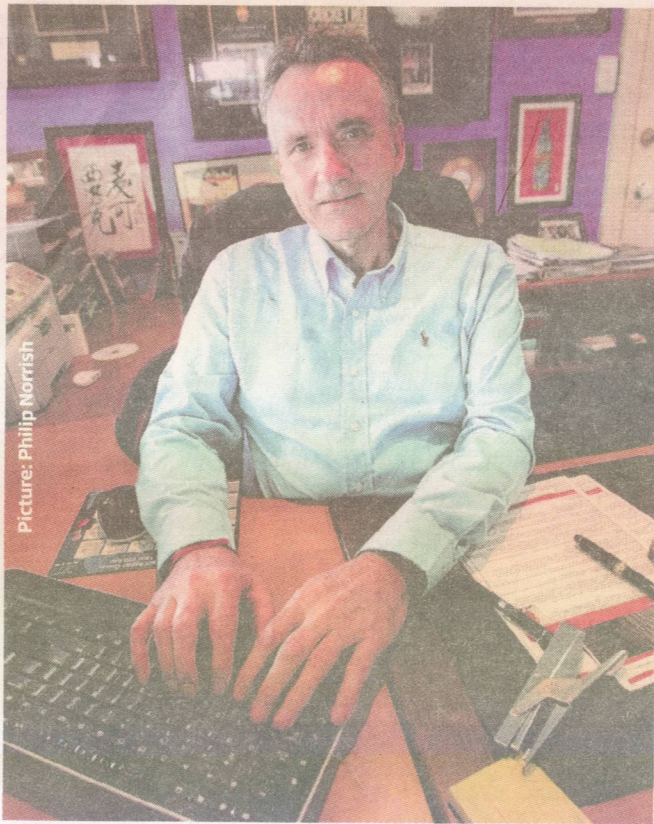




Mortgage brokers believe banks are set to drop their home loan interest rates independently of the Reserve Bank, according to broker network 1300HomeLoan

# Sherlock hones future



Picture: Philip Norrish

MICHAEL Sherlock is the former managing director of Brumby's, which he sold in 2007. He now works as a business consultant and mentor.

**What was your first investment and how did it go?**

As a uni student in the 1970s I invested in some leather and tools. I made and sold leather bags in my spare time to supplement my low student allowance. It went well. I was able to earn money while studying for a low capital outlay and doing a hobby I enjoyed.

**What is your favourite type of investment and why?**

Property, and investing in your own business.

**What is the best investment advice you have received and who was it from?**

It is relatively easy to make money but harder to hang on to it by investing. This came from a friend Marcus Barlow when I sold Brumby's and it turned out to be true. You have control of your own risks but as an investor you do not have all the facts.

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Aussies share their financial stories

**How do you approach investment risk?**

If I do not understand how the company I am investing in works I won't invest.

**What has been your best-performing investment?**

I invest my self-managed super fund in Sentential Property Group. At present, I am averaging a return of over 12 per cent a year payable monthly plus capital growth.

**And the worst?**

It was some of the crash and burn ASX-listed companies such as ABC Learning, Centro and Babcock & Brown. When the prices dropped initially, my broker advised me to buy more as they were cheap.

**How would you invest \$25,000 if you had it tomorrow?**

I'd invest in an ASX blue chip company that I understand, use

a dividend reinvestment plan and let it build. Once it has built up, I would then invest in my own business or in commercial property pooled funds.

**How do you feel about investing overseas?**

I like to keep an owner's eye on all my investments, so have never really seen the need to invest overseas.

**How well do you treat your credit card?**

I have used them as a source of borrowing when I have had the need. I always pay them off as they are the highest interest rate. I generally use an overdraft as the interest rate is half that of a credit card.

**Do you have a personal finance budget and do you stick to it?**

I have almost gone broke a couple of times and needed to have a budget. Nowadays there is no tight budget.

**What's been your most extravagant purchase?**

One time I overcapitalised on home renovations.