



INVESTMENT PHILOSOPHY

with

WEALTHPARTNERS



Objectives & Risk Management

We

We aim to maximise the probability of you meeting your objectives whilst ensuring we implement a strategy that is consistent with your tolerance towards risk.

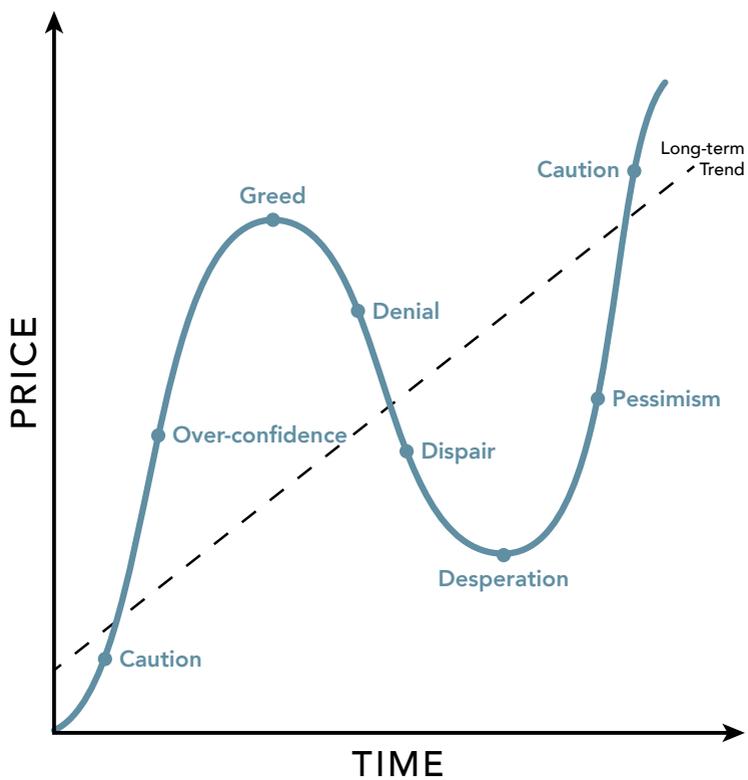
We believe the primary risk that must be managed, is the risk that the long term goals may not be met.

This will be influenced by a multitude of factors including:

- > The exposure to volatile assets in your portfolio
- > Your level of saving and spending
- > The underlying level of real interest rates, inflation and tax

The first step to risk management is determining your appropriate level of risk, also known as your risk tolerance. After that level of risk is determined it is important to make sure that the portfolio is appropriately diversified at all times.

Investor Sentiment Cycle



Asset Allocation

We

We prefer Fund Managers who are able to protect capital when broad market swings occur. We include Investment Managers who have the ability to tactically alter their asset allocation based on prevailing market conditions, so they may add value and reduce the risk of portfolios.

To add value in asset allocation we use several analytical tools, including:

> **Macroeconomic**

These tools allow us to model how broad economic themes are likely to affect our portfolios, and to identify when strategic adjustments may be necessary.

> **Valuation**

These tools allow us to ascertain where the underlying fundamentals of an investment are not appropriately reflected in its return, and hence avoid investments that are overvalued and identify investments that are undervalued.

> **Technical**

These tools allow us to model what characteristics an investment is likely to add to our portfolios, including its relationship with other investments and its ability to reduce overall risk within a portfolio.

Asset Classes & Currency Management

We

We believe that some markets are less efficient than others. We will only use active portfolio management in those sectors where managers in general have a clear record of out-performance, including: small companies, alternative investments, and mature emerging markets.

In order to successfully add value through portfolio selection, we have access to superior research from Morningstar, AMP Financial Planning, Zenith & Lonsec, we also use our own internal capabilities.

We believe that currency can be managed on a tactical basis through the use of fully hedged / unhedged investment funds.

Illiquidity in a portfolio is fine as long as there are sufficient liquid assets to provide for regular cash flow needs, and reserves for emergencies or other opportunities. If illiquid assets provide the best opportunities, we should not be worried about tying some capital up for periods of time.

We will only invest in alternative assets if we really understand the opportunity including; the risks, what is likely to drive sustainable returns, the fees, and the potential for illiquidity.

The role of secure debt in a portfolio is to provide stability in a downturn and a guaranteed source of income. We do not take risks with this part of the portfolio.

We use investments with credit risk in portfolios to take advantage of the higher premiums above secure debt that are available from time to time. When the premiums are insufficient we will not recommend this asset class.

Taxes & Fees

Whilst after tax returns are important, we primarily believe tax should not be the key driver in selecting an Investment Manager. We believe the total return to our clients should be our main objective. Sound investment decisions should enable tax effectiveness.

We consider after-fee outcomes. Fees should not drive decisions provided they are more than offset by the value created by active management.



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Important Information: This brochure contains information that is general in nature. It does not take into account the objectives, financial situation or needs of any particular person. You need to consider your financial situation and needs before making any decisions based on this information.

The background is a solid teal color with a repeating pattern of white line-art icons. These icons represent various financial and business concepts: hands holding stacks of money, hands holding a single dollar bill, hands holding a house, hands holding a flower, hands holding a clock, hands holding a pen, hands holding a document, hands holding a sun, hands holding coins, hands holding an umbrella, and hands holding a heart.

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