

# OUR APPROACH TO INVESTMENTS



Our objective is to provide our investors with low-cost, well-rounded investment portfolios which are aligned to each individual client's needs. We aim to do this by following a multi-fund investment approach and appointing specific fund managers selected as a by-product of our objective research process.

## INVESTMENT POLICY STATEMENT

### Investment Approach

Our investment approach informs the strategies utilised in order to achieve our investment philosophy.

At a fundamental level, we are not fund managers and do not possess the necessary skills or resources to allocate capital in the most effective way. Hence, we have appointed competent fund managers to fulfil this function without charging an additional discretionary investment management (DIM) fee.

By following a multi-fund approach we allow each fund manager to strategically allocate your money to different areas of the market based on their research.

We invest in unit trust investment funds which cross different asset classes (cash, bonds, property and equity). The different weightings of each of these asset classes determines the potential return and associated risk. Higher allocation to equity translates to higher potential volatility over the short-term, but higher potential returns over the longer-term.

We have combined our joint past experiences with our theoretical and technical skills in the creation and implementation of our investment process. We screen funds according to qualitative and quantitative factors and maintain an approved list of funds. By applying the necessary due diligence we ensure that the funds on this list remain competitive by our standards.

### We utilise a hybrid of passive and active investment strategies

A semi-active approach is an attempt to match risk characteristics of a benchmark, but also deviating from the benchmark to achieve higher returns, often referred to as 'creating alpha'. This is practically achieved by blending active and passive funds within clients' portfolios. This also allows us to reduce the overall cost of the investment portfolio as passive investment funds generally have much lower Total Investment Charges (TIC) than active funds.

## OBIN Investment Blends™

### The OBIN Investment Blends

The OBIN Investment Blends have been specifically curated to match and meet our clients' needs. Through our research we have ascertained that we can maximise investment outcomes by investing in 4 funds in a specific blend with 25% allocation to each fund.

A critical step in our process is to establish the extent to which an investor is prepared to tolerate risk in the pursuit of their investment goal. Risk, in this sense, can be defined as the possibility of permanently losing capital, and enduring volatility.

OBIN Wealth Management has a Risk Profile Analysis Questionnaire that enables both the investor and the advisor to categorise the investor's risk profile into one of the following five profiles.

- Conservative
- Moderately conservative
- Moderate
- Moderately aggressive
- Aggressive

The OBIN Investment Blends have been designed to match each of these risk profiles – both locally and offshore.

### Investment Reviews

Annual Reviews are done to keep investors on track in the pursuit of their investment goals. Life happens. Things change. People and their environments change. People's appetites for investment risk consequently also change.

Through the process of investing, investors also get to know themselves better. In market downturns, they often realise that their tolerance for investment risk is less than what they initially thought. For this reason, our process leads investors to more conservative solutions than what they would normally opt for. This is done deliberately, and with good intention. The pain of loss, whether it is actual or perceived, is far greater than the joy of gains.