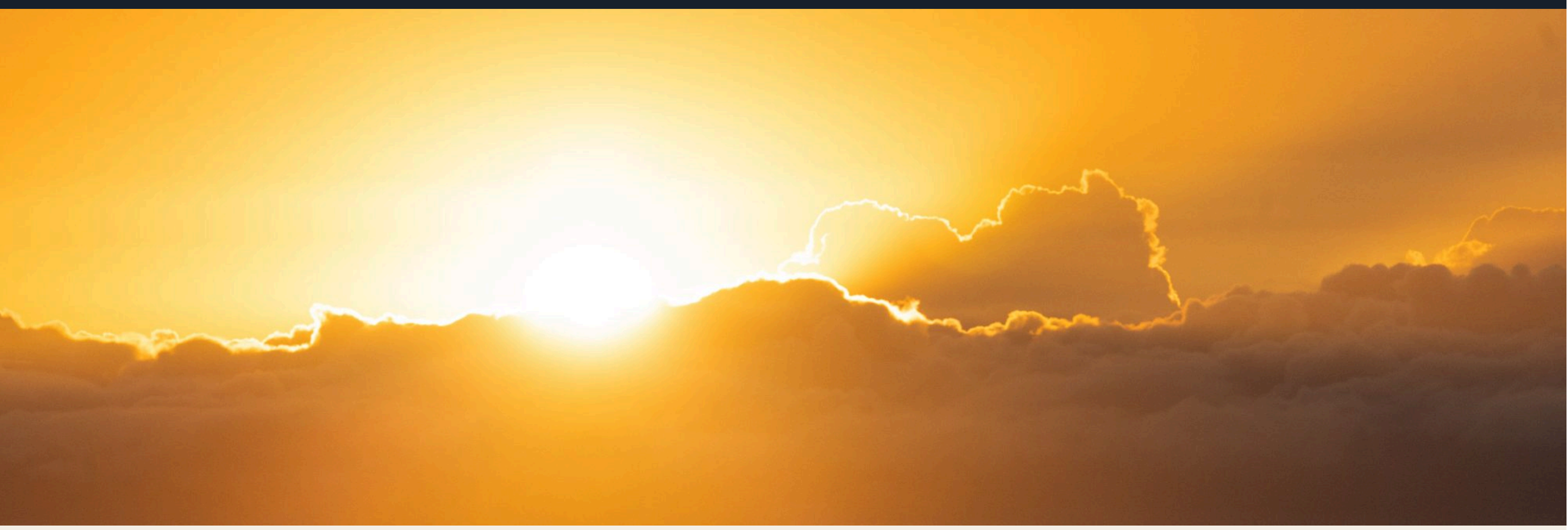
Investment philosophy.

How we help you invest your money with confidence — written down, so clients, advisers, staff and partners can all read the same thing.



Most financial advice is sold. Ours is written down, in your own language — so a plan you understand becomes a life you actually live.

CONTENTS

What is inside.

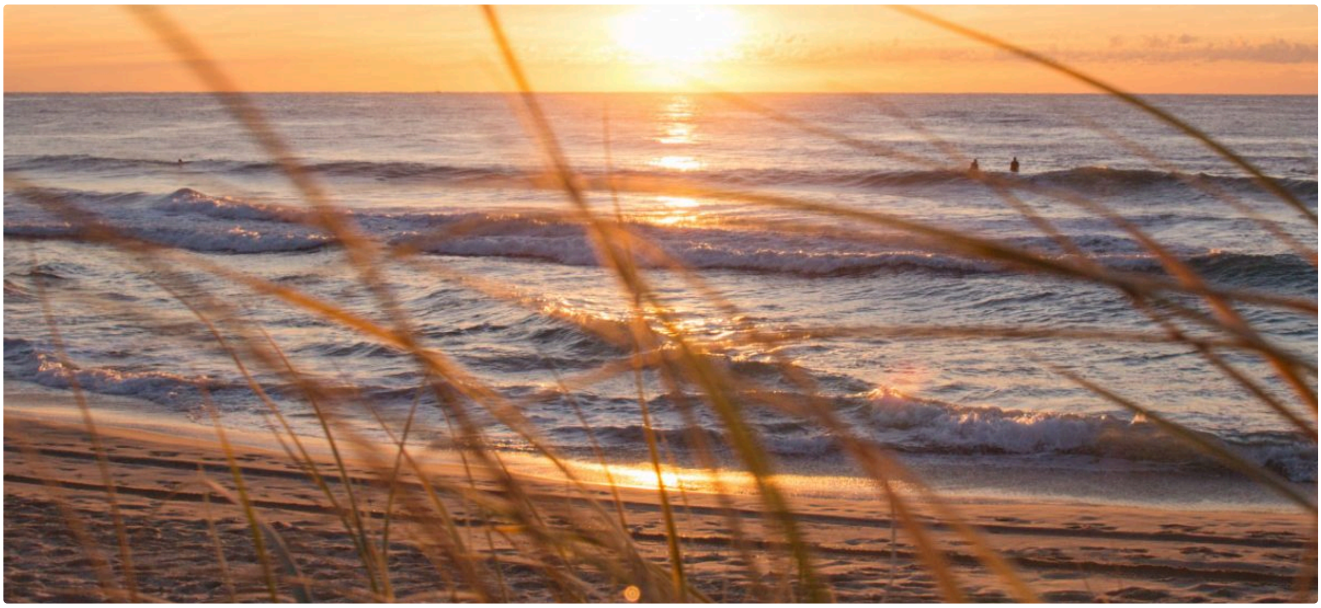
WHERE THIS STARTS

Our promise to you.

Like any advice practice worth its licence, we hold a core set of investment beliefs.

They shape every decision we make on your behalf, and they keep the oversight of your goals focused and disciplined. These principles sit inside our culture. They guide every investment decision we help you make.

None of what follows is a forecast, and none of it depends on us being right about the year ahead. The plan comes before the portfolio, always.



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THE FOUR PRINCIPLES

Principles for investment success.

01

Goals

Create clear, appropriate investment goals.

02

Balance

Build a suitable asset allocation using broadly diversified funds.

03

Cost

Keep what you pay as low as it can go.

04

Discipline

Hold your perspective for the long term.

PRINCIPLE 01

Goals.

Set measurable, attainable investment goals — then build the plan that reaches them.

The first question is not which fund. It is what sort of investor you are: what you need the money to do, when you need it to do it, and how much of a fall you can sit through without changing your mind.

Without that, every market movement becomes a decision. With it, most of them are noise.

> If one does not know to which port one is sailing, no wind is favourable.
>
> SENECA

> Money flows into managed funds after the good years, not before them. Buying what has already risen is the most common and most expensive habit in investing.

PRINCIPLE 02

Balance.

How you spread your money across shares, bonds, property and cash is one of the biggest decisions you will make as an investor.

You should have a strategic asset allocation that assumes you do not know what the future holds — because you do not, and neither do we. Broad diversification is what lets a plan hold when one part of it does badly.

ASSET ALLOCATION DEFINES YOUR RETURN, AND YOUR RISK

91.1%

of the variation in a United States balanced fund's returns is explained by its asset allocation.

89.3%

is the equivalent figure for Australian balanced funds. The mix does the work, not the picks.

> Diversification is the admission that picking a winner is hard. Last year's best asset class is not reliably next year's, and the ranking reshuffles every year.

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PRINCIPLE 03

Cost.

In most of life, past performance is a fair guide to what you are buying. Investing is the exception.

What you pay is the one part of the outcome you can control. Over decades, a difference in fees that looks trivial on a statement is the difference between two very different balances.

THE LONG-TERM IMPACT OF INVESTMENT COSTS ON YOUR BALANCE

The same starting balance and the same market return, at four different levels of cost. The gold bar is the highest-cost outcome.

> In investing, you get what you don't pay for.
>
> JOHN C. BOGLE

PRINCIPLE 04

Discipline.

Setting your target asset allocation is not enough on its own. Rebalancing is what keeps it true.

Left to drift, a portfolio quietly becomes riskier than the one you agreed to — the parts that did well grow until they dominate. Rebalancing sells a little of what rose and buys what did not, which is the opposite of what instinct says.

REBALANCING CONTROLS YOUR EXPOSURE TO RISK

75%

growth assets after fifteen years, in a rebalanced portfolio that started at 75%.

95%

growth assets in the same portfolio left to drift — a risk profile nobody chose.

> The stock market serves as the relocation centre at which money is moved from the active to the patient.
>
> WARREN BUFFETT

WHEN YOU ARE TEMPTED TO CHANGE STRATEGY

The importance of maintaining discipline.

The same starting sum, over the same period. The difference between the three outcomes is not skill or luck. It is whether the investor stayed in the market, moved to cash during the worst of it, or stopped contributing.

Stayed invested · moved to cash and returned late · stopped contributing.

The worst declines make the best buying opportunities, which is only obvious afterwards. This is the part of the job where most of our value sits, and it is also the part that looks like doing nothing.

> Plan for what is difficult while it is easy, do what is great while it is small.
>
> SUN TZU

IMPORTANT INFORMATION

What this document is, and is not.

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This document sets out how we think about investing. It is general information only. It is not personal advice, and it does not take account of your objectives, your financial situation or your needs. Before acting on anything in it, consider whether it is appropriate for you, and read the Product Disclosure Statement for any product mentioned.

The figures shown are illustrations of the effect of cost, allocation and investor behaviour. They are not a forecast, and past performance is not a guide to future performance.

As a provider of financial services we are subject to the reporting and client identification requirements of the Australian Transaction Reports and Analysis Centre (AUSTRAC). We will ask you for identification before we can act for you.

Our Financial Services Guide, Privacy Policy and Dispute Resolution Policy are available on request and on our website.

Start where you are.

Book a conversation. Forty-five minutes, at our office in Burleigh Heads or by video, and you will leave it knowing more than you arrived with — at no cost and no obligation.

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