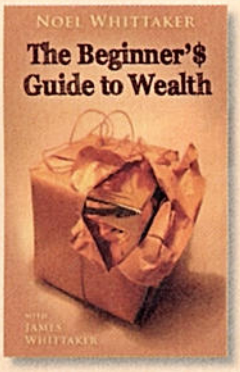

BOOK OF THE MONTH

BEGINNER'$ GUIDE TO WEALTH

NOEL & JAMES WHITTAKER

SIMON & SCHUSTER RRP $24.99

Since the release of his best-seller *Making Money Made Simple* 20 years ago, financial guru Noel Whittaker had noticed a gap in the market for a wealth-creation book targeted at the younger generation. So with son James he produced *The Beginner'$ Guide to Wealth* – a book as much about teaching success and self-development as it is about money. The first half focuses on believing in yourself, changing your life and planning for the future. The Whittakers set out to inspire the reader to find their "inner power".

Don't be put off by all the hippie talk. You'll find plenty of money stuff – how to start building a fortune, keeping your finances on track, understanding interest and investing, plus the skills needed. It's invaluable reading whether your teenager is in need of a gentle financial push, or you, yourself, want a basic intro. RICHARD SCOTT

10 readers can win a copy

In 25 words or less, tell us how you define success. Send entries to Book of the Month, *Money*, GPO Box 3542 Sydney NSW 2001 or email money@acpmagazines.com.au. Don't forget to include your name and postal address. Entries close April 6, 2010.

BOTTOM LINE

Protect your capital

... while you gear into sharemarkets

If you are nervous about directly investing in Australian and Asian sharemarkets, take a look at Capital Series OzAsia from the Commonwealth Bank. The three investment strategies on offer are 20 Australian shares, the S&P/ASX 200 Index and a basket of Asian indices that include sharemarkets in Korea, China, Hong Kong and Taiwan. They all offer 100% capital protection at maturity so you don't risk losing your initial money.

Capital OzAsia works like this: You receive income at set times throughout the investment period with the two Australian investment strategies but not the Asian option. The yearly income is 4% for the 20 Australian shares and 3% on the S&P/ASX 200 after 1½ years and then every 12 months until the term of the investment ends.

On maturity, if the market has risen you receive a capped level of capital growth. The cap is set at 50% on the 20 Australian shares option but 100% on the other two.

The minimum investment is $10,000 and you can borrow 100% to gear into it. The investment term is 5½ years and it matures in October 2015. At that time you can choose to accept units in the SPDR S&P/ASX 200 Fund or you can sell your units and get cash.

If you take your money out before the maturity date, the capital protection guarantee does not apply and you are liable for break fees and an early termination fee of 1.5%. You could receive less than your initial investment.

If you think this investment suits you you'll have to be quick. It is a closed investment that opened in February and closes at midday on March 19. SUSAN HELY

MONEY VERDICT

This is a low-risk way to invest in diversified investments if you keep your money in the fund until it matures in 5.5 years. However it is a complicated, structured product and it is important to understand how it works before you invest. The capital protection comes at a cost. You receive a capped level of growth after 5.5 years that could be way below the actual rise in the market as well as a low level of income that is less than many term deposits. Commonwealth Bank is making money on this product by paying the first income after 18 months at a rate below that of similar investments.

THE BURNING QUESTION

How reliable are median house prices as a guide?

Patrick Bright, Director EPS Property Search and best-selling real estate author, explains

Median house prices provide a quick snapshot of what's happening in a particular area and can help you to identify trends over time. However, they are not designed – and should not be used – as a method by which you determine the price of a property you are looking to buy or sell.

The median is the middle price and so, if there are 21 sales in a particular area, the 11th-highest one is the median. An increase or decrease in the median price may not reflect a price movement in the property type you're interested in or in values for the overall suburb. Why? Well, particular incentives in one section of the market can skew the median figures.

For example, the recent increase in activity in the first-home buyers market resulted in far more sales at the lower end of the market than at the higher end. In this case, a drop in the median housing figures would not necessarily indicate a fall in values in a particular area, but rather a skewed market with a high percentage of lower-end transactions. By the same token, many high-priced sales in a 12-month period is likely to lift the median price.

For this reason, median figures are only indicators at best. It's essential you do your own comprehensive research and get to know an area rather than relying on statistics which may mislead you into thinking an area is booming.

If you have a burning question please email money @acpmagazines.com.au