

PRIMESPACE

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MICHAEL SHERLOCK, SENTINEL PROPERTY GROUP INVESTOR

Investment whiz turns full circle



TRADING ROOM

ROSANNE BARRETT

MICHAEL Sherlock believes it's easy enough to make money, it's just keeping hold of it that is the troublesome part.

There have been financial ups and downs for the former new age devotee who made bread shop Brumby's into a multi-million-dollar franchise before selling out to become a full-time investor. Now, he says, he is keeping his hard-earned money in a business he knows.

"I have taken all the money off the share people," he says. "From my point of view, I can wake up in the morning I can turn the news on and I don't have to be worried."

"If there is a volcano over Iceland and an ash cloud over Europe, or some idiot in North Korea is threatening war and the sharemarket goes down, I am fine. I'm investing in things I know."

Sherlock, 63, is a key investor and marketing consultant for the Brisbane-based Sentinel Property Group, which has amassed a portfolio of 26 assets with a combined value of \$600 million since its inception in 2010.



PHILIP NORRISH

Michael Sherlock is a key investor and marketing consultant for the Brisbane-based Sentinel Property Group

He has tipped almost \$5m into 18 of Sentinel's funds, and is one of the top five investors in the group.

Sentinel, led by commercial property specialist Warren Ebert, last week finalised the purchase of a \$9.8m industrial property in Mackay and is continuing its aggressive quest for acquisitions across Queensland, Victoria and NSW. Their latest push, Sherlock says, is into Coles and Woolworths-based shopping centres.

It is far from Sherlock's early 1980s forays into business during his time with the yoga-based alter-

native movement — that Sherlock now calls a cult — the Health and Education Foundation.

Sherlock and Bakers Delight founder Roger Gillespie worked at the movement's Melbourne bread shops — the precursor to Brumby's — and other enterprises until he fell out with the group over business machinations. Gillespie left in 1986, followed five years later by Sherlock.

He started developing suburban shopping centres — one at a key intersection in Enoggera, one at Redcliffe and two buildings in

Brisbane's pioneer al fresco dining and shopping precinct Park Road.

After creating 30 projects with an architect business partner, Sherlock started a residential small-lot subdivision development in leafy Bardon that went on to the market in 1991 for between \$180,000 and \$200,000.

"We had them all advertised to go on to the cricket and the tennis, it was a big lifestyle thing, a pocket full of wilderness."

"Then the Gulf War started and everyone was watching Channel 10, so nobody was watch-

ing the cricket and interest rates were 20 per cent. I was freaking out. Then it became developer liquidates stock and we started selling them for \$160,000. It nearly sent me bankrupt."

"I had to sell up everything, I'm one to think if you borrow everything I have to pay it back."

Around the same time Sherlock heard Brumby's — which had reached 100 outlets — was facing receivership. He led a consortium of franchisees, Defiant Milling and existing management and bought the company.

It embarked on an expansion, steadily increasing the number of stores under Sherlock's watch as franchise and site-selection director. Its share price went from 56c, its last public price on the Bendigo Stock Exchange in late 2003, to a price of \$3.40 when taken over by Retail Food Group in 2007. Sherlock took the money.

"Life after Brumby's, I decided I wanted to do things I enjoyed," he says.

Worth up to \$10m, Sherlock says he was inundated with offers and took on advice from banks and brokers to invest in businesses, shares and property.

"You're investing in things you don't really know," he says. "So you go to a broker, they say 'invest in A, B and C.'"

He says on advice he invested in a range of holdings, including the doomed childcare ABC Learning Centres, Babcock & Brown and Centro — "I had all the A B Cs" — in 2007 and 2008.

Off he went to live in the Loire Valley, France. It was mid-2008.

"That's when the world melted down," he says.

"I'm getting margin calls and I'm disconnected in France."

Sherlock bounced back, teamed up with Ebert and started investing in the property fund in 2010. He started consulting as a marketer to Sentinel last year.

He is also an adviser to a range of other companies, including sportsground advertising company start-up GrassAds and ice-creamery Cold Rock. Sherlock was also an adjunct professor at Griffith Business School's Asia-Pacific Centre for Franchising Excellence.

"We were able to achieve that lifestyle income, not by risking the capital but by getting the return," he says. "We're able to do that because of that attention to detail and intensive management and not leaving anything to chance. And it's a lot of fun."