YOUR FAMILY CFO

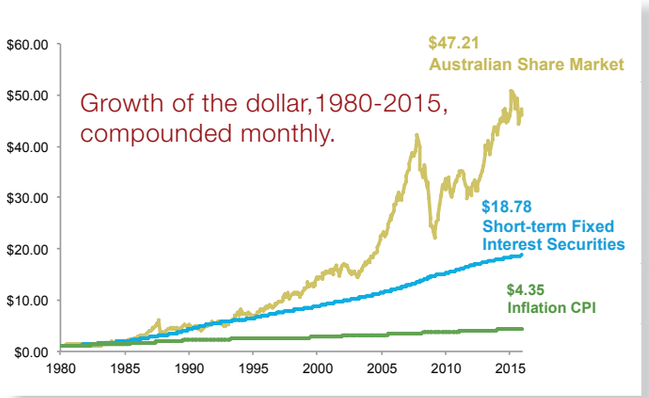
Ten ways to get a better
investment experience

At Your Family CFO we are true ***guardians*** of your finances, with your best interests always at the heart of everything we do.

We are also ***organisers*** and will help to bring everything together under the one umbrella so that your finances are viewed in terms of the bigger picture for you and your family. It's a true plan for the future.

We can be ***change agents*** when needed. We will be proactive and drive change where we feel this will add value. After all, we are designing for the future - and sometimes that can be unpredictable.

Lastly, we are ***architects*** of your investment strategies. We base our recommendations on several decades of academic research on how to build optimal investment portfolios. We don't rely on market or security forecasting, rather, we believe that asset allocation is the greatest determinant of investment returns in the long term. To quote Warren Buffett 'our preferred holding period is forever'.

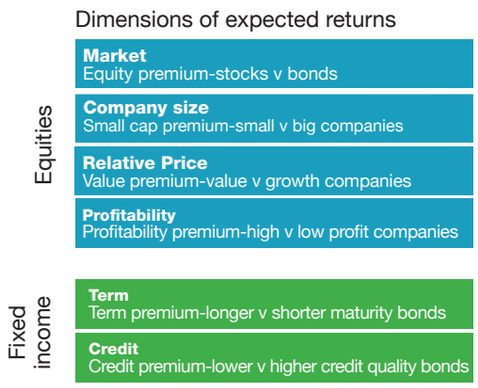


1. Take a long term approach: The financial markets have rewarded long-term investors. People expect a positive return on the capital they supply, and historically, the equity and bond markets have provided growth of wealth that has more than offset inflation.

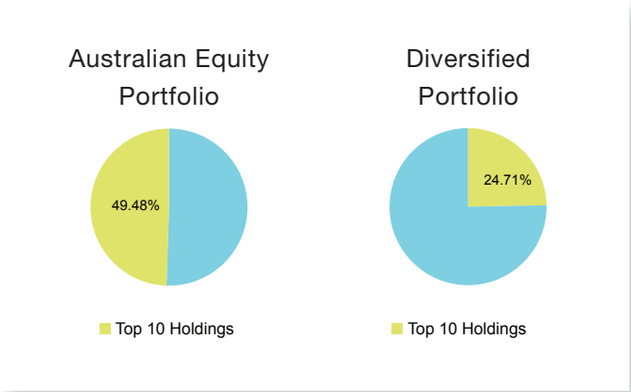
World Equity Trading in 2015

	Number of Trades	Dollar Volume
Daily Average	98.6 million	$447.3 billion

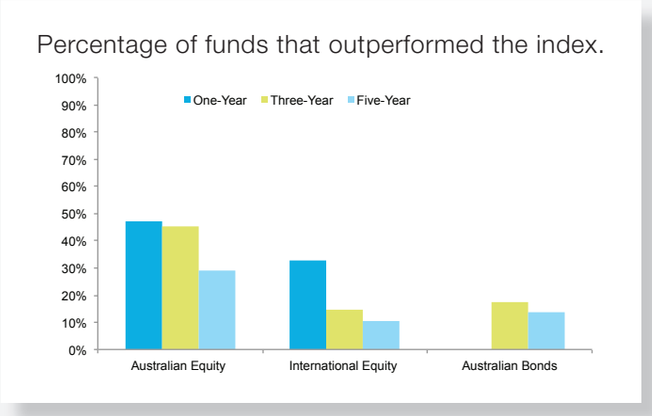
2. Let the markets work for you: The market effectively enables competition among many market participants who voluntarily agree to transact. This trading aggregates a vast amount of dispersed information and drives it into security prices.



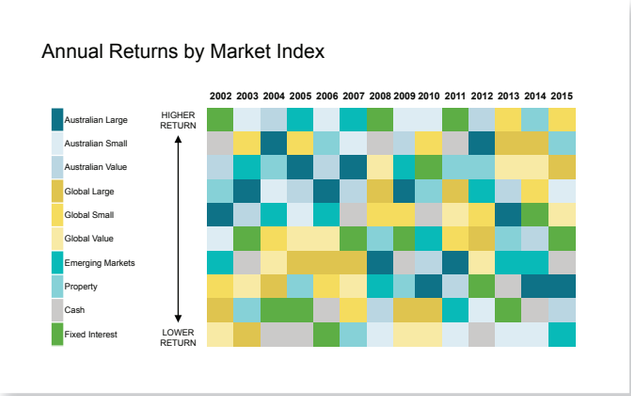
3. Consider the drivers of returns: Academic research has identified these equity and fixed income dimensions, which point to differences in expected returns. These dimensions are pervasive, persistent, and robust and can be pursued in cost-effective portfolios



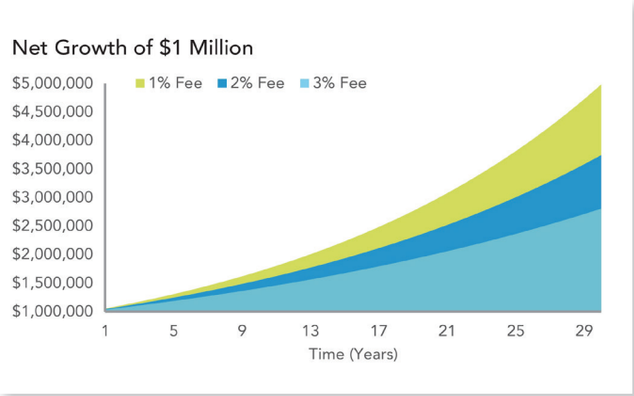
4. Practice smart diversification: It's not enough to diversify by security. Deeper diversification involves geographic and asset class diversity. Holding a global portfolio helps to lower concentration in individual securities and increase diversification.



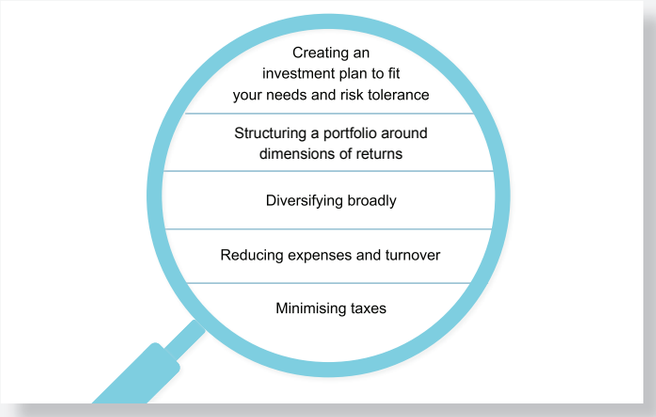
5. Invest, don't speculate: Over time, only a small fraction of money managers outperform the market after fees, and it is difficult to identify them in advance.



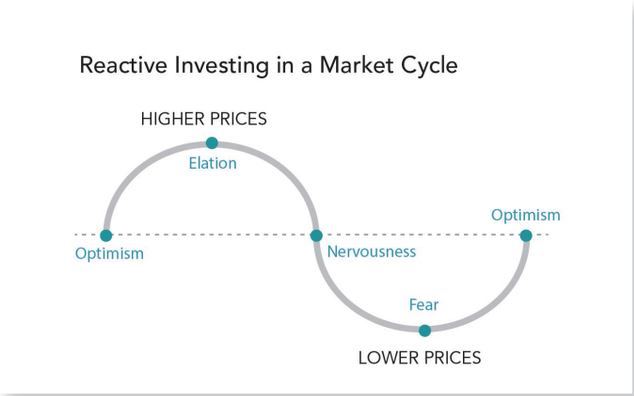
6. Avoid market timing: You never know which market segments will outperform from year to year. By holding a globally diversified portfolio, investors are well positioned to capture returns wherever they occur.



7. Keep costs low: Over long time periods, high costs can drag down wealth accumulation in a portfolio. Costs to consider include: Management fees, fund expenses and taxes.



8. Focus on what you can control: A financial advisor can create a plan tailored to your personal financial needs while helping you focus on actions that add value. This can lead to a better investment experience*.



9. Manage your emotions: Many people struggle to separate their emotions from investing. Markets go up and down. Reacting to current market conditions may lead to making poor investment decisions at the worst times.

* Diversification does not eliminate the risk of market loss. There is no guarantee investment strategies will be successful. This information is only for illustrative purposes.

10. Look beyond the headlines: Daily market news and commentary can challenge your investment discipline. Some messages stir anxiety about the future while others tempt you to chase the latest investment fad. When tested, consider the source and maintain a long-term perspective.

So in summary,

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3. Consider the drivers of returns
4. Practice smart diversification
5. Invest, don't speculate
6. Avoid market timing
7. Keep costs low
8. Focus on what you can control
9. Manage your emotions
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Disclaimer

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YOUR FAMILY CFO

Your Family CFO Pty Ltd Level 8, 90 Collins Street, Melbourne VIC 3000
T 03 9666 3372 **M** 0401 306 787 **E** hroach@yourfamilycfo.melbourne **W** www.yourfamilycfo.melbourne