

# Marinis Investment Philosophy

We believe in conservative wealth creation.

We are financial strategists, not stock pickers.

We do not recommend high risk or speculative investment strategies.

We believe in the principle that investment success comes from time in the market, not in the timing (of getting in or out) of the market.

We believe the best long term outcome can be delivered by 'Getting Rich Slowly'.

Our clients are our primary focus and we continue to research the market for the most cost effective investment management services.

Our experience tells us there are a broad range of investment philosophies which change as people accumulate assets, and move through different life stages. It is important for each investor to consider their own personal investment philosophy and priorities in consultation with a financial planner.

Our role in providing investment advice is to understand you, what motivates you, what your hopes and dreams are for the future, and the reality of your financial situation.

It is this knowledge, together with our specialised expertise in taxation and superannuation, which allows us to develop individual financial strategies that achieve consistent long term results – despite the inevitable fluctuations in financial markets.

Risk profile is one of the most important factors we consider when formulating investment portfolios for our clients. By understanding your goals and expectations, and your tolerance for investment risk, we are able to recommend an optimum allocation to relevant asset classes in order to achieve these goals.

For example, when drawing a regular retirement income becomes an integral part of your investment strategy, we recommend the application of a Marinis Buffer<sup>#</sup> by building in sufficient cash reserves to meet income payments in the short to medium term. This asset allocation ensures that income payments can be maintained without the need to sell down growth assets in times of market volatility.

## Active versus passive investment

Our view is that asset allocation is of fundamental importance to long-term portfolio performance – far more than an 'active' management approach to stock selection and market timing.

We believe that relying solely on active investment management is a zero-sum game. When the impact of costs and taxes on investment returns are taken into account, active managers and investors face a near impossible task of outperforming the markets on a consistent basis. We believe that, over the long term, a core mix of 'index' investing – or buying the market – (with, where appropriate, some exposure to active management) will allow investors to achieve market returns at a lower cost.

As well as meeting high standards of professionalism, our approved fund managers will generally be 'cost and return' focused providers with philosophies aligned with ours. We look for managers who diversify to insulate performance from downturns, and we look for an approach which is less volatile – which means investments generate fewer capital gains tax events, and ultimately, lower costs.

<sup>#</sup>Marinis "Buffer" is a strategy for providing certainty that retirees will receive their expected pension drawdown in the short to medium term future by holding a sufficient allocation in cash. Having this buffer will ensure they are protected from investment shock due to underlying market falls. This approach also strives to leave sufficient funds to benefit the portfolio in an upturn in investment markets.



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## The impact of fees on returns

There are many suppliers involved in the provision of financial advice and investment solutions, and each step in the process can incur a fee or charge for the services provided. Ultimately, the cost of these services is paid by our clients, at the expense of returns.

It is our experience that fees can be significantly lower by seeking out cost effective fund managers and investment platform providers for the delivery of investment management and investment administration services.

A vital part of our service involves an active assessment to ensure that each party in the investment process is the best provider at the most competitive price.

