

Using Asset Allocation with VectorVest

The secret to outperforming the Pros!



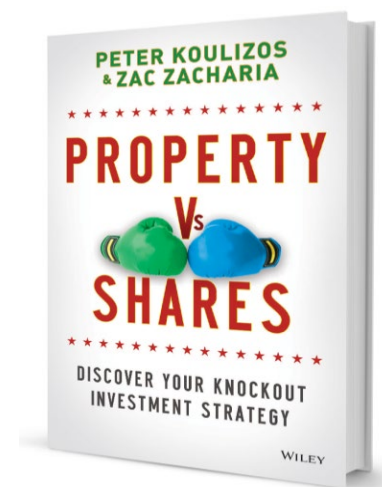
CENTRA
ASSET MANAGEMENT

AT THE CENTRE OF MANAGING YOUR INVESTMENTS

SHARES

About Zac Zacharia

- Involved in Financial markets since 1999
- Experienced in Shares, Options, Warrants, CFDs and FX
- Founder and Director of The CENTRA WEALTH Group in Australia
- Co-author of the investment book, “PROPERTY vs SHARES”
- Course Lecturer for KAPLAN Professional and TAFE SA
- Formerly Senior Private Client Adviser at Ord Minnett (2008 to 2011)
- Former State & Nat’l Director of Australian Technical Analysts Association
- Investment Training Manager – Shareschool (2002-2007)
- Bachelor of Commerce (Accounting)
- Diploma of Financial Services (Financial Planning)
- Diploma of Mortgage Broking Management
- Accredited Australian Derivatives Advisor - ASX-Level 2
- Regular contributor for Sunday Mail, The Advertiser, inBusiness Magazine, Your Money and AIA Equities & Derivatives Bulletins



About The Centra Wealth Group



- Established in 2012
- Boutique financial services provider in Australia
- Privately owned
- Directly licensed by ASIC with its own AFSL



PLANNING



INVESTMENTS



FINANCE



EDUCATION

www.centrawealth.com.au

General Advice Disclaimer

This presentation is intended to provide general information only, and has been prepared without taking account of your objectives, financial situation or needs.

Before acting on any of the strategies contained in this presentation, you should consider its appropriateness having regard to your objectives, financial situation and needs, and see a licensed financial adviser who will provide you with personal advice as to its suitability to your situation.

Centra Asset Management is a trading name of Centra Financial Pty Ltd, a Corporate Authorised Representative of Centra Wealth Pty Ltd, holder of its own AFS Licence Number 422704.

Centra Asset Management believes that the information contained in this presentation has been obtained from sources that are accurate, but these may not have been checked or verified.

You agree to indemnify Centra Asset Management and any associated entities from any liability for loss or damage caused by any error in, or omission from, this presentation.

Past performance is not a reliable indicator of future performance. Forecasts and backtests used in this presentation are intended as a guide only.

They are predictive in character and as such may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and therefore may differ materially from results ultimately achieved.

Information concerning taxation is general information and does not constitute advice.

Agenda

- ❑ Types of Asset Classes & Risk vs Return
- ❑ Sharemarket vs Economy & What Assets do well in each stage
- ❑ Is stock selection the most important driver of success?
- ❑ Determining your Risk Profile
- ❑ Determining your Asset Allocation
- ❑ How to create and manage a profitable portfolio

So many choices for investment



Properties



Australian
Equities



Global
Equities



Equity
Income



Ethical



Cash and
Fixed Income



Currency



Technology



Short_I



Hybrids



Geared



Commodities



Active



Managed Risk

Defensive Assets carry lower levels of risk, are generally less volatile and are associated with lower returns over the long term. These assets include Cash, Fixed Interest and Bonds. Generally don't exhibit capital growth, but rather provide regular income.

Growth Assets have higher levels of risk, are generally more volatile particularly in the short term and are associated with higher returns. These assets include Domestic and International Shares, Listed Property, Infrastructure, Commodities and Alternatives. Provide capital growth, and some also provide income.

This year's winner...could be next years loser!

	Cash	Aust. Bonds	Global Bonds	A-REITs	Aust. Equities	World Equities	Gold (\$US)
2003	4.9%	3.0%	6.6%	8.8%	14.6%	0.2%	19.4%
2004	5.6%	7.0%	8.9%	32.0%	28.0%	10.1%	5.5%
2005	5.7%	5.8%	6.6%	12.5%	22.8%	18.4%	17.9%
2006	6.0%	3.1%	4.4%	34.0%	24.2%	12.6%	23.2%
2007	6.7%	3.5%	6.6%	-8.4%	16.1%	0.2%	30.9%
2008	7.6%	14.9%	9.2%	-54.0%	-38.4%	-27.2%	5.8%
2009	3.5%	1.7%	8.0%	7.9%	37.0%	4.4%	24.4%
2010	4.7%	6.0%	9.3%	-0.4%	1.6%	-1.1%	29.6%
2011	5.0%	11.4%	10.5%	-1.5%	-10.5%	-7.4%	10.1%
2012	4.0%	7.7%	9.7%	33.0%	20.3%	14.7%	7.1%
2013	2.9%	2.0%	2.3%	7.1%	20.2%	42.5%	-28.3%
2014	2.7%	9.8%	10.4%	27.0%	5.6%	13.9%	-1.4%
2015	2.3%	2.6%	3.3%	14.3%	2.6%	9.8%	-10.4%
2016	2.1%	2.9%	5.2%	13.2%	11.8%	8.4%	8.1%
2017	1.7%	3.7%	3.7%	5.7%	11.8%	14.8%	13.5%
2018	1.9%	4.5%	1.6%	2.9%	-2.8%	0.6%	-1.6%
2019	1.7%	7.3%	7.2%	19.5%	25.0%	26.8%	18.3%
# neg yrs	0	0	0	4	3	3	4
Min	1.7%	1.7%	1.6%	-54.0%	-38.4%	-27.2%	-28.3%
Max	7.6%	14.9%	10.5%	34.0%	37.0%	42.5%	30.9%
Stdev	1.9%	3.7%	2.8%	20.5%	17.6%	14.9%	15.1%
Correlation to Aust. Equities	-0.23	-0.67	-0.15	0.75	1.00	0.69	0.20

Source: Bloomberg. Does not compare all asset classes and investment exposures. Past performance is not an indicator of future performance.

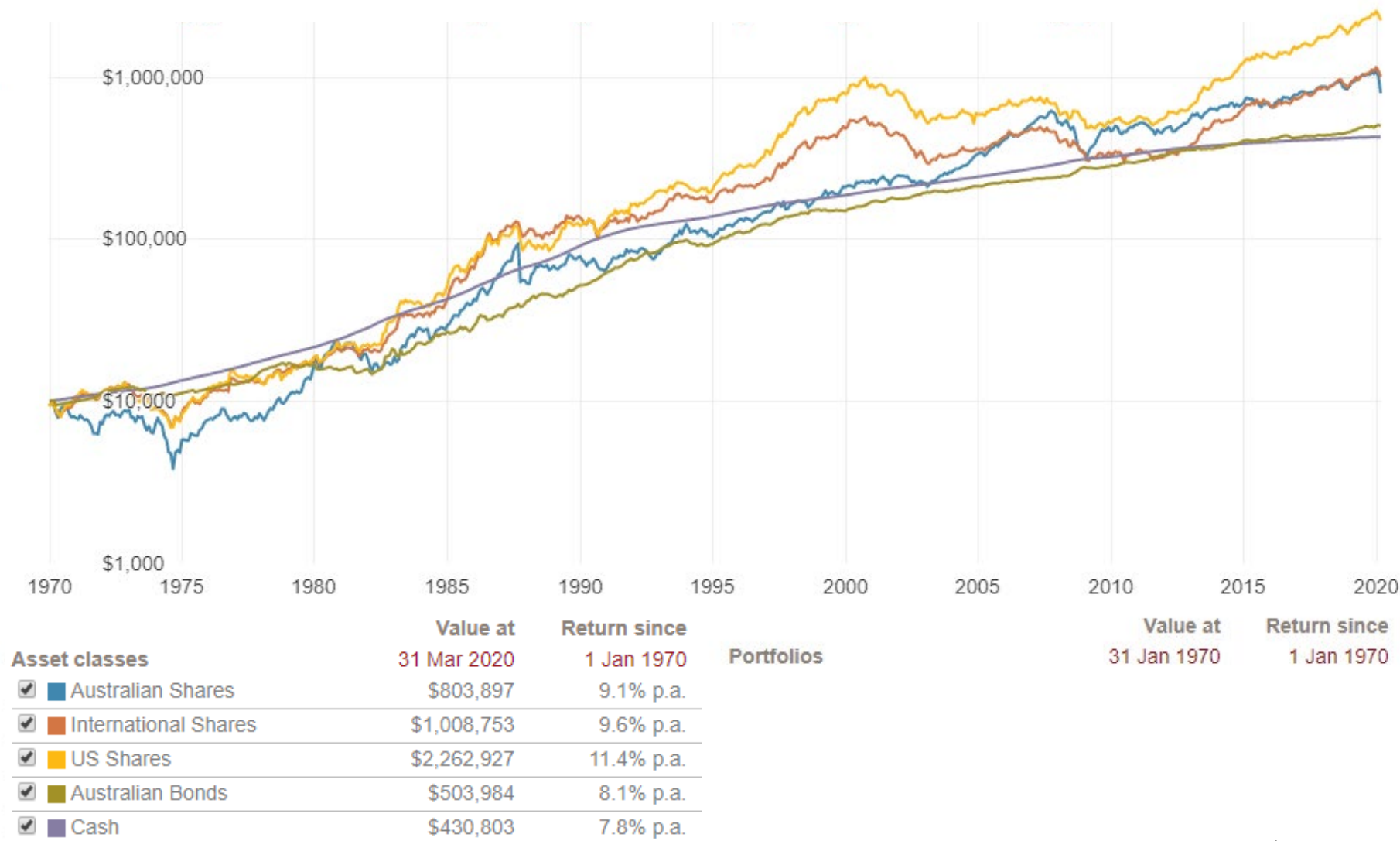
Graded colour scale



WORST
PERFORMING

BEST
PERFORMING

The value of \$10k invested for 50 years



Source: Vanguard Investments

40 Years

Asset classes	Value at 31 Mar 2020	Return since 1 Jan 1980
<input checked="" type="checkbox"/> Australian Shares	\$528,150	10.4% p.a.
<input checked="" type="checkbox"/> International Shares	\$570,775	10.6% p.a.
<input checked="" type="checkbox"/> US Shares	\$1,265,072	12.8% p.a.
<input checked="" type="checkbox"/> Australian Property	\$383,755	9.5% p.a.
<input checked="" type="checkbox"/> Australian Bonds	\$299,068	8.8% p.a.
<input checked="" type="checkbox"/> Cash	\$200,308	7.7% p.a.

20 Years

Asset classes	Value at 31 Mar 2020	Return since 1 Jan 2000
<input checked="" type="checkbox"/> Australian Shares	\$37,832	6.8% p.a.
<input checked="" type="checkbox"/> International Shares	\$20,161	3.5% p.a.
<input checked="" type="checkbox"/> US Shares	\$27,871	5.2% p.a.
<input checked="" type="checkbox"/> Australian Property	\$29,359	5.5% p.a.
<input checked="" type="checkbox"/> International Property	\$54,694	8.8% p.a.
<input checked="" type="checkbox"/> Australian Bonds	\$33,473	6.1% p.a.
<input checked="" type="checkbox"/> Intl. Shares (A\$ hedged)	\$39,635	7.0% p.a.
<input checked="" type="checkbox"/> Cash	\$23,011	4.2% p.a.

30 Years









Asset classes	Value at 31 Mar 2020	Return since 1 Jan 1990
<input checked="" type="checkbox"/> Australian Shares	\$103,779	8.0% p.a.
<input checked="" type="checkbox"/> International Shares	\$72,144	6.8% p.a.
<input checked="" type="checkbox"/> US Shares	\$179,258	10.0% p.a.
<input checked="" type="checkbox"/> Australian Property	\$87,686	7.4% p.a.
<input checked="" type="checkbox"/> Australian Bonds	\$98,066	7.8% p.a.
<input checked="" type="checkbox"/> Intl. Shares (A\$ hedged)	\$103,458	8.0% p.a.
<input checked="" type="checkbox"/> Cash	\$47,816	5.3% p.a.

10 Years









Asset classes	Value at 31 Mar 2020	Return since 1 Jan 2010
<input checked="" type="checkbox"/> Australian Shares	\$16,212	4.8% p.a.
<input checked="" type="checkbox"/> International Shares	\$29,139	11.0% p.a.
<input checked="" type="checkbox"/> US Shares	\$42,137	15.1% p.a.
<input checked="" type="checkbox"/> Australian Property	\$19,577	6.8% p.a.
<input checked="" type="checkbox"/> International Property	\$26,431	9.9% p.a.
<input checked="" type="checkbox"/> Australian Bonds	\$17,886	5.8% p.a.
<input checked="" type="checkbox"/> Intl. Shares (A\$ hedged)	\$18,720	6.3% p.a.
<input checked="" type="checkbox"/> Cash	\$13,304	2.8% p.a.

Source: Vanguard Investments

5 Years

Asset classes	Value at 31 Mar 2020	Return since 1 Mar 2015
<input checked="" type="checkbox"/>  Australian Shares	\$10,763	1.5% p.a.
<input checked="" type="checkbox"/>  International Shares	\$14,888	8.1% p.a.
<input checked="" type="checkbox"/>  US Shares	\$17,429	11.5% p.a.
<input checked="" type="checkbox"/>  Australian Property	\$9,872	-0.3% p.a.
<input checked="" type="checkbox"/>  International Property	\$11,732	3.2% p.a.
<input checked="" type="checkbox"/>  Australian Bonds	\$12,323	4.2% p.a.
<input checked="" type="checkbox"/>  Intl. Shares (A\$ hedged)	\$12,443	4.4% p.a.
<input checked="" type="checkbox"/>  Cash	\$10,972	1.8% p.a.

1 Year

Asset classes	Value at 31 Mar 2020	Return since 1 Mar 2019
<input checked="" type="checkbox"/>  Australian Shares	\$8,557	-13.4% p.a.
<input checked="" type="checkbox"/>  International Shares	\$10,600	5.5% p.a.
<input checked="" type="checkbox"/>  US Shares	\$11,023	9.4% p.a.
<input checked="" type="checkbox"/>  Australian Property	\$7,251	-25.7% p.a.
<input checked="" type="checkbox"/>  International Property	\$9,310	-6.4% p.a.
<input checked="" type="checkbox"/>  Australian Bonds	\$10,804	7.4% p.a.
<input checked="" type="checkbox"/>  Intl. Shares (A\$ hedged)	\$10,900	8.3% p.a.
<input checked="" type="checkbox"/>  Cash	\$10,140	1.3% p.a.

Source: Vanguard Investments

Asset class returns tend to become predictable over time – but can be volatile over a shorter investment time horizon.

The Economic Cycle largely defines what asset classes will outperform during each stage of the cycle.

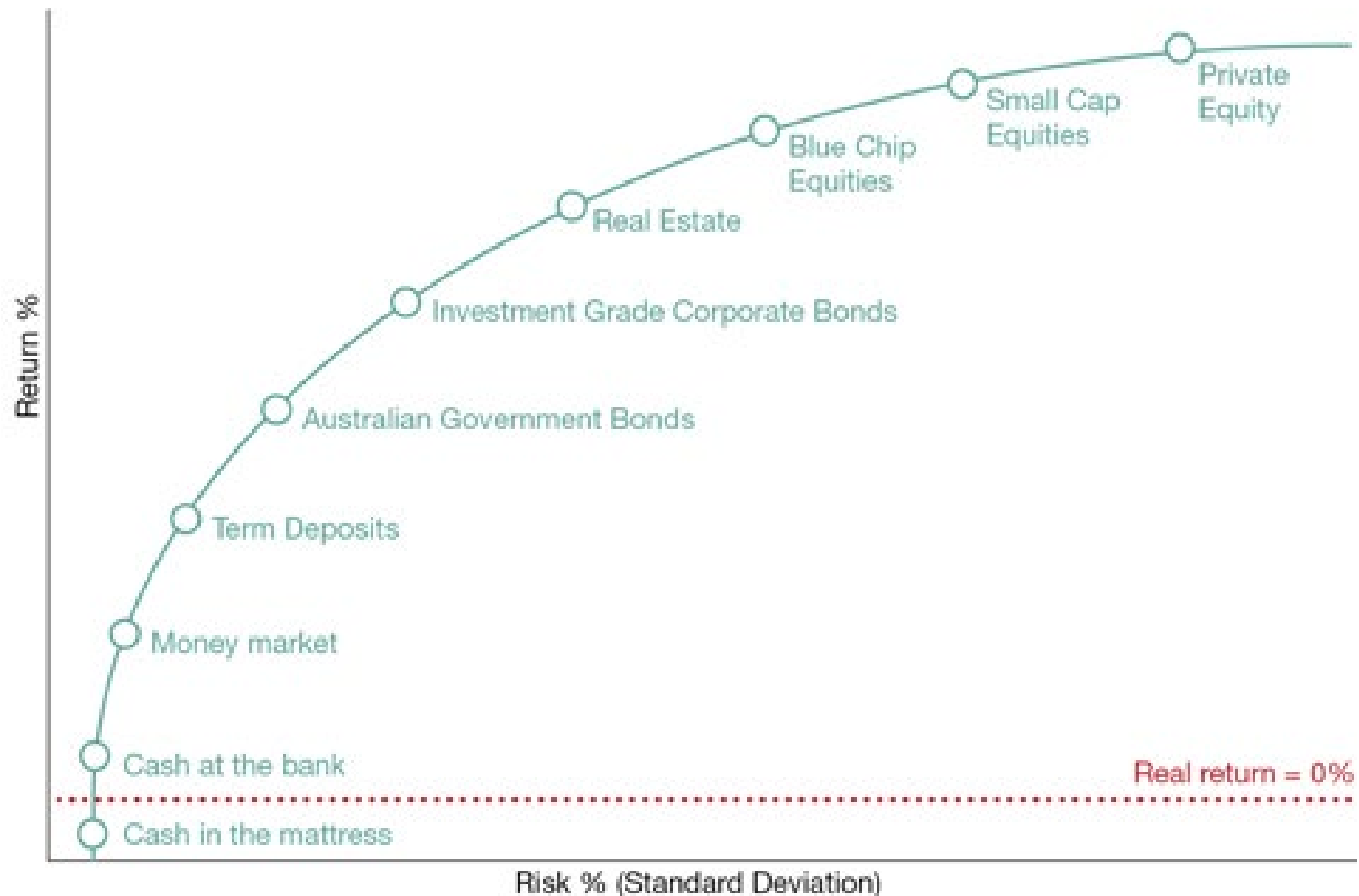
The way to protect your portfolio from unexpected volatility in a particular asset class is to diversify across Asset Classes – and across investment sectors.

What each Asset class should return over time...

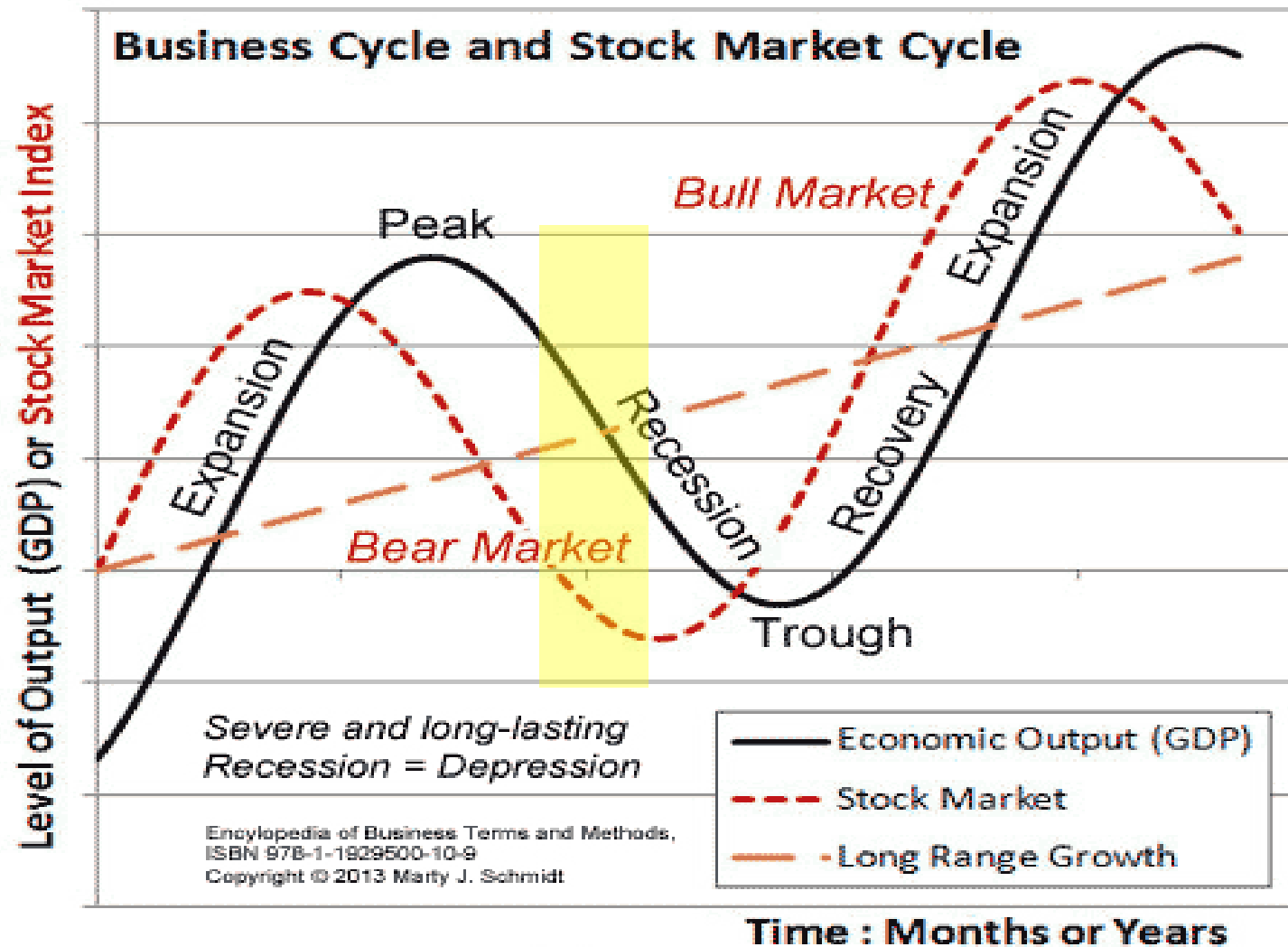
Projected "10-year" Benchmark Asset Class Returns

Investment Exposure	Benchmark	Yield p.a.	Capital	10-yr Return p.a.	Comment
Cash	Bloomberg Bank Bill Index	2.75%	-	2.75%	Assumes a gradual lift in official interest rates toward the "new neutral" rate of 3%p.a.
Aust. Bonds	Bloomberg Australian Composite Bond Index	2.75%	-	2.75%	Assumes a gradual rise in yields from low levels will constrain overall fixed-rate bond returns to broadly equal cash returns over the forecast horizon.
Int. Bonds	Bloomberg Global Aggregate Bond Index	2.50%	-	2.50%	Assumes a gradual rise in yields from low levels will constrain bond returns over the forecast horizon.
Aust. Property	S&P/ASX 200 Listed Property Index	5.00%	2.0%	7.00%	Assumes income of around 5% p.a. plus earnings growth close to inflation will be partly offset for a small valuation detraction as bond yields rise.
Aust. Equities	S&P/ASX 200 Index	4.50%	5.0%	9.50%	Assumes income of around 4.5% p.a. plus earnings growth close to nominal GDP will be partly offset by a modest valuation detraction as bond yields rise.
Int. Equities	MSCI All World Equity Index	2.50%	5.0%	7.50%	Assumes income of around 2.5% p.a. plus earnings close to nominal GDP. A narrowing in the still relatively high equity-to bond yield gap will allow valuations to withstand a modest increase in bond yields.
Gold	Gold bullion spot price in \$US	-	2.5%	2.5%	Gold is expected to grow at close to global expected inflation of around 2.5% p.a.

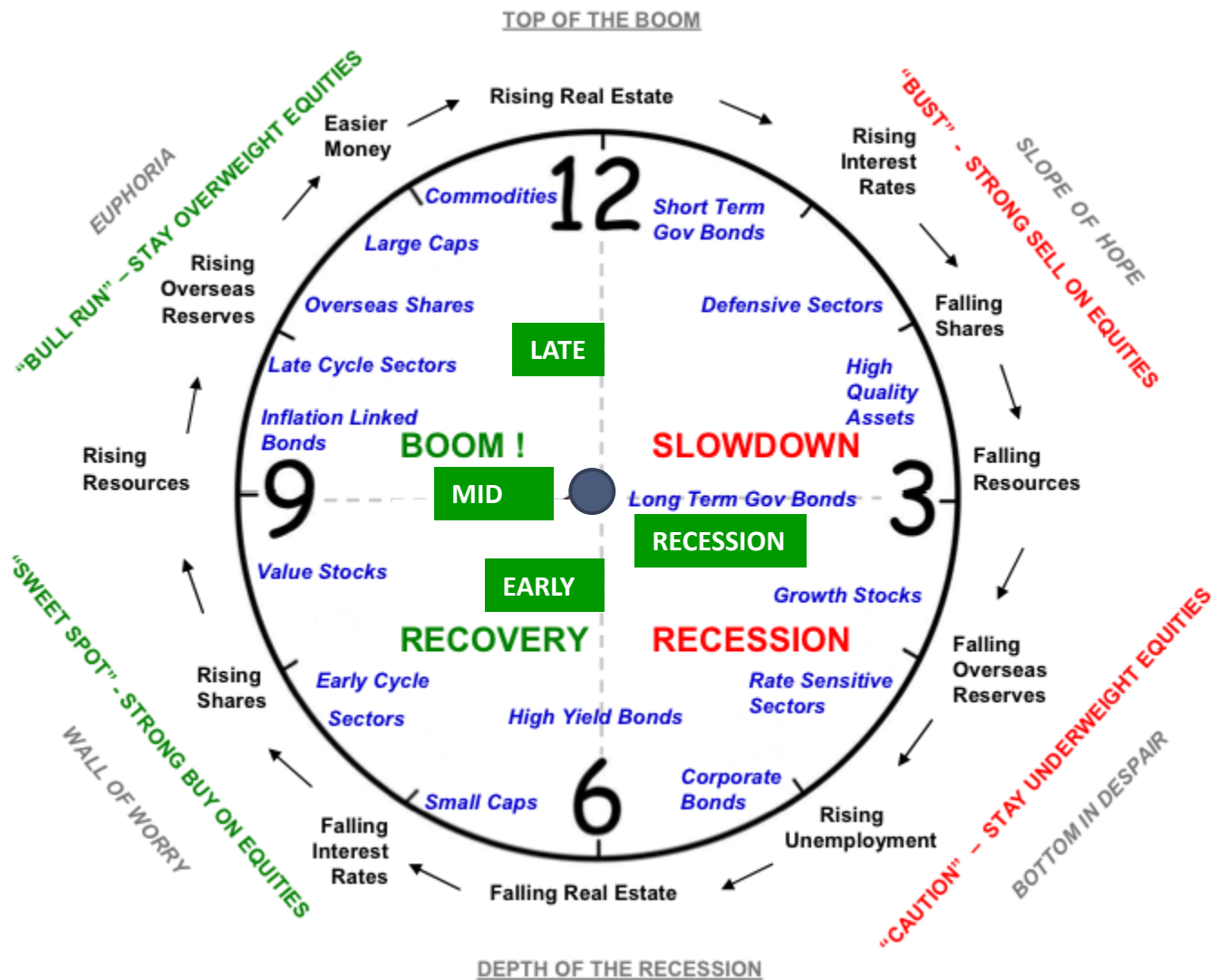
Risk vs Return of each Asset Class



Economic Cycle vs Sharemarket



What Asset classes do well at each stage of the Economic Cycle



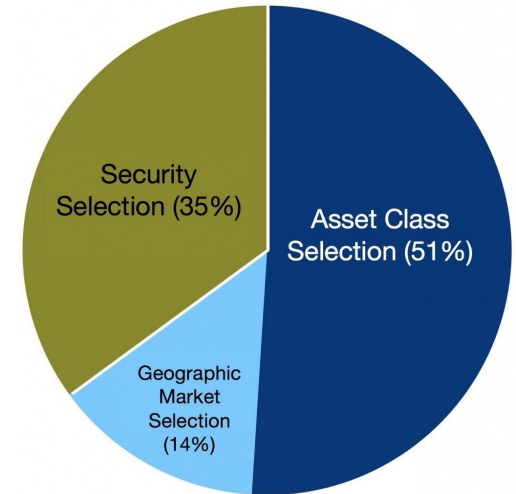
FACT: 65% of performance is due to Asset Allocation!

Investment Choices:

- To invest in capital markets in general;
- To invest in stocks as an asset class instead of bonds; and,
- To invest in stocks in a certain country or region

The 3 implied decisions above have a much larger impact on portfolio outcomes than your choice of specific stock!

A 2011 study showed that Asset Allocation is responsible for 65% of the success of returns of investment portfolios.



Source: Asset Allocation vs. Security Selection - Their Relative Importance - Staub and Singer (2011)

Only 35% is due to stock selection...so it doesn't really matter which stocks you choose if:

- It is a poor time to invest in capital markets in general (i.e. during extremely volatile crisis periods);
- If it is a poor time to invest in stocks vs. bonds; or,
- If it is a poor time to invest in a particular country or regions.

What is Asset Allocation?

Asset allocation is about how much money to invest in different asset classes so as to match the investment risk of a portfolio with the investor's risk tolerance

It is influenced by:

Investment Goals

These are individual aspirations to achieve a given level of return or saving for a particular reason or desire. Therefore, different goals affect how a person invest and risk.

Risk tolerance

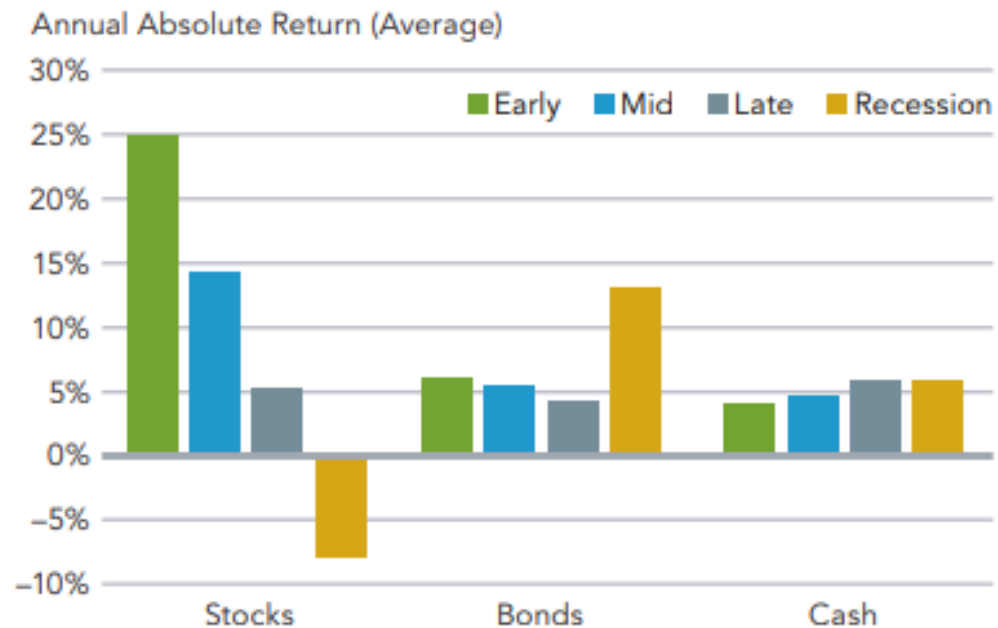
This is how much an individual is willing and able to lose a given amount of the original investment in anticipation of getting a higher return in the future.

Time horizon

Time horizon factor depends on the duration an investor is going to invest. Most of the time, it depends on the goal of the investment. Different time horizons entail different risk tolerances. A long-term strategy allows for more volatile or higher risk portfolios as dynamics of the economy are uncertain and may change in favor of the investor. Investors with short-term goals should not invest in riskier portfolios.

Why Asset Allocation is so important

- **Its about managing investment risk!**
- Market conditions can cause one asset category to do well and another asset category to have average or poor returns.
- Investing in more than one asset category reduces the risk that you'll lose money and your portfolio's overall investment returns will have a smoother ride.
- If one asset category's investment return falls, your losses in that asset category are counter-acted with better investment returns in another asset category.



Past performance is no guarantee of future results. Asset class total returns are represented by indexes from the following sources: Fidelity Investments, Ibbotson Associates, Barclays, as of July 31, 2014. Source: Fidelity Investments proprietary analysis of historical asset class performance, which is not indicative of future performance.

How to manage a Profitable Investment Portfolio

1. Determine the appropriate asset allocation for your investment goals and risk tolerance with a Risk Profiler – and Asset Allocation table.
2. Pick the individual assets for your portfolio using VectorVest market timing and entry signals. *(12-20 investments in a portfolio is ideal for diversification)*

Position size (amount) of each investment can be equal sizes, or risk-adjusted sizing (2% max risk) subject to a maximum dollar value

3. Monitor the diversification of your portfolio at least Monthly, checking to see how weightings have changed.
4. Rebalance your portfolio by making adjustments when necessary.
 - Sell investments from over-weighted asset categories or when VectorVest exit signals trigger. Use the proceeds to purchase investments for under-weighted asset categories.
 - Purchase new investments for under-weighted asset categories using VectorVest entry signals.
 - If making continuous contributions to the portfolio, alter contributions so that more investments go to under-weighted asset categories until your portfolio is back into balance.

What's your risk profile?

1. How long do you intend to invest your savings?

- 10 ☐ Long term (more than 10 years)
- 8 ☐ Medium-long term (5-10 years)
- 6 ☐ Medium term (2-5 years)
- 4 ☐ Short term (1-2 years)
- 1 ☐ Parking (less than 1 year)

2. Will you need to access these funds during the term of the investment?

- 2 ☐ Yes
- 10 ☐ No

3. Inflation erodes the value of your savings. Growth investing can counter the eroding effect of inflation but will also expose you to the risk of short-term losses.

- 10 ☐ I am comfortable with this trade off to beat inflation
- 6 ☐ I am conscious of the risks inflation presents, but would prefer a middle ground
- 2 ☐ Inflation may erode my savings but I have no tolerance for loss

4. Which of the following risk/return scenarios would you be most comfortable with?

- 4 ☐ Low risk/return (maximum return 6% pa, minimum return 3% p.a.)
- 6 ☐ Moderate risk/return (maximum return 8% pa, minimum return -5% p.a.)
- 8 ☐ Above average risk/return (maximum return 12% pa, minimum return -10% p.a.)
- 10 ☐ High risk/return (maximum return 20% pa, minimum return -25% p.a.)

5. What would you do if your investment dropped in value from an initial \$1,000 to \$850?

- 2 ☐ Move the entire investment to cash
- 5 ☐ Move some of the investment to cash
- 8 ☐ Do nothing
- 10 ☐ Buy more of the investment

Determine your risk profile?

6. What is the most aggressive investment you've ever made?

- 10 ☐ Shares, technology fund, smaller companies fund
- 8 ☐ Managed funds
- 6 ☐ Investment property
- 4 ☐ Own home
- 2 ☐ Cash management fund

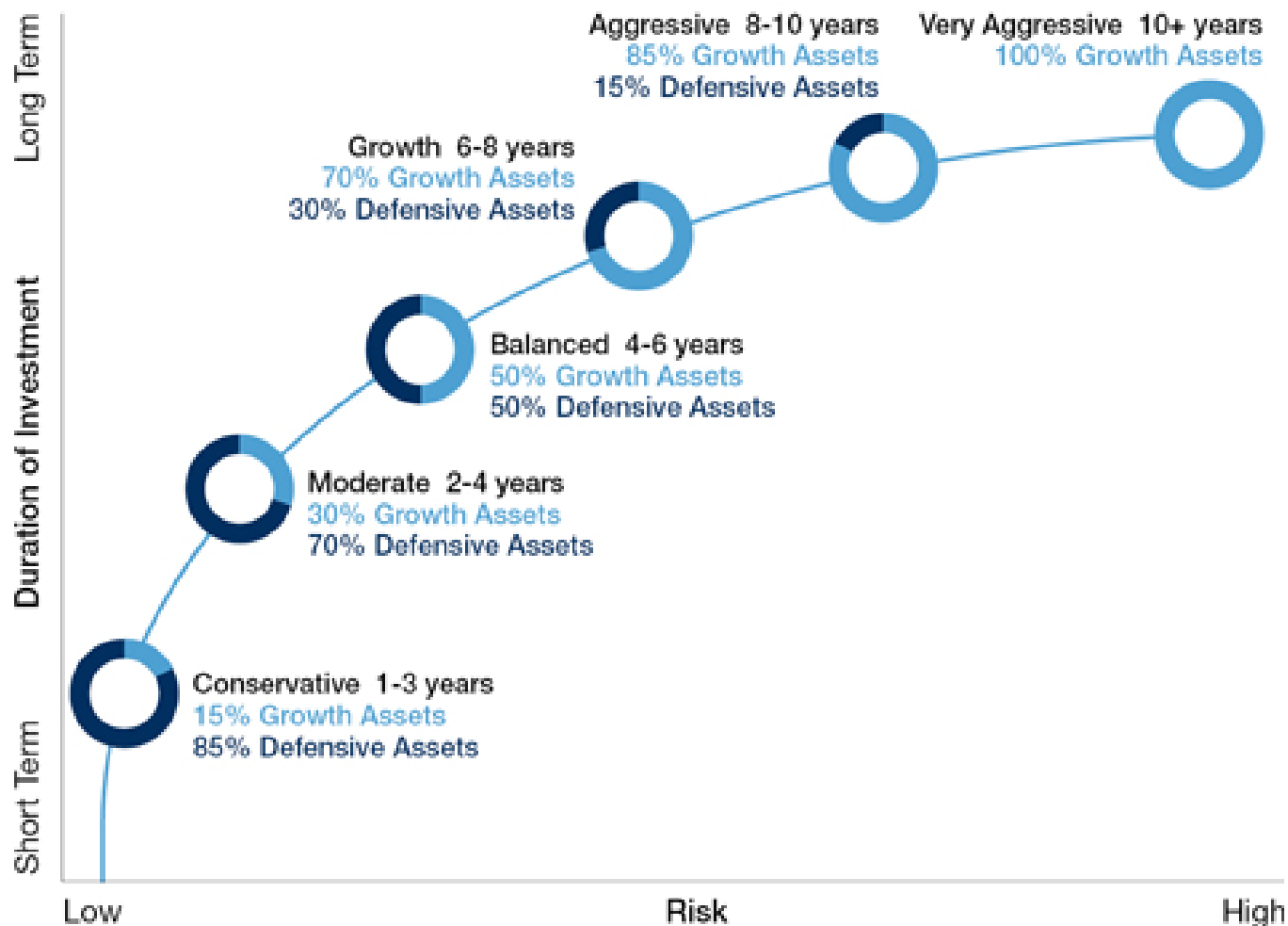
7. If you were investing in a share portfolio, which of the following would suit you best?







- 10 ☐ A portfolio of potentially high-returning shares whose value could rise or fall dramatically
- 8 ☐ A blue chip portfolio that pays regular dividends
- 6 ☐ A mixture of above two options
- 2 ☐ I am not interested in shares

Your Score determines your Risk Profile

15	Conservative
16-25	Moderate
26-44	Balanced
45-55	Growth
56-64	Aggressive
65+	Very Aggressive

Risk Profiles & Investment Time Horizons



Risk Profile	Defensive/Growth	Definition
Conservative	85/15	 <p>This suits investors with a minimum two-year timeframe or those that seek a portfolio comprising mainly of interest bearing assets. This portfolio suits investors who give a high priority to the preservation of capital and are therefore willing to accept lower potential investment performance, hence the 85% exposure to defensive assets (cash and fixed interest).</p>
Moderate	70/30	 <p>This suits investors with a minimum three-year timeframe or those who primarily seek income with some potential for capital growth. This portfolio also suits investors seeking a low level of investment value volatility, and therefore willing to accept lower potential investment performance, hence the 70% exposure to defensive assets (cash and fixed interest).</p>
Balanced	50/50	 <p>This suits investors with a minimum five-year timeframe or those who seek both income and capital growth. This portfolio suits investors who desire a modest level of capital stability but are willing to accept moderate investment value volatility in return for commensurate potential investment performance, hence the 50% exposure to growth (shares and listed property) and 50% exposure to defensive assets (cash and fixed interest).</p>
Growth	30/70	 <p>This suits investors with a minimum seven-year timeframe or those who are willing to accept higher levels of investment value volatility in return for higher potential investment performance. Some capital stability is still desired, but the primary concern is a higher return, hence the 70% exposure to growth assets (shares and listed property).</p>
Aggressive	15/85	 <p>This suits investors with a minimum nine-year timeframe or those who are willing to accept high levels of investment value volatility in return for high potential investment performance. The 85% exposure to growth assets (shares and listed property) means that capital stability is only a minor concern.</p>
Very Aggressive	0/100	 <p>This suits investors with a minimum ten-year timeframe or those who are willing to accept very high levels of investment value volatility to maximise potential investment performance. The 100% exposure to growth assets (shares and listed property) means that capital stability is not a consideration.</p>

Strategic Asset Allocation (Passive Investment Management)

SAA models are based on “time in the market” and trying to ride through investment cycles in order to generate long-term average returns from each asset class.

Initial target allocations based on Risk Profile determine the maximum to allocate to each Asset Class

Periodically rebalance the portfolio (monthly or quarterly or when allocations are +/-10% from SAA) back to those targets as investment returns skew the portfolio over time.

15% Growth Sub Asset Class	SAA
Australian Equities	5%
International Equities	5%
Australian Property	3%
International Property	2%
Australian Fixed Interest	45%
International Fixed Interest	30%
Australian Cash	10%

70% Growth Sub Asset Class	SAA
Australian Equities	22%
International Equities*	34%
Australian Property	7%
International Property	7%
Australian Fixed Interest	14%
International Fixed Interest	9%
Australian Cash	7%

30% Growth Sub Asset Class	SAA
Australian Equities	9%
International Equities*	14%
Australian Property	4%
International Property	3%
Australian Fixed Interest	26%
International Fixed Interest	17%
Australian Cash	27%

85% Growth Sub Asset Class	SAA
Australian Equities	26%
International Equities*	44%
Australian Property	7%
International Property	8%
Australian Fixed Interest	5%
International Fixed Interest	4%
Australian Cash	6%

* International Equities includes an Allocation to Listed Infrastructure. * International Equities includes an Allocation to Listed Infrastructure

` Total combined property allocation should not exceed 15% of SAA

50% Growth Sub Asset Class	SAA
Australian Equities	15%
International Equities*	24%
Australian Property	5%
International Property	6%
Australian Fixed Interest	23%
International Fixed Interest	15%
Australian Cash	12%

100% Growth Sub Asset Class	SAA
Australian Equities	32%
International Equities*	55%
Australian Property	7%
International Property	6%
Australian Fixed Interest	0%
International Fixed Interest	0%
Australian Cash	0%

* International Equities includes an Allocation to Listed Infrastructure. * International Equities includes an Allocation to Listed Infrastructure

Eg \$500k investment in an Aggressive Portfolio (SAA)

Strategically allocating a \$500k portfolio:

85% Growth Sub Asset Class	SAA	\$
Australian Equities	26%	\$130,000
International Equities*	44%	\$220,000
Australian Property	7%	\$ 35,000
International Property	8%	\$ 40,000
		\$ -
Australian Fixed Interest	5%	\$ 25,000
International Fixed Interest	4%	\$ 20,000
		\$ -
Australian Cash	6%	\$ 30,000
		\$500,000

Use VectorVest Market Timing for the right TIME to buy

Use VectorVest Searches you like and have tested

Depending on preference, invest with direct equities in each asset class, or ETFs or Listed Investment Trusts/Companies – or a combination

Rebalance regularly or once the allocations are +/-10% from SAA levels

Tactical Asset Allocation (Active Investment Management)

Tactical asset allocation adjusts the asset allocation slightly as market conditions change. The goal is to reduce exposure to risky assets when conditions are unfavourable, and increase exposure when conditions improve.

TAA decisions are designed to “time the market” and try to generate attractive returns and avoid losses by trying to correctly pick troughs and peaks in investment markets.

TAA can involve changes between Asset Classes as well as within Asset Classes

Some TAA strategies use three different levels to define the level of risk in the market:

- When market risk is low: the tactical portion is allocated to riskier assets.
- When the risk is average: the tactical portion would be spread across all assets, bringing the portfolio back in line with the strategic allocation.
- When risk is high: tactical portion of the portfolio would be allocated to safe haven assets.

Tactical Asset Allocation (Active Investment Management)

15% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	5%	5%	0%	15%
International Equities	5%	10%	0%	12%
Australian Property	3%	0%	0%	8%
International Property	2%	5%	0%	7%
Australian Fixed Interest	45%	35%	0%	75%
International Fixed Interest	30%	20%	0%	40%
Australian Cash	10%	25%	25%	100%

30% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	9%	14%	0%	24%
International Equities*	14%	18%	0%	29%
Australian Property	4%	2%	0%	12%
International Property	3%	2%	0%	11%
Australian Fixed Interest	26%	33%	11%	41%
International Fixed Interest	17%	18%	2%	32%
Australian Cash	27%	15%	12%	42%

* International Equities includes an Allocation to Listed Infrastructure

† Total combined property allocation should not exceed 15% of SAA

50% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	15%	17%	0%	30%
International Equities*	24%	23%	9%	39%
Australian Property	5%	3%	0%	13%
International Property	6%	3%	0%	14%
Australian Fixed Interest	23%	30%	8%	38%
International Fixed Interest	15%	15%	0%	30%
Australian Cash	12%	10%	0%	27%

* International Equities includes an Allocation to Listed Infrastructure

70% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	22%	26%	7%	37%
International Equities*	34%	31%	19%	49%
Australian Property	7%	4%	0%	15%
International Property	7%	4%	0%	15%
Australian Fixed Interest	14%	23%	0%	29%
International Fixed Interest	9%	8%	0%	24%
Australian Cash	7%	6%	0%	22%

85% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	26%	29%	11%	41%
International Equities*	44%	38%	29%	59%
Australian Property	7%	5%	0%	15%
International Property	8%	5%	0%	16%
Australian Fixed Interest	5%	10%	0%	20%
International Fixed Interest	4%	8%	0%	19%
Australian Cash	6%	5%	0%	21%

* International Equities includes an Allocation to Listed Infrastructure

100% Growth				
Sub Asset Class	SAA	TAA	Minimum	Maximum
Australian Equities	32%	34%	17%	47%
International Equities*	55%	42%	40%	70%
Australian Property	7%	6%	0%	15%
International Property	6%	6%	0%	14%
Australian Fixed Interest	0%	4%	0%	15%
International Fixed Interest	0%	3%	0%	15%
Australian Cash	0%	5%	0%	15%

* International Equities includes an Allocation to Listed Infrastructure

Eg \$500k investment in an Aggressive Portfolio (TAA)

Tactically allocating a \$500k portfolio means you adjust your allocation according to market conditions (temporarily):

85% Growth Sub Asset Class	SAA	TAA	SAA \$	TAA \$
Australian Equities	26%	29%	\$130,000	\$145,000
International Equities*	44%	38%	\$220,000	\$190,000
Australian Property	7%	5%	\$ 35,000	\$ 25,000
International Property	8%	5%	\$ 40,000	\$ 25,000
			\$ -	\$ -
Australian Fixed Interest	5%	10%	\$ 25,000	\$ 50,000
International Fixed Interest	4%	8%	\$ 20,000	\$ 40,000
			\$ -	\$ -
Australian Cash	6%	5%	\$ 30,000	\$ 25,000
			\$500,000	\$500,000

Use VectorVest Market Timing for the right TIME to buy

Use VectorVest Searches you like and have tested

Depending on preference, invest with direct equities in each asset class, or ETFs or Listed Investment Trusts/Companies – or a combination

I personally use TAA to manage portfolios according to market conditions, which are defined using the VectorVest's Colour Guard

The market is moving up.
When the color guard is mostly green, it is a good time to be long in the market.

Use TAA – increase allocation

The market is transitioning or moving sideways. Use caution.

Use SAA

The market is moving down.
This is a good time to sit on the sideline and not buy stocks.

Use TAA – reduce allocation

How to manage a Profitable Investment Portfolio

1. Risk Profile → TAA Asset Allocation based on VectorVest Colour Guard.
2. VectorVest market timing and entry signals.
3. Review portfolio Monthly for changes in asset class weightings.
4. Rebalance portfolio.
 - Sell investments in over-weighted asset categories or when VectorVest exit signals trigger. Use the proceeds to purchase investments for under-weighted asset categories.
 - Purchase new investments for under-weighted asset categories using VectorVest entry signals.
 - If making continuous contributions to the portfolio, alter contributions so that more investments go to under-weighted asset categories until your portfolio is back into balance.

Get in touch



CENTRA ASSET MANAGEMENT

THE CENTRE OF MANAGING YOUR INVESTMENTS


Centra Asset Management is a trading name of
Centra Financial Pty Ltd ABN 57 638 476 954
Corp Auth Representative #1279906 of AFSL #422704



ZAC ZACHARIA


DIRECTOR | INVESTMENTS

Auth Representative #415171 of AFSL #422704

 0408 326 874

 zac@centrawealth.com.au

 www.centrawealth.com.au

 Level 12/431 King William St
Adelaide SA 5000