

Below is an explanation of our investment process. These are the stages we consider for every client in devising and managing their investment portfolios.

### Stage 1

The starting points are your financial and lifestyle objectives. Your portfolio will need to provide income or capital at various times during your lifetime and a risk and reward tolerance has to be established to meet your expectations.

### Stage 2 – Asset Allocation

An appropriate split of investments between the main investment asset classes provides risk management and diversification. Our risk rating formula allows us to design a portfolio to meet your risk tolerance.

### Stage 3 – Forecasting

Over the long term (10 years+) the expected returns from the main asset classes are more predictable as investments perform in a cyclical nature. Over the short term (1-3 years), the performance of asset classes will depend upon their position in regard to their investment cycle and current economic conditions. We feel it is important to position your portfolio in investments that may perform well over the next 12 months, and if the forecast is correct, significant underperformance may be avoided.

### Stage 4 – Fund Selection

We help you select the appropriate collective investments to meet your asset allocation. We leave stock picking to the major investment houses who manage these funds as they have the resources and research facilities to perform this difficult task. We hope to choose fund managers that can produce out performance and due to the high number of funds available, can be replaced if underperforming

### Stage 5 – Review

It is essential you review your portfolio at least annually to take account of any changes in objectives, risk tolerance and short term forecasting. Our main benchmark is to outperform cash returns otherwise the risk reward of capital invested is not worthwhile. We diarise annual meetings in advance, provide regular investment forecasts, newsletters and ongoing telephone support.