

It all starts with the investment philosophy

The table below demonstrates the clear difference between Goals Based Investing using a Dynamic Asset Allocation approach and Risk Profile Based Investing using a Strategic Asset Allocation approach. A simple way to consider which method you think is the most appropriate is to ask yourself how you'd want your money to be managed.

GOALS BASED INVESTING

Investors actual needs and goals are the most important starting point when developing an investment strategy

Every investor has numerous different goals - so no one strategy will suit all needs

Forward-looking insights are the best guide to future outcomes

Risk is defined as the probability of not meeting investor goals

Markets are not always efficient and repeatable

The world is continuously changing - more flexible, and broad-ranging Dynamic Asset Allocation tolerances can help derive value and protect against capital losses

RISK PROFILE BASED INVESTING

Risk profiling is the most important starting point when developing an investment strategy

Your risk profile is appropriate for all your investing needs

Optimal portfolios based on historical data is the best guide to future outcomes

Risk is defined as volatility of capital

Markets are always efficient and repeatable

Markets always revert to historical rates and ratios, so there is little value in managing asset allocation

In summary, Goals Based Investing focuses on the individual investor and specific outcomes, while Risk Profile Based Investing focuses on historical performance and a belief in the efficiency of markets.