

Vista's Investment Process

When recommending and choosing investment portfolios for our clients (be it inside or outside of superannuation) we typically utilise three portfolio methods and importantly we consider the balance of the investments so that we can be confident any ongoing management and administration fees do not unnecessarily drag on the returns.

As a guide the following demonstrates how we might place a client's funds when providing advice:

Low Cost Index (or multi-manager) Portfolios

Portfolio based on the use of highly rated* low cost multi-asset index (and multi-manager) funds.

Core/Satellite Portfolios

Portfolio construction here is based on the Core/Satellite methodology utilising highly rated single asset index funds typically wholesale or exchange traded being the heart of the portfolio (core). We then use active managed funds typically wholesale and/or smart beta exchange traded funds as the satellite funds which will be either uncorrelated to the broad index or will have consistently outperformed the index over the longer term after fees.

Note to reduce fees further it is possible to construct a portfolio using purely single asset class wholesale and exchange traded index funds. However whilst we do appreciate that fees can certainly have a drag on investment returns we also believe that active management can reduce risk in a portfolio therefore this methodology provides the best of both worlds.

Dynamic Asset Allocation

Evolution is part and parcel of investment processes and we are great believers of investment evolution which is why we offer another way of investing outside of the traditional managed funds and set asset allocation approach.

We are able to offer access to a goals based dynamic way of investing through a very highly regarded world class fund manager which involves the continuous analysis of asset class valuations using a dynamic asset allocation framework.

Asset classes are uncovered to understand which are undervalued and overvalued, relative to their 'true value', also known as 'intrinsic value' as is investor sentiment. If everyone is buying into an asset class, it's likely that it's a very crowded position. This opens the risks associated with a change in investor behaviour. If sentiment towards the asset class changes, there's a risk of significant capital loss when investors sell out, particularly where valuations are not underpinned by fundamentals. The output of this process determines the weight of an asset class in the investment solutions.

This is all done within a managed account which is a professionally managed investment portfolio, typically made up of shares and other listed securities such as Exchange Traded Funds, as well as cash.

Managed Accounts offer the benefits of:

- Beneficial ownership of the securities in the portfolio;
- Personal tax consequences;
- Transparency of portfolio holdings;
- Low cost trading; and they are
- Professionally managed.

We regularly review our client portfolios to ensure that they still remain effective and are working in line with their overall goals and objectives.

If you would like to learn more about how we can work with you and assist in investment/superannuation portfolio construction please contact us via your preferred method: [Click Here](#)

*Ratings research sourced through Morningstar.