

Rutherford Model Portfolios – Frequently Asked Questions

What is a model portfolio?

Our model portfolios are a professionally blended combination of market-leading unit trust funds which are designed to provide a broad diversification of asset classes and management styles to help investors consistently achieve their target returns.

Why are model portfolios now international best practice?

Many clients around the world experience poor investment returns even when stock markets have performed well, and this is usually a result of inconsistent fund selection. The professional approach of model portfolios provides more dependable investment returns.

How are Rutherford model portfolios different to what I have now?

Our model portfolios benefit from a rigorous fund selection process and ongoing rebalancing to ensure optimum asset allocation at all times. You should therefore enjoy better long term returns and lower volatility.

How will they lower my risks?

Our model portfolios are always aligned with your risk profile you do not have the risk of being over- or under-exposed to any one type of asset. You will essentially own a basket of assets which are well suited to your financial objectives and stage in life.

What performance can I expect?

Each model portfolio is designed to achieve a target return, taking into account a specified amount of risk as defined by your personal risk profile. This means that you will have a clear idea of the expected returns of the model portfolio before you invest.

How to achieve my investment goals?

Humans have evolved to follow the herd (and so we end up buying yesterday's winners) and this behavioural bias leads to poor investing habits, which is why really disciplined investors like Warren Buffett are so famous. Model portfolios provide a professional and disciplined framework, which will help you achieve more consistent returns and reach your investment goals.

Why is diversification so important?

One of the key benefits of our model portfolios is a high level of diversification. The various asset classes (such as property or cash) perform very differently over market cycles. Our investors gain access to all the core benefits of multiple asset classes and fund manager expertise, with the added layer of diversification through our blend of fund managers.

Do I have to change my investment?

No. Using model portfolios is only a fund choice, so your existing RA, Living Annuity, Endowment or TFSA stays exactly the same – only the fund selected changes.