



TRUST BUSTERS

Georgie's Weekly Myth Spoilers

Dear Georgie,

Our Council took off to Vegas with our trust money. What can we do?

Sincerely,

Fed Up

Dear Fed Up,

Firstly, Council cannot access the trust money (capital). Only the Trustees can access the capital. When it comes to the income that is made on the capital each trust has its own rules on how the income can be used. If it is the capital, you are worried about then speak to the Trustees. If it is the income that is paid to the Nation each year, then ask Council for a reconciliation or look at your Nations consolidated statement issued by the auditor.

Dear Georgie,

Why are we 'gambling' our money in stocks when we should be putting all of it in a bank account paying interest. Doesn't it make sense to protect our money?

Sincerely,

Concerned

Dear Concerned,

The trustees have to worry about the current and future generations. Over time, inflation eats away at the purchasing power of the capital, so having \$10 million today is different than having \$10 million in the future because it cannot buy as much as it can today.

The only way to protect against inflation is to invest in stocks which provide returns over inflation in the long run. Additionally, the trustees carefully select the investment managers which have a long history of successfully investing in stocks and providing returns which beat inflation over the long run.

I agree that investing in stocks is risky, but as long as that risk is being managed properly, it can yield benefits for the current membership and future generations.



CONTEST

September 2nd you will receive an email with an entry form & a skill testing question. Answer the question correctly to be entered to win a FitBit watch! If there is more than two winners a draw will occur for who receives the FitBit. The other participants will receive a cool gift.