

Portfolio Details 2017-18

Updated to 30 June 2018 (final for the year)

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.

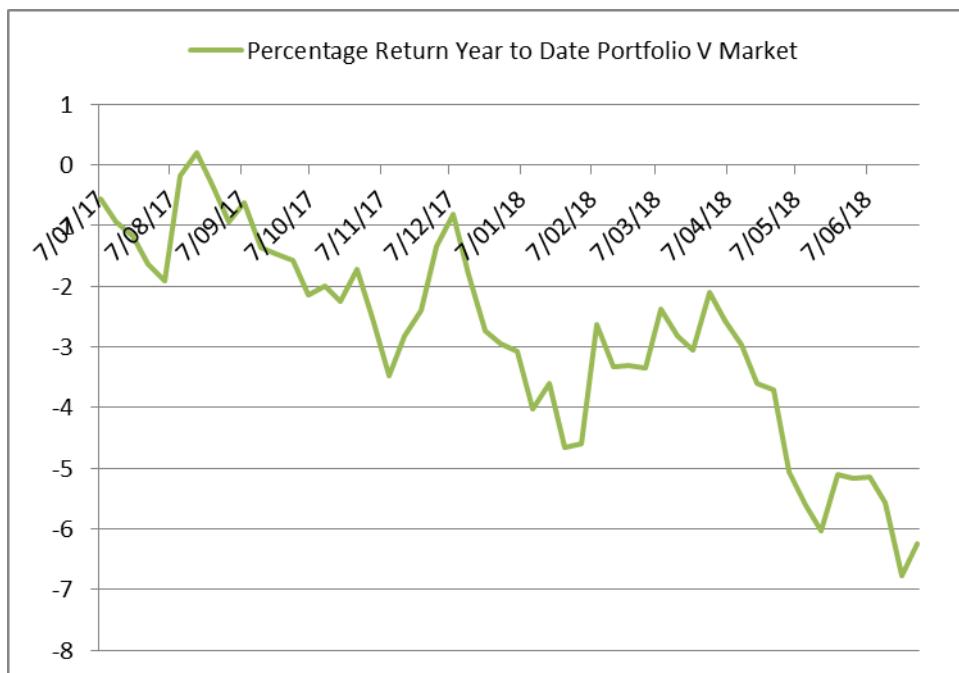
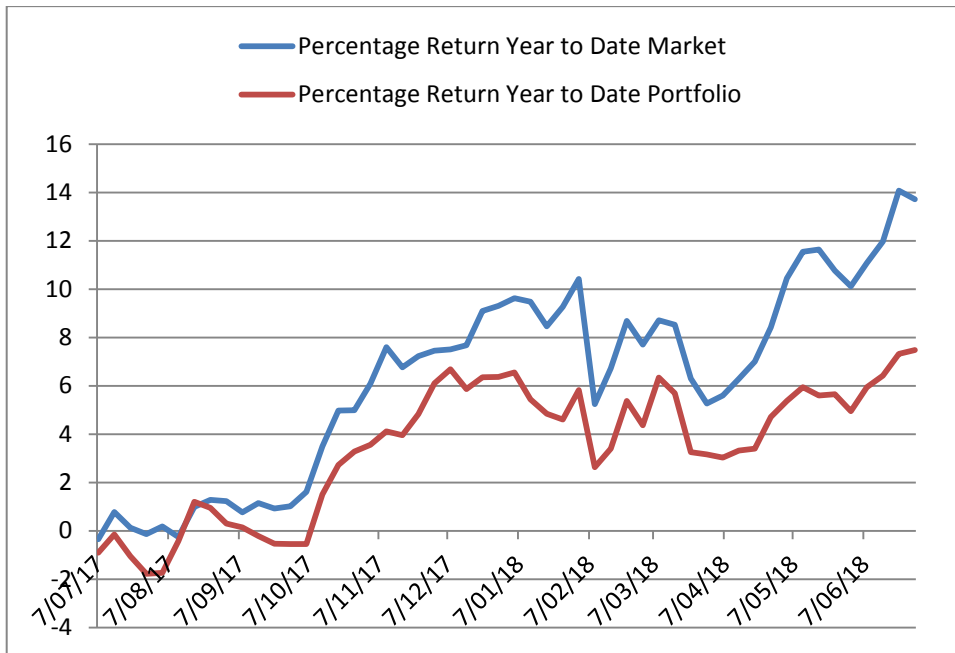
No stock holding or level of market exposure shown in this document is either intended or implied as a recommendation for anyone to invest. It is simply a factual record of my portfolio, which is provided because I believe that anyone teaching investing should disclose their investment performance.

My Excel workbook is not a commercial product and not supported by me. I have created it to reflect my specific needs and I will modify it as and when necessary. I have now decided that I will make a copy available on request, but strictly on a “no questions asked” basis.

Current Portfolio Summary Rosncol SMSF															
S&P/ASX All Ordinaries:															
Total Return Index 30.06.17	54,897.112						Holdings Marked to Market	2,161,942			86.5 %				
Total Return Index now	62,434.903						Cash Reserve	337,526			13.5 %				
Total Return Index YTD %	13.73						Total Capital (K)	2,499,467			100.0 %				
Target average annual return %	12.50						Net Capital Gain/Loss	64,801							
							Dividends	87,009			Total KaR	367,762			
							Interest	1,628			%K	14.71			
Portfolio Total Return YTD %	7.48						Franking Credits	28,725			Comfort level	<20%			
							Bank and broking fees	-120							
Portfolio vs Market YTD %	-6.25						Total Return	182,043							
							TWAC	2,433,085							
Updated to	30/06/18														
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	6.95	229,607	9.19	77,702	26,291	11,267	115,260	75.9	5.32	53,850
Data#3	DTL	30,200	1.71	51,542	2	1.600	48,272	1.93	-3,271	2,159	925	-186	-0.4	1.35	7,542
DuluxGroup	DLX	25,500	5.58	142,395	6	7.65	194,880	7.80	52,485	25,727	11,026	89,237	62.7	6.42	31,334
Orora	ORA	76,260	1.87	142,854	6	3.57	271,976	10.88	129,122	25,713	2887	157,723	110.4	2.66	69,327
Pioneer Credit	PNC	17,700	2.86	50,626	2	3.17	56,053	2.24	5,427	1,172	502	7,101	14.0	2.69	8,488
Seek	SEK	2,230	22.40	49,957	2	21.81	48,588	1.94	-1,370			-1,370	-2.7	17.85	8,822
Sonic Healthcare	SHL	8,100	16.48	133,455	6	24.53	198,494	7.94	65,040	26,193	4,101	95,334	71.4	16.49	65,059
Wesfarmers	WES	3,697	43.12	159,431	6	49.36	182,301	7.29	22,870	31,761	13,612	68,243	42.8	39.47	36,527
Woolworths	WOW	5,740	26.78	153,716	6	30.52	175,010	7.00	21,294	5,338	2,288	28,920	18.8	23.95	37,674
Argo Investments	ARG	37,700	7.97	300,612	NA	7.97	300,169	12.01	-443	8,996	3,855	12,407	4.1	7.58	14,688
Aust Foundation Investment Co	AFI	49,500	6.06	300,100	NA	6.16	304,615	12.19	4,515	8,590	3,681	16,787	5.6	5.65	25,220
Milton Corporation	MLT	33,000	4.55	150,300	NA	4.61	151,978	6.08	1,678	6,204	2,659	10,541	7.0	4.33	9,231
Totals		322,697		1,786,893			2,161,942		375,049	168,143	56,805	599,996	33.6	KaR	367,762
									485,211					%K	14.71
									-110,162						
Net capital gain/loss for the year at the top is the line above this one plus/minus Sales result															

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

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
Argo Investments	ARG	20/06/17	4876891	19,700	150,264.12
Argo Investments	ARG	8/02/18	5362351	2,586	21,666.47
Argo Investments	ARG	9/02/18	5362756	15,414	128,681.31
Australian Foundation Investment Company	AFI	20/06/17	4876812	26,000	149,909.77
Australian Foundation Investment Company	AFI	25/01/18	5328190	23,500	150,190.11
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
Pioneer Credit	PNC	25/10/17	5113684	7,310	20,978.26
Pioneer Credit	PNC	25/10/17	5114542	8,850	25,247.72
Pioneer Credit	PNC	26/10/17	5118583	1,540	4,400.00
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 Mgmts)	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				320,467	1,736,936

Sales

Company	ASX Code	Date	Purchases			Sales			Result Capital Gain/Loss
			Conf. Note No	No of Shares	Purchase Cost	Date	Conf. Note No	Sale Value	
AGL Energy	AGL	20/04/16	4154012	7,920	146,190.85	8/02/18	5360736	175,657.99	29,467.14
Amcor (Purch cost adj for demerger)	AMC	19/08/13	3055708	659	6,317.22	3/05/18	5509584	8,898.68	2,581.46
Amcor (Purch cost adj for demerger)	AMC	19/08/13	3055708	3,441	32,985.69	4/05/18	5512675	45,479.45	12,493.76
Amcor (Purch cost adj for demerger)	AMC	18/11/13	3150214	4,000	39,984.77	4/05/18	5512675	52,867.71	12,882.95
Amcor	AMC	18/12/13	3178033	3,900	40,600.56	4/05/18	5512675	51,546.02	10,945.46
Amcor	AMC	3/01/14	3187380	1,800	19,099.09	4/05/18	5512675	23,790.47	4,691.38
Pact Group Holdings	PGH	1/06/16	4225625	151	849.05	31/07/17	4939563	863.37	14.32
Pact Group Holdings	PGH	2/06/16	4228120	5,199	28,873.14	31/07/17	4939563	29,726.28	853.14
Pact Group Holdings	PGH	3/06/16	4230510	3,580	19,888.88	31/07/17	4939563	20,469.34	580.46
Pact Group Holdings	PGH	24/06/16	4260998	8,280	48,735.09	31/07/17	4939563	47,342.49	-1,392.60
Pact Group Holdings	PGH	26/09/16	4423430	7,910	51,070.52	31/07/17	4939563	45,226.95	-5,843.57
Ramsay Health Care	RHC	9/11/11	2527295	2,900	57,071.02	7/06/18	5577285	164,760.87	107,689.86
Totals for Sold Holdings					491,665.88			666,629.63	174,963.75

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	0.085	1	1/09/17	5/10/17	2,810.95	0.00	1,204.69
Adelaide Brighton	ABC	33,070	0.160	1	29/03/18	13/04/18	5,291.20	0.00	2,267.66
AGL Energy	AGL	7,920	0.500	0.8	23/08/17	22/09/17	3,168.00	792.00	1,357.71
Amcor	AMC	13,800	0.2985	0	4/09/17	28/09/17	0.00	4,119.30	0.00
Amcor	AMC	13,800	0.262	0	27/02/18	28/03/18	0.00	3,611.46	0.00
Argo Investments	ARG	19,700	0.160	1	25/08/17	15/09/17	3,152.00	0.00	1,350.86
Argo Investments	ARG	37,700	0.155	1	16/02/18	9/03/18	5,843.50	0.00	2,504.36
Australian Foundation Investment Co	AFI	26,000	0.140	1	8/08/17	30/08/17	3,640.00	0.00	1,560.00
Australian Foundation Investment Co	AFI	49,500	0.100	1	8/02/18	23/02/18	4,950.00	0.00	2,121.43
Data#3	DTL	30,200	0.0555	1	14/09/17	29/09/17	1,676.10	0.00	718.33
Data#3	DTL	30,200	0.016	1	14/03/18	29/03/18	483.20	0.00	207.09
Dulux Group	DLX	25,500	0.135	1	24/11/17	13/12/17	3,442.50	0.00	1,475.36
DuluxGroup	DLX	25,500	0.140	1	28/05/18	12/06/18	3,570.00	0.00	1,530.00
Milton Corporation	MLT	33,000	0.100	1	10/08/17	5/09/17	3,300.00	0.00	1,414.29
Milton Corporation	MLT	33,000	0.088	1	14/02/18	1/03/18	2,904.00	0.00	1,244.57
Orora	ORA	76,260	0.060	0.3	11/09/17	16/10/17	1,372.68	3,202.92	588.29
Orora	ORA	76,260	0.060	0.3	28/02/18	16/04/18	1,372.68	3,202.92	588.29
Pioneer Credit	PNC	17,700	0.0662	1	28/03/18	27/04/18	1,171.74	0.00	502.17
Ramsay Health Care	RHC	2,900	0.815	1	5/09/17	28/09/17	2,363.50	0.00	1,012.93
Ramsay Health Care	RHC	2,900	0.575	1	6/03/18	29/03/18	1,667.50	0.00	714.64
Sonic Healthcare	SHL	8,100	0.460	0.2	8/09/17	11/10/17	745.20	2,980.80	319.37
Sonic Healthcare	SHL	8,100	0.320	0.2	6/03/18	10/04/18	518.40	2,073.60	222.17
Wesfarmers	WES	3,697	1.200	1	22/08/17	28/09/17	4,436.40	0.00	1,901.31
Wesfarmers	WES	3,697	1.030	1	26/02/18	5/04/18	3,807.91	0.00	1,631.96
Woolworths	WOW	5,740	0.500	1	7/09/17	6/10/17	2,870.00	0.00	1,230.00
Woolworths	WOW	5,740	0.430	1	1/03/18	6/04/18	2,468.20	0.00	1,057.80
Pending Payments (dividends for stocks that are trading ex-dividend, but not yet paid)									
Year Totals (includes pending dividend payments)							67,025.66	19,983.00	28,725.28
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			
Date	BWA	CBA	Portfolio Total
	CMC Account	Business Online Saver	
1/07/17		7.06	
31/07/17	42.07		
1/08/17		7.30	
31/08/17	188.52		
1/09/17		7.31	
29/09/17	193.18		
1/10/17		7.07	
31/10/17	231.32		
1/11/17		6.31	
30/11/17	184.40		
1/12/17		14.28	
29/12/18	118.55		
1/01/18		4.82	
31/01/18	90.75		
28/02/18	18.20		
28/03/18	32.88		
30/04/18	45.42		
31/05/18	177.65		
29/06/18	250.66		
TOTAL	1,573.60	54.15	1,627.75

Various Fees			
Date	Description	Location of documents	Amount
These items relate to investment return			
1/07/17	Account Fee	Business Transaction A/C Statement	10.00
1/08/17	Account Fee	Business Transaction A/C Statement	10.00
1/09/17	Account Fee	Business Transaction A/C Statement	10.00
1/10/17	Account Fee	Business Transaction A/C Statement	10.00
1/11/17	Account Fee	Business Transaction A/C Statement	10.00
1/12/17	Account Fee	Business Transaction A/C Statement	10.00
1/01/18	Account Fee	Business Transaction A/C Statement	10.00
1/02/18	Account Fee	Business Transaction A/C Statement	10.00
1/03/18	Account Fee	Business Transaction A/C Statement	10.00
1/04/18	Account Fee	Business Transaction A/C Statement	10.00
1/05/18	Account Fee	Business Transaction A/C Statement	10.00
1/06/18	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			
6/10/17	2017 fund tax return and statements WRG inv 0462	Tax Deductible Expenses	3,674.00
3/01/18	SuperCentral fee WRG Invoice 0581	Tax Deductible Expenses	220.00
9/04/18	ASIC fee 2018 Company Statement	Tax Deductible Expenses	48.00
9/04/18	Prepare Company Statement WRG Inv 0669	Tax Deductible Expenses	198.00
TOTAL			4,140.00

Time Weighted Average Capital (TWAC) Calculation						
Description	First Date	Last Date	Days	Amount	New Total	TWAC
Start year Portfolio Value					2,362,649	
Plus start year Cash Reserve					104,513	
Start year Total Capital					2,467,162	
Start year Total Capital	30/06/17	6/10/17	98		2,467,162	662,416
WRG invoice 0462	6/10/17	26/10/17	20	-3,674.00	2,463,488	134,986
Franking Credits refund	26/10/17	12/12/17	47	21,627.61	2,485,116	320,001
Pensions	12/12/17	3/01/18	22	-70,000.00	2,415,116	145,569
WRG invoice 0581	3/01/18	9/04/18	96	-220.00	2,414,896	635,151
WRG Inv 0669 & ASIC Fee	9/04/18	21/05/18	42	-246.00	2,414,650	277,850
Pensions	21/05/18	30/06/18	40	-68,500.00	2,346,150	257,112
TWAC			365			2,433,085
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.