Our investment philosophy

Why is an investment philosophy important?

Setting out our investment philosophy helps you understand our investment decision processes. And it provides us with a clear and sound set of principles to work by, to give you excellent investment advice.

We focus on your goals

At Collinson & Co we've learned from experience that there is no one right answer when it comes to investing. Our advice will be based on your unique circumstances. When are you retiring? If you are already retired, how can you maintain your purchasing power? How much income do you need? What kind of lifestyle do you want? Do you want to leave a legacy? The answers to these questions and many more will guide our investment advice to you.

No conflict of interest

We are not tied to any particular investment, manager or organisation. And we don't create our own investment products. Our fee model means we are free to recommend whatever investments or investment strategies suit your individual objectives. We are paid for our on-going advice and service, so our interests are aligned with yours.

Asset allocation is very important

When planning for your goals, we believe it's crucial to get the mix of asset classes right, such as cash, fixed interest, shares, or property, because each one has different risk and reward characteristics. Cash does not have the same growth potential as company shares. Conversely, shares don't have the stability of returns as cash. Various asset classes will also behave differently over the course of economic cycles.

Behaviour is even more important

True or false? The lower the market goes, the less risky it becomes. Answer: True. The more markets drop, the more likely it is that they will at some point go back up. Share valuations are also more likely to be aligned with the true value of the underlying businesses. But people lose money because they sell after the market has dropped – precisely when they should not. In this example, it's investor behaviour that causes the loss.

If you swap and change investments with every movement of the market, your returns will be put at risk. As advisers, we will work with you to make sure that any changes to your portfolio are the most likely to add value and help you reach your goals.

First, we seek to maintain your wealth

Excellent returns are great. But you can't grow your wealth over the long term if you don't first preserve it as much as possible when markets fall. And you may not have the time to make up losses if you are near or are already in retirement. So maintaining your wealth is our first priority.

We're active

We continuously monitor your portfolio and make adjustments over time to suit your objectives as economic factors and investment fundamentals change.

We take a medium to long-term view

While we continuously monitor your investments, sometimes the best thing to do is nothing at all. It seems there is competition in today's world to see who is busiest. We don't try to compete in that area. We're investment advisers, not traders. We don't seek short-term gains. If your portfolio holds particular investments and the reasons for holding them remain sound, then there they will remain. We don't make changes for changes sake.

We diversify

Concentrating too much of your money in one or few areas can have dire consequences for your financial health should something go wrong. To limit this risk we spread investment portfolios across industries, fund managers, asset classes, economies, geographies and companies.

We consider risk – in a number of forms

There are different types of risk, including market, credit, political, foreign exchange and interest rate risk. When constructing portfolios we give due consideration to risk in its various forms. See our **Information on risk** for more about risk.

We don't get fancy

We don't invest in things we don't understand. If the industry has learned anything from the Global Financial Crisis, it's that overly complex investment products can be costly and risky. When selecting investments we look for excellent fund managers with philosophies similar to our own, and if we are selecting individual securities we make sure we understand the businesses behind those securities.

We don’t chase the latest fads

Just because a particular investment is grabbing all the headlines and everyone is talking about it, doesn’t mean it’s a prudent investment. In fact, the opposite is often true.

We stay informed

We keep up to date with economic news and trends and with what is happening in the world. Knowing the latest developments in interest rates, economic cycles, industry news and government legislation helps us to better advise you on your investment portfolio. We attend industry events, continue our professional development through courses and speak with industry experts on a regular basis. We subscribe to a number of industry-leading expert commentaries, both domestic and international, and we are in constant contact with domestic and international investment experts.

We’re transparent

We are transparent in our decisions and our communications. We don’t hide behind jargon. If you have a question about an investment strategy or a particular investment, we’ll answer it in clear, simple terms. And if we don’t know the answer, we’ll find out for you.

We consider costs

Transaction costs, exchanging currency, and switching investments can all add costs to your portfolio, which erode your returns. When giving advice we always consider the costs of implementing a particular investment strategy and how we can minimise them.

More information

At Collinson & Co we have the experience to help you invest wisely. To learn more, contact us today for a no-cost, no-obligation discussion on **(09) 300 5237 or** wealth@collinsonco.com.