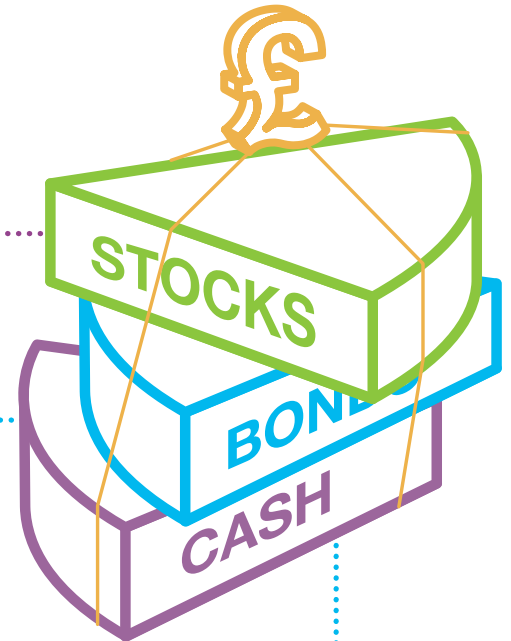


# MANAGING WEALTH: PORTFOLIO

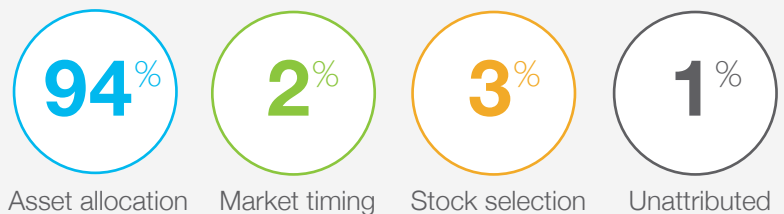
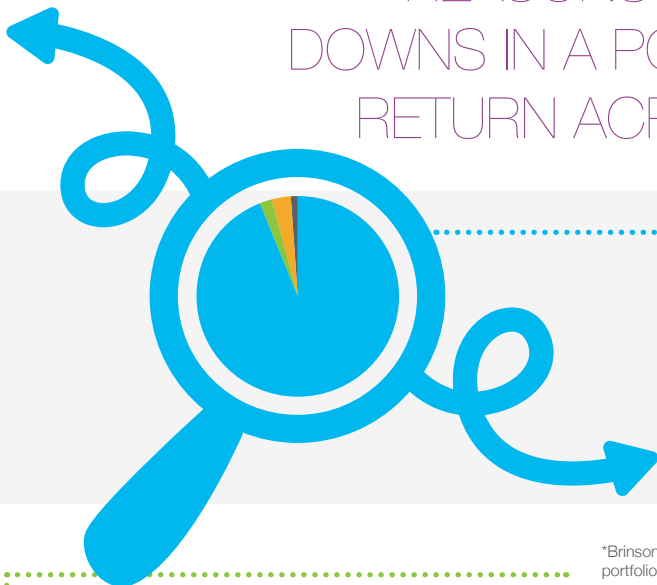
As evidence-based investors, we don't spend our time trying to 'time' the market, therefore we have exponentially more time than active managers to focus on doing a few simple things exceptionally well.

## 1. ALLOCATE ASSETS WISELY

Getting the right mix of asset classes in a client's portfolio to achieve their goals: this is the driver of a successful outcome. It starts with ensuring that the right balance is set between growth (equity-like assets) and defensive (bond) assets.



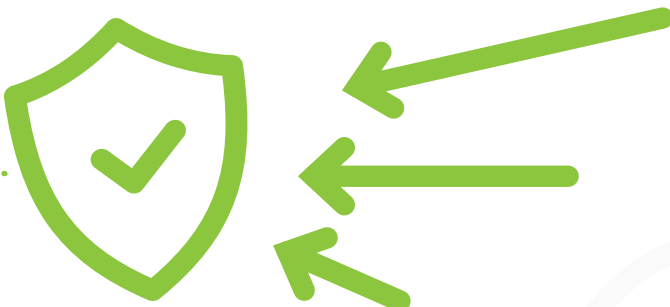
REASONS FOR UPS &  
DOWNS IN A PORTFOLIO'S  
RETURN ACROSS TIME\*



\*Brinson, Gary P., Hood, L. Randolph, and Beebower Gilbert L., (1986) 'Determinants of portfolio performance', Financial Analysts Journal, vol. 42, No. 4, pp 40-48.

## 2. MANAGE INFLATION

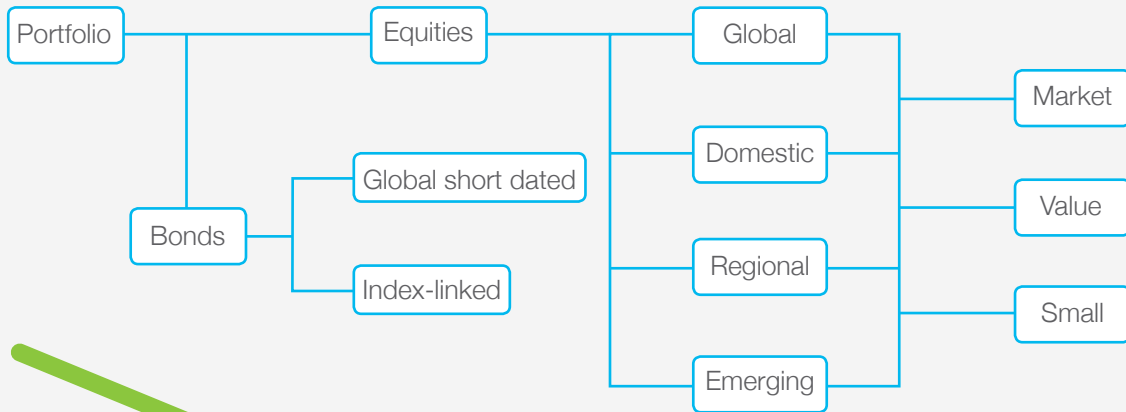
Inflation is an invidious form of taxation and we make sure that client portfolios are adequately protected from it.



'By a continuing process of inflation, government can confiscate, secretly and unobserved, an important part of the wealth of their citizens.'  
John Maynard Keynes

# 3. DIVERSIFY BROADLY

Client portfolios are highly diversified by asset class, geography, sector and company to ensure that they own a 'portfolio for all seasons'.



# 4. DRIVING DOWN COSTS

All investment costs eat away at market returns. Small numbers compound into large impacts over time and we avoid as much return leakage as possible.

# 5. REBALANCING PORTFOLIOS REGULARLY

As markets move over time, the structure of a client's portfolio changes. Our disciplined rebalancing of portfolios back to their original structure helps to avoid an upward (or sometimes downward) drift of risk in the portfolio.



'If I have learned anything from my 52 years in this marvellous field, it is that, for a given individual or institution, the emotions of investing have destroyed far more potential investment returns than the economics of investing have ever dreamed of destroying.'

John C. Bogle, Founder  
- Vanguard Group

# 6. MANAGING CLIENT EMOTIONS

Poor decisions driven by emotion destroy wealth. Our disciplined, systematic approach helps to curb the influence of emotions on decision-making.

