



INVESTMENT PHILOSOPHY

2023





OUR PROMISE TO YOU

Like all successful financial advice businesses, we have a core set of investment beliefs.

These beliefs shape the investment decisions we take on your behalf and give focus and discipline to the oversight of your investment goals.

We are guided in the decisions we make on your behalf by some fundamental investment principles that assist you to stay focused on your investment goals and build wealth over time.

We know that investors can't control short-term market movements. So instead we focus on factors in your control such as:

- Understanding your attitude towards risk and return to develop a detailed risk profile
- Allocating your investments across a wide range of assets—shares, bonds, property and cash
- Choosing the right mix of investments styles—index and active—to achieve your goals.
- Reducing the cost of investing wherever possible by implementing tax effective investment strategies.
- Rebalancing your investments back to your target asset allocation

We don't focus on the markets, the economy, manager ratings or the performance of individual securities. Instead we focus on the fundamental principles that we believe can give our clients the best chance of success.

- We will help you create specific and measurable investment goals.
- We will help you develop a suitable asset allocation using broadly diversified funds.
- We will help you minimise cost.
- We will help you maintain perspective and long-term discipline.

These principles are embedded in our culture and guide the investment decisions we help our clients make.

GOALS

To understand your financial goals and objectives we work through a fact find questionnaire where we help you to set measurable and attainable investment goals.

We believe that your return objective should be consistent with your risk objective.

We will tailor your portfolios based on your investment preferences. By understanding your views we can accommodate these preferences within your portfolio.

When creating a financial plan we will always aim to do so with a long term view.

We believe a sound financial plan helps you to stay focused on the factors we can control rather than reacting to ever changing media headlines.

We believe that clear and realistic goals can help protect you from common mistakes (e.g. performance chasing) that can deprive you of achieving investment success.

Missing a few days of market rallies drastically reduces return

The best 30 days account for almost half the long-term return of the U.S. stock market, and they're often clustered near the worst days

Annualized returns of U.S. stock market from 1928 through 2021



If the length of this bar represents the 23,000+ trading days from 1928 through 2021 ...

... this small area represents the 30 best days

BALANCE

To determine your attitude to risk we will work through a risk profiling questionnaire and then have a more in depth discussion to confirm that the outcome is aligned to your goals and objectives.

We believe that every successful investment strategy begins with an asset allocation suitable for its objective.

We regularly assess market conditions and asset classes to calibrate our expectations for both returns and volatility of returns.

Both active and passive investments have potential benefits in a portfolio. Passive funds offer low-cost efforts to track benchmarks, while Active funds offer the potential for outperformance, utilising the skill of a professional manager but may come with greater volatility.

Diversification is a powerful strategy for managing traditional risks. Diversifying across asset classes reduces a portfolio's exposure to the risks common to an entire class. Diversifying within an asset class reduces exposure to risks associated with a particular company, sector, or segment.

Diversification: it is hard to pick a winner

Out and underperforming annual asset class returns follow a seemingly random pattern

Aus Fixed Interest	26.2%	11.4%	32.8%	32.3%	27.7%	14.4%	13.2%	27.1%	4.5%	26.8%	10.6%
Aus Property	13.1%	10.5%	26.3%	19.7%	26.8%	6.0%	11.8%	20.0%	3.3%	23.8%	7.8%
Cash	9.3%	5.0%	19.7%	13.0%	12.6%	3.8%	11.7%	11.9%	1.9%	22.6%	5.1%
Global Agg H	6.0%	1.9%	18.7%	7.3%	10.4%	3.3%	10.3%	6.4%	1.6%	19.6%	4.5%
Aus Equities	4.7%	-1.5%	16.7%	6.3%	9.8%	2.8%	6.7%	6.3%	-3.1%	18.6%	1.7%
Intl Property H	4.3%	-1.9%	9.7%	2.9%	6.9%	2.6%	5.2%	3.7%	-4.3%	7.3%	0.4%
Intl Equities: EM	1.9%	-11.0%	7.7%	2.3%	5.3%	2.3%	2.9%	3.7%	-5.1%	7.2%	-4.0%
Intl Equities: DM H	-0.7%	-18.4%	4.0%	2.0%	2.7%	-4.3%	2.1%	1.7%	-7.6%	1.5%	-13.3%

Notes: Australian equities is the S&P/ASX 300 Index; Australian Property is the S&P/ASX 300 A-REIT Index; International Property Hedged = FTSE EPRA/NAREIT Dev x Au Hedged into \$A from 2013 and UBS Global Investors ex Australia AUD hedged Index prior to this; International Shares Hedged is the MSCI World ex-Australia Index Hedged into \$A; Emerging Markets Shares is the MSCI Emerging Markets Index; Australian Bonds is the Bloomberg Ausbond Composite Bond Index; Global Aggregate Bonds = Bloomberg Barclays Global Aggregate Index Hedged into \$A; Cash = Bloomberg AusBond Bank Bill Index. Source: Vanguard Investment Strategy Group analysis using index data from Bloomberg, Barclays, FTSE, MSCI, S&P & UBS.

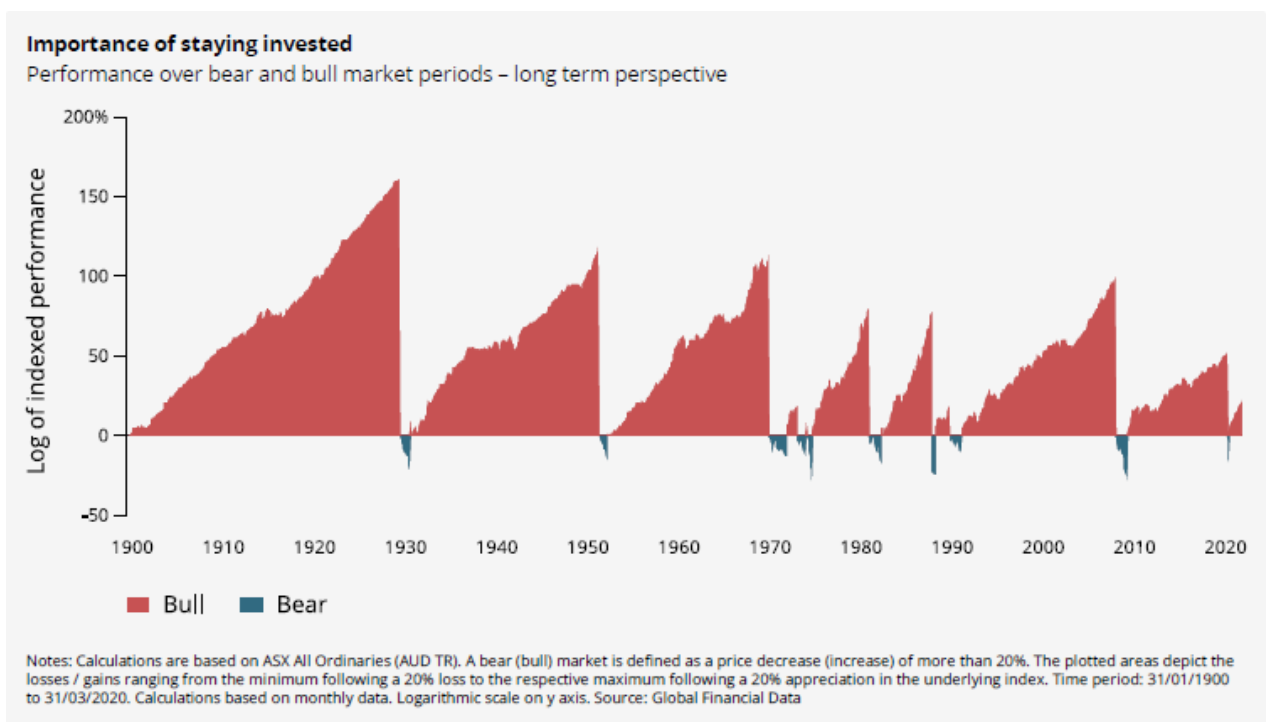
DISCIPLINE

A disciplined, long term approach is important in meeting your goals. Market conditions are monitored and considered but our objective is to meet your long term goals. With that understanding, short-term volatility must be tolerated at times in order to achieve your end goals.

We aim to educate you on the dangers of reacting to market downturns and making poor investment decisions when emotional.

We help you to focus on your long term strategies and how staying the course will help you to achieve your goals in life.

We help you understand why rebalancing is necessary to keep your portfolio in line with your risk appetite throughout the cycle.



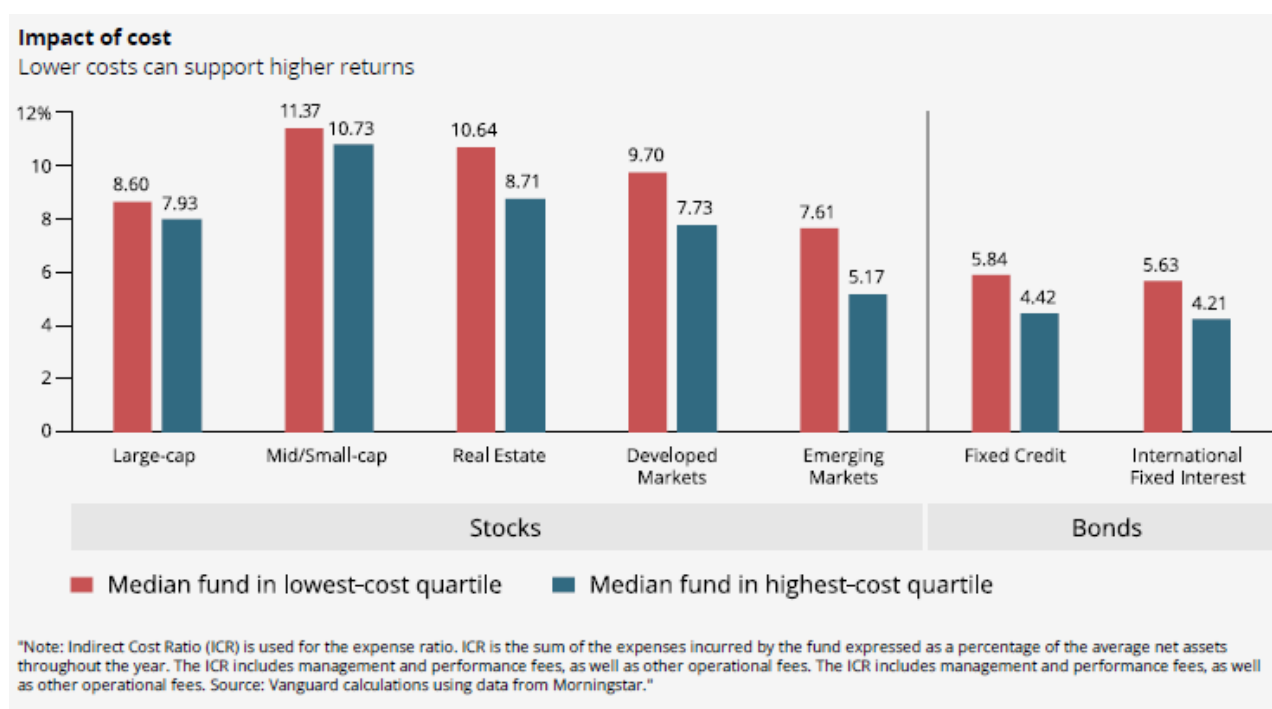
COST

Clients cannot control the markets but they can control their overall costs.

We take an evidence based view that a blend of active and passive managed funds can improve returns and lower costs over the long term.

We will construct portfolios in line with the size of your portfolio to maintain cost effectiveness.

By reducing transaction costs and unnecessary trading we aim to lower investment costs, as the more clients keep of their returns, the greater their chance of achieving investment success.



MANAGER SELECTION

We believe it is important to understand a manager's philosophy, culture, expertise and investment process.

To identify potential investment options we use a variety of independent research providers.

We may look to remove a fund manager for various reasons, such as:

- significant long term underperformance;
- a change to investment strategy; and
- to reduce key person risk.

We have access to an extensive Approved Product List and our Investment Committee is responsible for determining our preferred portfolios.



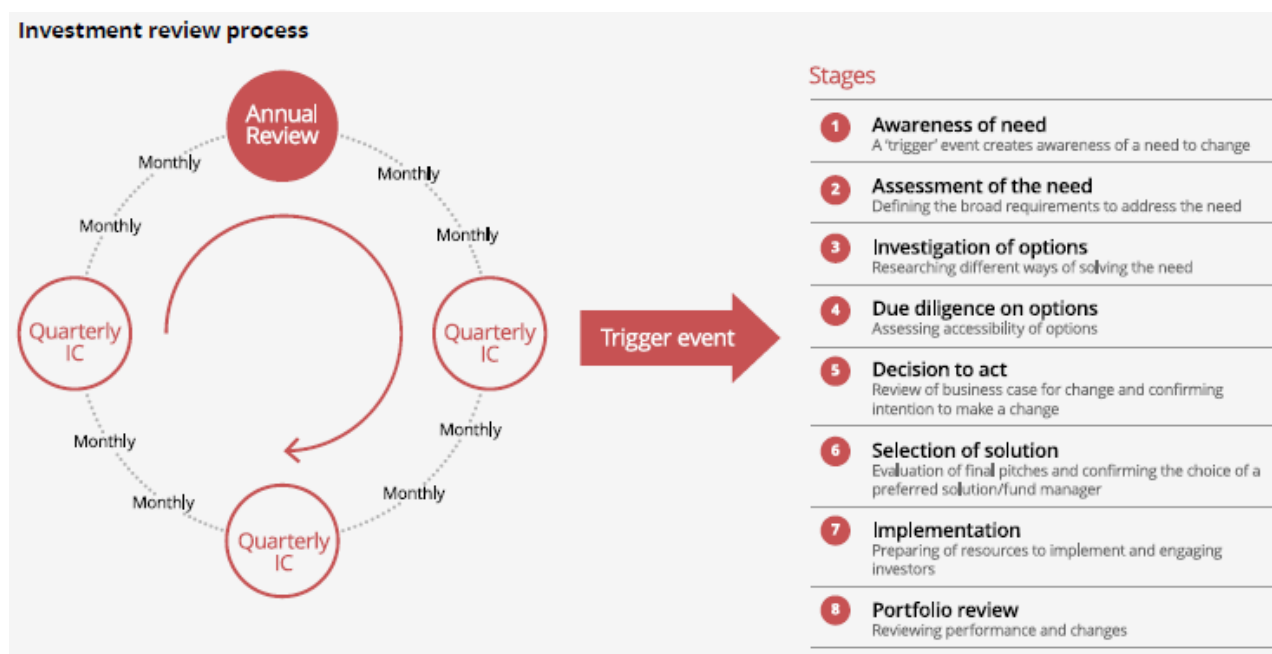
GOVERNANCE

We undertake regular reviews to stay informed about investment portfolios and managers' capabilities. We pay attention to changes in manager ownership, personnel, resources and culture.

We believe that relying on past returns is an easy way to make poor investment decisions. Effective asset management requires focus on the long term.

We maintain regular communications to check if the portfolio is being managed in accordance with established guidelines and to discuss performance results.

Our Investment Committee (IC) meets internally on a quarterly basis review all facets of investment management and consider the prevailing economic conditions to ensure that your portfolio remains aligned to your objectives.





Having read through our Investment Philosophy, you will now be aware of the framework we will use to make recommendations and investment decisions on your behalf.

We focus on fundamental principles that we believe will give our clients the best chance of success.

This document will become a useful reference tool as we continue to work towards achieving your personal financial plan.

Our goal is to help you achieve your dreams by shaping your financial plan and utilising a disciplined investment process.

We take the responsibility of managing your investments seriously. We are excited about being on the journey together and helping you to secure your financial future.

Important information

This advice may not be suitable to you because it contains general advice that has not been tailored to your personal circumstances. Please seek personal financial and tax/or legal advice prior to acting on this information. Before acquiring a financial product, a person should obtain a Product Disclosure Statement (PDS) relating to that product and consider the contents of the PDS before making a decision about whether to acquire the product. The material contained in this document is based on information received in good faith from sources within the market, and on our understanding of legislation and Government press releases at the date of publication, which are believed to be reliable and accurate. Opinions constitute our judgment at the time of issue and are subject to change. Neither, the Licensee or any of the Oreana Group of companies, nor their employees or directors give any warranty of accuracy, nor accept any responsibility for errors or omissions in this document.

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