At Ambrose Advisory, we believe the foundation of successful investment can be found in the following:

1. Diversification
Unless you have perfect knowledge of the future, all evidence suggests diversification reduces risk and enhances return.

2. Balance your Risk and Return
Risk and return are related, however not all risk is rewarded with an expected return.

It is important that you understand your level of comfort when it comes to investment and align your mix of risk and return with your specific and unique goals. This is your investment benchmark.

Once agreed and set, consistently re-balancing back to your benchmark – that is objectively buying when asset values are low and selling asset values are high – can assist even the most timid investor navigate market uncertainty. This action helps maintain a level of investment risk and return you can commit to that is also aligned to help you achieve your goals.

We have found this consistent behavior – buying low / selling high, along with diversification, are key drivers of long-term investment success.

3. What matters – your allocation of assets
Differences in portfolio returns can be explained by differences in risk. As such, portfolio management becomes an issue of asset allocation across the dimensions of risk rather than an issue of perceived money manager merit.

Risk can be thought of and identified between:

- Fixed interest (debt) risks and returns – a means of taking a defensive and secure position with your capital; based around the term and quality of debt obligations owed to you; and
- Equity risks and returns – a means of investing into human endeavor, a riskier but historically more rewarding allocation of capital over time.

There is no right or wrong allocation to either, however an appropriate balance between the two with your specific goals in mind is essential to determining the actual risk you take.

4. Speculate what you are happy to lose
Stock picking and market timing should be viewed as speculative activities. It is hazardous to confuse luck with skill when it comes to the preservation of your capital.

5. Determine your asset
Wealth, although not a reason for happiness, is a significant contributor to whether you achieve financial peace of mind or not.

When it comes to accumulating and preserving your wealth, it is important to distinguish between lifestyle, investment, speculative, business and philanthropic assets. Each has a role, with some offering a higher degree of certainty as to what they can contribute to your overall wealth and happiness.

Defining the right balance of these assets on a personal level is fundamental in attaining financial peace of mind.

Why do we believe in this?
Based on historical evidence, our investment philosophy has delivered outcomes that are congruent with our client's expectations for portfolio returns.

And that is what we want from every investment; a strategy we are confident of and that is fit for purpose to deliver expected returns based on the goals our clients have set.