



rmg financial services: our guiding beliefs on investment and money

1 Money is simply a means to an end. Wise investing contributes towards a better life.

People turn to us for help with their finances and in many cases to make money or protect their wealth. We recognise that the advice and investment solutions we offer potentially make a large contribution to the quality of lifestyle, wellbeing and happiness of our clients. Conversely, poor investment behaviour also has life impacts, rather than simply financial impacts.

2 Growth assets significantly increase the likelihood that investors will maintain or increase their buying power.

In addition to simply not saving enough, inflation is every investor's worst enemy. Investing in growth assets as part of a diversified portfolio is likely to deliver positive after-inflation returns over the long term, helping investors to maintain buying power.

3 Investing in growth assets involves “emotional pain” when falls in value are experienced. The extra expected return from growth assets *is the reward for enduring*.

Growth assets like shares and property are volatile by nature. If they weren't volatile, their long-term return prospects would be much lower – it is *precisely because* these assets are volatile that they produce extra long-term returns. The reward for enduring this volatility is the additional return that has historically been provided by growth assets over a majority of long periods of five years or more.

4 Professional financial advice combined with investment management increases the likelihood of investment success.

Research shows that most people fail to maximise their financial wellbeing, and many investors fail to capture the returns of mainstream markets. Quality financial advice and professional funds management *in combination* gives the best opportunity to achieve investment success. Good advice can help investors persist in volatile times and effective implementation on average produces superior results to do-it-yourself approaches – and reduces the risk of permanent capital loss.

5 An investment framework of Quality, Value, Diversity and Time is appropriate for managing core family wealth.

Our experience and research suggests that for a core wealth portfolio, investing in a Diverse array of Quality assets bought at reasonable Value improves the likelihood of achieving good investment outcomes over Time. This does not mean that other approaches, such as concentrating portfolio risk, never work. However the QVDT approach works for the majority of people and reduces significantly the likelihood of permanent capital loss compared to alternative approaches.