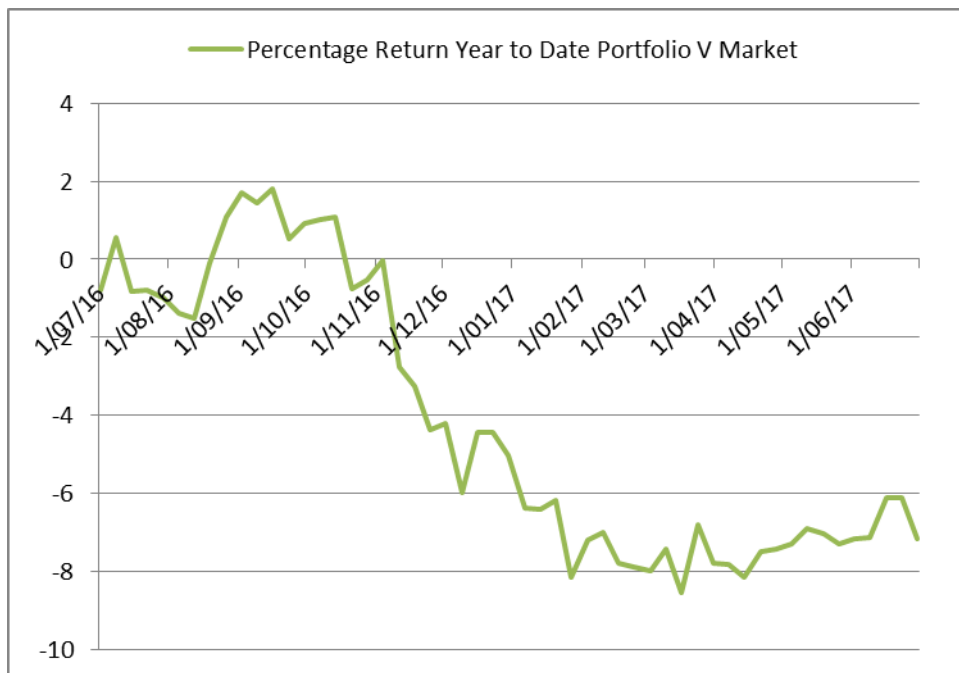
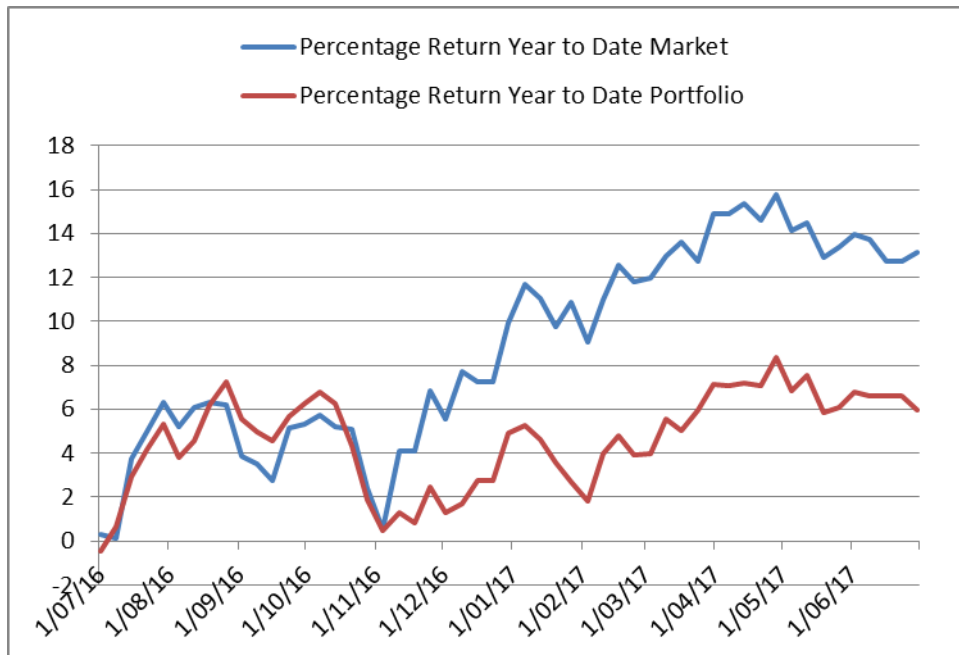
Current Portfolio Summary Rosncol SMSF															
S&P/ASX All Ordinaries:															
Total Return Index 30.06.16	48,530,361						Holdings Marked to Market	2,362,649		95.8 %					
Total Return Index now	54,897,112						Cash Reserve	104,513		4.2 %					
Total Return Index YTD %	13.12						Total Capital (K)	2,467,162		100.0 %					
Target average annual return %	12.50						Net Capital Gain/Loss	45,308							
Portfolio Total Return YTD %	5.95						Dividends & Trust Dist	72,380	Total KaR	459,332					
Portfolio vs Market YTD %	-7.17						Interest	4,743	%K	18.62					
Updated to	30/06/17						Franking Credits	21,887	Comfort level	<20%					
							Bank and broking fees	-120							
							Total Return	144,197							
							TWAC	2,424,881							
SHARE	ASX Code	No of Shares	Avg. Cost	Total Cost	%K Inv	Latest Price	Market Value	%K Now	Unrealised Capital Gain	Dividends	Franking Credits	Total Return	Tot Ret % Cost	Hard Stop	Capital at Risk
Adelaide Brighton	ABC	33,070	4.59	151,905	6	5.63	185,998	7.54	34,093	18,189	7,795	60,076	39.5	3.91	56,824
AGL Energy	AGL	7,920	18.46	146,191	6	25.50	201,758	8.18	55,567	6,098	2,335	64,001	43.8	17.55	62,901
Amcor	AMC	13,800	10.07	138,987	6	16.21	223,474	9.06	84,487	25,254		109,741	79.0	11.87	59,832
Data#3	DTL	30,200	1.71	51,542	2	1.725	52,043	2.11	500			500	1.0	1.35	11,314
DuluxGroup	DLX	25,500	5.58	142,395	6	6.94	176,793	7.17	34,398	18,714	8,020	61,133	42.9	5.64	33,117
Orora	ORA	76,260	1.87	142,854	6	2.86	217,885	8.83	75,032	16,562	1711	93,305	65.3	2.48	28,950
Pact Group Holdings	PGH	25,120	5.95	149,417	6	5.99	150,318	6.09	902	4,780	1,331	7,013	4.7	5.70	7,278
Ramsay Health Care	RHC	2,900	19.68	57,071	3	73.60	213,227	8.64	156,156	13,326	5,705	175,186	307.0	54.77	54,552
Sonic Healthcare	SHL	8,100	16.48	133,455	6	24.22	195,986	7.94	62,531	19,875	3,560	85,966	64.4	16.49	62,550
Wesfarmers	WES	3,697	43.12	159,431	6	40.12	148,175	6.01	-11,256	23,517	10,079	22,340	14.0	36.02	15,143
Woolworths	WOW	5,740	26.78	153,716	6	25.54	146,453	5.94	-7,263			-7,263	-4.7	21.78	21,561
Argo Investments	ARG	19,700	7.63	150,264	NA	7.67	150,948	6.12	684			684	0.5	6.96	13,973
Aust Foundation Investment Co	AFI	26,000	5.77	149,910	NA	5.81	150,909	6.12	999			999	0.7	5.20	15,844
Milton Corporation	MLT	33,000	4.55	150,300	NA	4.51	148,681	6.03	-1,619			-1,619	-1.1	4.04	15,494
Totals		311,007		1,877,438			2,362,649		485,211	146,314	40,537	672,062	35.8	KaR	459,332
							less Capital gain carried forward from previous year		516,598					%K	18.62
							Current year capital gain/loss		-31,387						

I recognise dividends and franking credits on the ex-dividend date, which better aligns my return with the Total Return index (although it only notionally reinvests dividends).

Please Note

My Excel workbook is not a commercial product, but I have created it to reflect my specific needs and modify it as and when necessary. I have in the past given it to a few members, but in some cases it led to considerable grief for me. Please do not ask for it.

Portfolio return year to date benchmarked against the market (ASX All Ordinaries Total Return index):



These graphs are updated at the end of each week, not the end of each month.

Note that although I benchmark my return through the year against the index to see how my portfolio is performing against the total market, **the index is not my target return** in my investment plan. **My target return** is 12.5% cumulatively.

Current Holdings					
Company	ASX Code	Date	Conf. Note No	No of Shares	Purchase Cost
Adelaide Brighton	ABC	13/04/15	3660383	11,330	52,043.71
Adelaide Brighton	ABC	15/07/15	3779368	10,870	49,930.72
Adelaide Brighton	ABC	15/07/15	3779452	10,870	49,930.72
AGL Energy	AGL	20/04/16	4154012	7,920	146,190.85
Amcor (Purch cost adj for demerger)	AMC	19/08/13	3055708	4,100	39,302.91
Amcor (Purch cost adj for demerger)	AMC	18/11/13	3150214	4,000	39,984.77
Amcor	AMC	18/12/13	3178033	3,900	40,600.56
Amcor	AMC	3/01/14	3187380	1,800	19,099.09
Argo Investments	ARG	20/06/17	4876891	19,700	150,264.12
Australian Foundation Investment Company	AFI	20/06/17	4876812	26,000	149,909.77
Data#3	DTL	19/04/17	4780200	30,200	51,542.49
DuluxGroup	DLX	3/01/14	3188138	8,640	46,183.73
DuluxGroup	DLX	12/11/14	3494599	8,620	48,135.68
DuluxGroup	DLX	20/11/14	3501298	8,240	48,075.23
Milton Corporation	MLT	20/06/17	4876829	33,000	150,300.15
Orora	ORA	19/08/13	Demerger	4,100	4,611.17
Orora	ORA	18/11/13	Demerger	4,000	4,690.95
Orora	ORA	28/01/14	3207499	26,170	34,055.02
Orora	ORA	31/07/15	3800811	21,940	50,938.98
Orora	ORA	6/10/15	3887056	20,050	48,557.39
Pact Group Holdings	PGH	1/06/16	4225625	151	849.05
Pact Group Holdings	PGH	2/06/16	4228120	5,199	28,873.14
Pact Group Holdings	PGH	3/06/16	4230510	3,580	19,888.88
Pact Group Holdings	PGH	24/06/16	4260998	8,280	48,735.09
Pact Group Holdings	PGH	26/09/16	4423430	7,910	51,070.52
Ramsay Health Care	RHC	9/11/11	2527295	2,900	57,071.02
Sonic Healthcare	SHL	27/08/13	3065368	2,700	42,810.77
Sonic Healthcare	SHL	20/11/13	3153758	2,700	43,709.68
Sonic Healthcare	SHL	27/03/14	3272416	2,700	46,934.18
Wesfarmers (adj for Cap Rets & Cap Mgt)	WES	8/11/13	3142932	971	42,292.49
Wesfarmers (adj for Cap Ret & Cap Mgt)	WES	18/11/13	3150304	995	43,703.34
Wesfarmers (adj for Cap Ret & Cap Mgt)	WES	9/05/14	3309731	1,071	45,978.57
Wesfarmers	WES	16/07/15	3781922	660	27,456.78
Woolworths	WOW	3/03/17	4698263	1,950	49,481.93
Woolworths	WOW	2/05/17	4798452	1,890	52,026.98
Woolworths	WOW	2/05/17	4798594	1,900	52,207.15
Totals for Current Holdings				311,007	1,877,438

Sales									
Company	ASX Code	Purchases				Sales			Result Capital Gain/Loss
		Date	Conf. Note No	No of Shares	Purchase Cost	Date	Conf. Note No	Sale Value	
Automotive Holdings Group (was AHE)	AHG	27/03/15	3645195	12,350	52,020.33	21/11/16	4528062	46,234.41	-5,785.92
Automotive Holdings Group	AHG	15/05/15	3705704	11,340	50,727.82	21/11/16	4528062	42,453.30	-8,274.52
Automotive Holdings Group	AHG	15/07/15	3779314	11,740	49,932.42	21/11/16	4528062	43,950.77	-5,981.65
Brambles (Purch cost adj for demerger)	BXB	19/08/13	3055617	4,700	39,519.88	20/02/17	4672491	45,248.38	5,728.51
Brambles (Purch cost adj for demerger)	BXB	29/10/13	3130177	4,600	40,227.87	20/02/17	4672491	44,285.65	4,057.79
Brambles	BXB	3/01/14	3187458	6,000	54,774.73	20/02/17	4672491	57,763.89	2,989.16
Nick Scali	NCK	8/11/13	3143006	7,200	22,235.21	28/06/17	4888474	41,070.89	18,835.68
Nick Scali	NCK	13/08/15	3817907	6,870	24,750.55	28/06/17	4888474	39,188.47	14,437.92
Retail Food Group	RFG	18/04/16	4149409	8,660	48,544.50	28/02/17	4690979	48,101.45	-443.05
Retail Food Group	RFG	29/08/16	4378763	8,050	52,780.22	28/02/17	4690979	44,713.24	-8,066.98
Retail Food Group	RFG	15/09/16	4409003	835	5,689.00	28/02/17	4690979	4,637.96	-1,051.04
Retail Food Group	RFG	20/10/16	4468321	6,665	45,362.00	28/02/17	4690979	37,020.34	-8,341.66
TPG Telecom	TPM	20/12/13	3180271	9,100	44,543.50	20/09/16	4414564	87,727.19	43,183.69
Vita Group	VTG	9/03/16	4098274	16,680	50,244.45	26/08/16	4376421	75,651.48	25,407.03
Totals for Sold Holdings					581,352.47			658,047.42	76,694.95

Dividends									
Company	ASX Code	No Shares	Div Amt \$	Frk %	Ex-Div Date	Payment Date	Franked Amount	Unfranked Amount	Franking Credit
Adelaide Brighton	ABC	33,070	0.125	1	14/09/16	12/10/16	4,133.75	0.00	1,771.61
Adelaide Brighton	ABC	33,070	0.155	1	27/03/17	12/04/17	5,125.85	0.00	2,196.79
AGL Energy	AGL	7,920	0.360	1	24/08/16	22/09/16	2,851.20	0.00	1,221.94
AGL Energy	AGL	7,920	0.410	0.8	23/02/17	27/03/17	2,597.76	649.44	1,113.33
Amcor	AMC	13,800	0.286	0	6/09/16	29/09/16	0.00	3,949.56	0.00
Amcor	AMC	13,800	0.256	0	24/02/17	24/03/17	0.00	3,532.80	0.00
Automotive Holdings Group	AHG	35,430	0.130	1	15/09/16	5/10/16	4,605.90	0.00	1,973.96
Brambles	BXB	15,300	0.145	0.25	7/09/16	13/10/16	554.63	1,663.88	237.70
DuluxGroup	DLX	25,500	0.125	1	16/11/16	9/12/16	3,187.50	0.00	1,366.07
DuluxGroup	DLX	25500	0.13	1	24/05/17	9/06/17	3,315.00	0.00	1,420.71
Nick Scali	NCK	14,070	0.170	1	4/10/16	26/10/16	2,391.90	0.00	1,025.10
Nick Scali	NCK	14,070	0.140	1	28/02/17	22/03/17	1,969.80	0.00	844.20
Orora	ORA	76,260	0.050	0.3	12/09/16	17/10/16	1,143.90	2,669.10	490.24
Orora	ORA	76,260	0.050	0.3	27/02/17	10/04/17	1,143.90	2,669.10	490.24
Pact Group Holdings	PGH	17,210	0.110	0.65	1/09/16	6/10/16	1,230.52	662.58	527.37
Pact Group Holdings	PGH	25,120	0.115	0.65	2/03/17	5/04/17	1,877.72	1,011.08	804.74
Ramsay Health Care	RHC	2,900	0.720	1	6/09/16	29/09/16	2,088.00	0.00	894.86
Ramsay Health Care	RHC	2,900	0.530	1	7/03/17	29/03/17	1,537.00	0.00	658.71
Retail Food Group	RFG	16,710	0.145	1	9/09/16	7/10/16	2,422.95	0.00	1,038.41
Sonic Healthcare	SHL	8,100	0.440	0.3	8/09/16	27/09/16	1,069.20	2,494.80	458.23
Sonic Healthcare	SHL	8,100	0.310	0.2	7/03/17	11/04/17	502.20	2,008.80	215.23
Wesfarmers	WES	3,697	0.950	1	29/08/16	5/10/16	3,512.15	0.00	1,505.21
Wesfarmers	WES	3,697	1.030	1	20/02/17	28/03/17	3,807.91	0.00	1,631.96
Pending Payments (dividends for stocks that are trading ex-dividend, but not yet paid)									
Year Totals (includes pending dividend payments)							51,068.74	21,311.14	21,886.61
Pending Dividends (dividends that have been declared, but the stock is not yet trading ex-dividend)									
Total Pending Dividends							0.00	0.00	0.00

Pending Payments: I include them in my returns on the ex-dividend date, because I have become entitled to them. This lines my return up closer to the benchmark I use: the ASX All Ordinaries Total Return index.

Pending Dividends These dividends are not included in my return until the stock trades ex-dividend and I am irrevocably entitled to the dividend and at which point they are also recognised in the benchmark ASX All Ordinaries Total Return index.

Interest			
	BWA	CBA	
	CMC	Business	
Date	Account	Online Saver	Portfolio Net Total
29/07/16	294.45		
30/08/16	280.55		
30/09/16	278.66		
31/10/16	313.67		
30/11/16	307.65		
30/12/17	342.74		
1/01/17		4.27	
31/01/17	356.90		
1/02/17		14.59	
28/02/17	359.63		
1/03/17		11.89	
31/03/17	684.67		
1/04/17		12.49	
28/04/17	624.57		
1/05/17		11.98	
31/05/17	556.46		
1/06/17		10.91	
30/06/17	276.46		
TOTAL	4,676.41	66.13	4,742.54

Various Fees			
Date	Description	Location of documents	Amount
These items relate to investment return			
1/07/15	Account Fee	Business Transaction A/C Statement	10.00
1/08/16	Account Fee	Business Transaction A/C Statement	10.00
1/09/16	Account Fee	Business Transaction A/C Statement	10.00
1/10/16	Account Fee	Business Transaction A/C Statement	10.00
1/11/16	Account Fee	Business Transaction A/C Statement	10.00
1/12/16	Account Fee	Business Transaction A/C Statement	10.00
3/01/17	Account Fee	Business Transaction A/C Statement	10.00
1/02/17	Account Fee	Business Transaction A/C Statement	10.00
1/03/17	Account Fee	Business Transaction A/C Statement	10.00
1/04/17	Account Fee	Business Transaction A/C Statement	10.00
1/05/17	Account Fee	Business Transaction A/C Statement	10.00
1/06/17	Account Fee	Business Transaction A/C Statement	10.00
TOTAL			120.00
These items are not included in calculation of investment return, but are adjustments to TWAC			
6/12/16	WRG invoice 0133 Financial Statement/Audit/Tax Return	Tax Deductible Expenses	3,674.00
5/01/17	WRG invoice 0157 SuperCentral trust deed update service	Tax Deductible Expenses	220.00
29/03/17	ASIC fee	Tax Deductible Expenses	47.00
29/03/17	WRG invoice 0263 Company statement and minutes	Tax Deductible Expenses	198.00
TOTAL			4,139.00

Time Weighted Average Capital (TWAC) Calculation						
Description	First Date	Last Date	Days	Amount	New Total	TWAC
Start year Portfolio Value					2,164,753	
Plus start year Cash Reserve					296,137	
Start year Total Capital					2,460,890	
Start year Total Capital	30/06/16	6/12/16	159		2,460,890	1,072,004
WRG Invoice 0133 (\$3674) and pensions (\$70000)	6/12/16	21/12/16	15	-73,674.00	2,387,216	98,105
Refund of FY2016 franking credits	21/12/16	5/01/17	15	24,498.74	2,411,715	99,112
WRG Invoice 0157 update service	5/01/17	29/03/17	83	-220.00	2,411,495	548,367
WRG invoice 0263 & ASIC fee	29/03/17	23/05/17	55	-245.00	2,411,250	363,339
Pensions	23/05/17	30/06/17	38	-68,000.00	2,343,250	243,955
TWAC			365			2,424,881
WRG invoice descriptions - see Various fees						

Calculation of my Returns and TWAC

The following section is a discussion of the technical issue of how I have gone about calculating my returns. I have included it because, whenever I have mentioned it in the past, I have received many questions. Hopefully, I will now address those questions for those readers who are interested.

The discussion which follows is entirely a pre-tax calculation. It includes franking credits, because they are a part of the pre-tax return in the Australian taxation system. Overseas investors may simply disregard them.

At the start of the year and at the end of every day through the year, I value my stocks at the last or closing prices for that day. I also deduct the known transaction costs assuming that I realised the holdings at those prices. I do not make any allowance for slippage. Slippage is a jargon term in most markets for the difference between the last or quoted price in the market and the actual price achieved when the transaction is actually executed.

These are six **components in calculating my return** at any point through the year:

1. The total unrealised gain/loss for stocks currently in my portfolio.
2. The total realised gain/loss for stocks I have sold during the year.
3. The total of franked and unfranked dividends earned so far in the year.
4. Franking credits attached to dividends paid during the year.
5. Interest received on the cash reserve so far in the year.
6. Costs of software, data and communications, but see Note 8 below.

Note 1	The purchase and sale price of all stocks that are in, or have been in, my portfolio is net of brokerage commission and GST. GST may not apply to investors who are not Australian residents for tax purposes.
Note 2	The original cost of a stock holding is reduced for any capital returns by the company.
Note 3	At the start of the year and at the end of every day through the year, I value my stocks at the last or closing prices for that day.
Note 4	In valuing the stocks held at the end of every day through the year, I also deduct the anticipated transaction costs assuming that I had realised the holdings at the closing prices.
Note 5	In valuing the stocks held at the end of every day through the year, I do not make any allowance for slippage. Slippage is a jargon term in most markets for the difference between the last or quoted price in the market and the actual price achieved when the transaction is actually executed.
Note 6	A franking credit is the notional tax already paid by the company on the profit from which the

	dividend has been paid. This is not relevant for investors who are not Australian residents.
Note 7	I record interest earned on the cash reserve when I receive a bank statement after the end of each month. These bank statements are now available in real time very close to the end of the month.
Note 8	I also have some costs for software, data feed and communications. These are paid out of my other income, which is separate to the investment return calculation. Readers who are in a different situation should deduct these costs from their portfolio total return before calculating the rate. These costs are not material for me, so they would not impact on my return if I included them.

The calculation of the rate of return is easy if there are no additions to or subtractions from capital during the course of the year, other than from investment activity. However:

- In some years, there will be a few additions if more capital becomes available for investment.
- There will also be some capital withdrawn for taxation, SMSF administration costs and pensions taken from the SMSF.

This can make things very complicated. There are several ways to work out the return, but as a practical person, I have opted for a fairly simple procedure.

In working out the return, I take the net total of the first **components in calculating my return** listed before the table of notes above. I then calculate the return not on the starting capital, but on the time weighted average capital (TWAC). The calculation of TWAC is very simple. I work out how much capital I had to invest for how many days and weight it by the fraction of the year for which it was available. Here is a simple example to illustrate the method, using an Australian financial year:

Facts

- On 1 July, I start with \$1,000,000.
- On 5 September, I withdraw \$50,000.
- On 17 March, I add \$160,000.

TWAC Calculation

Period	Days	Capital Available	Calculation	Time Weighted Capital
1 July – 4 September	66	1,000,000	$1,000,000 \times 66 \div 365$	180,822
5 September – 16 March	193	950,000	$950,000 \times 193 \div 365$	502,329
17 March – 30 June	106	1,110,000	$1,110,000 \times 106 \div 365$	322,356
TWAC	365			1,005,507

Note: in a financial year that includes February 29 (occurs in a leap year), I use 366, not 365 days.

Return Calculation

So, if the net total of the **components in calculating my return** listed above was \$185,500, my return for the year would be calculated as follows:

$$\text{Return} \div \text{TWAC} \times 100 = \text{Return}\%$$

$$185,500 \div 1,005,507 \times 100 = 18.45\%$$

This is the before tax return and is roughly comparable to the ASX Accumulation index, which assumes reinvestment of dividends.

Note Regarding TWAC with respect to Franking Credits and some Dividends

Franking credits are part of the dividends paid twice a year. As such, they are part of the return for the year, so I include both the dividends and the franking credits in my return for the year on the ex-dividend dates, which are the dates on which I become entitled to the dividends and the franking credits.

The dividends are then paid and are added to the cash reserve when received. This is usually in the same year that the dividends go ex-dividend, but sometimes in the next year (e.g. Thorn Group FY2015, which went ex-dividend on 30 June, but the dividend was paid in July. In this case the cash comes in in the next year, when an adjustment is made to TWAC for the increase in cash in that year.

Franking credits are different depending on the tax rate paid by the portfolio:

For the super fund, which pays no tax, the franking credits are received as cash in the next year. This means cash is coming in, but it does not relate to the return for that year, but the year before. I therefore make an adjustment to TWAC to reflect the increase in capital for that year. The Thorn Group dividend will have to be treated the same way when received in the next year.