BONA FIDE
advice pty ltd

Bona Fide Advice

How we invest your money

Our promise to you

At Bona Fide Advice, we have a core set of investment beliefs.

These beliefs shape the investment decisions we take and give focus and discipline to the oversight of your investment goals.

Risk management. Diversification. Cost & Tax effective. Liquidity

We are guided in the decisions we make on your behalf by some fundamental investment principles that assist you to stay focused on your investment goals and build wealth over time.

We know that investors can’t control short-term market movements. So instead we focus on factors such as

- Understanding your attitude towards risk and return to develop a detailed risk profile
- Allocating your investments across a wide range of assets—shares, bonds, property and cash
- Full control on your investments, and assets in the portfolio as we do not use "one size fits all portfolios"
- Reducing the cost of investing wherever possible by implementing tax-effective investment strategies.
- Making sure there is effciency in your portfolio to convert asstes and securities into cash without affecting its market price when markets are volatile.

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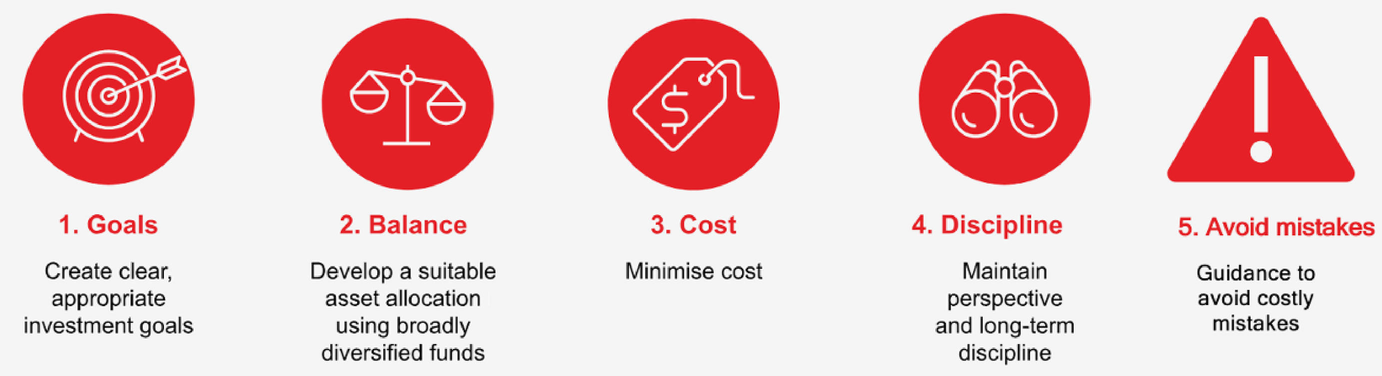
Investment Principals

We will help you

- Create specific and measurable investment goals.
- Develop a suitable asset allocation using broadly diversified funds or Exchange Traded Funds
- Minimise cost.
- Maintain perspective and long-term discipline.
- Avoid costly mistake

Investment principals

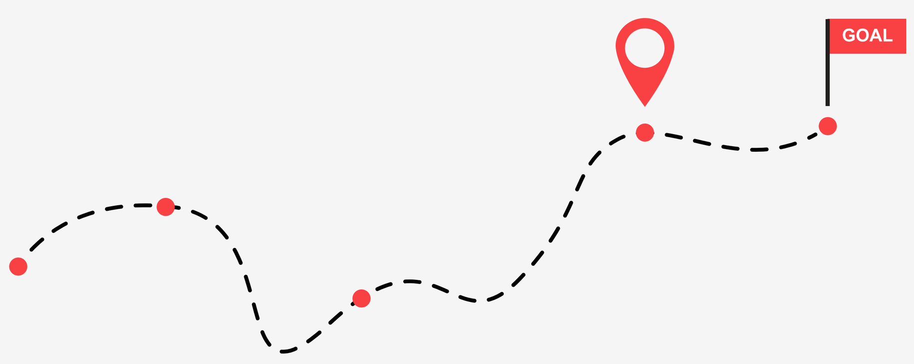


Goals

We believe that clear and realistic goals can help protect you from common mistakes that can deprive you of achieving investment success.

A sound financial plan helps you to stay focused on the factors they can control rather that reacting to always changing newspaper headlines.

Keeping you on track to achieving your goals



We are not only with you when markets are going up we make sure we help you to make the right decision and avoid mistakes during rainy days.

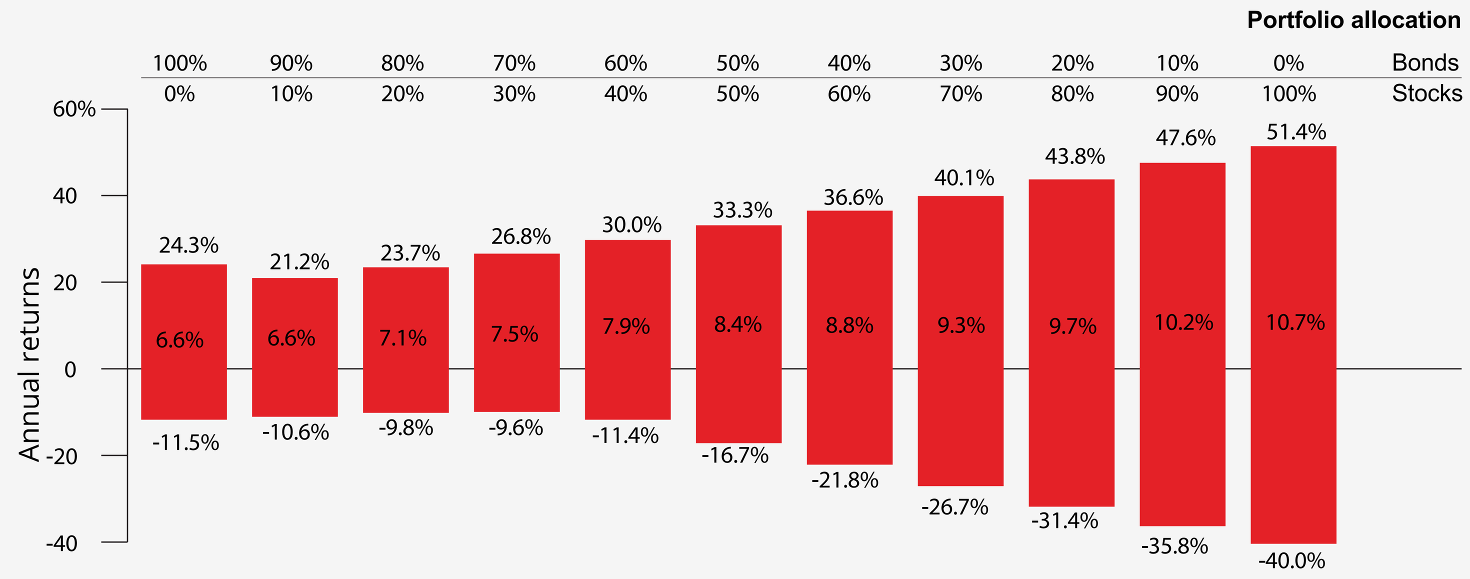
Asset Allocation

We believe that every successful investment strategy begins with an asset allocation suitable for its objective.

We regularly assess market conditions and asset classes to calibrate your portfolio to make sure it matches with your investment goals and attitude to risk.

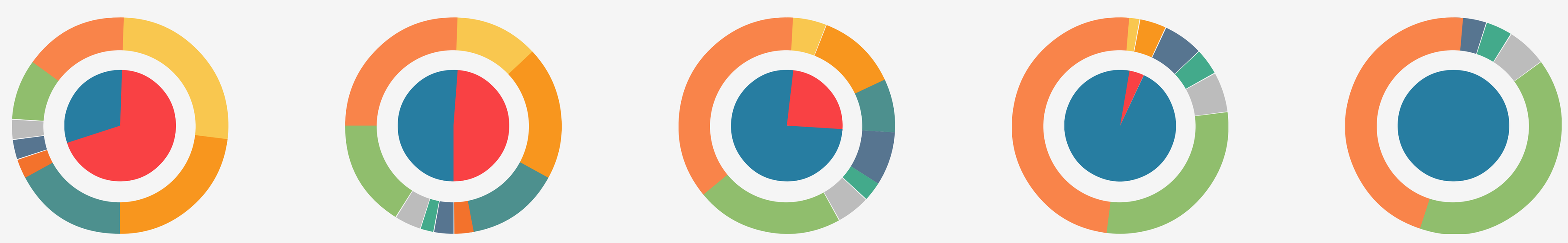
Asset allocation defines return and risk

"Research shows that about 90% of return variation is explained by asset allocation. It varies slightly from country to country. For example, 91.1% in the US, 89.3% in Australia"



Note: Equities are represented by S&P/ASX 200 Total Return Index, and bonds are represented by the Bloomberg AusBond Composite 0+Y Total Return AUD Index. Data as at 31 August 2022 commencing May 1993. Source: Lonsec iRate

Personalised portfolio: In desiging your portfolio and selecting securities we do not use one size fits all approach, we take into account your personal and family situation, age, goals, time frame, cashflow needs , personal savings and your preferred industry or asset class and even the industry that you are working in



Moderate | Balanced | Growth | High Growth | Aggressive

Defensive (%) Growth (%)

Target asset allocation (%)	30/70	50/50	Growth	High Growth	Agressive
Cash	27.0	13.0	6.0	3.0	0.0
Domestic Fixed Interest	23.0	20.0	12.0	4.0	0.0
International Fixed Interest	17.0	14.0	8.0	0.0	0.0
Alternative Defensive	3.0	3.0	0.0	0.0	0.0
Alternative Growth	3.0	3.0	8.0	6.0	5.0
Domestic Equity	9.0	16.0	22.0	29.0	40.0
International Equity	15.0	25.0	36.0	48.0	45.0
Domestic Property	0.0	2.0	3.0	4.0	4.0
International Property	3.0	4.0	5.0	6.0	6.0

Risk management

We work with you closely to understand your goals, needs and the appropriate asset allocation for your investment portfolio.

Diversification is a powerful strategy for managing traditional risks. Diversifying across asset classes reduces a portfolio's exposure to the risks common to an entire class.

Diversifying within an asset class reduces exposure to risks associated with a particular company, sector, or segment.

e.g. Our balanced portfolio is invested in

50% shares in the following industries

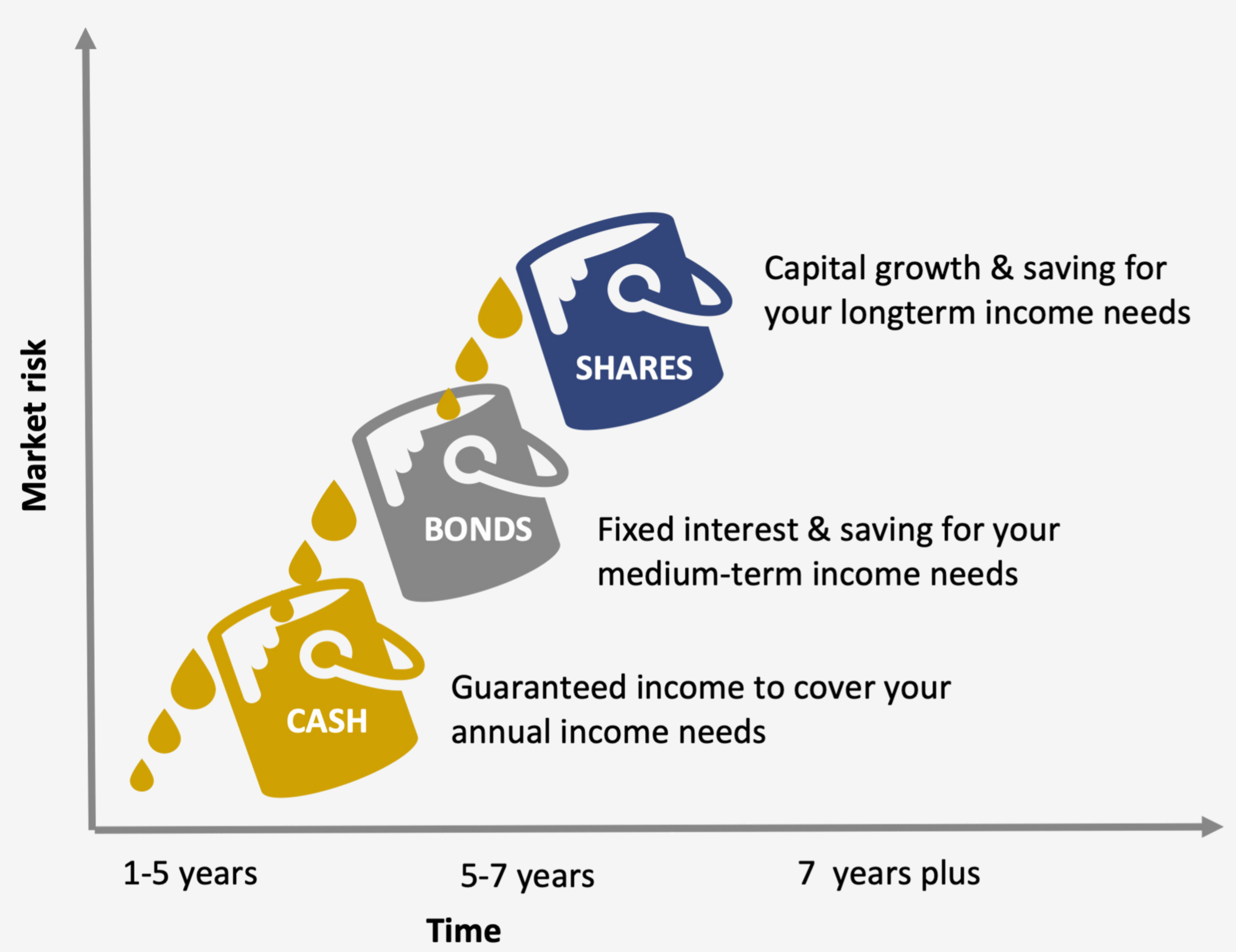
- 16% in Technology
- 15% Financial Services
- 12% industrial
- 12% health care
- 45% in Energy, communications, commodities, real estate and utilities

50% fixed interest assets in the following bonds:

- 45% in AAA credit rated bonds
- 16% in AA credit rated bonds
- 21% in A credit rated bonds
- 18% in BBB credit rated bonds

Our balanced portfolio is invested across different regions with 92% in developed markets such as US, Europe, Greater Asia inclduing Japan and Australia and 8% in emerging markets.

Your money will be invested in more than **9,000 companies** from large american firms, big 4 banks & mining in Australia to gold and **10,000 bonds** with majority guaranteed by US, Europe and Austrlian governments.



'Bucketing' strategy approach is used when it comes to your portfolio management when you rely on its income.

This method helps to manage cognitive bias in volatile markets. When there is a market downturn we make sure you don't feel forced to sell down investments or get out of the market.

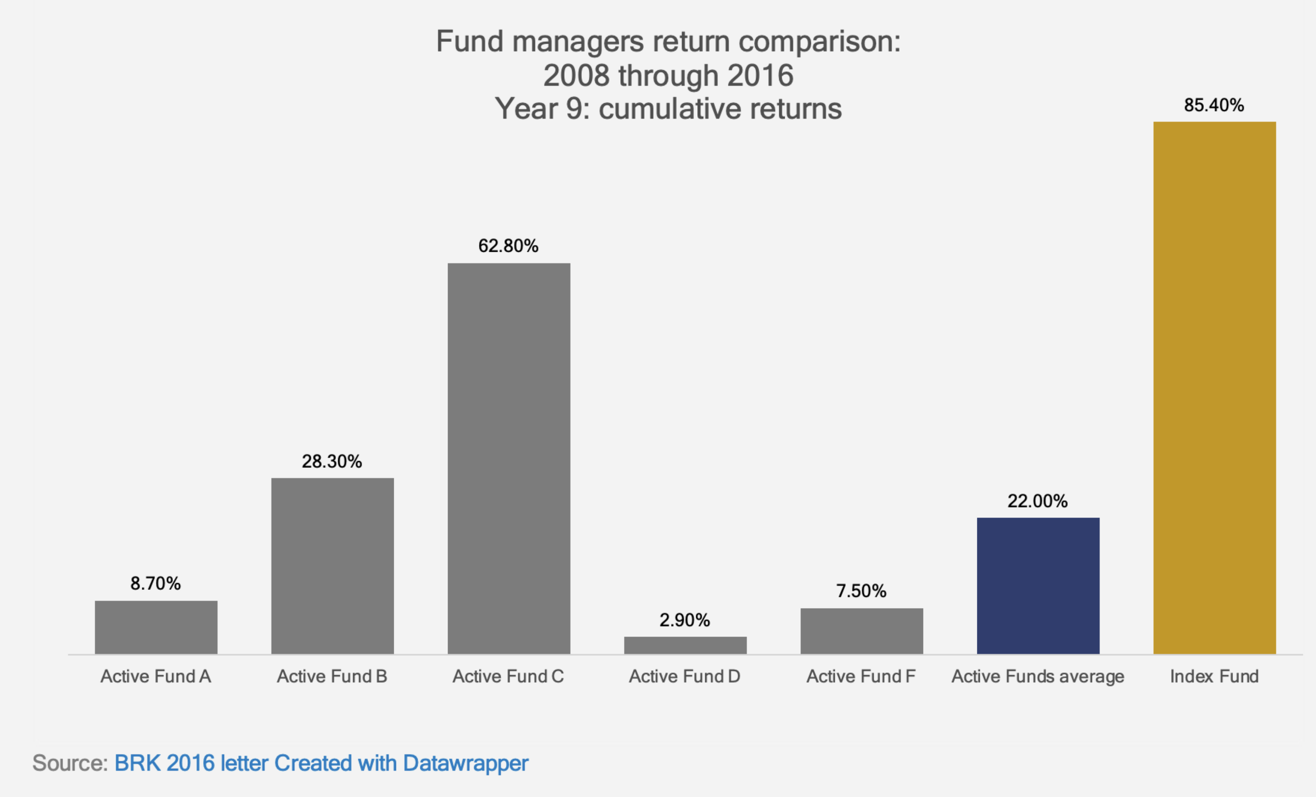
We help you to keep focused on making sure you are receiving the amount of income you need whilst still being able to achieve your goals. We want your portfolio to provide a reliable and consistent income stream for your day-to-day needs without forcing you to sell long-term investments at adverse prices.

Governance

Morningstar provide us independent analytical reports and recommendations on fund managers and companies. We only use Gold, Silver and Bronze rated fund managers and if Morningstar do not cover a particular fund company we use Lonsec to provide us with their recommendations and reports.

Manager Selection

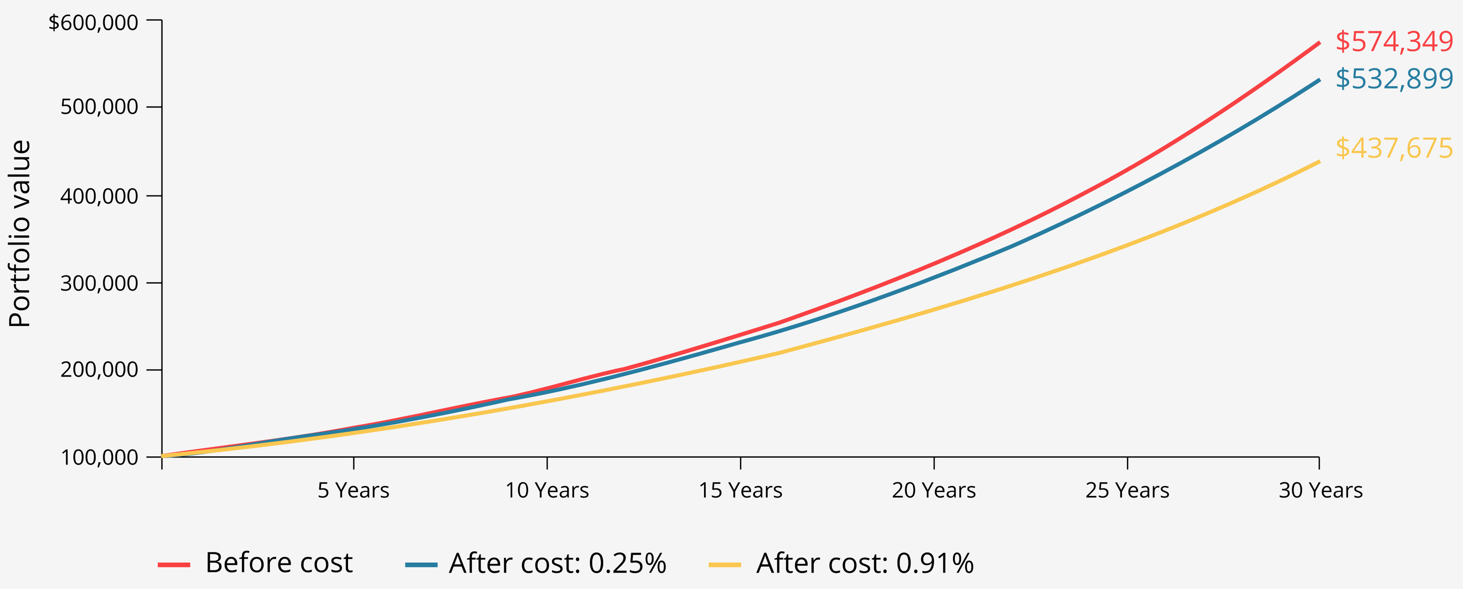
Index funds are the majority of managers that we use in our portfolios, history suggest that active fund managers under perform index fund managers in long term.



Investment Costs

Impact of investment costs

"The long-term impact of investment costs on portfolio balances Assuming a starting balance of $100,000 with a yearly return of 6%, which is reinvested"



Note: The portfolio balances shown are hypothetical and do not reflect any particular investment. The final account balances do not reflect any taxes or penalties that might be due upon distribution. Indirect Cost Ratio (ICR) is used for the expense ratio. ICR is the sum of the expenses incurred by the fund expressed as a percentage of the average net assets throughout the year. The ICR includes management and performance fees, as well as other operational fees. The ICR includes management and performance fees, as well as other operational fees. Source: Vanguard calculations using data from Morningstar.

We cannot control the markets but we can control their overall costs.

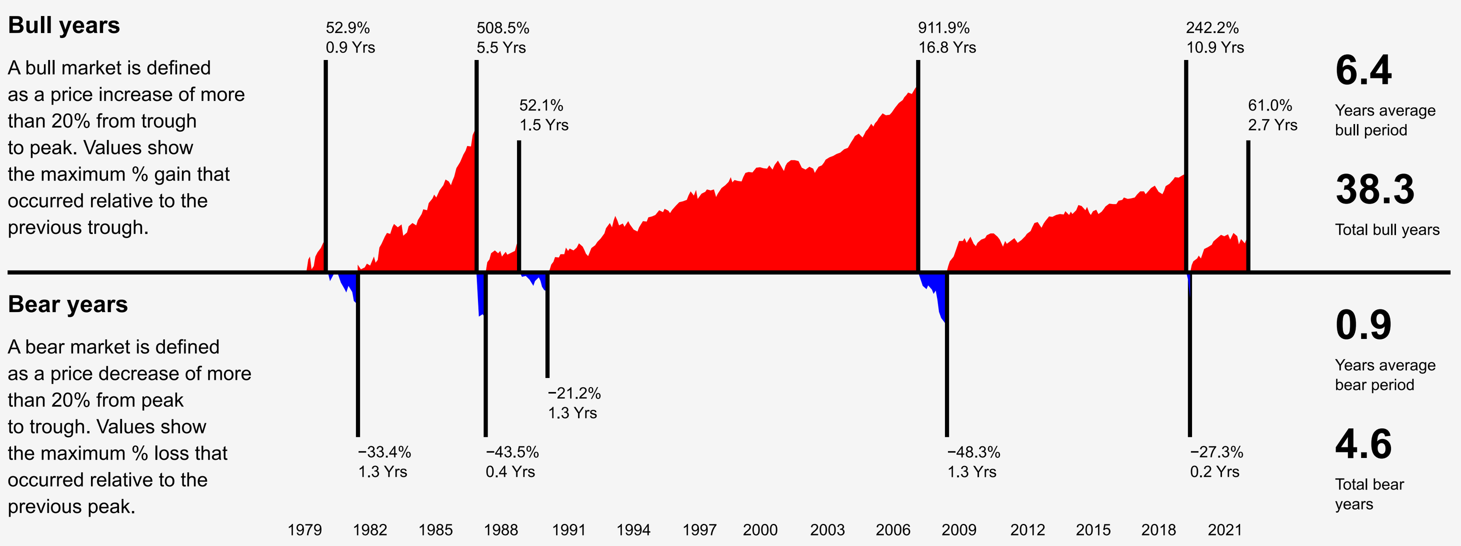
The lower investment costs are, the more you keep of your returns and the greater their chance of achieving investment success.

Some fees are indirect cost to you, we provide you with detailed fee disclosures including direct and indirect costs, brokerage fees and buy-sell spreads.

Discipline

Importance of staying invested

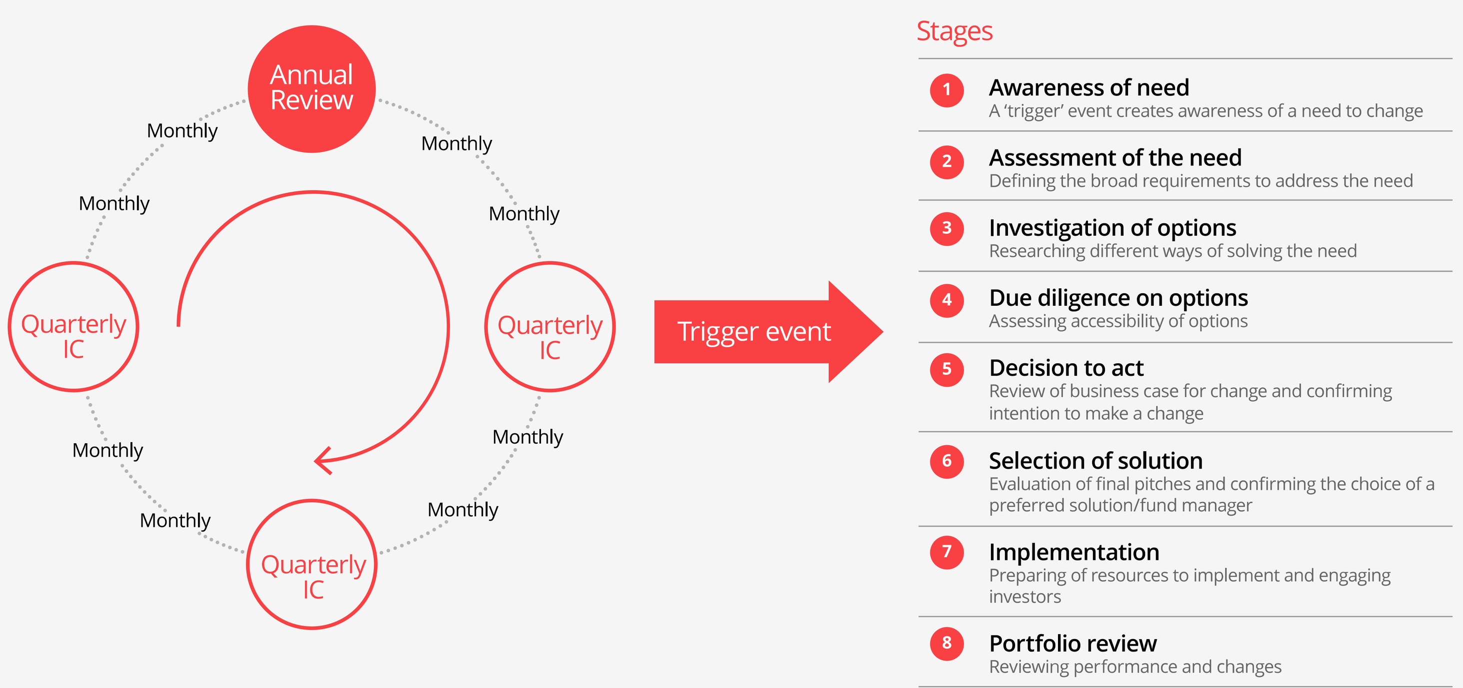
How bull and bear markets have impacted returns over the past 40+ years: long term perspective



Notes: 1. The latest bull run is still ongoing. The calculations represent the price increase and period up to 30 November 2022. Calculations are based on the S&P All Ordinaries Index for the period 1/1/1980 to 30/11/2022. The plotted areas depict the losses/gains ranging from the minimum following a 20% loss to the respective maximum following a 20% appreciation in the underlying index. Calculations based on monthly data. Logarithmic scales are used for this illustration. All distributions are reinvested. Values in the figures reflect rounding. Sources: Morningstar data and Vanguard.

Stay invested We believe in taking a long term strategic approach and create investment portfolios designed to withstand all market conditions.

Investment review process



Reviewing a portfolio is essential to make sure you stay on track, your portfolio matches with your risk profile, it provides you with enough liquidity to meet your cashflow needs and all fund managers stay cost effective.

Depending on your ongoing service package we provide you with regular portfolio reviews.

Having read through our Investment Philosophy, you'll now be aware of the framework we will be using to make recommendations and investment decisions on your behalf. We focus on fundamental principles that we believe will give you the best chance of success.

Diversification	We believe diversification plays an important role to reduce market risks.
Highly rated fund managers by independent analytical research provider	We are partnered with external investment research providers to avoid any potential bias towards invetsments.
We guide you to the right direction	We provide you with simple, non biased advice to make inform investment decision and we are with you along the way to make sure you avoid making wrong choices.

Important information

1. Bona Fide Advice Pty Ltd (ABN 55619001197) is the holder of Australian Financial Services License (AFSL) number : 524359

Bona Fide Advice | AFSL No: 524359
Phone: 03 9848 2101
Email: admin@bonafideadvice.com.au
Website: www.bonafideadvice.com.au