

## > INVESTOR

### > PORTFOLIO PEEK

# Smart individuals go their separate ways

This man supplies stockbrokers and advisers with the online framework for managing investment accounts. So where would he himself invest?

**Arthur Naoumidis is the founder and managing director of Praemium.**

**If you were given \$20,000, where would you put it?**  
I'd invest the \$20,000 into a growth-linked separately managed account, which gives me tax-effective investment at a lower cost than a managed fund. In this way, I can change strategies to adjust for future events without having to sell all my investments as would be the case if I were to invest in a traditional managed fund. Separately managed accounts provide investors with access to wholesale managed funds but keep beneficial ownership in the underlying equities.

**What was your first investment?**  
After working in Papua New Guinea for several years, I had a hot tip in 1989 that Bougainville Copper was to resume mining operations and I bought my first shares with a \$10,000 investment.

**What's your investment philosophy?**  
Focus on long-term growth. In my time working with stockbrokers I have seen significant wealth being created for investors who have had a long-term focus. I believe that investors should engage the services of a professional investment adviser either in the form of a full-service stock broker or a professional fund manager for the bulk of their investment portfolio. A smallish amount could be set aside for personal speculative transactions.

**What are your current investments?**  
I am equally divided between property and

small cap growth companies including Praemium (PPS), Ceramic Fuel Cells (CFU) and Dyesol (DYE). In addition to my company's prospects, I believe renewal energy also has great potential so these companies are my investment choice.

**What's your best call?**  
My investment into Praemium has clearly been my best call as it has had significant capital growth over the past few years which should continue. Praemium has grown from a small unlisted company to now being a newly listed small cap company with a healthy valuation and good prospects.

**Worst call?**  
My worst call was my first investment, the purchase of Bougainville Copper shares, because the company has never resumed mining operations and so I lost 70 per cent of my investment. It taught me to question hot tips.

**Do you own property?**  
Yes, both my own residential home and an investment property.

**Do you have a mortgage? If so, are you accelerating repayments?**  
I do have a mortgage but am not accelerating repayments as I am getting a better return elsewhere.

**When do you plan on retiring?**  
Retirement is not even on the horizon at this stage. I can't imagine not working in some capacity as I enjoy the buzz and sense of achievement.

**How's your super looking?**  
It has been growing steadily over the past few years but my key assets are still my personal equity and property investments.

**What's your No. 1 financial tip?**  
Consider investing in separately managed accounts rather than traditional managed funds as you can achieve superior after-tax returns at a lower price for the same underlying investment portfolios.

DAVID POTTS



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