

Frequently Asked Questions



Is there an easy way to determine and compare investment performance?

It is not hard to determine your investment performance if you closely review your annual investment statements. It is more difficult however to compare your performance to other investments as they may not be identical in terms of the level of risk being taken. At the Financial Advice Shop our primary investment approach involves investing in the index and as such we are not trying to pick outperforming investment funds. Our investment focus is on strategic asset allocation and solid long term performance.

The following gives an example of performance for a Balanced and Moderate portfolio utilising an index approach. The majority of investment managers have failed to outperform these results despite their high management fees.

Performance to 31 December 2014 (gross return p.a.*)	1yr	3yr	5yr	10yr
Index Based Balanced Portfolio (30% cash/70% shares)	11.42%	15.75%	9.72%	7.64%
Index Based Moderate Portfolio (50% cash/50% shares)	11.20%	13.05%	8.86%	7.29%

**Past performance is not an indication of future performance. Returns are calculated before fees and are estimates based on current returns for relevant global and Australian indexes. Reinvestment of all dividends assumed.*

**Fees can adversely affect net performance. The Financial Advice Shop has a low cost philosophy which aims to keep total investment costs (investment, platform and fee for service advice) at no more than 1.5% p.a. (subject to minimum investment balances). For larger investment balances the total investment costs (investment, platform and fee for service advice) can be well below 1% p.a.*
