



CAREphilosophy®

The Investment Philosophy
where good behaviour and
SMART decisions make all the
difference.



EXCITING LIFE BORING MONEY

And not the other way around





Do you know that investors continuously achieve lower returns than the average return of the broader market?

Since 1994, DALBAR's Quantitative Analysis of Investor Behaviour has measured the effects of investor decisions to buy, sell and switch into and out of investment options over short and long-term timeframes. The study found that the average annual return over the last 30 years to end of 2022 for the biggest 500 companies in the U.S. was 9.7%. For equity investors, the average annual return was 6.8% over the same period. **This represented an investor gap of 2.9% annually on average!**



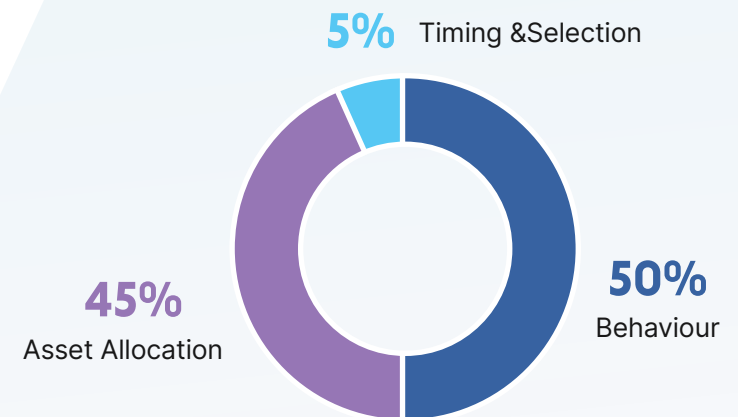
Resource:
Griffith University-The wrong end of the switch: Exposing the switching behaviours of members under duress during a financial crisis.
research-repository.griffith.edu.au/handle/10072/410969
Dalbar: Quantitative Analysis of Investor Behaviour.
www.dalbar.com/QAIB/Index

DALBAR Emotional Rollercoaster Schematic

What is the CARE Investment Philosophy?

The investment methodology was founded 17 years ago based on the real-life advice process and developed with a deep understanding of **investor behaviour** and the potential for **sequence risk**. It aims at preventing bad decisions being made at the wrong times. Investors always ‘panic and sell’ after the market declines or “rush into” the market after it has increased and usually prior to a major correction. Research conducted by the Griffith University in Australia found that “switching volumes tripled through the pandemic” and “at the worst points of the downturn, over 70% of switches had a negative impact”.

INVESTOR BEHAVIOUR



WHAT IS SEQUENCE RISK?

Sequence risk is defined as the danger that the timing of withdrawals from or deposits into a retirement account will have a negative impact on the overall rate of return available to the investor.

What is the CAREphilosophy®?

The CAREphilosophy® is founded on the principal of broad market diversification across all asset classes in an investment portfolio.

The philosophy is anchored in its belief that that asset allocation is the primary driver of our investment returns, and that timing the market adds little value over the long term as poor investor behaviour becomes a major detractor of performance.

Trying to beat the market by frequently changing investments can be counterproductive to achieving our long-term investment objectives. It's human nature to react to underperformance, but these reactions can sometimes hurt our investment goals. Remember a time you might have decided to let go of an investment because it wasn't doing well at a point of time?

OUR KEY BELIEFS



Asset Allocation

is a major contributor to investment performance.



Timing and stock selection

adds little to performance over the long run, yet increases risk.



Investor behaviour

can detract from investment returns – panic selling after markets have fallen, or rushing in after markets have risen.



Markets will rise and fall

over the economic and market cycle while reacting sometimes strongly, to short term events.



Core Investments

The "C" in CARE stands for "Core" investments, which form the foundation of your overall portfolio. It provides you a low cost, broad diversification to the major asset classes including Australian and international shares, listed property trusts and Australian and global bonds. They are invested according to your risk profile and follow a long-term buy and hold process.



Active Investments

The "A" in CARE stands for "Active" investments. Think of it as the "dynamic" part of your portfolio where we actively manage and adjust where your money is placed based on how different asset classes are valued and how they are performing. We keep a close eye on market trends and make changes to ensure we are taking advantage of opportunities to enhance your returns.



Reserves

The "R" in CARE stands for "Reserves". This is a very important part of the overall investment strategy that looks to benefit retirees or pre-retirees in two ways. The first is that it looks to provide you a steady income stream with a relatively low risk to capital. The second benefit is that it acts a good buffer for your peace of mind, by providing you with the cash flow you need during investment downturns.



Enhanced

The "E" in CARE stands for "Enhanced". The aim of the "Enhanced" component is to achieve returns that outperform the general market, a concept often referred to as "Alpha" among investment professionals. These could be shares you own directly, or through managed funds or ETFs (Exchange-Traded Funds).





INVESTMENT COMMITTEE



Emmanuel Calligeris
BEC MBus (Finance)

Emmanuel is Chairman of the CARE Investment Committee. Emmanuel holds a degree in economics and previously had 20 years' experience as Chief Investment Officer for OnePath Investments (the investment arm of ANZ Bank) and was responsible for \$13 Billion of funds under management.



Rob McGregor
SIA (Aff) ADFP

Rob was a founder of GPS Wealth, developed the CARE Investment Philosophy over the last 15 years and successfully managed \$100m in clients' funds during the GFC.



Grahame Evans
GAICD DipSM MBA

Grahame is the Risk and Compliance member of the CARE Investment Committee. Grahame brings over 35 years of financial service industry experience.



Dr. Mark Brimble
BCom(Hons) Phd CPA FFin

Mark is an independent member of the CARE Investment Committee. Mark holds a doctorate in capital markets and is keenly interested in investor behaviour.



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