



PANEL

# Finding income in a low rate world

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# Live Poll

## I am to generate most of my income through:

- Higher yielding equities
- Cash and government bonds
- Credit including hybrids
- Rental income from direct property
- Annuities



# Live Poll

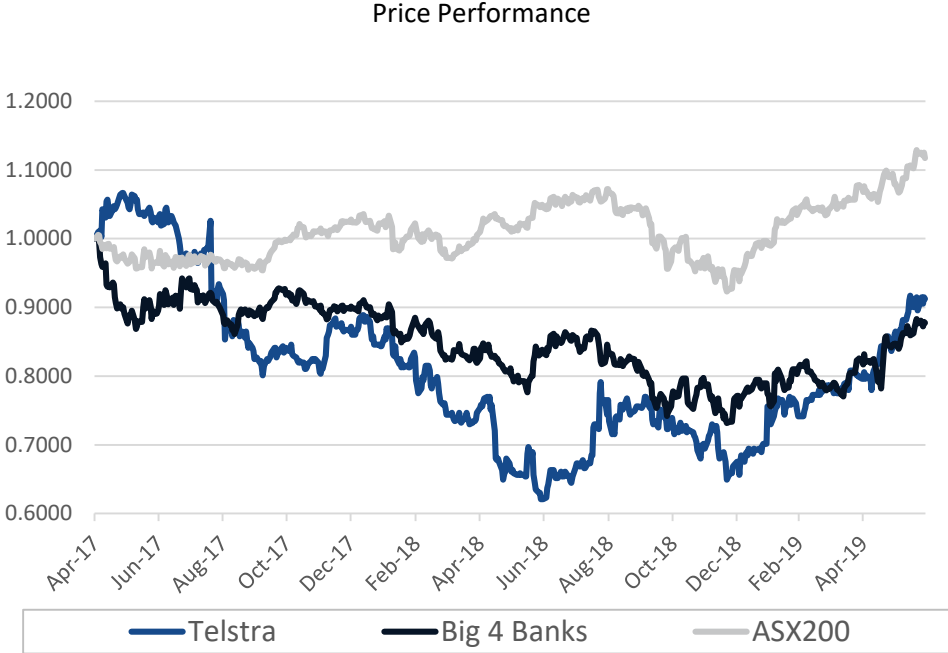
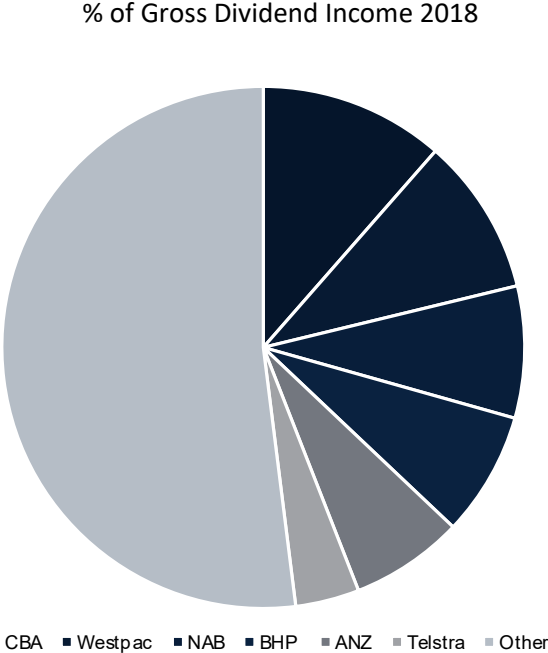
**A realistic yield that I can expect to generate from my portfolio without taking on excessive risks is:**

- 2%
- 3%
- 4%
- 5%
- More than 5%



# Big Aussie income stocks doing it tough!

6 STOCKS ACCOUNT FOR NEARLY HALF OF ALL DIVIDENDS



Source: Plato, Iress S&P200

“...Australia is poorly diversified”

# Look beyond dividend yields for better income and total returns

Consider income and growth from \$10,000 invested over 15 years

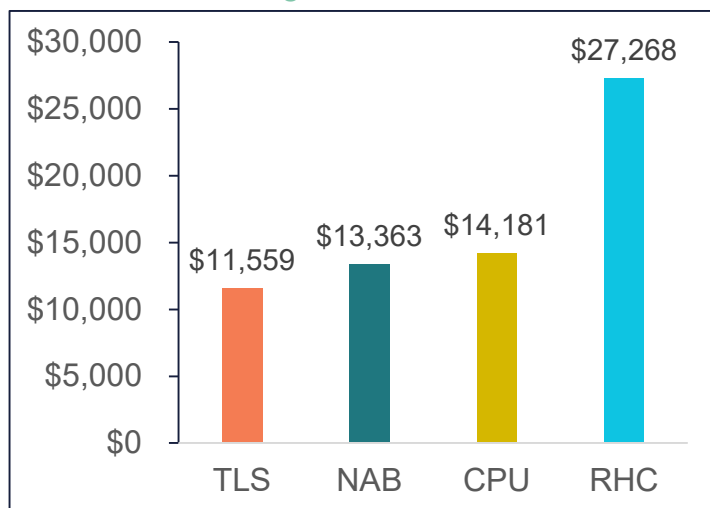
Grossed-up yields (including franking)	June 2004	Average	June 2019
Telstra Corporation (TLS)	7.67%	9.32%	6.82%
National Australia Bank (NAB)	7.98%	9.22%	9.49%
Computershare (CPU)	3.89%	3.08%	2.91%
Ramsay Health Care (RHC)	4.86%	3.83%	3.88%

Typical 'Income' Stocks

Typical 'Growth' Stocks

Top 15 highest yield names	Industry	Average yield rank	Actual income generated rank
Tabcorp	Consumer	1	22
Wesfarmers	Consume	2	15
National Australia Bank	Financials	3	33
Telstra	Telco	4	39
Westpac Bank	Financials	5	17
Bendigo & Adelaide Bank	Financials	6	31
Bank of Queensland	Financials	7	28
ANZ Bank	Financials	8	24
Commonwealth Bank	Financials	9	13
Sydney Airport	Industrials	10	9
Suncorp Group	Financials	11	41
APA Group	Utilities	12	12
IAG	Financials	13	42
AMP	Financials	14	48
ASX	Financials	15	10

Dividends and franking income received over the 15 years



Sources: First Sentier Investors, Factset, IRESS. 65 stocks from the current S&P/ASX100 have the required 15 year price and dividend history. Forecast yield data calculated from the following year's total dividend divided by the start of year stock price. Total income and capital over 15 years calculated assuming \$10,000 is invested in June 2004. Any fund or stock mentioned in this presentation does not constitute any offer or inducement to enter into any investment activity.