



# Achieving your financial goals

**Lonsec**

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# Setting your financial goals

Financial goals are different for each investor. Whether you're preparing for retirement or just entering the workforce, your financial adviser is there to help you determine your goals and secure the future you want for you and those close to you.



Establishing clear goals is a critical step in determining the right investments to help you build your wealth and achieve your desired outcome, while managing the various risks and pitfalls along the way.

Thanks to the growth and innovation that has taken place in the financial services industry over the past decade, along with new developments in financial technology, investors now have access to a wide range of investment products and solutions that give them more control over their financial destiny.



# Building a portfolio that meets your objectives

Investing involves more than just chasing returns. The purpose of your investment strategy is to ensure you are in the best possible position to meet your goals and fulfil your financial obligations.

The typical investor will have a number of financial goals they are trying to achieve. For example, they may wish to grow their wealth over a relatively long period of time, or they may have a specific need for income to pay for holidays, education, or bills.

Meeting your goals requires an investment portfolio that balances these different objectives. Choosing the right strategy for you means thinking carefully about what you want to achieve and the level of risk you are prepared to take on.



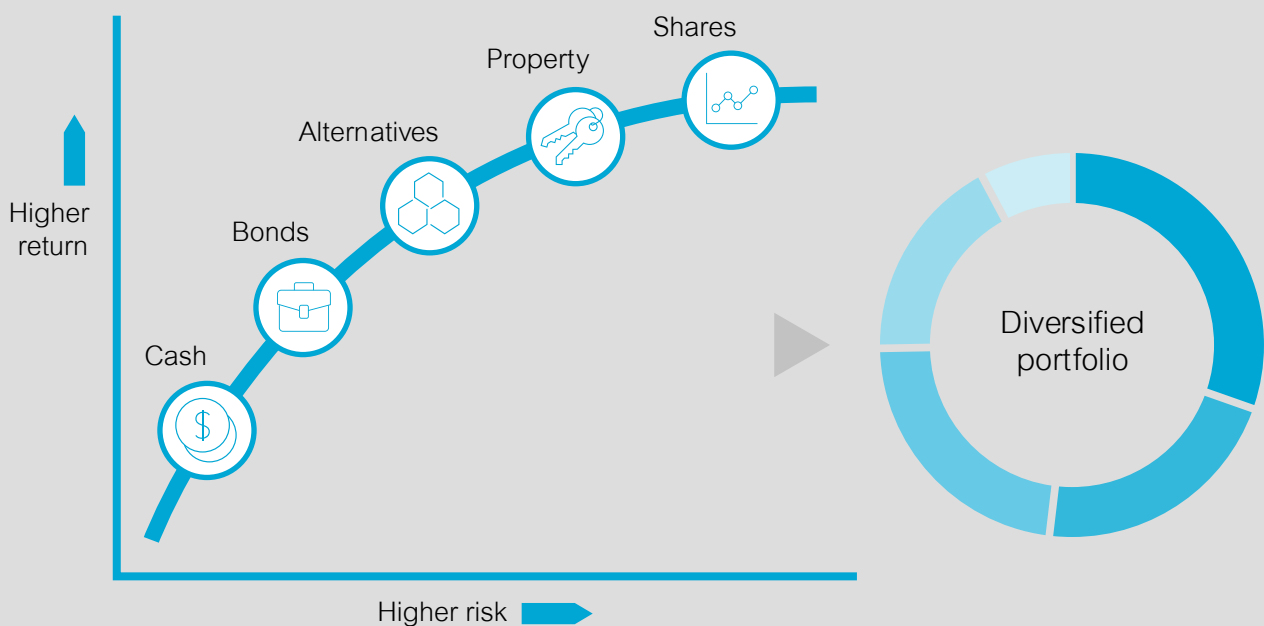
# Implementing your investment strategy

Exposing ourselves to risk is unavoidable when we invest. Markets move up and down, and this will impact the value of our investments over time.

If you're a younger investor, you'll be better able to withstand these ups and downs because you have a longer time horizon. If you're nearing retirement or already enjoying life after work, you're likely more focused on preserving the wealth you've built up, meaning you'll prefer an investment portfolio that delivers steadier returns and income.

**Regardless of your age, objectives, or appetite for risk, you need a high-quality, diversified portfolio that is tailored to your requirements.**

By diversifying your investments and prudently selecting assets based on sound research and due diligence, you can achieve your target return with an acceptable level of risk, while meeting your financial goals.





**What if there was a scalable solution that allowed you to access a large and diverse team of experts to build and manage your portfolio, all while costing you less than doing it yourself?**

## **A new and better way to invest**

Previously, advisers would take a more active role in managing their clients' wealth, choosing products to invest in – usually units in managed funds – and making changes to the portfolio over time. Clients could monitor their portfolio's performance, but there was little transparency and clients had no beneficial ownership of the underlying assets.

Whenever changes were made to the portfolio, the adviser had to get their client's approval before the changes could be implemented, potentially resulting in the client missing opportunities or taking on avoidable risks.

Today, thanks to new technology and a cultural step-change in how advice is delivered, there are new and better ways for you to access high-quality, risk managed investment strategies that are tailored to your objectives, give you full visibility over your portfolio, and allow changes to be implemented immediately. One such solution is known as a managed account.

# So what is a managed account?

A managed account is an investment scheme managed on an investor's behalf by a professional investment manager.

Professional investment managers manage this component of your overall portfolio in line with an agreed mandate, based on the criteria you set with your financial adviser. Managed accounts are overseen by a Responsible Entity (RE) or superannuation trustee whose job is to ensure that the portfolio is properly governed and that the investment manager doesn't exceed their mandate.

**With a managed account, any changes the investment manager makes are immediately implemented, so you don't have to worry about missed opportunities or risks due to delays.**

Lonsec's managed accounts offer a cost-effective way for you to access our asset selection and portfolio construction expertise while you maintain beneficial ownership of the underlying securities and full visibility of the investment decisions we make.



# How a managed account fits in your investment strategy

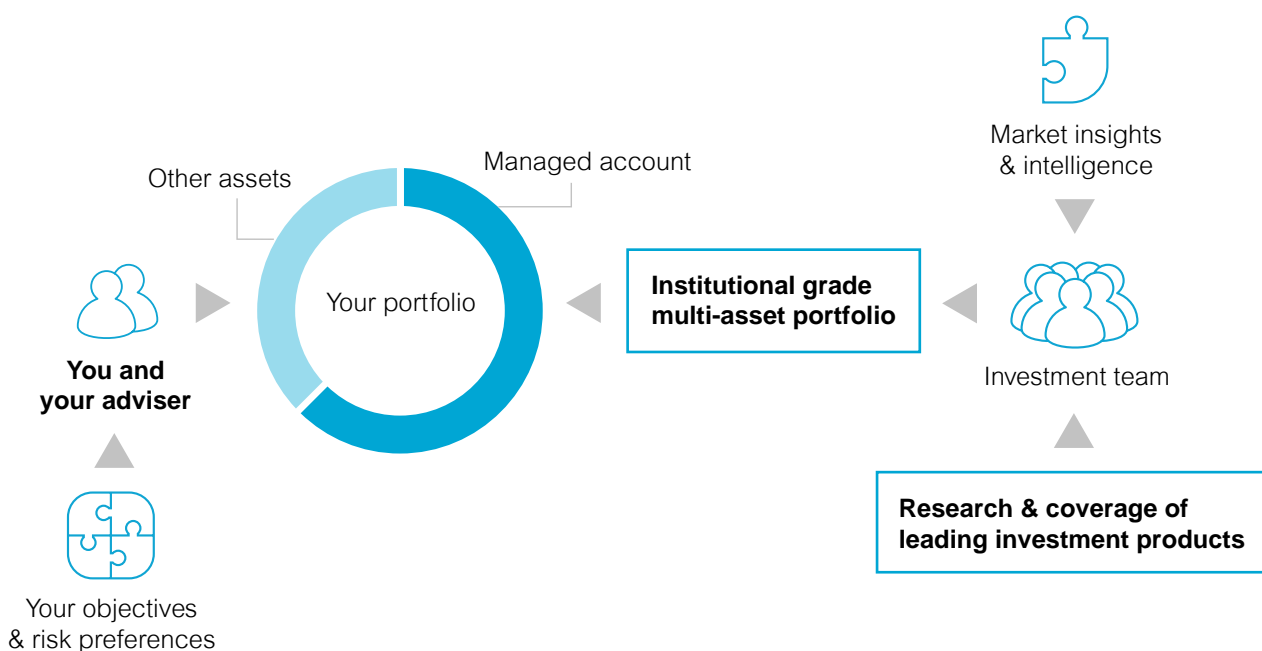
A managed account can take a number of forms, from something as simple as an equities portfolio, through to a more sophisticated multi-asset portfolio (known as a managed portfolio) with a specific mandate, such as a target level of income to meet retirement goals.

Which managed account is appropriate for you and how it fits in your overall investment strategy is something your adviser will suggest for you based on a comprehensive fact-finding process, defining your specific goals and risk tolerance.

Depending on the size and complexity of your current investments, a managed account may make up your entire portfolio, or just a percentage, with other allocations to cash, or maybe more illiquid investments such as an investment property held within your overall investment strategy.

**The core component of the portfolio is managed by the professional manager without the need for ongoing paperwork.**

The adviser continues to provide strategic investment advice, managing the strategic asset allocation, and reviewing and rebalancing the investment mix in line with your goals, producing an advice document accordingly.





# The managed account advantage

You need an investment solution that is:	With a managed account:
Aligned to your needs	You can invest in a range of high-quality portfolios that are aligned to your risk preferences and objectives.
Managed by an experienced team	Highly experienced investment teams manage and monitor the managed account portfolio in line with the portfolio's mandate.
Transparent	Easily view the assets and transactions in your managed account portfolio, and track against relevant benchmarks.
Responsive to changes	Investment decisions are implemented quickly so you can manage risks.
Cost efficient	There is no additional cost to the end investor associated with investing in the Lonsec CFS FC portfolios.
Efficient and simple	You can benefit from an actively managed, multi-asset portfolio with a cost-effective and competitive pricing structure.





## Lonsec partners with your financial adviser to create a tailored solution

Lonsec is Australia's leading investment product research house, with a team of over 65 analysts conducting in-depth research on over 1,850 investment products, including managed funds, shares, listed products like Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs), and superannuation funds.

**We partner with your financial adviser to provide a diverse suite of portfolios to meet the different needs of investors.**

Your adviser chooses the portfolio that best suits your objectives and risk preferences, and gives you the tools to monitor your investment. We provide you and your adviser with regular communications to give you a clear and in-depth understanding of the drivers of performance and the rationale for any changes.

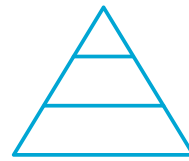
All this allows your adviser to focus on providing quality financial advice, meaning you get better investment outcomes and a better advice experience.

# Why Lonsec?

Lonsec is the research house of choice for advisers and fund managers. With unprecedented access to the investment teams behind every product we rate, we leverage the depth and breadth of our research to help you achieve better investment outcomes.



Voted by advisers and fund managers as the no. 1 research house five years running.



A diverse product suite to meet the different needs of individual investors.



Investments managed by our professional portfolio managers and external economic experts.



Backed by an experienced team of over 65 research analysts with deep knowledge of the investment product market.



A 20-year track record of managing investments through various market cycles.



Strong risk-adjusted performance, including through challenging market environments.

# Lonsec's investment philosophy

Lonsec's research-driven approach to portfolio construction is underpinned by four key beliefs:

## Strategic portfolio management

We take an strategic approach to managing your investments with the flexibility to change allocations to different asset classes based on our outlook.

## High-quality investments

Our portfolios are underpinned by Lonsec's minimum quality criteria, meaning we only select products rated 'Recommended' or higher by our research team.

## Focus on risk management

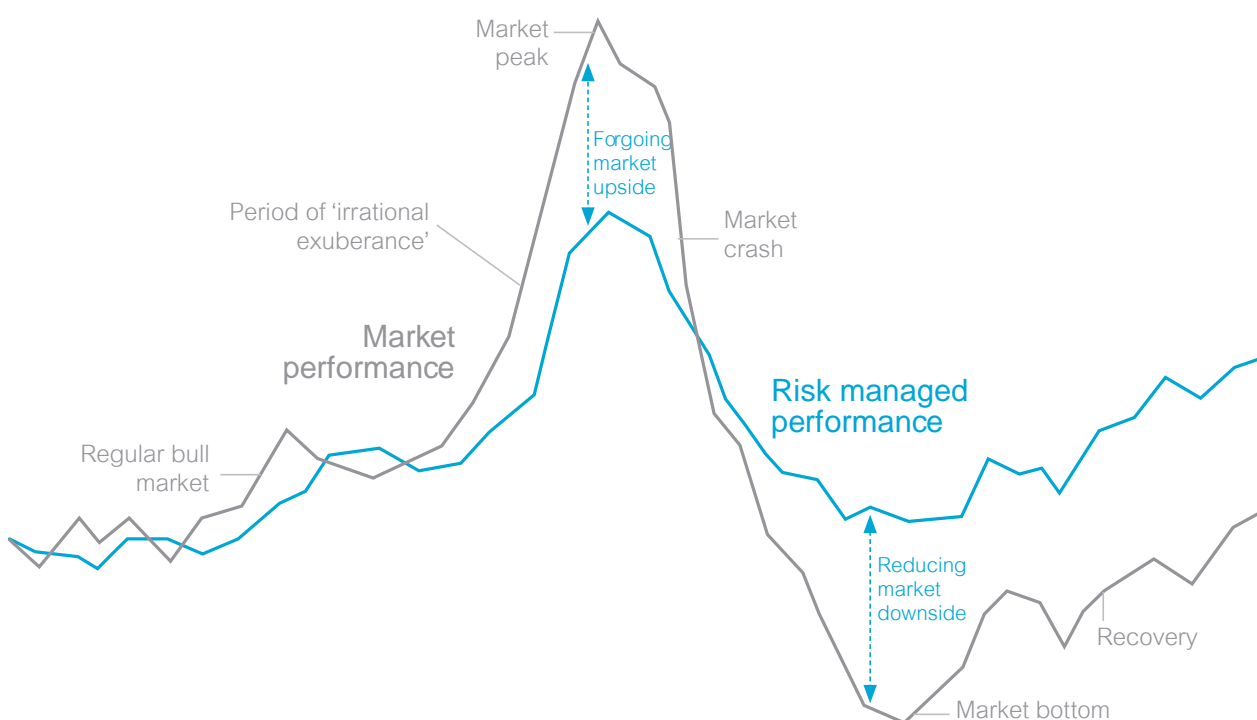
Your portfolio is managed according to a rigorous governance process backed by a strong risk management culture focused on downside risk protection.

## Diversification

We invest across a range of asset classes to reduce risk and diversify your exposure to different sources of income and growth depending on your objectives.

## Protect your portfolio from market falls

Our portfolio construction approach seeks to smooth out market returns to protect your investment. Smoothing out returns by forgoing some potential upside, while limiting the downside, will result in superior long-term performance. Philosophically aligned to this belief, our portfolios are designed to keep pace with market returns while outperforming the market during a downturn.



# Find out more

Please contact your financial adviser to discover how a managed account solution can assist in meeting your investment objectives.

**Lonsec.com.au**

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