

HOW DO YOU GET WHAT YOU PAY FOR?



Who do you turn to get sound advice you can trust?

Like most people, you probably recognise that you would benefit from comprehensive and professional financial advice on how to accumulate wealth for your retirement. Or, maybe you're retired and need to ensure that you invest and consume your wealth in a sustainable way to see you out for the rest of your life. The question is: who do you turn to get sound advice you can trust?

“A murky sea of conflicts of interests”

Unfortunately, much of the financial and investment advice in NZ is nothing more than product sales and marketing posing as a professional service, often in pursuit of undisclosed commissions. In other cases such as share brokers, these payments are disclosed but in either case, the “adviser” and your interests are not in alignment because of the system of remuneration. As an investor, you need to be wary of swimming in this “murky sea of conflicts of interest” where double dipping for fees is common and full disclosure, elusive.

The sad history of the NZ financial advisory industry

The history of the NZ personal financial advisory industry is also sad from another perspective - expensive, poorly performing and tax inefficient investment products. Given that many of these products as well as the middle men who sell them are retail franchises or have sprung up from the life insurance industry, this is perhaps not surprising. Fortunately, this poor state of affairs is slowly changing for the better, spurred on by recent changes in the law.

What should you look for in an advisor?

If you are going to place your confidence and hard-earned money in someone else's care, then make sure they can guarantee you there are no conflicts of interest and your interests will always come first. How can you develop a long term relationship of mutual trust and respect without these guarantees? More specifically, look for the following attributes:

- **Authorised Financial Adviser (AFA) – confirm this on the register at www.fspr.govt.nz/**
- **Independence from any particular investment provider so they are free to act in their client's interests**
- **Remunerated by transparent fees aligned to their clients' interests**
- **Never compensated by 3rd parties – ever!**
- **Broadly experienced and professionally qualified in business and finance**
- **Able to compliment and work with your accountant and solicitor**
- **Insured for professional indemnity (\$1m+)**
- **Someone you can relate to and respect**

Get the results that you pay for

Comprehensive financial planning and private wealth management can deliver powerful results for you and the sense of financial and personal well-being that goes with those results. But it needs to be approached with skill, dedication and an understanding of the exciting range of international investment options available to NZ investors nowadays.