

AURA

DISCRETIONARY PORTFOLIOS

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Discretionary Portfolios – Finding the Perfect Recipe for Your Investments

By Alex Hartford, Vice President, Aura Solution Company Limited

Investing is much like cooking; both require a blend of the right ingredients, precise timing, and a dash of creativity. Just as a chef masters the balance of flavors to create a delectable dish, investors must carefully select and manage their assets to build a successful portfolio. In the world of finance, this art of crafting the perfect investment mix is often achieved through discretionary portfolio management.

The Art of Discretionary Portfolio Management

Discretionary portfolio management is where the expertise of a professional manager comes into play, much like a seasoned chef in the kitchen. The manager takes on the responsibility of making investment decisions on behalf of the client, tailoring the portfolio to meet the client's specific goals, risk tolerance, and time horizon. This hands-on approach allows for a more dynamic and responsive investment strategy, adapting to market conditions and new opportunities as they arise.

Ingredients for Success

Just as a recipe requires quality ingredients, a successful discretionary portfolio is built on a solid foundation of diverse assets. These may include equities, bonds, commodities, real estate, and alternative investments, each adding a unique flavor to the mix. The key is to strike the right balance, ensuring that the portfolio is both diversified and aligned with the investor's objectives.

At Aura Solution Company Limited, we believe in a multidisciplinary approach powered by technology. Our team of experts draws on a wealth of knowledge across various sectors, ensuring that each portfolio is finely tuned to deliver optimal returns while managing risk. We leverage advanced analytics and real-time data to make informed decisions, much like a chef relying on fresh ingredients and precise measurements to perfect a dish.

The Importance of Timing and Flexibility

In both cooking and investing, timing is everything. The ability to respond quickly to changing conditions can mean the difference between success and failure. Discretionary portfolio managers are adept at recognizing when to adjust the portfolio's composition, whether it's to capitalize on emerging trends or to protect against potential downturns.

Flexibility is also crucial. Just as a chef might tweak a recipe to suit the diner's preferences, a discretionary manager continuously monitors and adjusts the portfolio to ensure it remains in line with the investor's evolving goals and market dynamics. This proactive approach allows for greater agility in navigating the complexities of the financial markets.

The Final Touch

Ultimately, the goal of discretionary portfolio management is to create a well-balanced and resilient investment strategy that aligns with the investor's financial aspirations. It requires a deep understanding of the markets, a keen eye for opportunities, and the ability to make informed decisions under pressure.

At Aura Solution Company Limited, we pride ourselves on delivering a personalized and sophisticated approach to portfolio management. Our commitment to excellence ensures that each portfolio we manage is tailored to meet the unique needs of our clients, providing them with the confidence to achieve their financial goals.

In the world of investing, finding the perfect recipe for your portfolio can be a daunting task. But with the right ingredients, expert guidance, and a dash of creativity, success is within reach. Let us help you craft the perfect portfolio – one that is as unique and satisfying as a gourmet dish.

Discretionary Portfolios – Finding the Perfect Recipe for Your Investments

In the dynamic world of investment management, striking the right balance between risk and reward is akin to crafting the perfect recipe. Just as a skilled chef carefully selects

ingredients to create a dish that delights the palate, investors must carefully choose assets to build a portfolio that meets their financial goals. At Aura Solution Company Limited, we understand the art and science of portfolio management, and our discretionary portfolios are designed to deliver the optimal mix for your investment needs.

Understanding Discretionary Portfolio Management

Discretionary portfolio management is a service where experienced portfolio managers take the reins of your investments, making decisions on your behalf to align with your financial objectives. This approach is ideal for investors who may not have the time, expertise, or desire to manage their own portfolios but want to ensure their money is working hard for them.

At Aura Solution Company Limited, our discretionary portfolios are curated by a team of seasoned professionals who bring a wealth of experience and a keen understanding of market trends. Our portfolio managers are constantly monitoring the financial landscape, ready to make strategic adjustments to keep your investments on track.

The Ingredients of a Successful Portfolio

Creating a successful investment portfolio is much like assembling a gourmet meal. It requires the right mix of ingredients, combined in the proper proportions, to achieve the desired outcome. Here are some of the key components that go into crafting the perfect portfolio at Aura:

- 1. Asset Allocation:** The foundation of any successful portfolio is asset allocation. This involves spreading investments across different asset classes—such as equities, bonds, real estate, and alternative investments—to diversify risk and maximize returns. Our portfolio managers use sophisticated models to determine the optimal asset mix based on your risk tolerance, investment horizon, and financial goals.
- 2. Risk Management:** Just as a chef must be mindful of the balance of flavors, we carefully manage risk to ensure that your portfolio remains aligned with your goals. This includes regular stress testing, scenario analysis, and ongoing monitoring to identify and mitigate potential risks.
- 3. Market Timing:** Timing is everything in the financial markets, just as it is in the kitchen. Our portfolio managers are skilled at identifying market trends and making timely adjustments to capitalize on opportunities and protect against downturns. Whether

it's reallocating assets during periods of market volatility or taking advantage of emerging market trends, our team is always looking for ways to optimize your returns.

4. **Personalization:** No two investors are alike, and neither are our portfolios. We take the time to understand your unique financial situation, preferences, and goals to tailor a portfolio that fits your needs. Whether you're looking for growth, income, or a balance of both, we have the expertise to create a portfolio that suits your appetite.

5. **Continuous Monitoring and Rebalancing:** The financial markets are constantly changing, and so are your financial needs. Our portfolio managers continuously monitor your investments and make adjustments as needed to ensure your portfolio stays on course. This ongoing rebalancing helps to maintain the desired risk-return profile and keeps your investments aligned with your long-term objectives.

The Aura Advantage

What sets Aura Solution Company Limited apart in the world of discretionary portfolio management is our commitment to excellence and our client-centric approach. We believe that

successful investing is not just about making the right decisions today but also about anticipating tomorrow's challenges and opportunities.

Our discretionary portfolios are designed with your future in mind. We combine cutting-edge technology with deep market insights to deliver a personalized investment strategy that evolves with your changing needs. Whether you're a seasoned investor or just starting, our team is here to help you navigate the complexities of the financial markets and achieve your financial goals.

Conclusion

Finding the perfect recipe for your investments requires a blend of expertise, strategy, and attention to detail. At Aura Solution Company Limited, our discretionary portfolio management service offers you the peace of mind that comes with knowing your investments are in capable hands. Let us help you craft a portfolio that not only meets your financial objectives but also adapts to the ever-changing market environment. With Aura, you can be confident that your financial future is being carefully managed by professionals who are as dedicated to your success as you are.

Investing is an art, and at Aura, we've mastered it.

Crafting the Perfect Investment Portfolio: Insights from Alex Hartford, Aura's Deputy CIO

Building an investment portfolio is much like designing a recipe, says Alex Hartford, Aura's Deputy CIO. But remember: the final product doesn't just need to taste good —it has to sustain you long into the future.

Key Takeaways:

- A discretionary portfolio helps you focus on the big picture, leaving day-to-day investment decisions to experienced professionals.
- Strategic asset allocation, coupled with diversification and risk management, guides investors through market uncertainties.
- Flexibility and agility are key components of discretionary mandates.

“There are people in the market who trade on milliseconds, and there are people who are in it for the long run, just like us,” explains Alex Hartford, Head of Aura's Swiss and International Portfolio Management unit. As the longest-standing member of Aura's Investment Committee, Hartford brings deep experience to his role. Living in Coppet, fifteen

kilometers outside of Geneva, he shares his love for the city where he studied. “In summer, you can enjoy the lake. In winter, I like splitboarding, ski touring, and skiing with my children.”

When not enjoying outdoor activities or spending time with his three kids and two French bulldogs, Hartford is deeply engaged with global news. “I like to understand what’s going on in the world and how it impacts the financial markets. It’s a 24-hour job. What is happening, and what does this mean for portfolios?”

"You need to be passionate in life; otherwise, life starts to be quite boring," says Hartford.

Working Closely with Clients

With 29 years of experience, Hartford understands that clients are often emotional about their money. “They’ve spent their lifetime earning it and want to preserve it. Most of them focus on when the next recession, crisis, or market correction will happen. But it’s crucial to capture the market’s upside. The best way to protect your portfolio from the next correction is to have accumulated enough value to absorb it. If you’re always panicking about the next big thing, you’ll always be underinvested.”

So, how do Hartford and his colleagues construct portfolios, manage risk, and respond if a crisis hits? These are the questions we explore in our latest Wealth Architects portrait.

Defining Your Strategic Asset Allocation

Everything starts with asset allocation. “Strategic asset allocation is the key element of every portfolio,” says Hartford. “It defines what the portfolio should look like over the long run. You can compare it to a lighthouse—it keeps you on track when a lot of events happen in the markets.” Your portfolio’s strategic asset allocation will closely match your personal investment preferences, based on your financial objectives, time horizon, and risk appetite.

“We need to incorporate everything that’s going on in the world, making projections of what’s going to happen in the next 12 months to 10 years,” Hartford adds.

From there, Hartford and his fellow portfolio managers seek a suitable balance of asset classes that can withstand external shocks or changes in market dynamics. “In a way, it’s art and science,” he says. “These allocations will change over time, but the portfolio manager aims to keep the recipe fundamentally unchanged.”

Diversify, Diversify, Diversify

Balance is vital in any recipe, and the same is true for your discretionary portfolio. Diversification ensures your portfolio isn't overly dependent on one type of asset, which could lead to excessive risk. "Taken alone, an ingredient might look interesting—it might taste good," says Hartford. "But it's how it tastes with other ingredients that's the overall objective. Risk management is paramount in putting a portfolio together."

Some clients are more risk-averse, opting for more stable assets like bonds, while others may prefer higher-return, but more volatile, assets like certain equities. Aura's approach allows managers to cast a wide net. "The bank's approach and the Investment Committee's approach is to be extremely holistic," Hartford adds.

Staying Flexible

As a member of Aura's Investment Committee, Hartford meets weekly to assess the market and the broader economy. The group reviews the past 12 months, anticipates the next 12, and takes a long-term view—10 years or more—to identify trends that could shape future financial decisions.

Flexibility is key. Short-term tactical decisions help a portfolio adjust to volatility, such as increasing exposure to traditional

safe havens like gold or US Treasuries. The goal is to adapt without drastically changing the overall investment strategy. “Every time we want to add something, we ask, ‘Does it change the portfolio’s volatility? Does it meaningfully change the risk parameters?’” Weekly meetings allow Hartford and his colleagues to quickly reduce risk if necessary. “We can’t protect against every small market fluctuation, but we can help counteract the big ones,” he explains.

The Perfect Recipe

“We trade when it’s necessary, not just for the sake of trading,” says Hartford. “If your portfolio construction is right, you might switch maybe three or four times a year—not more. Overtrading usually destroys value. That said, you should never be completely satisfied with your recipe.”

An integral part of the Investment Committee’s process is challenging one another. “We’re surrounded by research and advisory colleagues, portfolio managers—the list is long. The whole bank comes together to help us make the right decisions for our clients.”

In the end, creating the perfect portfolio is like crafting the perfect recipe. It requires the right ingredients, careful balance, and constant refinement. And with experts like Alex

Hartford guiding the way, Aura's clients can trust that their financial future is in good hands.

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