Prepared by

Mancell Financial Group

Last Updated: January 22nd, 2016

Index

Section 1 — Fiduciary Responsibilities

- Fiduciary ethics
- Conflict avoidance
- Legal obligations
- Continuously challenge
- Never stop pursuing better
- Long term service commitment

Section 2 — Understanding Investor Behaviour

- Historical biases
- Rational mind set
- Irrational actions
- Belief in predictions
- Excessive trading and impatience
- Risk profiling and risk tolerance
- Values, aspirations and goals
- Matching asset allocations to investor needs

Section 3 — Investment Beliefs

- Six step approach to investment planning
- Capitalism & financial markets
- Investment discipline
- Risk & return are related
- Modern portfolio theory
- Efficient market theory
- Indexing is the best starting point
- Managed investments versus individual assets
- The odds are against market timing
- Individual asset selection is likely to fail
- Active management ...less than a zero sum game
- Fixed interest ...credit and term risk matter
- Equities ...size, health and profitability matter
- Hedging international assets
- Property ...direct or listed
- Understanding and managing risks
- Costs really matter

- Accumulators and retirees are different
- Black swan events do occur

Section 4 Managing Investor Expectations

- Past performance of asset classes
- Risk premium identification and understanding
- Setting investment projection rates

Section 5 Investment Portfolio Construction Process

- Three cost components
- Macro investment asset allocation
- Model portfolios
- Investment selection
- Investment due diligence
- Portfolio re-balancing
- Small account compromises

Section 6 Investor Protection

- Robust portfolio administration
- Independent custodians
- Secure capital transfers
- Clients retain control

Section 7 Portfolio Implementation Controls

- Clarity of communication
- Investment applications
- Completing the client's investments

Section 8 Investment Process Review

- Macro process results review
- Unending quest for improvement

Executive Summary

The Investment Philosophy and Processes utilised by our firm are defined by the eight key themes noted below.

Fiduciary Responsibility

We adopt the ethical position of the true fiduciary, we act free from conflicts, willingly meet & exceed all of our legal obligations, continuously challenge our current processes, never cease looking for better ways to invest and we are 100% committed to the long term service of our clients. *See Section 1 that follows.*

Understanding Investor Behaviour

People generally have specific investment biases derived from their personal experiences. Some of these biases can be financially harmful.

Most people will invest to maximise profits at the lowest degree of risk they perceive which is quite rational. However, many investors display very irrational behaviour both before and after they invest.

Many investors believe they need to be able to predict the future to be a successful investor and many also believe they need to be "doing something", such as excessively frequent trading, to be successful. History has shown both of these beliefs can be financially damaging.

We believe it is essential to truly understand a person's most important values, aspirations and goals in order to deliver quality investment and financial advice. Every client's portfolio and asset allocation should be matched to their specific values, aspirations and goals. *See Section 2 that follows.*

Investment Beliefs

We have developed a six step process for aligning our client's values, aspirations and goals with portfolios specifically designed to deliver their desired lifestyle outcomes. *See Section 3 that follows.*

We believe in free market capitalism and the functioning of the public financial markets.

Modern portfolio theory including the key features of risk & return, market efficiency and broad diversification is core to our investment beliefs.

Our investment processes involve no market or security forecasting and instead we rely on well understood, evidence based risk factors to design reliable managed investment portfolios.

Our clients enjoy the benefits of low cost and tax aware portfolios.

Managing Investor Expectations

We are committed to helping our clients understand the history of financial markets and the risk & reward characteristics of each asset class.

We also believe that forward investment projection rates must be chosen judiciously to ensure client's future financial expectations are fairly and reasonably established. *See Section 4 that follows.*

Investment Portfolio Construction Process

Client portfolios are designed to meet the client's specific needs using our model portfolios whenever possible and we make completely clear the three cost elements involved in us managing a portfolio for clients and they are; investment management, portfolio administration and our advice.

The managed investments that we utilise in our model portfolios are subject to detailed scrutiny and our client portfolios are reviewed and re-balanced regularly. *See Section 5 that follows.*

Investment Protection

We only use robust proven portfolio administrators to hold client portfolios and we utilise the latest available security measures to protect client portfolios from fraud, etc.

Clients retain ultimate control of their portfolios; the advisers within our firm do not operate discretionary accounts and none of our staff have access to any client funds. *See Section 6 that follows.*

Portfolio Implementation Controls

All client portfolios are implemented by trained support staff under the supervision of the client's primary adviser and/or secondary adviser. Only client authorised transactions may be completed.

Ongoing reviews and portfolio amendments are also undertaken under the supervision of the client's primary adviser and/or secondary adviser. *See Section 7 that follows.*

Investment Process Review

We complete substantial regular reviews of our model portfolio results comparing each to relevant market indices and peer groups over multiple time periods.

We also regularly review the performance of the component managed funds used within our model portfolios. *See Section 8 that follows.*

Section 1: Fiduciary Responsibility

1.1 Fiduciary Ethics

Our firm adopts the ethical position of the true fiduciary accepting that we provide investment advice and oversight the management of client portfolios from a unique position of trust and legal obligation.

Client interests are always placed first; our own interests are secondary, as are those of the institutional partners who support our endeavours through the provision of portfolio administration platforms and investment products.

We only give advice in areas where we have genuine expertise.

We communicate with clients in plain English and with complete transparency.

We do what we say we will and we finish what we start.

At every level we will treat clients as we would want to be treated, if our roles were reversed.

1.2 Conflict Avoidance

Our firm does not allow conflicts of interest to jeopardise our fiduciary obligations.

Since 2005 we have operated on a strictly fee for service basis and not accepted commissions from investment product providers or portfolio administration service providers.

1.3 Legal Obligations

Our firm, under the auspices of our licensee ("FYG Planners Pty Ltd") will willingly meet and exceed all of the standards required of us under the following Australian legislation:

- Corporations Law
- Life Insurance Act
- Tax Agents Standards Act
- Trade Practices Act
- Anti-Money Laundering Act
- Privacy Act

We commit to abiding by all future legislation that impacts the clients we serve.

1.4 Continuously Challenge

Whilst the investment processes our firm uses are evidence based and thoroughly tested, we continuously review the results of our model portfolios and challenge whether they are delivering the results clients should expect, based on the actual results of the underlying financial markets.

We will test our model portfolios no less often than monthly from a results perspective.
See Annexures 1.1, 1.2, 1.3, 1.4

Only after detailed analysis proves the ongoing results to be sound, are the model portfolios allowed to remain unchanged.

As can be seen from each of the Annexures noted above, the long term data is very supportive of our model portfolios.

1.5 Never Stop Pursuing Better Strategies

We continually review multiple research sources, (including commercially produced research, institutional research, academic papers, etc.), in search of new strategies that might benefit clients.

We investigate any new theories or concepts identified, testing any evidence provided and scrutinising each new theory or strategy thoroughly before either adopting the theory within our model portfolios or dismissing it as unreliable and unworthy.

1.6 Long Term Service Commitment

Our firm commenced business in 1980. As at the date of this latest review of our Investment Philosophy and Process, we still have our first client and all of our 5 largest clients have been with our firm for over 20 years. More than 75% of our largest 25 clients have been with us over 25 years.

We intend to remain in business for the long term, the business is not for sale and it is the owner's goal to serve our clients long into the future through prudent succession planning.

Our guiding business philosophy has always been that *"we expect no reward until we first create value for our clients"*.

Section 2: Understanding Investor Behaviour

2.1 Historical Biases

Over the years we have learned that, prior to meeting us, many investors have previously acquired investment biases. Their biases have generally been acquired through personal experience which may have been positive or negative or they may have been influenced by the opinions and views of parents or some other mentor.

For example, an "anti-share market investor" will often have a prior personal loss experience or have learned of a family member who lost substantially on one or more speculative shares.

In a further example, many Australians have a positive bias towards property due to long term ownership of domestic property in a market that has produced strong gains over the last 50 years of the 20th century and so far into the new millennium.

Biases can cause investors to ignore investing in markets that traditionally offer sound long term returns, they can also be the cause of heavy concentration risk where the bias is in favour of a particular asset.

We believe it is essential that our firm's advisers thoroughly question any prospective client to establish their particular biases and counsel the investor on the risks inherent in their biases.

2.2 Rational Mindset

Irrespective of any biases, most people who need to invest will admit to wanting the highest possible return with the lowest possible level of risk and this is a very rational starting point.

Most investors, if faced with a choice of multiple term deposits, will choose the term and institution that offers the greatest return subject to their assessment of the institutions financial strength and security. Again this is quite rational.

Most Australian investors will only invest in shares and property because they expect a higher pay off than if they invest in term deposits.

2.3 Irrational Behaviour

Despite the rational starting point for most investors, so often history has shown how irrational investor's behaviour can be. Fear and greed drive particularly equity markets over shorter periods. For example:

- History has shown money floods into share market towards the end of every strong rally when caution should be the key strategy.
- Huge volumes of money also flow out of share markets usually very close to the bottom of each equity bear markets; when buying cheap assets will likely pay off handsomely.

  Backing up the prior claim, in each of the months of January, February and March 2009 records show industry superannuation funds (that control over A$500 billion) saw the three greatest ever volume of switches from diversified portfolios to cash, reinforcing the irrational behaviour noted above.

  Further evidence from the US studies completed by Dalbar inc. routinely show how investors achieve much lower returns than the share market actually offers by simply buying the index. Between 1989 and 2009, the average US stock market investor in managed equity funds achieved returns of 5.03% less than the market.

  According to Dalbar, for bond fund investors, the actual results achieved were even worse, some 5.99% per annum below the market index.

  A separate study by Dalbar for the period 1984 to 2002 (18 years) reaffirmed the above results by showing that individual investors in the US stock market earned 9.6% per annum less than the S&P 500 Index.

- Borrowing for investment properties in Australia grows dramatically after property prices have sky rocketed. Whereas the best property value capital growth results customarily follow periods of market weakness.

Also many investors become overconfident after very little investment success and with no real track record of skill having been established. Those same people will often wish to blame others or put down to “bad luck” the poor performance of investments they have chosen.

Many investors, using a psychological process called heuristics, also extrapolate short term data to be evidence of long term patterns, when in fact no patterns exist and as a result they suffer the pain of poor investment decision making. This issue was well documented by academics Brad Barber and Terrence Odean in 2011.

Some investors simply believe they can outsmart others and so they trawl through massive amounts of data in the hope that they will be able to identify which companies have a more prosperous future. This pointless behaviour was brilliantly exposed as folly by University of Chicago student Michelle Clayman in 1987.

Clayman analysed investor returns achieved between 1981 and 1985for those who purchased the 29 “most excellent” companies portrayed in the Tom Peters and Bob Waterman book “In Search of

Excellence". Using the Peters-Waterman assessment criteria, Clayman also analysed the 29 least excellent companies in the S&P500 index using the same measures.

The "unexcellent companies" collectively earned 115.9% more for investors over the 5 years!

2.4 Belief in Predictions

Many investors believe that to be successful one must be able to predict the directions of financial markets or the economy. It is for that reason that so many printed investment magazines exist and so many digital opinions are bought by consumers each day.

Yet nothing could be further from the truth, most forecasters fail miserably and many spectacularly.

Itis worth noting that in 2001 Warren Buffett said: *"I never have the faintest idea what the stockmarket is going to do in the next six months, or next year or the next two"*

2.5 Excessive Trading and Impatience

Another flaw in the thinking of many investors involves trading too often, incurring costs and not being patient enough wait out a temporary downturn that inevitably turns around.

Many people believe that they and their advisers must be doing something and changing parts of their portfolio regularly, when history shows this is not the case.

To again quote the great Warren Buffett: "Our preferred holding period is forever".

2.6 Risk Profiling, Risk Tolerance and Risk Need

When considering the issue of investor portfolio risk taking, investment professionals usually think in terms of investment volatility and generally the mathematical concept of standard deviation. And whilst this mathematical analysis is useful for we professionals, there is far more to portfolio risk assessment that is required.

And whilst acknowledging that no investor risk profiling questionnaire or process is perfect, our firm uses a risk profile questionnaire that has been compiled by our licensee FYG Planners Pty Ltd. It is based upon an earlier questionnaire developed by the Monash University Finance School, research firm Investorweb (now part of Iress Ltd) and AM Corporation (now part of the IOOF Group).

As a result, our risk profile questionnaire has four main areas of focus:

- Age and life stage
- Financial affluence
- Financial knowledge
- Specific portfolio characteristics

All questions have been given weighting by our licensee's investment committee.

The questionnaire produces a "score" out of 100 and this score is translated into the percentage of growth assets to be recommended for a client's portfolio, subject to their investment time frame. If their investment time frame is shorter than considered ideal, the growth assets portion is reduced to suit the investment time frame.

There are a number of "red flag" questions in the questionnaire designed to seek out any inconsistencies in the respondent's answers. If inconsistent answers are identified, the prospect is questioned more thoroughly and until the adviser is satisfied that an appropriate investor risk profile has been ideintified.

In particular, our questionnaire has specific questions about risk tolerance which very starkly portray the quantum of potential losses of particular portfolios and the frequency of negative results.

The client and our adviser can vary the assessed score by mutual agreement to ensure client comfort or to better pursue the clients goals and needs.

Our firm's advisers will discuss any potential mismatch of a client's risk profile and the risk they need to take to achieve their lifetime financial goals. And finally, we will always advise a client, if it is our opinion, that they can afford to take less risk and still achieve their goals.

2.7 Values, Aspirations and Goals

Understanding these three key aspects of a client's lives is critical to understanding how they are likely to behave in relation to their investments in a given set of market conditions.

For example, without a full understanding of a client's short term aspirations and goals, a portfolio may include too heavy a weighting to growth assets and this could prove disastrous in a falling equity market, if capital is required for short term spending.

Similarly, not understanding a person's health concerns might see an inappropriate asset allocation chosen.

For example, in 1994 we had two 66 year old clients retire after long careers, both were affluent and both had substantial investments. Yet one wanted the safety and the highest possible income now (he had a heart condition and died just 2 years later); the other wanted capital growth so his capital would last as long as possible (everyone in his family lived to 95, he is currently aged 88 @ January 2016).

2.8 Matching Asset Allocation to Client Needs

Client needs, especially cash flow and future capital expenditure, should rightly have an impact on a client's asset allocation. For example, if a portfolio is to be constructed, taking into account deferred spending in 1 or 2 years time, then additional cash and short dated fixed interest investments should be chosen to cater for this future planned spending. This would make the proportion of growth assets lower than might otherwise be chosen for their long term needs.

Accordingly, the target asset allocation for any given client may vary over time, when one off spending and short term impacts are taken into account. Whilst there should be a long term target asset allocation for every client to match their long term needs, short term needs should rightly impact the short term asset allocation chosen.

Section 3: Investment Beliefs

3.1 Six Step Investment Planning Process

Our firm, as a member of the FYG Planners Pty Ltd licensee, uses the following visual to explain our investment process from the client's perspective.

Firstly, using the first two points of the visual we look to provide clients with **clarity** about their values, aspirations and goals as well as the key features of their current investment portfolio today.

Then, using the next three points of the visual we provide clients with our **insight** as to what is getting in their way, such as excessive fees, poor investment strategy, inappropriate asset allocation, sub-optimal tax outcomes, etc. Then we highlight what the client can do better and how much better their future could look.

Lastly, through our ongoing review process we provide them with **confidence** that their investments are being managed prudently and successfully, with their best interest in mind at all times and that their values, aspirations and goals are being pursued effectively.

3.2 Capitalism and Financial Markets

We accept that capitalism is not a perfect economic system but we believe it is the best economic system available for investors to rely upon and that it is the system most likely to survive in the longer term.

We point to the previous failures of communism, socialism and fascism as evidence supporting our view and we ask all of our clients to support our view.

Before we offer to work for them, we insist our clients accept that the public financial markets are necessary from within which to manage their investment portfolios.

3.3 Investment Discipline

With clients having accepted capitalism as the only available system from within which to invest, we place great emphasis on our client remaining disciplined and ensuring their portfolios are managed according to their investor risk profile and in accordance with their investment policy statement.

History has shown, many investors have inflicted great financial harm on themselves by giving up on an investment strategy too soon. Ill discipline has cost many an investor a lot of money.

As noted back in section 2.3, the studies produced by Dalbar clearly illustrate how badly, investor ill-discipline impacts on the investor returns achieve.

Para-phrasing the joint CEO of Dimensional Fund Advisers, David Booth from a 2014 address; ....“the most important thing about an investment strategy is to have one and then to be patient”.

3.4 Risk & Return are Related

William Sharpe won a Nobel Prize for his Capital Asset Pricing Model (CAPM) which said “for an investment to deliver higher returns, it must experience higher risk”.

Whilst the CAPM model has been criticised by some over the years and superior models have been derived from it, there is a generally universally held belief that to obtain higher returns and investor must take more risk. We stress this to our clients and insist that they acknowledge there is no such thing as a sustainable high return low risk investment.

Over many years history has shown the risk associated with equity investing is higher than investment in debt securities or lending your money. History has also shown equity investment have a higher long term average return than debt securities or loans.

The table that follows illustrates both the volatility and strong returns of the Australian public equity market since Federation.

Australian Share Market - 115 Year History

1900	16.1%		1930	-28.1%		1960	-7.3%		1990	-17.5%	
1901	-1.7%		1931	20.0%		1961	16.0%		1991	34.2%	
1902	17.7%		1932	26.5%		1962	5.0%		1992	0.5%	
1903	23.9%		1933	27.1%		1963	28.6%		1993	40.5%	
1904	9.4%		1934	24.6%		1964	6.6%		1994	-8.2%	
1905	16.4%		1935	11.4%		1965	-7.1%		1995	20.2%	
1906	11.8%		1936	18.8%		1966	10.2%		1996	14.0%	
1907	10.2%		1937	6.2%		1967	42.9%		1997	11.4%	
1908	18.8%		1938	1.0%		1968	42.5%		1998	8.5%	
1909	15.1%	**13.8%**	1939	7.2%	**11.5%**	1969	14.7%	**15.2%**	1999	19.3%	**12.3%**
1910	8.2%		1940	5.3%		1970	-16.2%		2000	5.0%	
1911	12.3%		1941	-3.8%		1971	4.3%		2001	10.1%	
1912	10.4%		1942	20.4%		1972	26.4%		2002	-8.1%	
1913	10.7%		1943	10.5%		1973	-23.3%		2003	15.9%	
1914	13.4%		1944	9.6%		1974	-26.9%		2004	27.6%	
1915	-1.9%		1945	15.5%		1975	62.9%		2005	21.1%	
1916	-1.7%		1946	14.8%		1976	5.2%		2006	25.0%	
1917	17.6%		1947	18.0%		1977	20.2%		2007	18.0%	
1918	11.6%		1948	3.6%		1978	22.2%		2008	-43.0%	
1919	18.4%	**9.9%**	1949	9.6%	**10.4%**	1979	46.3%	**12.1%**	**2009**	39.6%	**11.1%**
1920	10.0%		1950	32.9%		1980	48.9%		2010	3.3%	
1921	22.4%		1951	-3.3%		1981	-12.9%		2011	-11.4%	
1922	23.6%		1952	-11.8%		1982	-13.9%		2012	18.8%	
1923	18.3%		1953	14.8%		1983	66.8%		2013	19.6%	
1924	17.1%		1954	20.6%		1984	-2.3%		2014	5.0%	
1925	18.5%		1955	12.1%		1985	44.1%				
1926	16.2%		1956	10.3%		1986	52.2%		Worst Decade	**9.9%**	
1927	19.8%		1957	18.3%		1987	-7.9%		Best Decade	**21.0%**	
1928	14.6%		1958	22.8%		1988	17.9%				
1929	-3.6%	**15.7%**	1959	47.1%	**16.4%**	1989	17.4%	**21.0%**	**Annual Average**		**13.3%**

Source: AXA Australia (now AMP).

The table above shows wide ranges in returns over individual years from a high of positive 66.8% to a low of negative -26.9%. However, the decade long results show only modest variance.

The table below; that our firm produced in early 2010, shows the performance and standard deviation of four different MFG diversified model portfolios with different proportions of growth assets over the 30 years to 31/12/2009.

Portfolio Type	70/30	50/50	30/70	15/85
Ave Annual Return	10.51%	11.26%	12.12%	13.14%
Standard Deviation	7.58%	10.51%	13.90%	17.65%

Source: Dimensional returns Program. NB: the first number is the defensive assets percentage of the portfolio and the second number is the growth assets percentage.

As can be clearly seen, the risk, as measured by standard deviation, has increased as the growth assets percentage has increased and so has the annualised average return.

3.5 Modern Portfolio Theory

Harry Markowitz won a Nobel Prize for his pioneering work on Modern Portfolio Theory.

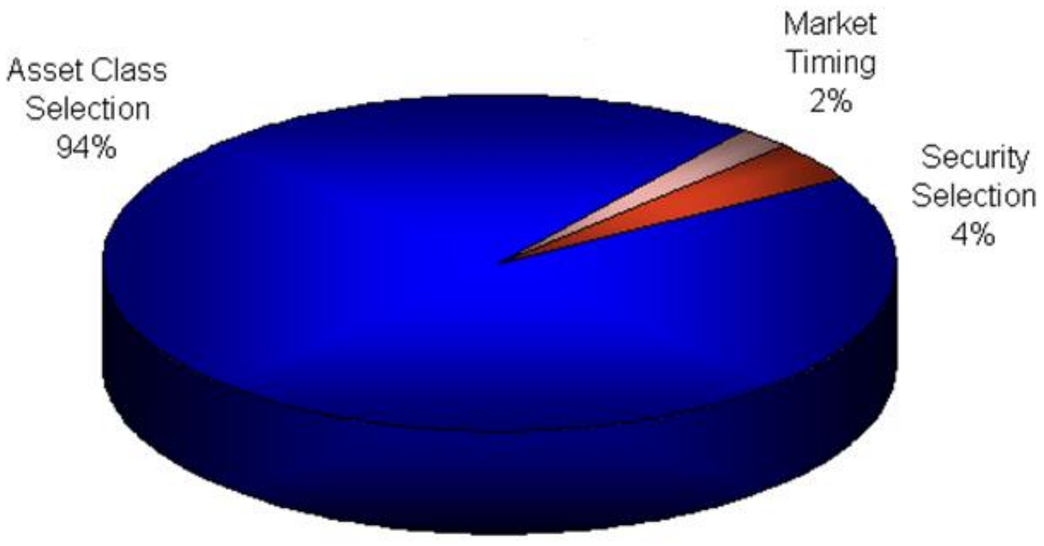
In particular Markowitz work focused on diversification and its impact on portfolio risk reduction, as measured by volatility. He showed different asset classes experience very different return correlations.

The Markowitz model, often referred to as a mean reversion model, gave rise to the term the Markowitz Efficient Frontier which predicts the highest level of return for any given level of risk based on the assets chosen within a portfolio.

It is a key belief of our firm that we should pursue the most efficient and broadly diversified portfolios we can identify for each client so as to achieve the highest long term level of return possible for each level of risk or volatility experienced.

Thus it is our view that asset allocation will be the greatest determinant of long term investment returns.

This belief is reinforced by the work of Brinson, Hood and Beebower in their 1986 study which showed that only 6% of total returns achieved by 91 large US pension funds over a 10 year period could be attributed to asset selection and market timing; whereas 94% of returns could be attributed to asset allocation.



Source: Study of 91 large pension plans over 10 year period.
Gary P. Brinson, L. Randolph Hood and Gilbert L. Beebower, " Determinants of Portfolio Performance", Financial Analysts Journal, July - August 1986, pp 39 - 44: and Gary P. Brinson, Brian D. Singer and Gilbert L. Beebower, "Revisiting Determinants of Portfolio Performance: An Update". 1990, Working Paper.

In 2002, the work of Brinson, Hood and Beebower was reinforced by the findings of Roger Ibbotson and Paul Kaplan in their paper "Does Asset Allocation Explain 40, 90 or 100 Percent of Performance?"

3.6 Efficient Market Theory

This concept was first written about in depth by Noble Laureate Eugene Fama Snr.

Fama's research indicated that prices of investment assets quickly reflected all known information about the particular asset or security and in today's electronic age this seems even more self-evident.

When commenting on the dissenting views of others, Fama has said that even if the markets are not completely efficient, any advantage to be gained by an investor, due to the extent to which markets are not efficient, will be eroded away by trading and other costs. As such, Fama believes (and so do we) that investors should behave as though markets are completely efficient.

America's first Nobel Laureate Paul Samuelson in 1970 wrote "the best estimate of the true value of a security is the price that is set in the market every minute of the trading day", this further reaffirms Fama's efficient market hypothesis.

And just before his passing, legendary father of fundamental analysis Benjamin Graham said *"I doubt whether extensive efforts will generate sufficiently superior selections to justify their cost ….I'm on the side of the efficient market school of thought".*

Burton G. Malkiel from Princeton University in 2003 wrote the paper "Passive Investment Strategies and Efficient Markets" and he too found in favour of the efficient market theory.

3.7 Indexing is the Best Starting Point

History has shown, that a whole of market index managed fund, provided it is run efficiently, will deliver the average return received by all investors irrespective of the value of the capital invested or the timing of when their investments made. As such an efficient fund index will deliver the same return as the average investor receives but with no work required by the index fund investor.

Index based managed funds also tend to be some of the lowest cost managed funds available in the managed investments market place.

Over the years there have been many studies that show that more than 50% of all professional investment managers do not match broad market indices after fees and studies also show that broad market index fund managers routinely finish in the top half of managed fund performance tables.

See the Morningstar and SPIVA studies that appear in Annexure 3.1, 3.2 and 3.3.

3.8 Managed Investments versus Individual Assets

Given the preceding beliefs already explained, our firm has formed the strong view that for consistency of performance, ease of administration and breadth of diversification, our clients should use professionally run managed investments, in preference to directly owned assets.

We accept that some clients will hold, for instance a few directly held shares or an investment property or two but for their serious "long term" capital and for the protection of their significant wealth, we should implement broadly diversified managed investments as we pursue a successful investment experience for our clients.

3.9 The Odds are Against Market Timing

As the Brinson study showed, asset selection contributed only 2% of the results over 10 years across 91 large professionally managed US pension funds.

Javier Estrada, from the IBESE Business School in Barcelona, in his January 2008 concluded "the odds against successful market timing are staggering". See Annexure 3.4.

3.10 Individual Asset Selection is Likely to Fail

The Brinson study also showed that asset selection contributed only 4% of the results over 10 years across 91 large professionally managed US pension funds.

In their 2010 report to the Library of Congress, the US Federal Research Division concluded reasons for investor failure included: under diversification, momentum investing, noise trading, familiarity bias, active trading. See Annexure 3.5.

3.11 Active Investment Management – Less Than Zero Sum Game

In addition to his Nobel Prize winning CAPM work, William Sharpe also wrote a 1991 paper about active management (that is relying on one's ability to predict the future about markets or individual securities) in a paper called "The Arithmetic of Active Management". Sharpe pointed out of that of all participants in investment markets, both amateur and professional, if the index managers do achieve index results (i.e: assuming they are efficient), then all others who try to outsmart the market must also achieve, in aggregate, the index result.

But when costs are considered, the active investor must achieve less than the buy and hold index investors "on average".

Even if active management were not a less than zero sum game, we would still have the challenge of identifying the right managers prior to their use for clients and many studies have shown past strong performance of active managers is a very poor guide to future performance.

The facts are few active managers persist with superior results and of those that do achieve superior results; few seem to do so consistently, for most its random luck. See the Morningstar Reports of 2003 and 2007 in Annexures 3.6 and 3.7.

3.12 In Fixed Interest Markets Credit Risk and Term Risk are the Key Drivers

Debt securities, which are really loans to third parties by investors, have two major risk factors upon which to base investment decisions; they are Credit Risk and Term Risk. And each risk factor can vary over time.

For example, an investor may wish to lend his or her money to a AA rated company and the term may be for, say 5 years. The borrowing company agrees to pay X% per annum say for 5 years. But between the date of lending and the end of the loan term, the company's credit rating may change, their credit worthiness may decline but the loan term (or bond) is set. So the value of the bond, to another buyer, may be lower.

The table below shows how, in the USA, between 1976 and 2010 the corporate credit risk rewarded investors to a greater extent than those who only invested in Government bonds.

	US Government		US Corporate	
	1 to 3 years	1 to 10 years	1 to 3 years	1 to 10 years
Annual Return	7.28%	7.98%	**7.78%**	**8.49%**
Standard Deviation	2.83%	4.37%	**2.90%**	**5.15%**

Source: Bradley Nuttall, Christchurch, New Zealand

Similarly, the term of a bond may be fixed at the outset but every day it remains in place, the remaining term (duration) is shortening. So the bond will be revalued based on the remaining term and the prevailing interest rate climate for bonds with that credit rating and the term remaining.

It is our firms view that the so called "safe or defensive" part of a client's portfolio should only be invested according to these two risk factors. Accordingly, we do not support hybrid investments, collateralised debt securities or other synthetic fixed income securities.

3.13 Risk Factors that Drive Equity Portfolio Returns

Nobel Prize winner Professor Eugene Fama from the University of Chicago and Professor Ken French from Dartmouth College, (building on the work of Nobel Laureate Paul Samuelson and Rolf Banz from the University of Chicago), have documented three factors that strongly describe the out performance of any share portfolio.

These equity market factors individually each regularly, but not exclusively, deliver superior investment performance but generally with higher performance volatility.

The three out performance factors are:

1) The Small Cap effect - having a higher exposure to small cap shares than the whole market
2) The Value Effect - having a greater exposure to shares with a high book to market ratio
3) The Profitability Effect - holding an excess of shares that generate reliable cash profits

Our firm uses these factors to build clients share portfolios using managed funds that are designed to capture these factors.

History has shown the combined long term effect, of using these three factors, to be higher returns with volatility (as measured by standard deviation) at around the same level as the market and sometimes lower.

See the 1992 paper by Fama & French that appears in Annexure 3.8 as well as prior Annexures 1.1, 1.2, 1.3 and 1.4

Back in the 1950's Nobel Prize winner Merton Miller also developed theorems that laid the groundwork for the idea that low priced shares should have higher overall returns. Miller's work certainly reinforces Fama & French's value effect theories.

More recently in 2001, academic James Davis wrote the paper "Explaining Stock Returns …A Literature Survey" and he too found strongly in favour of the factor based equity investment process used by our firm.

3.14 Hedging International Assets

The Australian dollar, the currency that 100% of our clients invest from, has fluctuated widely since floating, around 24 years ago. For example, whilst the 24 year average has been around US$0.75; it has been as high as US$1.08 in 2014 and as low as US$0.48 ....these swings have been over 40% either side of the average.
So our view in relation to hedging differs between Fixed Interest Securities and Share investments.

We believe that for most investors, fixed interest securities generally form the "safe or defensive" part of their portfolios. As such, we prefer to hedge all of client's fixed interest portfolios to the A$ to avoid what can be massive currency impacts.

In relation to global shares portfolios we accept the academic views that say hedging is not likely to add value to a portfolio result.

However, as investors make investments at different times, currency fluctuations can greatly influence an investors result (especially over shorter periods) depending whether they invested when the A$ was high (likely to deliver a poor outcome if the currency reverts to the mean later on) or low (likely to deliver a positive outcome if the currency reverts to the mean later on).

As such, our standard practice is to use a 50% hedging strategy to reduce the currency volatility impact for the global shares portion of client portfolios.

However, if a particular client of our firm, has a specific view on the $A, we may accommodate them provided they are still willing to still use our factor based share portfolio construction framework.

3.15 Property – Direct Ownership and Listed Trusts

In relation to directly held assets, our view is that very few of our clients can build a genuinely diversified property portfolio due to the limitations of their own investible wealth. So for that reason we are not significant supporters of the asset class.

That said, we acknowledge that some investors have enjoyed good investment experiences from directly owned property, either due to strong commercial property rental incomes or significant capital growth from buying the right domestic property, in the right place, at the right time. However, experience has shown us that property investors seem to overlook holding costs, refurbishment costs and their own time imposition when considering how successful their property investing has been.

Anecdotal evidence suggests that the rental income from commercial property in Australia has averaged around 8% since Federation, whereas domestic property rents have been around 5% before holding costs and 3.5% after local government rates, insurance, land tax, etc. The low rental yield is a major reason why we do not support domestic property as an asset class, apart from personal use.

Current very high prices (driven significantly by low interest rates and Asian investors) in Australia's capital cities and low demand (from population stagnation) in regional areas also leave us concerned for the domestic property asset class.

So our preferred property assets are large commercial, industrial and retail properties available via listed property trusts. This is due their liquidity, their net rental yields and their easy divisibility. And we prefer to access these vehicles via well managed low cost property trust index funds.

At the date of this Investment Philosophy and Process Review update, we have not seen enough evidence to compel us to diversify into International property trust assets. Whilst not dismissing this sub-asset class we will continue to look for new evidence in relation to this asset class.

3.16 Managing Risk is Vital

As a firm we only take investment risk we believe we understand very well. As a result we have not and do not invest client's funds in synthetic investment products such as hybrids, CDO's, options trading, venture capital funds or hedge funds.

We also believe that all investors should only take the risks they need to take (to deliver their lifestyle goals & objectives) or wish to take (for personal gain motives). But investors must understand the true risks they are taking!

Whilst risk comes in many forms, some risks do not have to be rewarded. For example, investors who accept high concentration risk, that could be diversified away, may be successful but the alternative outcome can also be catastrophic. Outcomes such as a share price plunging on new bad news or losing a tenant in a property can deliver awful investor outcomes that could be avoided simply through diversification.

Being too conservative can also be very risky; for example in a low interest rate environment, if ones spending match's the interest income earned; then inflation will prove to be an investor's nemesis.

Not retaining adequate liquid assets can be a major risk to a retiree, especially if unforeseen expenditures arise without notice.

3.17 Investment Costs & Taxes Really Matter

All investment processes have costs, for the self-directed investor they may be brokerage or personal time costs; for a client of our firm there are administration costs, investment costs and our fees.

There are also other investment costs that an investor might incur like crossing the buy/sell spread when buying shares, stamp duty costs when buying property, interest charges when using gearing or leverage, currency buy/sells when investing internationally.

Taxation can also be a major drag on an investor's next investment return. Whether it be income tax or capital gains tax or GST, every tax liability reduces the investor's net return.

We see it as part of our fiduciary role to fully understand the costs that our client's might incur and then find reliable ways to ensure they are minimised. We must also ensure that we minimise our client's tax obligations by all legal and practical means.

We achieve cost and tax minimisation by the following means:

- Using our licensees $2bn buying power to negotiate administration fee discounts for client's
- By being part of a $4bn buying group to achieve further administration fee discounts
- By researching and using only managed funds with low management fees relative to peers
- By using only managed funds with proven records in block trading, not crossing asset price spreads, patient trading and low turnover
- We submit to national and international surveys to ensure our own fees are market competitive
- Remaining up to date with Australian taxation law

One piece of evidence supporting the claims above is the portfolio administration platform tender FYG Planners ran in 2001. This saw clients of this firm, and all other FYG Planners firm clients, benefit from lower administration costs by around 15%. Through subsequent negotiations in 2005 and 2010 with key administration service providers, our firm's clients no enjoy discounts of up to 45% from standard administration fees.

As business volumes grow we are committed to further pursuing administration cost savings for clients and just after this review is completed the FYG Planners group will once again commence negotiations with the group's largest portfolio administration provider.

Additionally, every year we engage with new entrants into the portfolio administration market to ensure we can take advantage of new technologies and pricing advantages for our client's.

The impact of fees cannot be underestimated. For example $1m invested with a gross return of 8% per annum for 30 years will grow to $4.321m if total costs are 3% per annum; but it would grow to $5.743m if costs are only 2% per year and $7.612m if costs are only 1% per annum.

3.18 Working Accumulators and Retiree Investors are Different

Working accumulators have human capital available to them. (i.e.: their income multiplied by their years of prospective work has a current day capital value). Retirees no longer have that asset available. The working accumulators can choose to delay retirement if investment markets are unkind in their pre-retirement years, they may choose to work part time to reduce the depletion pressure on their investment assets and they can benefit from dollar cost averaging when regularly investing during their working lives into growth type assets, such as shares when prices have fallen.

Retirees on the other hand are very susceptible to sequencing risk, especially in the first few years after they retire. Our firm's policy in trying to mitigate the sequencing risk for retirees is to take the following strategy:

Firstly, we prefer to use building block components for each asset class within a client's portfolio rather than manager chosen diversified managed funds. At the establishment of a retiree's portfolio, we prefer to have no less than five times the client's first years anticipated drawings from their portfolio in cash and fixed interest asset classes; and no less than 2 years anticipated drawings in cash.

We then direct all distributions from all components of the portfolio to the central cash account. By taking these two actions, we can virtually assure the retiree that their first seven years spending is catered for and their growth assets have a fairly reasonable period of time to deliver expected capital growth. (We note that since the year 1900 there has not been a period of 7 consecutive years where Australian shares have delivered a negative return. See the AXA chart in section 3.4. The same can be said of US shares from 1926 until now).

During the early years of retirement, if a client's portfolio experienced above expected capital growth, we would harvest some of the gains and recommence the "7 year virtually assured drawings" period. This is communicated to retiree clients before we commence working with them.

If share market values did fall within the early years of a retiree portfolio, we would not sell down any growth assets, nor would we would buy more, we would simply do all in our power to ensure the client remained invested and benefited from any eventual recovery.

Under this scenario it is possible that the retiree's portfolio would become more aggressive before any rebalancing took place and this too is communicated to retiree clients before we engage with them.

3.19 Accepting "Black Swan" Events Do Occur

Having been in business for over 35 years and working with over 1000 clients during that time, many of whom have become retirees, we have observed that most people receive fairly average market returns in the long term.

A few clients seem to be very fortunate investing large amounts at low prices or retiring just before a market boom and some people seem to be very unfortunate with their investment outcomes due to 'black swan" events.

Financial market collapses like those of the Great Depression from 1929-1932 or the Global Financial Crisis of 2007-2009 or the OPEC Oil Crisis of 1973-74 or the two World Wars can have and have had a catastrophic impact on investor's portfolios.

An investor that arranges a diversified and not too aggressive retirement portfolio immediately before one of these events can be described as very unlucky, especially when one considers the average returns achieved since 1900 but we as advisers can do little to avoid such events because we cannot reliably predict these events in advance.

Similarly, an investor who has had a liquidity event and invested in a diversified manner immediately after one of these events would likely be very fortunate with the benefit of hindsight.

Section 4: Investor Expectations

4.1 Past Performance of Asset Classes

We accept the conventional wisdom that past market performance is no guarantee of similar future performance.

That said; history has shown that shares have outperformed cash and fixed interest securities since 1900. Recent 20 year Australian studies by Russell Investments have shown property has finished between shares and fixed interest. And we believe this is because risk and reward are related; as such we believe that shares (that are riskier) will deliver higher future returns than cash & fixed interest investments and we expect property to return somewhere in between in the longer term.

Again history has shown that share investments have delivered around 5% per annum higher returns than fixed interest securities (or loans), in our view that is the risk premium available to investors who have been willing to accept the volatility risk that goes with owning shares.

In our "Statements of Advice" to investment clients we are very careful to include substantial 25 year data showing the historical return and risk characteristics of an indexed portfolio with their chosen risk profile. We also show the historical inflation adjusted average returns of their chosen portfolio asset allocation. See Annexure 4.1.

4.2 Identified Risk Premia

In the USA, the largest free market economy in the world, reliable financial market data exists going back to 1926. The data we have available since 1970 shows a number of key trends over the long term:

- Small cap shares have outperformed Large cap shares
- Unhealthy Value shares have outperformed healthy Growth shares
- Shares have outperformed fixed interest securities
- Long dated fixed interest securities have outperformed cash

See Annexure 4.2.

In Australia, we have reliable data going back to 1990 and the identifiable key trends are the same:

- Unhealthy Value shares have outperformed healthy Growth shares
- Shares have outperformed fixed interest securities
- Long dated fixed interest securities have outperformed cash

See Annexure 4.3.

From a no longer available source, in 2013 our firm produced the charts that appear in Annexure 4.4. They show US data from 1926 to 2012 and Australian data from 1980 to 2012. The charts further reinforce validity of the size and value effects.

During advice presentation meetings, all clients of our firm are provided with data that confirms the historical risk & return premia that is available from the various assets classes before they invest.

4.3 Investment Projection Rates Setting

In trying to help clients truly understand their future financial prospects through the use of comprehensive financial modelling tools, we are very mindful of using projection rates that reasonably set client expectations.

At the time of this investment philosophy and process review, the asset class projection rates used are applied within computer software known as Xplan. It is the only financial projection software endorsed by our licensee.

We, and our licensee FYG Planners, prefer to be very conservative in establishing our forward projection rates and as a result they are well below the historic returns achieved by each asset class.

For example, at the time of this review, our projection rate for Australian shares is 9.3% per annum compared to the 13.3% historical return achieved by the ASX since the year 1900.

We only use the asset class projection rates set by our licensee. How FYG Planners arrive at the portfolio projection rates used is as follows:

- Initially the FYG Investment Committee compared the average of the last 60 months projection rates for each asset class as supplied by our research firm Lonsec (formerly van Eyk Research) and used that rate.

- Each six months the FYG Investment Committee checks to see if the moving average has not changed by more than one tenth of the prior value used or a return difference of 1%, if not, we continue to use the existing projection rate. If the rate has changed by more than one tenth of the prior value or 1%, then FYG Planners change the projection rates and our advisers adhere to the new FYG Planners set rates. See Annexure 4.5.

Section 5: Investment Process

5.1 Three Portfolio Cost Components – Administration, Funds Management & Advice

Consistent with our clear communications strategy noted in Section 7, we also strive to make clear to clients the differences in the three portfolio roles identified here.

We want clients to be under no doubt as to which party keeps records of their portfolio and who holds custody of the actual investment assets in the portfolio. Client must understand that portfolio administration and record keeping is a specific role that is separate to funds management and advice. We also make certain that clients understand portfolio administration has its own identifiable ongoing cost.

The actual managed investment funds utilised for clients are almost always separate to the administration service provider. Again we make sure that clients understand that the funds management role is separate from portfolio administration and our advice; and it too has a separate cost that is incurred within the managed funds chosen for the client's portfolio.

Lastly, our clients are expected to pay for our ongoing expertise, advice and service. Our ongoing fees may be based on a percentage of assets or a fixed annual dollar based fee. We go to great lengths to ensure our fees are clearly itemised as separate from administration and investment management.

5.2 Macro Investment Asset Allocation

As noted in Section 2.8 we strive to match our client's macro asset allocation with their risk profile, risk appetite and their need to take investment risk.

We use a tried and tested risk profiling questionnaire based process to identify the client's appropriate allocation to growth and defensive assets.

As a client's risk profile becomes more aggressive, we introduce greater investment risk and even some different sub-asset classes.

For example, the defensive assets risk factors of Credit Risk and Term Risk are adjusted as the clients risk profile becomes more aggressive. The Term Risk factor is adjusted most in our model portfolios.

For clients who's risk profile score is 70 or above we gradually introduce Global Emerging Markets into their Global shares exposure and we reduce & eventually eliminate shorter dated fixed interest securities as portfolios become more aggressive.

See the investor risk profile example that appears in Annexure 4.1

5.3 Model Portfolios in Each Investment Administration Platform

Over the past 12 years, our licensee FYG Planners has developed a very complex excel based model that houses the FYG model portfolios for each risk profile on each investment administration platform that has significant use by FYG advisers. It also completes the cost analysis for each model portfolio chosen and compares that cost with the clients existing portfolio.

The model noted above, has evolved over time and will continue to evolve as new products and platforms are added.

The model portfolios on some platforms are "our best of breed" portfolios; whereas some less used platforms include portfolios that are our "best compromise" because our first choice portfolio components are not available. See the tables of examples that appears in Annexure 5.1 and our further comments at Section 5.7.

5.4 Investment Selection

Cash products selected are usually only the cash hub of the investment administration platform chosen.

The fixed interest products chosen must best target our Term risk and Credit risk factors.

In the property asset class we prefer to use a reliable low cost index managed fund provider.

In Australian shares, we use a Large companies fund based on the ASX100 index.

In the Value component of Australian shares we use a manager who's fund is based on the top 30% of stocks in their investible universe as measured by the stocks book to market ratio. Our top rated investment option here has over 140 shares in the portfolio.

In the Australian Small cap sector, we use a manager who diversifies very broadly and applies a cash profitability filter to eliminate the bottom 25% of small cap stocks when measured by historical cash profitability. Our number one rated managed investment option here has over 200 shares in the portfolio.

For global equities we prefer to utilise both a hedged and unhedged versions of pre-mixed Large-Value-Small-Profitability global equities managed funds. Our preferred funds here have over 6000 shares in the portfolio.

For global emerging markets, we again prefer to use a broadly diversified fund with a strong value bias, as measured by book to market prices. Our preferred managed fund here has over 1000 shares in the portfolio.

5.5 Investment Due Diligence

Prior to adding any managed investment fund to our model portfolios, the FYG Planners investment director must meet with senior staff from the fund manager. During all past meetings of this type, clear and positive insight into the following must be achieved:

- The investment process used
- The consistency of process application
- The filters applied to eliminate undesirable assets
- The historical inflows and outflows of the managed funds
- Reliance on key people
- History of key people retention
- Product costs and tax management
- Stability in the organisation

Only after FYG approves a new product can MFG add that product to any model portfolios used for clients.

5.6 Investment Re-Balancing

Client portfolios are re-balanced according to specific client needs and clients life stage.

For example; with most retirees, as noted in Section 3.18, we re-balance manually, only with client approval, based on cash flow needs.

For young accumulator clients we will more likely establish automated re-balancing each quarter or annually, subject to the client's prior agreement.

For non-retiree and non-accumulators, we will usually undertake half yearly or yearly reviews and re-balance based on actual and expected cash flows.

As a firm we certainly believe in the merits of re-balancing and numerous studies, over many differing time periods have clearly shown the extra value created for investors by disciplined re-balancing.

5.7 Small Accounts Best Compromises

The average sized client account for our firm, at the time of this review, is around $750,000 and our current minimum sized new account is $300,000.

However, the firm does have legacy clients with smaller accounts and for these people we may choose to use a particularly cost effective investment platform where we have no choice but to undertake modest compromises from our ideal portfolios.

For these smaller portfolios on the infrequently used platforms, our licensee maintains model portfolios that are their best attempt to access the various investment risk factors we prefer to pursue and the investment portfolio framework we prefer to adopt. The investment compromises whilst not ideal are often outweighed by the cost reductions achieved for the client.

Section 6: Investment Protection

6.1 Robust Administrators

Our firm only uses the most reliable portfolio administration services endorsed by FYG Planners.

These administration services are offered by Australia's leading banks such as ANZ, CBA, Macquarie, NAB & Westpac and their subsidiaries. As such all have the financial resources necessary to meet the challenges of doing business in an ever changing legislative, digital and market environment.

Each portfolio administration platform has a demonstrated strong record of service and capability.

6.2 Independent Custodians

Each portfolio administration platform used has engaged an independent custodian to hold client investment assets.

This separation of record keeping and assets holding provides valuable protection for client assets because the administrator does not actually hold the client's funds. They merely keep records.

6.3 Secure Capital Transfers

All client deposits and withdrawals are made according to very strict protocols to minimise any chance of fraud.

Firstly, client deposit funds may only be transferred by "not negotiable" cheque or direct deposit to the bank of the investment administration platform recommended.

Client deposit funds may not be banked into the account of our firm, our firm does not operate a trust account and we do not accept any investment funds in cash from any clients.

All client withdrawals may only be paid to the client's nominated bank account and client withdrawal instructions may only be accepted in writing or by email after they have been confirmed verbally by the client's adviser. This stance is taken to minimise the risk of cyber fraud.

If written instructions are received with altered bank details, these requests will not be met, unless the client's adviser and the client speak directly prior the withdrawal processing.

6.4 Clients Retain Control

All client accounts are run on an investor directed basis. Our firm does not run discretionary accounts and as such our clients always retain 100% control of their investments.

Section 7: Implementation Process

7.1 Clarity of Communication

Our firm strives to communicate complex investment process concepts with clients in a language that is easily understood. We know that some sophisticated clients can understand the complexities of investing but many do not.

It is for this reason that we adopt an “ice berg” type approach to our investment process communications. From the date of this review, all clients are given access to the “executive summary” of our investment process and some are provided this full philosophy and process document.

Our Investment Policy Statement (“IPS”) documents are deliberately kept simple, in line with the Australian Securities and Investment Commission guidelines for clear and concise communications. However, each IPS also includes significant detailed investment theory information in the Annexure sections.

7.2 Investment Applications

After receiving a client’s authority to proceed with our investment recommendations, our client services staff prepare all investment applications for client to sign.

The applications are checked by the client’s adviser and the client prior to execution to ensure all details are correct.

All signed applications are sent by traceable Australian Express Post directly to the portfolio administration service provider or lodged on line.

7.3 Completing the Client’s Investments

Two days after sending the application(s), the portfolio administration service provider website is checked to confirm the account is opened (if prior email confirmation has not been received) and the funds have arrived into the portfolio cash account.

Then our client services staff will undertake the transactions as noted in the client’s IPS and the adviser will check the transaction record to ensure 100% accuracy.

Three days later the client’s account will be checked to ensure all managed investment have been successfully purchased and correctly allocated to the clients account.

Confirmation is then sent to the client.

Section 8: Investment Process Review

8.1 Macro Process Results Review

Each month our licensee produces a report called the "Asset Class Investment Report". (See Annexures 1.1, 1.2 and 1.3). These reports compare our model portfolios to market index portfolio's and a selection of relevant peers. *(NB: These reports all use a common end date for their data series).*

Each month our licensee also produces a series of scatter plot charts that contrast our model Australian equity and Global equity portfolios with the most relevant broad market indices. (See Annexure 1.4). *(NB: These reports all use a common end date for their data series).*

Each half year our licensee produces a series of comparative performance tables of our Australian equities and Global equities model portfolios against the most relevant broad market indices that use a common start date for each data series. This report analyses the interim periods over the last 25 years to establish the level of consistency of our investment process. See Annexure 8.1.

Each quarter our licensee compares our Australian and Global equities model portfolios against the universe of broad market wholesale funds. See an example that appears in Annexure 8.2.

Each quarter our firm produces a report on the performance of our preferred fixed interest funds. This report compares the results of various indices, index funds and those funds we utilise in our model portfolio's. See Annexure 8.3.

Additionally, the Asset Class Investing process we use, including the use of the managed funds most often used in our firms model portfolios has been twice critiqued from the perspective of "prudence", in 2004 and 2006 by respected Australian investment research analyst Michael Walsh and later in 2010 by Australian research house Paragem.

In each instance the process was independently found to be "prudent".

8.2 Unending Quest for Improvement

One promise we make to our firms clients is we will never stop looking for a better way to invest. Some evidence of our endeavours here have been:

(i) In mid 2014 our licensee commenced a detailed review of high conviction concentrated Australian Small Cap fund managers. The review identified five fund managers, who over the previous twenty 5 year periods (measured each half year over a decade), delivered well above average results very reliably.

Of the five managers identified, two were added to our licensees Australian Small Cap manager preferred product list and these products may now be used by our firms advisers

(ii) In early 2015 our licensee commenced a review of the Russell Australian Value ETF.

The data reviewed persuaded the FYG Planners investment committee to look more closely at that fund and it will likely soon added it to the FYG Planners preferred product list.

....the quest continues!