AS Wealth Advisors

Investment Philosophy

AS WEALTH ADVISORS

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Our Promise to you

AS Wealth Advisors holds a foundational set of investment principles. These principles guide the investment decisions we undertake on your behalf, providing a structured and disciplined approach to overseeing your investment objectives.

We continue to be your primary advisory resource for a diverse array of investment solutions, and we uphold the following overarching mandates:

- Focus
- Research
- Investment Risk
- Monitoring

Short-term market fluctuations are beyond investors' control, our emphasis is on factors within your control. We prioritize fundamental principles that, in our belief, offer clients the optimal chance of success:

Focus

- Establishing specific and measurable investment goals
- Assisting you in maintaining perspective and adhering to long-term discipline
- Implementing tax-effective investment strategies whenever feasible

Investment Risk

• Comprehend your stance on risk and return, strategically distributing your investments across a diverse range of assets—such as stocks, bonds, real estate, and cash—in accordance with your preferences, employing both index and active investment approaches.

Research

• Implement essential investment principles and leverage our research resources to help you remain committed to your investment objectives and gradually accumulate wealth over time.

Monitoring

• Adjusting your investments to align with your target asset allocation, ensuring you stay on course to accomplish your objectives.

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

GOALS: Establish well-defined and suitable investment objectives.

BALANCE: Create an appropriate asset distribution utilizing broadly diversified funds.

DISCLIPINE: Retain a broader view and adhere to long-term discipline.

INVESTMENT SELECTION: We believe that an effective manager selection process is critical to attracting and retaining skilled managers to implement asset allocation and achieve investment objectives

Goals

We assist investors in establishing measurable and achievable investment objectives. The return objective is aligned with the investors' risk tolerance. Realistic plans are devised to attain these goals, incorporating relevant information to address individual investor objectives and constraints. The investment plan is customized based on your position. Considerations such as time horizon, cash needs, and tax implications are factored into investment goals and plans. A well-crafted investment plan helps investors stay focused on controllable factors, avoiding reactions to ever-changing news headlines. We firmly believe that clear and realistic goals safeguard investors from common pitfalls, such as performance chasing, which could hinder investment success.

Balance

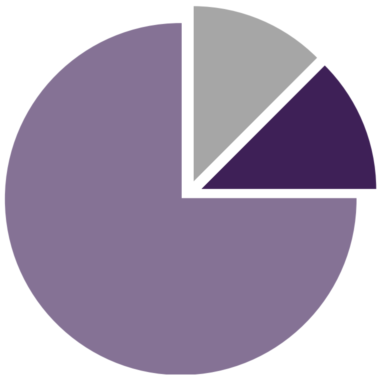
In our investment approach, we carefully balance both active and passive (index) strategies:

PASSIVE FUNDS:
- **Cost-Efficient Benchmark Tracking**
- **Diverse Industry and Asset Class Coverage:** There is an index available for nearly every industry sector and asset class, encompassing Australian and international shares, property, and bonds.
- **Long-Term Market Returns:** Recognizing the challenge of consistently selecting winning investments, indexing presents a low-cost approach to mirroring market performance.

ACTIVE FUNDS:
- **Striving for Benchmark Outperformance:** Active funds aim to exceed the returns of their associated benchmarks.
- **Stock Selection Expertise:** Fund managers meticulously select stocks, comparing their performance against the benchmark.
- **Focus on Outperforming Companies:** The objective is to select companies anticipated to outperform others within the index.

At our firm, we believe in the merit of both active and index management styles within your investment portfolio. Index funds serve as the cost-efficient 'core,' while active funds or individual stocks act as strategic 'satellites.' This diversified approach is designed to optimize returns while managing risk effectively.

Core Satellite Approach



A core-satellite approach offers several advantages for investors, including:

Diminishing Reliance on Selecting Winners:

- Minimizes the need to consistently pick winning investments or chase after the returns of fund managers.

Enhancing Portfolio Diversification:

- Broadens portfolio diversification, spreading risk across various assets and reducing vulnerability to the challenges of a specific asset class

Optimizing After-Tax Returns:

- Capitalizes on potential capital gains discounts, thereby improving after-tax returns.

Lowering Overall Fund Management and Transaction Costs:

- Reduces the burden of fund management and transaction costs, contributing to more efficient portfolio management.

Mitigating Volatility and Risk:

- Aims to achieve investor goals with reduced volatility and risk throughout their investment journey.

Diversification, recognized as a potent strategy for managing traditional risks, operates in two key dimensions:

Cross-Asset Diversification:

- Spreading investments across different asset classes minimizes exposure to risks inherent in an entire asset class.

Intra-Asset Diversification:

- Diversifying within a specific asset class helps mitigate risks associated with individual companies, sectors, or segments.

This comprehensive strategy is designed to provide investors with a well-balanced and resilient investment portfolio.

Discipline

We firmly believe that the foundation of any successful investment strategy lies in adopting an asset allocation tailored to its specific objective.

• Regular rebalancing is imperative to align the portfolio with the initially designed asset allocation, ensuring it remains in sync with the intended goal.

• Effectively managing various risks, including market, inflation, and shortfall risks, is crucial for assisting investors in realizing their financial objectives.

• Our continuous evaluation of market conditions and asset classes enables us to adjust our expectations for both returns and return volatility.

• The strategic process of rebalancing serves as a risk control measure; failure to rebalance allows high-return (typically high-risk) assets to proliferate, resulting in increased portfolio risk.

We engage in rebalancing:

- Annually during review periods
- When the asset allocation deviates by more than 15% from the target strategic asset allocation
- If our research indicates a potential underperformance risk with a relevant fund manager or index fund, if there is a strategic change in the position of relevant companies (e.g., departure of key staff or directors), or if our perspective on the target asset allocation evolves.

Investment Selection

•We emphasize the pivotal role of an adept manager selection process in both attracting and retaining skilled managers, crucial for executing asset allocation and realizing investment objectives.

• A comprehensive understanding of the investment manager's philosophy, organizational culture, expertise, and investment process is essential in making informed decisions.

• Our assessment of recommended investment options includes a thorough consideration of transaction costs as well as management and performance fees, ensuring a comprehensive understanding of the overall costs for our clients.

• Measures of success and evaluation timeframes are established for each manager, guiding our research house in their assessments of managerial effectiveness.

• Quarterly reviews are conducted to remain abreast of developments in investment portfolios and assess the ongoing capabilities of managers. We particularly monitor changes in manager ownership, personnel, resources, and organizational culture.

• We firmly believe that relying on past returns is a simplistic approach that can lead to suboptimal investment decisions. Effective asset management demands a steadfast focus on long-term considerations.

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