

Infocus



Wealth Management

Why Agribusiness is an appropriate investment in the current economic climate

Alternative Asset

Agribusiness is regarded as an alternative asset that should be included in a client's diversified investment portfolio.

Non Correlated Asset Class

Forestry is our overweight position in an Agribusiness portfolio – the fundamental objective of including forestry is to achieve a medium to long term return from an asset class that is not correlated to traditional asset classes.

Historically Low Risk vs Return Investment

Forestry returns compare favourably with historical returns from other asset classes and provide diversification in an investment portfolio. Forestry offers an attractive risk-reward profile with stable returns and low volatility and is ideally suited as an investment in most investment portfolio's including superannuation funds.

Forestry is Real

Forestry is a real and tangible asset that generates returns largely through biological growth.

100% Tax Deductable

Investment in forestry via Managed Investment Schemes is 100% tax deductible and this attribute enables a range of wealth creation strategies to be implemented for clients which can assist in re-building investment portfolios that have been substantially impacted by the current global financial crisis.

Liquidity

A Secondary market was effectively established from July 2007 when the ATO introduced Division 394 which allows MIS forestry investors to sell their forestry investment without losing their tax deduction if the investment is held for a minimum of four years.

Income Generating

BDO Kendalls Wealth Management blend projects to create a diversified forestry portfolio with multiple income streams to form part of a pre and post retirement strategy and diversification across:

- Geographical locations
- Managers
- End markets
- Product type
- Management styles

General

Consider quote from Jeremy Grantham, Chairman of GMO (Global investment management firm with US \$78 Billion FUM) 2007 "Timber has gone from an obscure asset favoured passionately 10 years ago by a dozen or so institutions thought to be eccentric, to a fashionable new frontier 5 years ago favoured by an incremental handful of avant-garde institutions, to a hot asset class today that is at least considered by most large endowments and foundations".

Next Step

Contact your BDO Kendalls Wealth Management adviser to discuss whether an investment in forestry is appropriate for your particular circumstances.

More information

Phone 1300 138 991 or visit www.bdo.com.au

Adelaide, Brisbane, Cairns, Canberra, Darwin, Hobart, Melbourne, Perth, Sydney

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