Money & Wealth *Management*

Our Investment Philosophy
Your guide along the *Laneway to Wealth*...

We assist local small business and other professionals to build, secure and manage their *money* and *wealth*.

Our promise to you…

At the heart of successful Financial Advice businesses are core **Investment Beliefs.**

We use these beliefs to guide our actions as we journey along the *Laneway to Wealth*, helping us stay focused and disciplined in achieving your investment goals in all market (weather) conditions.

To uphold these beliefs, we are guided by fundamental investment principles which in turn help you stay focused on your investment goals and build wealth over time.

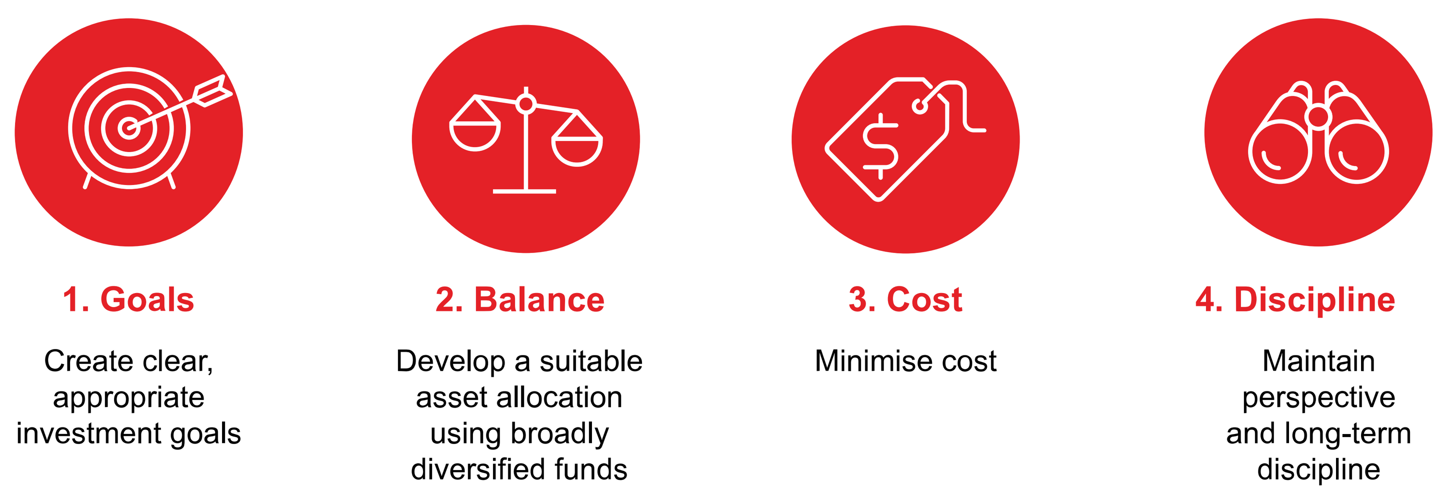
We focus on the following factors within your control, rather than short-term market movements and *media noise*.

- We consider your attitude towards risk and return in order to develop your risk profile.
- We allocate your investments across a wide range of assets including shares, bonds, property, and cash.
- We choose the right mix of investment styles—both passive (index) and active—to help you achieve your goals.
- We aim to reduce the cost of investing whenever possible by implementing tax-effective investment strategies.
- We rebalance your investments back to your target asset allocation aligned with your risk profile to keep you on track to achieve your goals.

We use our Investment Principles that we believe can provide our clients to deliver the best chance of success.

- Together, we create SMART Investment Goals.
- We will help you develop a suitable asset allocation using broadly diversified funds.
- We will help you minimise cost.
- We will help you maintain perspective and long-term discipline.
- These principles are ingrained in our culture and steer the investment decisions we assist our clients in making.

Investment Principles



Money & Wealth
MANAGEMENT

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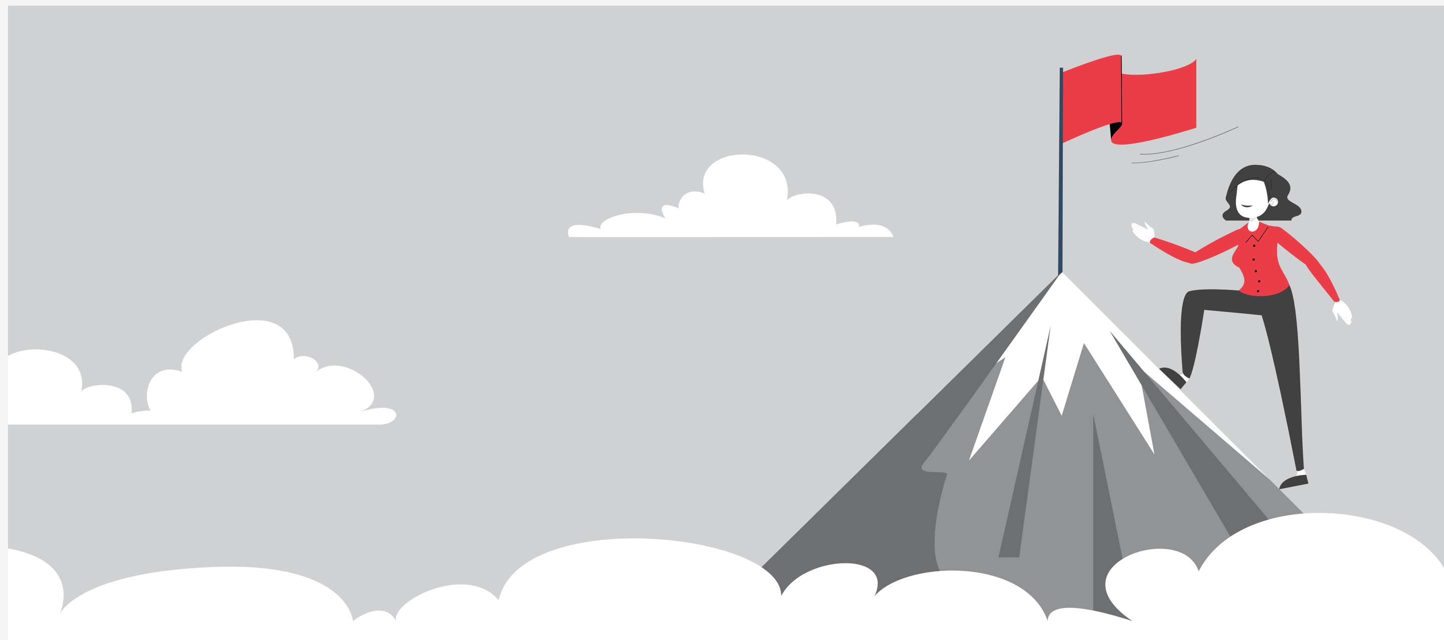
Goals

We align investment goals and plans with individual client objectives and constraints, ensuring consistency between return and risk objectives, considering *time* in the market over *timing*, cash requirements, and tax implications.

Helping you to achieve your goals



SMART Goals

We help clients create *realistic* plans and establish *measurable, attainable, specific*, and *achievable* personal and investment goals.

We work together with you to develop, execute, and implement practical plans that align with your goals and priorities over *time*.

It is important for us to educate our own and our clients' beliefs, environmental and social opinions, and preferences. By understanding your views, we can incorporate these preferences into your portfolio by implementing the appropriate environmental, social, and governance **(ESG)** approach.

We work with you to understand your values, needs, and desires. If you have specific investment requirements, we can take them into account when selecting your investments.

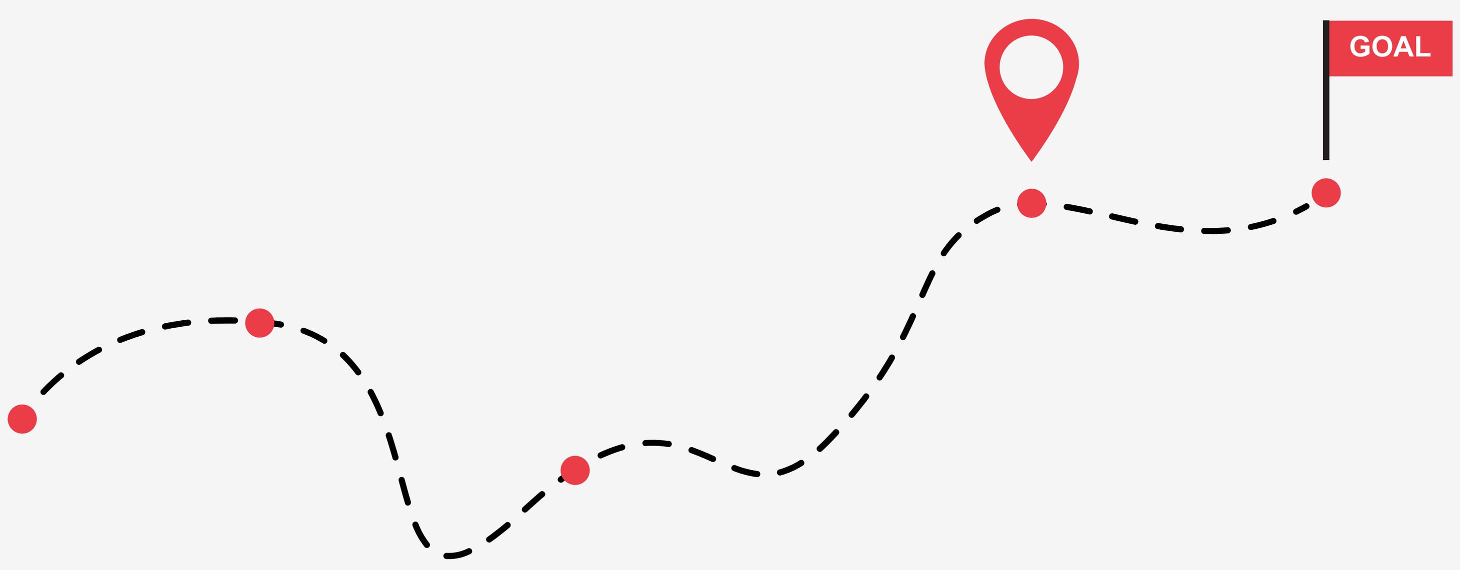
Environmental, Social and Governance (ESG) Investment Preferences

Environmental
- Climate change
- Greenhouse emissions
- Natural resource depletion
- Waste and Pollution
- Deforestation

Social
- Working conditions including slavery and child labour
- Local communities including indigenous communities
- Health & safety
- Conflict
- Employee relations & diversity

Governance
- Executive Pay
- Bribery & corruption
- Political lobbying & donations
- Board Diversity & structure
- Tax strategy

Keeping you on track to achieving your goals



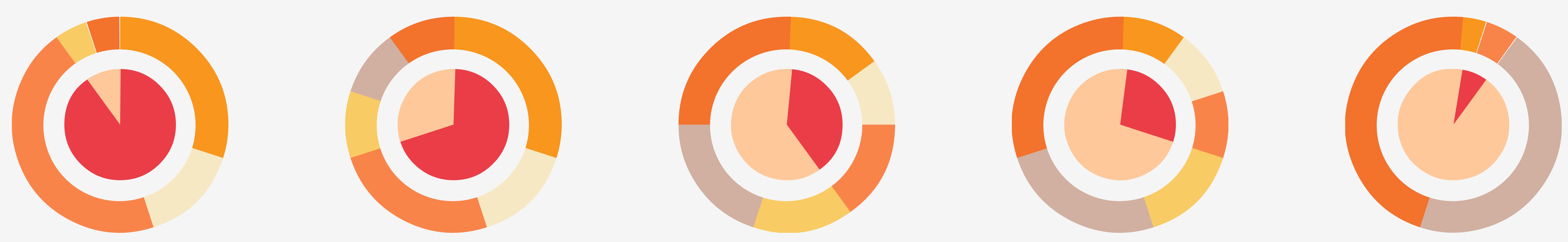
We believe that clear and realistic goals can help protect clients from common mistakes that may impact the achievement of investment success.

We believe a sound Financial Plan (we call a Statement of Advice) helps our clients stay focused on the factors they can control rather than reacting to constantly changing media headlines.

Balance

We believe that a successful Investment Strategy begins with the right Asset Allocation.

- This determines most returns and portfolio variability.
- We manage various risks to help clients achieve their financial goals.
- By regularly assessing market conditions, we adjust our expectations for returns and volatility.
- We offer a range of investment options, considering different asset classes and Investment Manager **Styles** (such as Growth and Value).
- Both **active** and **passive (index)** investments have potential benefits. Passive funds offer low-cost ways to track benchmarks, while active funds provide the potential for outperformance but also higher costs and greater uncertainty.



Defensive (%) Growth (%)

Target asset allocation (%)	Conservative (10%/90%) Split	Moderate (30%/70%) Split	Balanced (60/40%) Split	Growth (70%/30%) Split	High Growth (90%/10%) Split
Domestic Equity (Australian Shares)	5.0	10.0	25.0	30.0	45.0
International Equity (International Shares)	0.0	10.0	20.0	25.0	45.0
Domestic Property	5.0	10.0	15.0	15.0	0.0
International Property	0.0	0.0	0.0	0.0	0.0
Domestic Fixed Interest	30.0	30.0	15.0	10.0	5.0
International Fixed Interest	15.0	15.0	10.0	10.0	0.0
Domestic Cash	45.0	25.0	15.0	10.0	5.0
International Cash	0.0	0.0	0.0	0.0	0.0
Alternatives (where considered)	0.0	0.0	0.0	0.0	0.0

Consistently picking winners is difficult

Annual asset class returns (%) for the year ended December 2023

Asset Class	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Intl Equities: DM H	32.8%	32.3%	26.8%	14.4%	13.2%	27.5%	4.5%	26.8%	10.6%	30.2%	1.3%	21.7%
Aus Property	32.0%	19.7%	23.1%	4.6%	12.1%	20.0%	3.3%	23.8%	8.1%	27.0%	-1.8%	16.9%
Aus Equities	19.7%	13.4%	12.6%	3.8%	11.8%	11.9%	1.9%	22.4%	5.1%	23.9%	-9.7%	12.1%
Intl Equities: EM	18.7%	10.1%	10.4%	3.3%	10.3%	6.4%	1.6%	19.6%	4.5%	17.5%	-12.3%	9.6%
Intl Property H	17.1%	7.3%	9.8%	2.8%	6.5%	9.5%	-3.1%	19.1%	1.7%	3.8%	-13.9%	9.1%
Global Agg H	9.7%	2.9%	7.3%	2.6%	5.2%	3.7%	-3.5%	7.3%	0.4%	0.0%	-18.1%	5.3%
Aus Fixed Interest	7.7%	2.3%	5.3%	2.3%	2.9%	3.7%	-4.7%	7.2%	-4.0%	-1.5%	-20.1%	5.1%
Cash	4.0%	2.0%	2.7%	-3.9%	2.1%	1.7%	-7.6%	1.5%	-12.8%	-2.9%	-23.9%	3.9%

Source: Vanguard Investment Strategy Group analysis using index data from Bloomberg, FTSE, MSCI, S&P & UBS. Notes: Australian equities is the S&P/ASX 300 Index; Australian Property is the S&P/ASX 300 A-REIT Index; International Property Hedged = FTSE EPRA/NAREIT Dev x Au Hedged into $A from 2013 and UBS Global Investors ex Australia AUD hedged Index prior to this; International Shares Hedged is the MSCI World ex-Australia Index Hedged into $A; Emerging Markets Shares is the MSCI Emerging Markets Index; Australian Bonds is the Bloomberg Ausbond Composite Bond Index; Global Aggregate Bonds = Bloomberg Global Aggregate Index Hedged into $A; Cash = Bloomberg AusBond Bank Bill Index.

Diversification is a powerful strategy for managing risks.

It reduces exposure to common risks across asset classes and within asset classes.

Rather than trying to pick the winning investment each year, investing across a wide variety of assets can help reduce the risk of loss. Investors who are well diversified tend to enjoy a smoother investment ride over the long term.

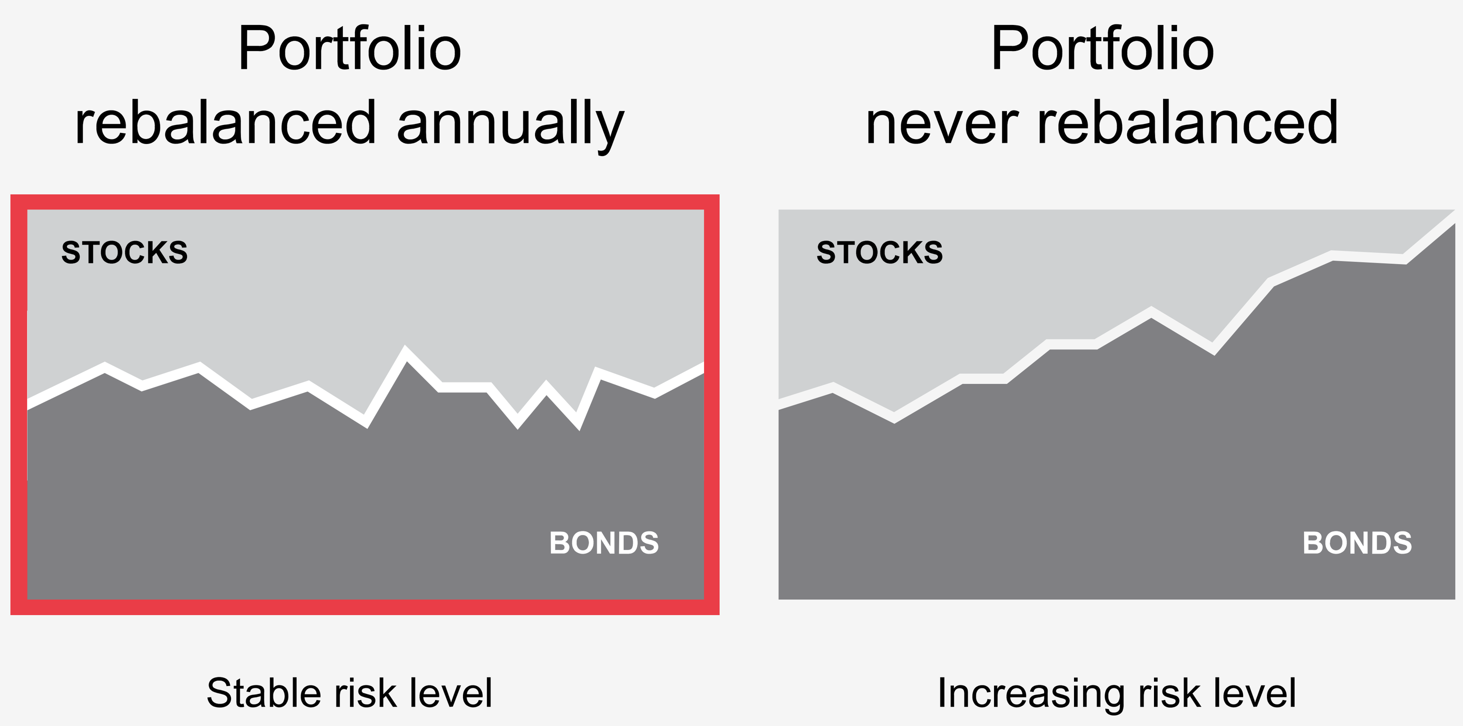
In fact, investing in the right mix of shares and bonds based on your client's risk/reward tolerance could have a bigger impact than anything else you do.

Discipline

Periodic rebalancing is necessary to keep the portfolio in line with the asset allocation designed for the objective.

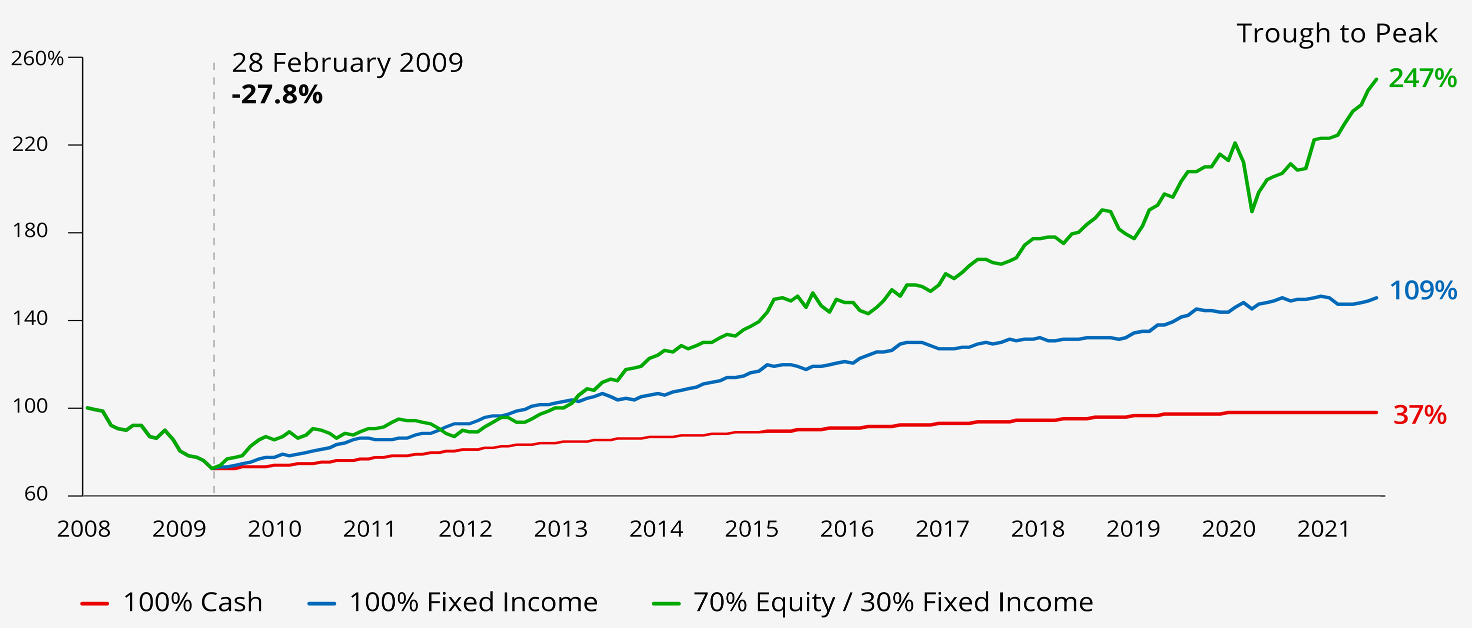
- We undertake to rebalance half-yearly or annually when asset allocation deviates by more than 10% from the target strategic asset allocation.
- Rebalancing helps control portfolio risks; a lack of rebalancing allows the high-return (and usually high-risk) assets to grow, resulting in higher portfolio risk.
- We help clients understand why rebalancing is necessary to keep their portfolios in line with their risk appetite throughout the cycle.

Rebalancing your portfolio



Importance of maintaining discipline

Reacting to market volatility can jeopardise returns



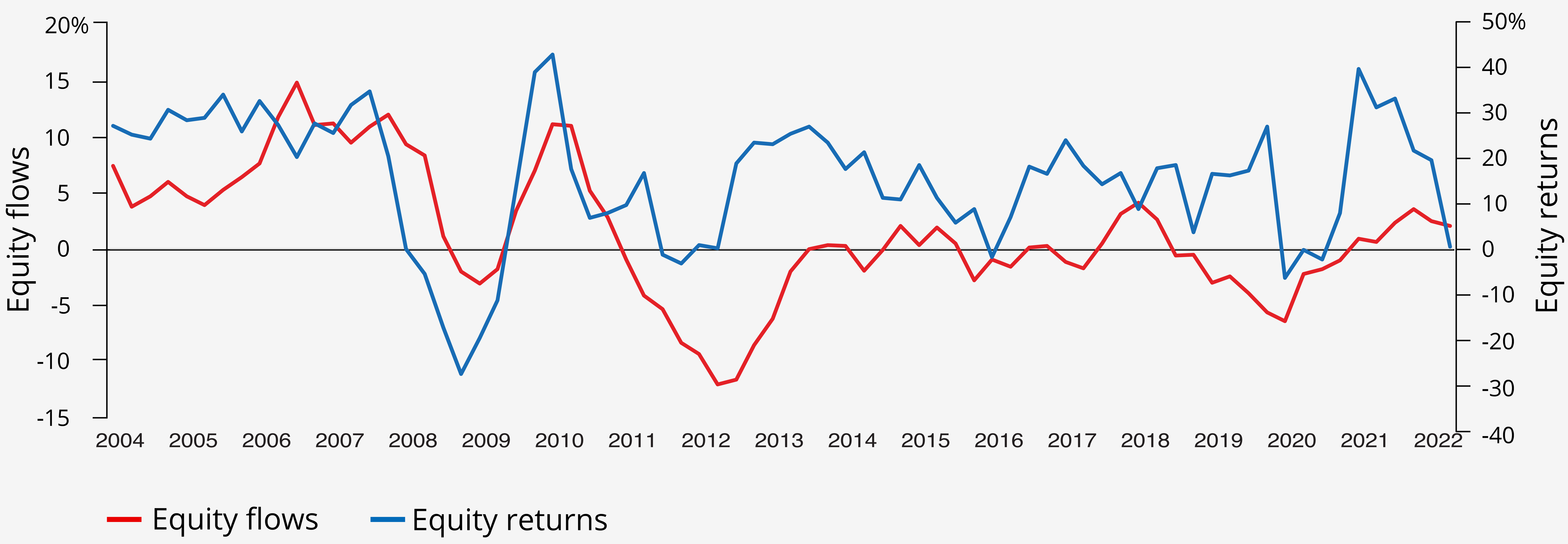
Notes: 1 Oct 2007 represents the EQ peak of the period, and has been indexed to 100. Assumes that all dividends and income are reinvested in the respective. Source: Vanguard calculations using data sourced from DataStream through July 2021.

We believe in taking a long-term strategic approach (long-hold strategy) and creating investment portfolios designed to withstand all market (weather) conditions.

- While a market-timing strategy can occasionally add value, on average, it has not produced returns in excess of market benchmarks.
- We educate our clients on the dangers of reacting to market downturns and making poor investment decisions when emotional. We help them focus on their long-term goals and how staying the course will help them achieve them.
- Where possible we encourage you to invest more. Savings are among the few factors that clients can control. They can substantially improve their long-term outcome by saving more and or spending less.

Rebalance to control portfolio risk exposure

Changes in equity exposure for a rebalanced portfolio and a "drifting portfolio"



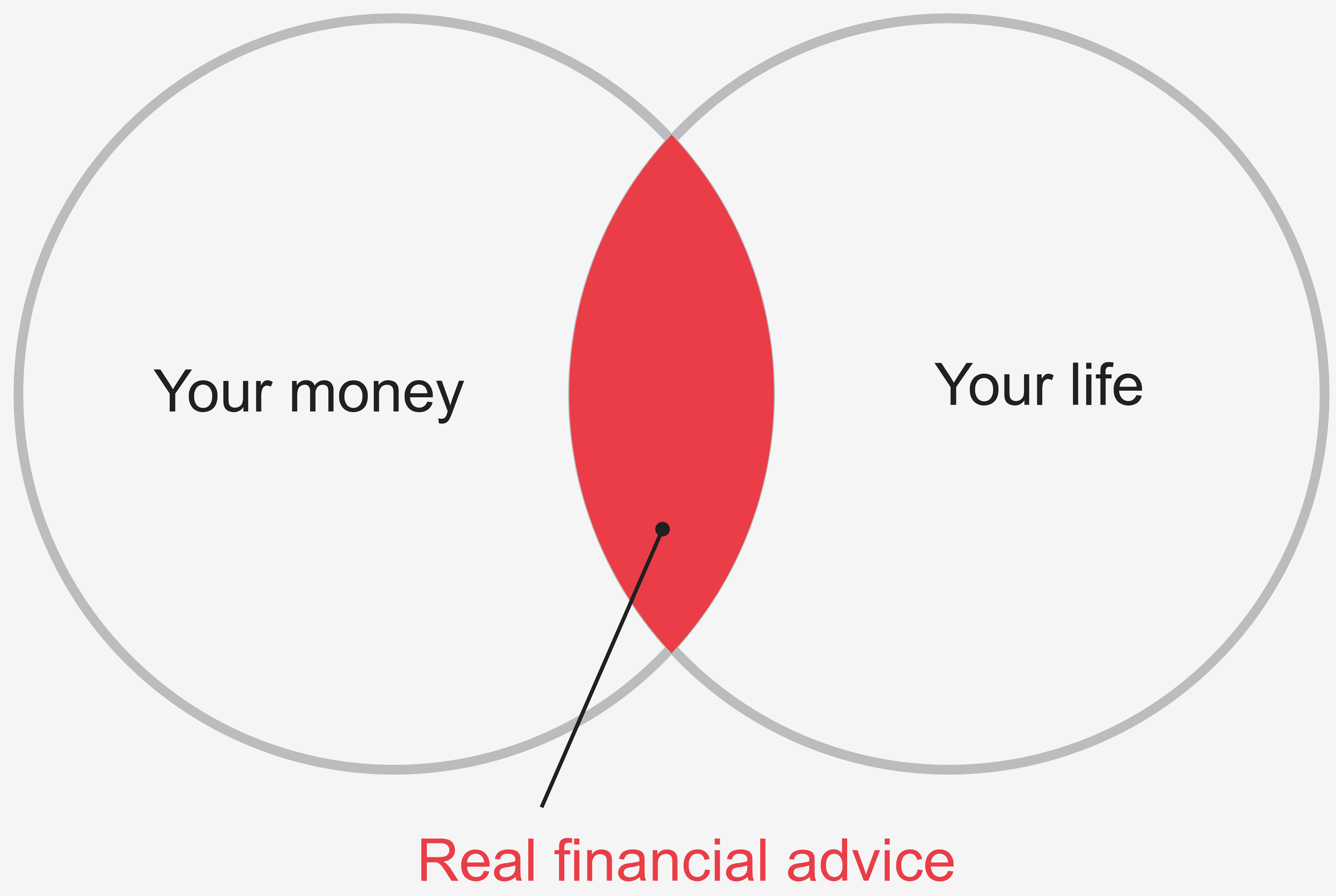
Notes: Historical equity and bond returns are from Brailsford et al. (2012). Equities are represented by S&P/ASX All Ordinaries Index from 1980 and Bonds are represented by Bloomberg AusBond Composite 0+ Year Index from 1990 (formerly the UBS Composite Bond Index™ until December 2021). Assumes that frequency of rebalancing is annual. Source: Vanguard calculations, based on data from Morningstar Direct, FactSet, and Brailsford et al. (2012).

Investment Costs

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

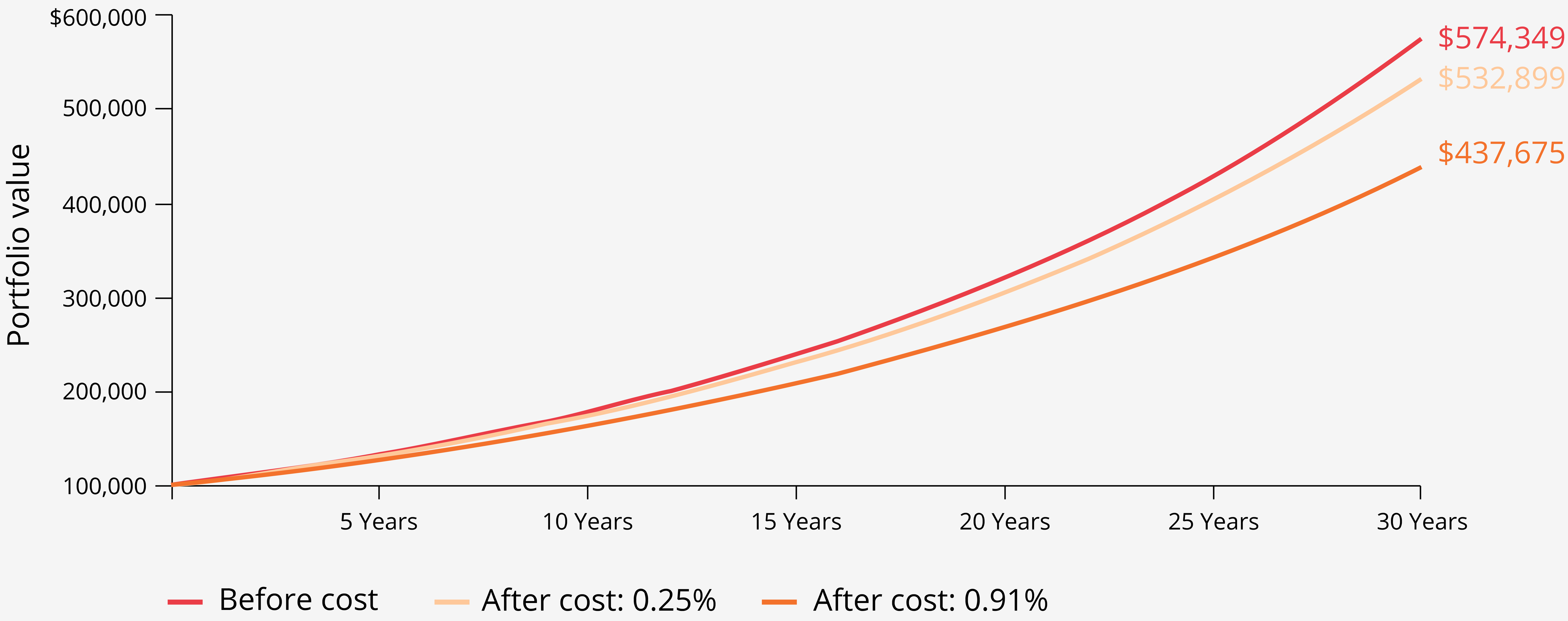
- Research from a leading fund manager suggests that lower-cost investments have tended to outperform higher-cost alternatives.
- Clients cannot control the markets but can control their overall costs.
- We monitor investment portfolio turnover to minimise Transaction Costs and Capital Gains Tax (CGT) implications.
- We consider all costs that may impact your investments, including platform fees, investment management fees, trading costs, and any other costs.   We acknowledge **hedging**.
- We use exchange-traded funds (**ETFs**), products, and leading superannuation and investment **platforms** to minimise costs and allocate assets.

Value of advice



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.

"Price is what you pay, value is what you get".
Warren Buffett

"Value is where price meets quality".
Andrew D Lane

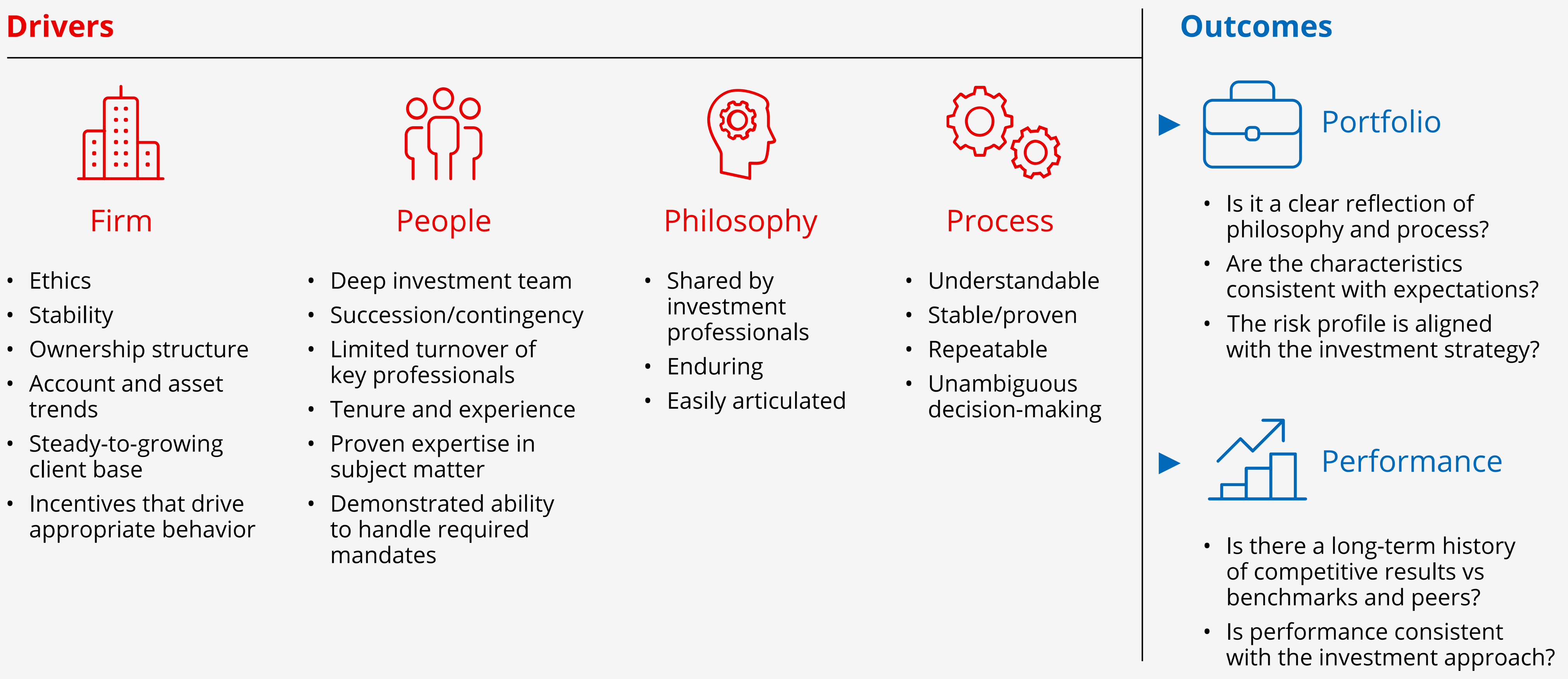
Manager Selection & Governance

We believe it's essential to understand the manager's philosophy, culture, expertise, strategies and investment process.

- Relying on past returns leads to poor investment decisions.
- Effective asset management requires a focus on the long term.
- We work with research partners to appoint or remove investment managers and keep you informed.
- We frequently liaise with Fund Managers and conduct regular reviews to stay informed. It is crucial to pay attention to fund manager ownership, personnel, resources, and cultural changes.
- With evidence and conviction, we build and manage our own Investment Solar Systems (Model Portfolios) from our Galaxy (short list of Investments), sourced from available Fund Universe (Licensee Approved Products List) and beyond.
- We are not Fund Managers nor Stockbrokers. Through our Solar Systems, we select, build, and manage **Tailored** (and, where relevant, **Managed Account**) Portfolios using our trusted Fund Managers.

Framework for selecting investment managers

Emphasis on quality, not short-term performance



When an investment manager is removed from your portfolio, we will help you understand this and provide a suitable alternative.

We consider manager transaction, management and performance fees to understand the cost of the recommended options for investment portfolios.

We consider investment costs including platform fees, investment management fees, trading commissions, and turnover spreads.

Manager selection considerations

Talent

Carefully select managers with a proven process and demonstrable ability

Cost

Don't let high fees destroy fund performance

Patience

Accept that there will be periods of underperformance

Our Insurance Philosophy

Personal and Business Insurance (Wealth Protection)

Insurance gives you financial security should unfortunate events arise. Many people have insurance for their homes and cars however not for themselves.

Insurance provides personal wealth protection and assists you and your family financially should you die prematurely, suffer a major illness or become disabled.

It is important that you protect yourself and your income and plan for the unexpected with personal insurance.

	Product considerations	Structure and sum insured
Life Cover	• Financial planning benefit availability and amount. • Health and wellbeing value. • Terminal Illness time period.	• Who is the beneficiary? • What is the tax impact on receipt? • How is the premium being funded? • What amount of future income is required? • Does all debt need to be repaid?
TPD Cover	• Waiting period to access claim. • Additional TPD tiers beyond occupation. • Partial TPD benefits. • Retraining and reskilling requirements.	• Work history and current role (any vs own). • Taxation impact of ownership upon payment. • Is there inclusion of elements such as private school fees or replacement income not tied to compensation for loss?

We consider product considerations depending on the type of insurance and work with you to ensure the right structures and sum insured amounts apply.

We offer the following insurance advice depending on your needs and goals (see graphics). These include:

- Life Cover.
- Total and Permanent Disablility (TPD) Cover.
- Trauma (Critical Illness) Cover, and
- Income Protection Cover.

Source: MLC Life Insurance (https://www.mlcinsurance.com.au/)

Trauma Cover	• Basic vs Plus (partials). • Ability for multiple claims (reinstatements and conditions). • Definitions on diagnosis vs impairment. • Client specific alignment (ie gender specific benefits).	• Average cost of treatment. • Consider impact on family. • Debt repayment timeframe. • Recovery time. • Potential holiday. • Rider or stand alone.
Income Protection Cover	• Future insurability to keep up with income. • Waiting period requirements for total disability and the impact on accessing claim. • Ongoing income and offsets. • Accident benefit aligned to need for immediate payment.	• What buffer exists for short term disability (waiting period)? • What capacity through self insurance or other products is adequate for long term disability? (benefit period)? • Consider SIS conditions of release when using superannuation

Insurance is issued by MLC Limited. MLC Limited uses the MLC brand under licence from the Insignia Financial Group. MLC Limited is part of the Nippon Life Insurance Group and is not a part of the Insignia Financial Group.

Small Business Succession Planning

Buy/Sell Agreement and Key Person Exit Strategies.

When you start a business, your focus is on growth, profitability and running it successfully. The last thing on your mind is what would happen in the event of you falling seriously ill or even passing away. Having business succession planning in place such as a buy/sell agreement and key person exit strategies ensures you have a plan for the future when it comes to your business.

Buy/Sell Agreement

A Buy/Sell Agreement gives remaining co-owners of a business the opportunity to buy out the interest from one of the owners who has caused trigger events such as passing away, becoming disabled or retiring. Often referred to as a 'business will', the agreement determines the terms under which the remaining co-owners takes over another co-owner's interest.

There are many reasons why having a Buy/Sell Agreement is beneficial. It prevents external people from acquiring ownership interest, ensures business runs smoothly and prevents involvement from others who do not understand the business.

If there is no Buy/Sell Agreement, conflict and deadlocks makes business dealings difficult. The last thing that you would want is a falling out between the other co-owners. Having a buy/sell agreement puts measures in place should unexpected events or circumstances arise.

Key Person Exit Strategies

Running a business successfully requires a lot of effort and hard work. If an unfortunate event occurs, it can be messy and become a legal nightmare. Having key person exit strategies will give you peace of mind once you decide to leave the business.

There are numerous ways that people can leave a business. They include selling the business, transferring shares in the business to others or officially shutting down the business. Whichever you prefer, it is essential to have a plan.

Future proof your business and talk to us today to discuss your business succession plan. We would be happy to provide you information about a buy/sell agreement and key person exit strategies so you make the right decisions for you and your business partners.

After reviewing our Investment Philosophy, you will understand the framework we will use to make recommendations and investment decisions on your behalf. We focus on fundamental investment principles that give our clients the best chance of success.

We assist small business and other professionals to build, secure and manage their *money* and *wealth*.

RECEIVE PROFESSIONAL GUIDANCE ON HOW TO CREATE YOUR OWN SPECIAL AND UNIQUE LANEWAY TO WEALTH, NOW AND INTO RETIREMENT.

Contact Details:

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Important information

1. The Laneway to Wealth Pty Ltd T/As Money and Wealth Management ABN 52 644 312 069. Andrew Lane is Authorised Representative No. 001004180, and The Laneway to Wealth Pty Ltd (T/As Money and Wealth Management) is Corporate Authorised Representative 001283518 of InterPrac Financial Planning Pty Ltd (AFSL 246638).

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