



# Our investment advisory service

## Who we are?

Our investment advisory service plays a pivotal role in helping our clients achieve their goals. In providing this service, FSP advisers are supported by five core teams – Technical Support, the Chief Investment Office (CIO) and Advice Research, Professional Standards & Development and our dedicated management team – making FSP one of Australia's most highly regarded financial planning groups.

## High quality investment solutions

The Advice Research Team supports your adviser in determining the best investment solutions to meet your financial goals. The team consists of specialists in managed fund investments, portfolio management, insurance, annuities and direct investment in securities.

One of the core focuses of the Advice Research Team is to create and monitor FSP Group's Approved Product List, or APL, which consists of the range of investment solutions that the team has determined are of high quality and will help deliver the outcomes you and your adviser are working towards. The APL serves to filter the broad investment universe available in the market into a defined list of quality, relevant solutions for your needs.

## Our Investment Philosophy

Our investment philosophy is centered on the principle that asset allocation is the primary driver of investment return and risk. The first line of defence in any robust investment process is a well-diversified long term strategic benchmark of market exposures across many asset classes.

We believe that drivers of asset prices vary over time horizons. Over the longer term, asset returns are driven by fundamental valuation, reflecting the value of the cash flows accruing to the owner of the asset. However, over shorter periods of time economic, momentum and behavioural factors at times tend to play the dominant role in driving asset prices.

Additional value can be derived from employment of carefully selected investment managers who can, over time, exploit risks in security price behaviours, to outperform a particular market benchmark.

We believe there is a case for active management, not just in the less widely researched parts of the market spectrum, but in all markets. In order to deliver consistent risk-adjusted returns to our clients, we believe that identification, measurement and careful management of all dimensions of investment risk are critical, together with focused implementation.

## How we ensure that our investment recommendations suit you

At FSP, we know that one of the most important goals for our clients is to maintain and grow their wealth, whilst looking to lessen or avoid significant drawdowns in capital value of assets during times of market stress.

Your risk profile allows us to design a strategy that balances potential returns with your level of comfort. We produce an investment portfolio that matches your investment objectives and risk tolerance. In this way we know can design a portfolio that is suitable for your goals and achieving the lifestyle you deserve.

We then use sophisticated modelling to identify and quantify the different types of risk both at a market (economic) level and within the different asset classes. Investing involves risk of one type or another. Some, like inflation risk, are well understood and can be quantified. Others, like the event risk of an earthquake or major war, are less predictable. While it is impossible to completely eliminate all risks, a well-designed portfolio can smooth the variability of returns, whilst increasing the chance that your investment strategy will meet your goals.

Diversification spreads your investments across different asset classes to reduce volatility and deliver 'smoother' returns over time. Effective diversification means selecting a mix of investments that addresses your specific investment needs. On a regular basis, as we review your investments, we can take advantage of the expert advice available from our research team to adjust the asset class weightings and the strategy in your investment solution.

The key is to have an investment solution with a combination of assets and strategy that can meet your investment needs with the least amount of risk.

## Who is FSP?

We are one of Australia's largest and longest established financial advisory groups; a network of specialists who have helped over 80,000 Australians build and protect their wealth.

Our advisers are selected on the strength of their technical acumen, financial knowledge and experience in the provision of appropriate advice. We look for people who are genuinely interested in helping clients reach their financial goals.

## 1. Our Investment Process



## 2. Our fund manager partners



To find out more about how these solutions may help you achieve and maintain your financial and lifestyle goals through retirement speak to your financial adviser today. Call MOR Financial Planners at 03 5333 3202.