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What can we learn from the world's most accomplished investors?

Reduce financial pressure with downsizer contributions

Count
The confidence to look ahead

What can we learn from the world's most accomplished investors?

The investment market volatility that kicked off in March 2025 has felt like a punch, particularly for those in or nearing retirement. And although the causes behind market downturns have differed over time, we can learn much from history's leading investors about the value of staying calm when markets are choppy. We share sage insights and what they mean for your retirement savings.

Warren buffet: market volatility is a natural part of investing

Warren Buffet's investment expertise has been sharpened through the 1973-1974 Oil Crisis Bear Market, the 1987 Stock Market Crash, the Dot-com Bubble (2000-2002), the 2008 Financial Crisis, the COVID-19 Pandemic (2020)[1] and the years in between. Through his investment company, Berkshire Hathaway,[2] Buffett has become one of the wealthiest people in the world with a net worth estimated at $162.1 billion[3].

"The stock market is a device for transferring money from the impatient to the patient"[4]

Buffett believes market volatility is a natural part of investing, and that patience and discipline are crucial for long-term success. He sees market downturns as opportunities to buy quality investments at lower prices.[5]

In essence, Buffett encourages investors to remain patient and focus on long-term value. Looking at the big picture can help mitigate the stress of market volatility and lead to more stable financial outcomes.[6]

1 Investopedia, **Timeline of U.S. Stock Market Crashes**, 30 October 2024, accessed 23 April 2025

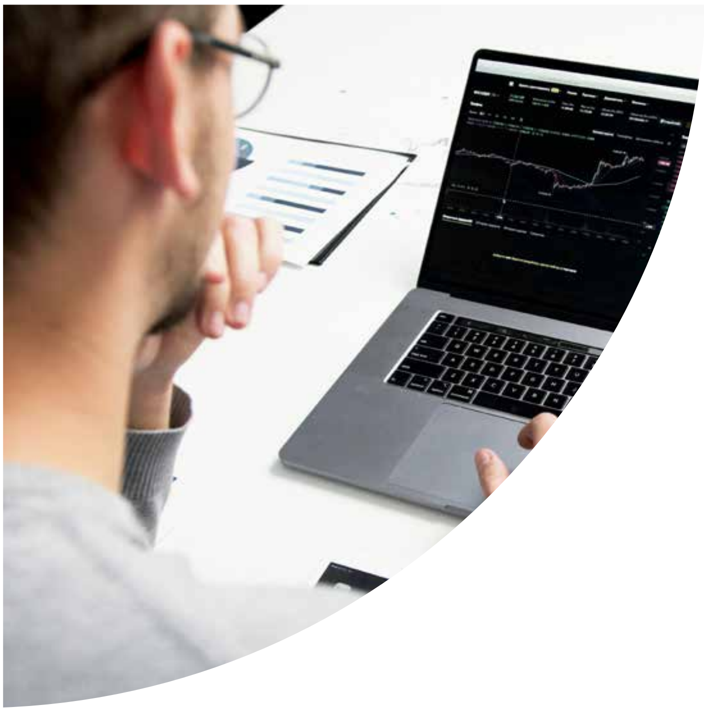
2 Forbes, **Buffett's 2024 investment wisdom: Psychology matters as much as financials**, 13 May 2024, accessed 23 April 2025

3 Forbes, **The real-time billionaires list**, retrieved 23 April 2025

4 24/7 Wall St, **10 Warren Buffett Quotes on Patience Everyone Should Hear**, 3 August 2024, accessed 23 April 2025

5 Forbes, **Buffett's 2024 investment wisdom: Psychology matters as much as financials**, 13 May 2024, accessed 23 April 2025

6 Ibid



Sir John Templeton: diversification helps protect against volatility

Sir John Templeton made a bold move at the onset of World War II when he bought 100 shares of each company on the New York Stock Exchange priced under $1 per share. By buying when others were selling, he was able to benefit from wartime economic activity.[7]

In 1954, he launched the Templeton Growth Fund, which over 38 years grew 15% each year on average.[8] Templeton's mettle was tested by the 1973-1974 Oil Crisis Bear Market, the 1987 Stock Market Crash[9] and the years in between. Money magazine named Templeton "arguably the greatest global stock picker of the century" in 1999.[10]

Templeton pioneered the concept of international diversification – advocating that investments should be spread across different asset classes and geographic regions to mitigate risk[11]. Today diversification is an established strategy.

> "To buy when others are despondently selling and sell when others are greedily buying requires the greatest fortitude and pays the greatest reward."[12]

Templeton believed that market volatility presents opportunities for disciplined investors to seize advantage.

"The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell,"[13] he said.

Benjamin Graham: the importance of emotional discipline

Benjamin Graham invested through the Great Depression (1929-1939), the Post-World War II Recession (1945-1949) and the 1958 Recession.[14]

Graham's books, "Security Analysis" (1934) and "The Intelligent Investor" (1949), have educated generations of investors to remain patient, focus on value and stay disciplined during periods of market volatility.[15]

"The intelligent investor is a realist who sells to optimists and buys from pessimists," Graham said.[16]

Graham believed that market volatility is a given, but also an opportunity. This means taking advantage of market downturns to buy quality stocks at lower prices, rather than panicking and selling.[17]

> "But investing isn't about beating others at their game. It's about controlling yourself at your own game."[18]

Graham cautioned against letting emotions drive investment decisions, as fear and greed can lead to poor outcomes. Instead, he advocated for a systematic approach to investing grounded in thorough analysis and a clear understanding of one's financial goals.[19]

With many Australians concerned about how geopolitical events are impacting their retirement savings, it's reassuring to know that investors before us have faced similar challenges. Their experiences through significant market disruption teach us that staying the course, remaining disciplined and reining in our emotions are key to building and preserving retirement wealth.

How your Count Financial adviser can help

For investment wisdom and expertise that's tailored to your personal situation, talk to your Count Financial adviser.

7 Morningstar, **John Templeton: How to be a bargain hunter**, 17 October 2017, accessed 23 April 2025

8 Investopedia, **Sir John Templeton: Early Life, Foundation, FAQs**, 2 January 2024, accessed 23 April 2025

9 Investopedia, **Timeline of U.S. Stock Market Crashes**, 30 October 2024, accessed 23 April 2025

10 Templeton Foundation, **Sir John Templeton**, accessed 23 April 2024

11 Morningstar, **John Templeton: How to be a bargain hunter**, 17 October 2017, accessed 23 April 2025

12 AZ Quotes, **John Templeton**, accessed 23 April 2024

13 Philanthropy Roundtable, **John Templeton**, accessed 23 April 2024

14 Investopedia, **"The Intelligent Investor" by Benjamin Graham Book Review**, 10 July 2024, accessed 23 April 2025

15 Ibid

16 Goodreads, **Benjamin Graham Quotes**, accessed 23 April 2024

17 Investopedia, **"The Intelligent Investor" by Benjamin Graham Book Review**, 10 July 2024, accessed 23 April 2025

18 Goodreads, **Benjamin Graham Quotes**, accessed 23 April 2024

19 JA Westenberg, **Embrace the Timeless Wisdom of Ben Graham**, 15 May 2024, accessed 23 April 2025

Reduce financial pressure with downsizer contributions

Downsizer contributions are a popular way to upsize your superannuation by contributing proceeds from selling your home. For many, they're a tax-effective way to shore up financial security in retirement. We discuss who's eligible and examine the pros and cons.

Australian retirees and those saving for retirement have been up against high inflation, cost of living pressures and now investment market volatility. We're seeing an uptick in clients seeking to increase their super to build a more substantial buffer against economic uncertainty.

One popular option is a downsizer contribution to superannuation. Here, eligible Australians sell their home and contribute up to $300,000 for a single person or $600,000 for a couple from the sale into their super.[20] The name 'downsizer contribution' taps into the propensity for some aged over 55 to trade in the family home for something more suitable. Or relocate to 'sea change' or 'tree change' locations.

Who's eligible to make a downsizer contribution?

To be eligible to make a downsizer contribution to your super, you must be aged 55 or older and have owned your home for at least 10 years prior to the sale.[21]

Your home must be in Australia and can't be a caravan, houseboat or mobile home. Additionally, the proceeds from the sale must be exempt or partially exempt from capital gains tax under the main residence exemption[22].

The pros

The federal government has designed the downsizer contribution scheme to make it as attractive as possible for those who are eligible. Here are 5 benefits to consider:

1. **Tax-free top up:** Downsizer contributions provide a tax-free way to boost your superannuation savings.
2. **Exempt from contribution caps:** These contributions are not subject to the usual annual contribution caps, which means you can make a significant one-time boost to your super.
3. **No work tests or age limits:** Downsizer contributions don't require you to meet work tests and there's no upper age limit.
4. **Couples get double the benefit:** Both spouses can contribute up to $300,000, potentially adding a total of $600,000 to their superannuation balances – even if your home was only owned by one spouse.
5. **No impact to other contributions:** Downsizer contributions can be made in addition to other concessional and non-concessional contributions.

The cons

If a downsizer contribution is a possibility for you, here are 5 limitations to consider:

1. **No personal tax deduction:** Downsizer contributions can't be claimed as a personal tax deduction so if you're a high income earner, talk to your financial adviser.
2. **Included in your transfer balance cap:** Downsizer contributions count towards your transfer balance cap – which is $2 million per person for the 2026 financial year[23]. The transfer balance cap limits the amount you can move into the tax-free retirement phase, so if you think a downsizer contribution could bring you close to the cap, it's important you talk to your financial adviser first.
3. **Centrelink implications:** Adding a large sum to your super could affect your eligibility for the age pension and other Centrelink benefits.
4. **Timing constraints:** The contribution must be made within 90 days of receiving your home's sale proceeds, which may be a tight deadline for some. It's wise to talk to your financial adviser early.
5. **A one-time concession:** You can only make a downsizer contribution once. This means the timing and the amount will require careful planning.

Making a downsizer contribution is a tax-effective way to convert lazy capital into retirement income. If your super needs a boost and your housing needs have changed, now could be the right time to consider making a downsizer contribution to your super.

How your Count Financial adviser can help

If you're thinking of selling your home and contributing some of the proceeds to your super, it's important to talk to your Count Financial adviser. They can help you weigh up your options and ensure you're making the right decision for you. Your adviser can help you determine eligibility and invest your downsizer contribution in a way that aligns with your financial goals.

20 Australian Taxation Office, **Downsizer super contributions**, 26 March 2024, accessed 23 April 2025

21 Ibid

22 Ibid

23 Australian Taxation Office, **Transfer balance cap**, 25 February 2025

The numbers

Financial assets of households increased by

1.8%[24]

($139.3b)

National investment increased by

14.9b[25]

to **$179.7b** in the December quarter

Australian investment abroad rose

$492.4b[26]

to **$4,317.4b**

Household spending fell

0.3%[27]

month-on-month on a current price, seasonally adjusted basis

The most significant price rises this quarter were[28]

Housing **(+1.7%)**

Education **(+5.2%)**

Food and non-alcoholic beverages **(+1.2%)**

24 Reference period: December 2024

25 Reference period: December 2024

26 Reference period: 2024

27 Reference period: March 2025

28 Reference period: March Quarter 2025

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