

# Investment Capability Statement

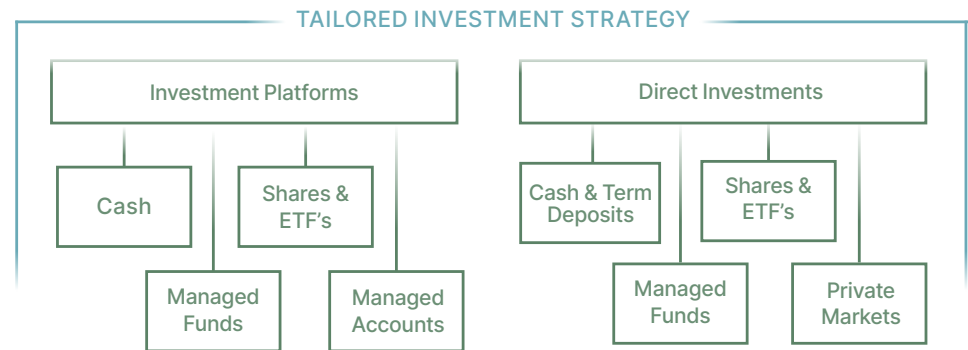
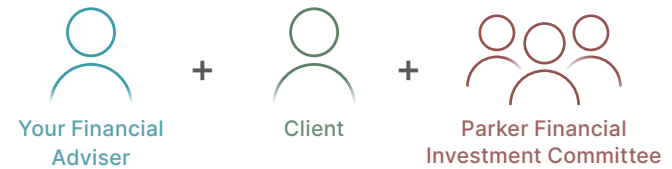
An investment philosophy & approach  
honed over three decades.

## Overview

For over 30 years, Parker Financial has been at the forefront of the financial advice and wealth management industry. Over this time, we have built an enviable reputation for delivering outstanding service and outcomes for our clients through our business acumen, sound approach to investing, and core values that place our client's best interests at the heart of every decision we make.

An essential part of our service proposition is working with clients to develop strategic advice tailored to their circumstances, needs, and goals — to help them grow, protect, and manage their wealth over time. To provide our financial advisers with the necessary tools and flexibility to deliver strategic advice to clients, we draw on the investment expertise and capabilities of the Parker Financial Investment Committee.

Only the best-in-class strategies, structures and underlying assets are chosen to deliver our clients tailored strategic advice.



## Parker Financial Investment Committee

The Parker Financial Investment Committee is responsible for all investment market and research activities, portfolio construction, asset allocation, asset selection, and monitoring portfolio performance and risk. In keeping with our commitment to deliver clients superior service and outcomes, we have partnered with Evidentia Group to enhance the investment capabilities of the Parker Financial Investment Committee.

The Parker Financial Investment Committee includes representatives (and voting members) from both Parker Financial and Evidentia Group — backed by the research capabilities of Evidentia Group's broader investment team. The Committee officially meets quarterly but communicates as and when investment markets or time-critical decisions dictate.

**We draw on the combined investment expertise, resources, and financial advice industry experience of the Parker Financial Investment Committee to deliver strategic advice to our clients.**

### Parker Financial Representatives

#### Dean Easterby

Partner & Financial Adviser

#### Sam Furler

Partner & Financial Adviser

#### Paul Cooke

Partner & Financial Adviser

#### Julian Farmer

Partner & Financial Adviser

## Evidentia Group

Evidentia Group is a boutique asset consultancy and investment management firm that manages over \$5 billion of funds in partnership with some of Australia's highest-quality financial advisory firms. Evidentia Group draws on the deep investment expertise and research capabilities of one of the largest and most experienced investment teams in the market — located in offices in Sydney, Melbourne, and Brisbane. The team is made up of 11 investment professionals with an average of over 20 years of industry experience, who bring together a diversity of skill sets, including the management of multi-asset portfolios, Australian and global shares, fixed interest, alternatives, private markets, risk management, and macroeconomic and market analysis.

Complementing this investment expertise, many of the investment team and partners at Evidentia Group have gained invaluable knowledge and an understanding of the financial advice industry, having owned, operated, and managed large self-licensed financial advice and private wealth firms. This combination of experience enables Evidentia Group to better understand Parker Financials' value proposition and to help develop and deliver clients' best-in-class tailored investment outcomes.

### Evidentia Group Representative

#### Daren Beesley

Partner & Head of Multi-Asset

#### Leigh Cronin

Partner & Head of Australian Enquiries

## How Do We Invest on Behalf of Clients?

### Our Investment Philosophy

Our investment philosophy is underpinned by several fundamental investment principles that have been honed over decades of professional investment experience:

#### STRATEGIC ASSET ALLOCATION DRIVES PORTFOLIO PERFORMANCE

Over time, investors achieve higher returns for accepting higher risk. A higher allocation to growth assets, such as shares, results in higher expected returns over the long run.

#### DIVERSIFICATION

Diversification is spreading investments across and within different asset classes domestically and abroad. Diversification cannot eliminate the risk of loss, but it is a powerful tool for managing risk. Diversification is the only 'free kick' when investing.

#### VALUATION IS IMPORTANT

Markets regularly experience inefficiency and mispricing. We adopt a dynamic asset allocation approach that considers the relative valuations of asset classes and sub-asset classes, fund managers, and underlying securities.

#### EVIDENCE-BASED INVESTING

We are investors, not speculators. Making investment decisions based on fundamental analysis and empirical evidence rather than short-term noise delivers better long-term investment outcomes.

#### SAFETY & TRANSPARENCY

The security of our client's wealth is paramount. We will only invest in the highest quality underlying fund managers and securities and will not accept any overly complex or opaque investments.

#### FEES MATTER

We only allocate fees to active fund managers where we believe with a high degree of conviction that investors will benefit from paying a higher fee. Where appropriate, we will also consider low-cost passive fund managers.

#### LONG-TERM FOCUS

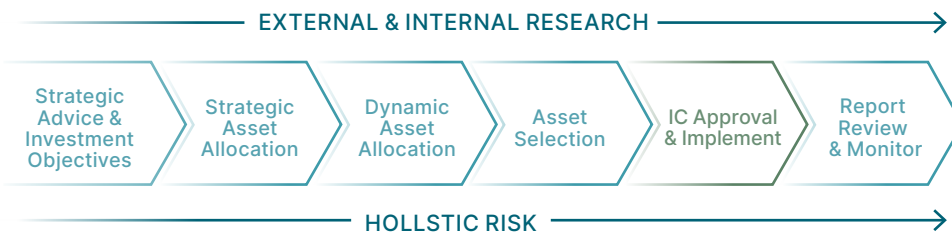
Investment decisions are rarely validated on the day they are made, and reacting to short-term performance can destroy wealth. We are confident that our disciplined and patient investment approach will deliver the intended results over time.

#### RESPONSIBLE INVESTING

Responsible investing no longer means compromising returns. Where appropriate, we favour fund managers that consider environmental, social, and governance (ESG) factors when making investment decisions.

## Our Investment Process

Underpinned by the key principles of our investment philosophy, our investment process can be broken down into a simple step-by-step process.



### Strategic Advice & Investment Objectives

The most critical part of the investment process is aligning a client's investment objectives with the tailored strategic advice they receive from their financial adviser. As strategic advice is unique to each client's own circumstances, needs, and goals, so too are the investment objectives that determine how their portfolio is designed, constructed, and managed moving forward.

### Asset Allocation

Asset allocation is the process of allocating a portfolio across different asset classes with different risk and return characteristics, based on the client's investment objectives as well as our assumptions of how each asset class will perform. In general, a portfolio will have a mix of exposures to growth asset classes (e.g. Australian shares, international shares, property, infrastructure, and growth alternatives) that tend to carry higher levels of risk but also offer potential for higher returns over time, and a mix of defensive asset classes (e.g. cash and fixed interest) that carry lower levels of risk and typically produce lower returns.

- **Strategic Asset Allocation** (SAA) serves as the central anchor for asset allocation and is based on the client's investment objectives and our financial market analysis and assumptions about the long-term performance of each asset class.
- **Dynamic Asset Allocation** (DAA) involves tilting a client's portfolio away from its default SAA positioning based on our market analysis and assumptions about the medium-term performance of each asset class. DAA allows us to increase a portfolio's exposure to undervalued asset classes or reduce exposure to overvalued asset classes. By adjusting the asset allocation through DAA, we aim to deliver a higher expected return for the same given level of risk over the same time period.

### Asset Selection

Asset selection involves an initial assessment of the efficiency of each asset class to determine whether active or passive (index/benchmark tracking) strategies should be used. Where active strategies are appropriate, a short-list of high-quality assets — which can include direct shares, managed funds, exchange-traded funds, and cash products — are identified through a screening process that considers quantitative and qualitative factors combined with internal idea generation. Rigorous fundamental research is then undertaken on each asset to determine whether they are suitable for inclusion in a client's portfolio, with additional style and holding analysis undertaken to understand how each asset will interact and blend with one another.

## Monitoring & Reporting

Once a client's portfolio has been approved and implemented, a meticulous and structured approach is taken to monitor the ongoing performance and suitability of the portfolio and the underlying assets. As transparency is important in fostering client engagement and understanding, regular performance reporting and investment communications are provided to clients as well.

## Holistic Risk Management

Our proprietary risk management model considers the interactions of all active decisions made within each of the portfolio's we manage (including asset allocation tilts and underlying asset risks) to form a clear view of where and how risk is being taken in comparison to the appropriate benchmark. Where risks are sufficient to pose a potential threat to a model portfolio meeting a client's investment objective, those risks are managed with changes to asset allocation or asset selection.

# Contact Us

Parker Financial Services Pty Ltd ABN 88 010 783 285 is  
a Corporate Authorised Representative of Parker Wealth  
Management Pty Ltd ABN 42 636 318 593 / AFSL 519344

**T** +612 6267 0700

**E** [info@parkerfinancial.com.au](mailto:info@parkerfinancial.com.au)

**W** [parkerfinancial.com.au](http://parkerfinancial.com.au)

**R** Level 10 Canberra House  
40 Marcus Clarke Street  
Canberra ACT 2600

**General Advice Warning**