

**Future dealer group
uncertainty**

Ron Flood farewelled

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THE MAGAZINE FOR SMART ADVISERS

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Time to show value, even if you can't be paid for it



We have been warned for a long time that some sort of economic downturn was coming – but that it was hard to tell exactly what would cause it. Then we started to hear reports of a novel coronavirus causing problems in Wuhan ...

Over the past month, the outbreak of Covid-19 has plunged New Zealand into the sort of disruption that it was previously hard to imagine. If “unprecedented” isn’t the most over-used word around the world right now, I’d be surprised, but it’s hard to think of a better one.

Whether you’ve been happy in your bubble at home or climbing the walls, it’s meant dramatic changes to the way many people do business. For advisers, who spend much of their working life sitting across a table from clients, it’s been a challenge to shift to online remote working, juggling Zoom calls and webinars, phone calls and e-signatures.

But, with digital platforms as the only way to keep business moving, many have quickly worked it out. Some providers have noted to me that, if that change sticks, businesses should be able to create efficiencies that will help them as they move towards the new licensing regime. Advisers have an opportunity to show their value during this disruption, in a way that should appease even the harshest critics.

Investment advisers encouraging clients to stick to their plans will help them to be much better off in the long-term than those who panic and bail out of markets.

Insurance advisers who help clients understand the help on offer from their insurers will assist them to save money right now and ensure that they don’t give up valuable cover they won’t be able to replace in future.

Tony Vidler probably put it best when he told a Financial Advice NZ webinar that advisers are now in the “reassurance” business. It’s ironic, then, that this valuable work probably won’t result in much revenue for most businesses – making it extra important to use this time to cement relationships and promote the industry. It will be for the best for everyone if we move out of the current restrictions as quickly as we safely can. But while we’re stuck in it, there are resources available from associations, groups and product providers to help you make the most of it. Good luck. I hope the next ASSET update comes to you from (at most) level two.

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ASSET is published by Tarawera Publishing Ltd (TPL). TPL also publishes online money management magazine *Good Returns* GoodReturns.co.nz and TMM – The Mortgage Mag

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ISSN 1175-9585

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KiwiSaver Insight

New Zealand deserves a level (default) playing field

NZ Funds recently launched a free COVID-19 KiwiSaver hotline supported by independent advisers throughout the country. The phone line is open to clients of any KiwiSaver provider and promises no sales or products, just generic KiwiSaver advice. Since its launch, the phone line has been inundated with calls from anxious investors whose savings are with large state-appointed default managers (whether or not their savings are in default funds). This raises the question: How did New Zealand end up with so many KiwiSaver members “owned” by so few managers; and is that model consistent with good customer outcomes?

One of the features of KiwiSaver, that helped get it across the line in Parliament, was that it would not be compulsory. The compromise was, and still is, that new employees are invested by default and need to opt out. While a compulsory savings regime – like most of the Western world has – would have put New Zealand in a better position today, the opt-out scheme was nonetheless a success in that a larger number of people chose to remain invested.

As New Zealand was decades late in establishing a government-sponsored superannuation savings regime, financial literacy in New Zealand was low. To safeguard millions of first time investors who did not actively select a manager and fund, the state placed their investments in a default fund. Default funds were required to own at least 80% in cash and bonds, and up to 20% in growth assets, an excellent starting point for first time investors.

The Government selected six managers in 2006 to manage default funds for a period of seven years. These were: ASB, AMP, ING, Mercer, National Mutual (AXA) and Tower. In total, two Australian-owned financial conglomerates, one American, one Dutch and one French. And only one

New Zealand-owned company, Tower.

The default providers were selected for their ability to meet a number of criteria including security and organisational credibility, organisational capability, proposed design of their default KiwiSaver scheme, administration capability, fee levels and investment capability.

While admirable, these sentiments and criteria may have missed the mark. ING was sold to ANZ, a transaction which coincided with large losses in its structured credit funds. AXA packed up shop and returned to France, selling its business to AMP NZ (which, following an unreserved apology to the regulator for failures in regulatory disclosure by AMP Australia, may now be for sale itself). Meanwhile, Tower decided funds management was no longer a core business, and sold to Fisher Funds, which in turn was sold to TSB Bank.

Since then, the default providers have been expanded to include two more large Australian-owned banks (BNZ and Westpac) and New Zealand’s own Kiwibank. Funds management is not the primary driver of any of these companies’ bottom line. Grosvenor is the only default provider that is a New Zealand-owned funds management specialist.

KiwiSaver managers have to meet a high standard of governance (determined by the FMA) to become a Managed Investment Scheme licence holder. Despite this, only six – and now nine – of all 23 licensed KiwiSaver managers are able to be default managers. It is time that all licensed managers be given the opportunity but not the obligation to be default providers.

The FMA’s purpose is to promote a fair, efficient and transparent market that results in good customer outcomes. State-determined monopolies are rarely associated with good long-term client outcomes. MBIE has sought feedback in preparing for a review of New Zealand’s default system. If a manager is good enough to be a licensed KiwiSaver manager, then it should be good enough to manage default funds, if it wishes to. This would give other deserving New Zealand-owned managers like: Summer, Simplicity, Generate, Juno, Milford and NZ Funds, the opportunity to do so. It would also help level the KiwiSaver playing field and go a long way toward achieving better customer outcomes. ¹

Michael Lang is Chief Executive of NZ Funds and his comments are of a general nature.

SCHEME	YEAR BECAME DEFAULT FUND	PARENT COMPANY'S NATIONALITY	PARENT COMPANY'S CORE BUSINESS	FUNDS UNDER MANAGEMENT ¹ (BILLIONS)	MARKET SHARE ²	NUMBER OF MEMBERS ³
ANZ	2007	Australia	Bank	\$15.2	23%	746,108
ASB	2007	Australia	Bank	\$11.6	18%	525,344
Westpac	2014	Australia	Bank	\$7.3	11%	394,723
AMP	2007	Australia	Insurance, banking and wealth management	\$5.9	9%	225,224
Fisher Funds	2007	New Zealand	Bank	\$5.4	8%	240,836
Kiwi Wealth	2014	New Zealand	Bank	\$4.8	7%	210,405
BNZ	2014	Australia	Bank	\$2.8	4%	155,596
Mercer	2007	United States	Consultant	\$2.1	3%	93,098
Grosvenor ⁴	2014	New Zealand	Wealth management	\$2.0	3%	109,001

1. Source: FMA December 2019 data. ANZ includes ANZ Default KiwiSaver Scheme, ANZ KiwiSaver Scheme and OneAnswer KiwiSaver Scheme. Fisher Funds includes Fisher Funds KiwiSaver Scheme and Fisher Funds Two KiwiSaver Scheme.

2. Source: FMA December 2019 data. As a percentage of total funds managed by KiwiSaver Schemes offered to the public.

3. Source: Companies Office disclose register, individual KiwiSaver schemes annual reports. Member numbers as at 31 March 2019.

4. Grosvenor KiwiSaver Scheme changed its name to Booster KiwiSaver Scheme.



Code will hold

Financial advisers' new code of conduct is designed to be effective at any stage – so it will not be a problem for its implementation to be pushed back further, the chairman of the Code Working Group says.

The group consulted on a draft code of conduct in late 2018, which was submitted to the Commerce Minister in March last year. It was set to take effect in June, when the new licensing regime began.

But that has since been pushed back to March 2021, at the earliest, as part of the Government's efforts to ease the regulatory burden on businesses dealing with Covid-19.

Code Working Group chairman Angus Dale-Jones said it would not be a problem to have the code on ice for now.

"For businesses not yet regulated, this is an ideal extended opportunity to start getting systems, processes and conduct attitudes ready for the new regime, and to properly test – and evidence – their effectiveness."

"In particular – and this applies to everyone going into the new regime – treating clients fairly and choosing appropriate continuing professional development pathways are both concepts that generally require careful reflection, preparation and ongoing evaluation/adjustment. To be effective, they cannot just be templated solutions."



Tony Vidler

Vidler: This time is different

Adviser coach Tony Vidler says adviser businesses have an opportunity to develop a team of client advocates for what they do, during the Covid-19 disruption – but there will be some hard work involved for some to get through.

Vidler addressed a recent Financial Advice New Zealand webinar, as part of its Bring in the Experts Covid-19 series.

He said advisers were in the "reassurance" business rather than advice, for now.

"Our number one job is managing emotions, fears and uncertainties, not advice, solutions or plans for the long term. It's helping people through the short term. The most powerful question at the moment is 'how are you doing?' not 'what do you need me to do for you?'"

He said the business metric that mattered would be how many clients that were helped in a day.

"Therein lies the path to success. Not trying to retain business but trying to retain relationships with people who will be doing business with us in the future."

That would mean doubling down on communication, he said, trying to get personal with clients. *"It needs to be one to one, that's the stuff they'll remember. They won't remember whether you told them how to save \$20 from their budget. They'll remember you had their back and that will turn them into advocates to create referral opportunities in future when we get back to some degree of normality."*



Tim Fairbrother

Advisers respond to Partners' matrix

Partners Life has started collecting data about how advisers are performing against its new Customer Outcomes Matrix.

It will be part of what determines how much commission advisers receive when the insurer moves to its new commission structure in March next year.

Adviser Tim Fairbrother, of Rival Wealth, said the matrix had a strong focus on customer outcomes and good transparency on what is expected of advisers.

Moneytree Financial Services' Regan Thomas said he did not think that any adviser who had a good level of professionalism would be challenged by the matrix.

Depending on how the information was used, it might allow stories about the value of advice to be presented to the public in a way that was backed by evidence, he said.

But Graeme Lindsay, of Strategy Financial Services, said the matrix might put some people off.

"My immediate reaction is that any adviser who has a shred of independence in his bones won't want to deal with a company checking up on him."

Meanwhile, Partners Life managing director Naomi Ballantyne said some advisers had been writing more business in the lockdown than they were in the weeks leading up to it.

Analysis of managing agencies' new business activity in the weeks leading up to lockdown compared to the same number of weeks in lockdown showed that the average was that advisers were writing 30% of their pre-lockdown activity.

But some were writing between 85% and 175%.

"There's the challenge, they've proved it can be done so why don't you go do it?"



Barry Coates

Responsible managers claim win

“Ethical” KiwiSaver funds are outperforming their mainstream competitors through Covid-19 market disruption, a responsible investment platform says.

Mindful Money chief executive and founder Barry Coates said funds that his platform classed as “mindful” outperformed in all risk categories in the first quarter of this year.

On average, KiwiSaver funds fell 2.1% in the quarter but mindful funds fell 1.8%. On average, balanced funds were down 8.9% but mindful options dropped 6.9%. Growth funds were down 12.4% on average but only 7.8% if they were mindful.

CareSaver outperformed the average by 4.9% across all three main risk categories.

Booster outperformed the balanced fund average by 2.9% and the growth fund average by 2.7%.



Gavin Dixon

IOOF quits New Zealand

Australian fund manager IOOF is leaving New Zealand after agreeing to sell its Kiwi client rights to local firm Britannia Financial Services for an undisclosed sum.

The fund manager’s Integral Master Trust managed five funds for more than 5,000 clients with about A\$553 million under administration at March 31. That was IOOF’s primary business in New Zealand, and it closed its local operation effective from April 15.

Gavin Dixon, chief executive of Britannia, said his firm would offer financial advice to a number of members of the IMT.

“The IMT represents an excellent value-for-money platform for people who wish to invest to fulfil a wide range of investment needs. It is based on solid investment foundations and Britannia has been a strong supporter of it for almost a decade.

“It is supported by great advisers across the country and we are looking forward to working with all of them to continue enhancing the product proposition for the benefit of their clients.”

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FLOOD FAREWELLED

Well-known Hamilton-based insurance adviser Ron Flood has died after a battle with leukaemia. Flood started in the life insurance industry in 1979, as a salesman for NZI Life. His very first client appointment was at 10:30am on Wednesday August 1, 1979 – the day of his son, Paul's, sixth birthday. Paul Flood later ended up joining his father's business in 2011. His passion and desire for higher standards is well-documented. During his career in the financial service industry Ron served as President of the Life Brokers Association (LBA), which subsequently merged into the New Zealand Financial Advisers

Association (NZFAA). He was a member of Financial Advice New Zealand. Ron received many industry awards, including in 2015 when he was presented with the IFA President's Award for services to the IFA and the financial services industry.

"I have been in the life insurance industry for 30 years 15 days and am proud of every second I have been a 'salesman'," he once wrote.

"My first death claim in 1981 was the result of a young lady coming into the office with her boyfriend to cancel his life policy. They wanted to save for their first house and thought the premiums he paid were slowing them reaching their goal.

"Not only did I sell them on the idea it was money well spent, the young lady took out a policy as well. Within two years this young lady died of cancer and had it not been for my sales skills, she would have had no cover in place."

Fellow adviser Nigel Tate said Flood was the sort of person who found a problem then set about finding a resolution. *"He never shied away from a challenge."* He was also an extremely keen golfer and was involved with the establishment of *"The Friday Floggers"*, a group of industry participants in the early 2000s at the Hamilton Golf Club now the largest single group of contributors to the club.

TRUSTEES EXECUTORS APPOINTS NEW CHAIRMAN

A recently appointed director has been elevated to chairman at Trustees Executors. Trustees Executors has appointed Laurence Kubiak as the new Independent chairman of its board, replacing interim chair Graeme Kirkpatrick. Kubiak joined the board as an independent director in November 2019 as the company embarked on a growth and transformation strategy. He is an accomplished business executive with extensive global experience. Kubiak is currently chief executive of the New Zealand Institute of Economic Research, and has managed and

built high-performing businesses in various sectors, including telecommunications, energy and technology.

TE chief executive and executive director Ryan Bessemer said: *"In his time on the board Laurence has developed a deep knowledge of the business, as well as demonstrating great vision and passion for our clients. On behalf of the board I congratulate him on his appointment and look forward to his ongoing contribution as chair."* Kirkpatrick will continue as a non-executive director on the board. *"I would like to thank Graeme for his valuable contribution as interim chair, and for the support he has provided. I look forward to continuing our work together as we drive the company's next stage of growth,"* Bessemer said.



ACCURO APPOINTS CHIEF EXECUTIVE

Health insurer Accuro has announced the appointment of a new chief executive. Lance Walker will replace Geoff Annals. Walker will join Accuro in June when he leaves WellingtonNZ, the Wellington Regional Economic Development Agency, where he has been chief executive for the past two years. His previous senior roles include chief executive of both Cigna Life Insurance and Loyalty NZ.

He is also currently on the board of Human Resources NZ, a director of innovation company Creative HQ, a trustee of Sport Wellington and is a past chair of the New Zealand Marketing Association.

"We are delighted to announce the appointment of such a prominent business leader as the new head of Accuro Insurance," said Accuro board chairman Tony Haycock.

"Lance is the ideal candidate to lead and inspire Accuro as we continue to break new ground on delivering the best health insurance outcomes for New Zealanders. He brings experience of leading a variety of organisations through many challenges and his previous insurance industry experience will be invaluable as we navigate Accuro to a successful post-coronavirus future."



FORMER AIA HEAD OF SALES AND DISTRIBUTION JOINS INSTANT FINANCE

Instant Finance has appointed well-known industry consultant Darrin Franks to the role of general manager marketing, strategy and development.

The firm's chief executive, Dion Jones, said the appointment came at a time when there was *"an exciting phase of transformation within the organisation, yet at a time that all businesses are finding extraordinarily challenging"*.



KIWISAVER FIRM APPOINTS INVESTMENT LEAD

National Capital, the first financial advisory firm in New Zealand to launch a digital personalised KiwiSaver advice service has announced the appointment of an investment research lead. David Anamosa contracted to National Capital for a year before being appointed in his new position at the end of March. Clive Fernandes, authorised financial adviser and director of National Capital, said: "In this role David will be instrumental in helping National Capital refine our advice model which uses principles of behavioural finance and good investment research to empower

New Zealanders to get better outcomes from their KiwiSaver investments. "David's expertise will allow us to bolster the support National Capital can provide its clients and help people do the most with their money throughout their lives. Already we cover more than 100 KiwiSaver funds in our research and with David's help, this will only increase, allowing National Capital to cover as many funds and providers as possible."



Gian Botha >



< Rick Parry

NZ FUNDS ADDS TO ITS PRIVATE WEALTH TEAM

NZ Funds has made two appointments to its private wealth team. It has added Gian Botha and Rick Parry. Botha joins as a regional business development manager after nine years at AMP as a workplace adviser and a direct sales consultant. Parry comes from Enable Me where he was a property investment coach. NZ Funds chief executive Michael Lang said the two new appointments would enable NZ Funds to manage the rapidly growing number of referrals RFAs were providing NZ Funds.

"Our large nationwide private wealth team enables advisers, who normally provide insurance, mortgage or fire and general advice, to refer clients who need comprehensive wealth management planning to us. "In line with the FMA's guidance, many RFAs can and do provide KiwiSaver class advice. However, they're coming across clients who are requesting personalised financial advice. Rather than referring these clients to a potential competitor, NZ Funds' new service enables them to pass the client on to NZ Funds." A

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Shipley has new goals to aim for

Former Newpark chairman now devoting energy to doing good with basketball.

What do insurance advisers have in common with shearers? More than you might think, former Newpark chairman Burton Shipley says.



Shipley has stood down from his role after three years in the position. He says the best thing about his time with the group – although it's been “*frustrating beyond belief*” – has been the people he's been able to work with.

“I really enjoyed my time there. I've always enjoyed brokers, insurance advisers – I love the fact that they get paid for what they do. I come from a rural background and I always used to relate – and I said this to a number of brokers – you always reminded me of the shearers. I never minded whether a shearer wanted to lean on his stand and have a smoke, you weren't paying him. You only get paid for what you do. And I think brokers are exactly the same.”

Shipley grew up on a family farm in the middle of the Canterbury plains and started his working life in farming.

“I was a mad keen basketball player and my parents indulged me to be able to play for a while. My parents' marriage broke up just after Jenny and I were married and at age 20 I got the opportunity to take on mortgages up to nose level or slightly higher and take an opportunity to run a large family farming property in Canterbury.”

He stayed farming for 20 years as now-Dame Jenny Shipley worked through local, then national politics.

When she became a Cabinet Minister in the 1990s Shipley decided he needed to find work in the city to be able to keep their relationship functioning. He moved to Wellington where he worked with Money Managers, then Westpac, ASB and Sovereign.

In 2007, he branched out into property development and became more involved in basketball. Then in 2016, Newpark founder Darren Gannon approached him about joining the group's board.

It hasn't been without its struggles. In his time as board chair, the board has seen two chief executives depart. Shipley said it was frustrating trying to work out where it was that bureaucrats wanted to take the industry as it worked through another round of regulation.

"It was hard from a governance perspective to work out what you should be doing, and how you should be doing it and how you should be moving the company forward."

"I remember saying to the FMA ... they'd told us what the penalties were going to be, what the cost of the crime was, but they hadn't actually told us what the crime was going to be."

Shipley said he had decided to step down because his international responsibilities had become much larger in basketball and he did not have the time required to devote to Newpark. He is now president of the Oceania branch of the International Basketball Federation and vice-president of the world federation. He was previously chair of the World Cup for basketball in China.

Shipley said it was going to take a "serious commitment of time" over the next couple of years to get the group and its advisers into the new regulatory environment, particularly given the delay to the start of the licensing regime. Transitional licensing will now not start until March 2021, at the earliest.

There was a risk that some advisers would expect the rules to change again before they got there and not do the work required. Shipley said some seemed to expect a repeat of the 1990s when regulation was first mooted for the industry and advisers were told that they would have to do university papers. The proposal was shelved before they had finished.

"A lot of advisers out there still think this may well still fall over but my advice would be to get on and do level five as quickly as you can."

The regulators and Government did not seem to have a grasp of what made a good adviser, he said.

"The advice I've given to people looking for advisers is to see two or three and see who you get on well with. It's the personal relationship that makes the difference."

"You've got to be able to trust one another implicitly. I don't think the bureaucracy understand that. They think having several letters after your name makes you a good adviser but in fact it just means you've passed an exam."

There was a risk that some "marginal" advice businesses would be pushed out by the changes, which seemed to run counter to the Government's aim to improve financial literacy and insurance coverage in New Zealand.

The Covid-19 outbreak was a huge opportunity for advisers, he said.

"How many clients have been doing anything? They're all sitting around wanting to have an interesting discussion about something. I think smart advisers will have been on their telephones and Skype, WeChat, WhatsApp talking to clients, re-establishing relationships and assisting some clients through some pretty tough times ... it's an opportunity and should be seen as one."

Dealer groups would have to change in the new advice world, he said.

"Darren Gannon has created a hugely successful business. Is it able to stay the same and go forward? Darren recognises it's not. That's why a number of us got involved ... dealer groups will have to change hugely. Anybody who thinks that dealer groups are going to stay the same won't be a dealer group for very long. The challenge is working out what they change to. I look around and think there are lots of opportunities for dealer groups."

Something dealer groups had done well was deliver camaraderie for advisers who were often working in an isolated way. They provided other adviser connections to call on and talk about what was happening in business, Shipley said. *"I think that's going to be really important. The thing that worries me under the new regime is the liability of dealer groups, particularly for directors. How much exposure people want to take there."*

Shipley said a lot had changed over his career in the development of products with an increasing customer focus. But he said relationships had been key throughout. It was positive that the industry had moved away from soft commissions such as international trips, he said. *"That removes any doubt about why people are suggesting particular providers. I think that needed to happen and I think it's good. There will always be things that could be done better."*

Shipley said he was now interested in pursuing the use of sport to deliver wider results. The Oceania federation office had delivered 94 projects in the Pacific in the past year, including one in Timor-Leste designed to encourage young women to play basketball – and also talk about domestic violence.

"Lots of people think family violence is bad in New Zealand but we're learners compared to Timor-Leste."

He said the programme had made a big difference to the Timor-Leste community and had been continued because of local demand.

"The difference you're able to make in people's lives is huge. That's where my enthusiasm and energy is going to be put."

Shipley, almost 68, said he had no plans to stop working.

"I think one of the mistakes the western world makes is thinking that when you reach an age you should retire. I'm not sure what happens when you're aged 65, which switch in your body is meant to go off and say 'stop work' I don't think I ever want to really retire. I enjoy having some things to do. I am not someone who can do nothing." 📌



Insurance adviser conduct obligations

Steve Wright takes a critical look at the minimum standards of competence and due care, diligence and skill and how they will affect the insurance advice world.

Many advisers are currently doing their level five qualification. This is the minimum standard of competence all financial advisers must meet in order to give financial advice (as set out by part two of the Code). Fortunately, or unfortunately, depending on your view, achieving the level five certificate is just the minimum requirement, the “ticket to the game”, it is not the end of an adviser’s learning, it is only the beginning.

In addition to the minimum standard, the law (soon to be s431L of the FMC Act) requires advisers to exercise due care, diligence and skill.



This means knowing and understanding enough about the various issues to give acceptable life and health insurance advice. In many cases the knowledge needed to properly advise clients is much greater than that which is likely to have been gained from the minimum standard.

In particular, this is true for “independent” advisers who pledge to sell their client the “best product” from a range of competing providers. By “independent” I mean advisers who are not constrained from recommending the best provider’s solution, either due to contractual reasons or any other reason (like emotional attachment or undue prejudice).



Advisers who hold themselves out as “independent” must know the competing products of the providers they can use in detail sufficient to compare and contrast the value of each product for every particular client’s circumstances and then recommend the best option objectively and without prejudice. The knowledge required is not only about every product’s important benefits and features in isolation either, it’s about how the various products and the numerous options and extensions all combine in a package that best meets the client’s risk needs, in the most efficient way.

“Our world is changing very rapidly. This means the thing you believed last year may no longer be valid, correct or accurate.”

This is why advisers should always “**check, not guess**”. It is also why the Code Standard 9 requires advisers to keep competence, knowledge and skill up-to-date. We call this CPD or continuing professional development. According to Code Standard 9, advisers must “**at least annually, plan for and progressively complete learning activities to ensure they maintain:**



- the competence knowledge and skill necessary for the financial advice they give; and



- an up-to-date understanding of the regulatory framework as it applies to them.”

The Code does not prescribe how or what CPD learning is appropriate or how much advisers need. I think this is appropriate, notwithstanding some who have called for rules and minimum hours, etc. I don’t think complication is needed. It is simple in my view: every

adviser must remain competent to do the job!

This means they must do whatever learning is needed to ensure this. How they do this is less important. What is important is that they get it done properly and they can keep evidence of what it was and of having done it. There is no shortage of ongoing learning needed either, insurance companies regularly enhance and change their products, so properly understanding these changes and the benefits and shortcomings is naturally “*compulsory*”. Laws and regulations also change from time to time, as do other things that affect your advice, like changes to social benefits and ACC.

A failure to keep up-to-date with things could mean that you give the client wrong information and advice, a likely breach of Code Standard 3 (which requires advisers to **give advice that is suitable** for that client) and section 431L of the FMC Act (failure to **exercise due care, diligence and skill**).

Once again, we can see that this is simply **doing the right thing**.

“All the skill and learning acquired should translate into better advice, happier clients and greater business success, so it makes financial sense to do it too.”

By the way, documenting your learning and CPD is also important – one day you may be required to prove to someone what you have done to stay competent.

Combined with the requirement to act with due care, diligence and skill, all this means an adviser’s recommendations should only be given after ...

“conscientious application of knowledge and skill to achieve a recommendation that on balance, is the best one for the client”.

Why does all this matter? It matters because the difference in claim

outcome can be very significant depending on the claim circumstances, the provider selected and the benefits clients ultimately receive for the premium they pay. For advisers who purport to offer advice and solutions from multiple providers, the law requires them to objectively, fairly and without prejudice, consider all the providers at their disposal so that a suitable recommendation can be made, one which gives priority to their client’s interests. For advisers who limit their provider selection, treating clients fairly requires clear explanation that their advice is limited to one or two providers (whatever it is in practice) and explaining the possible consequences, usually a possible lack of superior outcomes.

Finally, Code Standard 9 requires that: “*Entities must, at least annually, review their procedures, systems and expertise to ensure that they maintain the capabilities for the financial advice they give.*” The Code does not define what it means by “*entities*” but I’d suggest this is good practice for all advisers and advice businesses.

In the next edition of ASSET we will explore the duty to give priority to client’s interests.

In the meantime keep putting the client’s interests ahead of your own; ensure you know what you are talking about – check, don’t guess; practice direct honesty and give the client enough information to make an informed decision, do the right thing and keep learning so you can give clients great advice. 🗣️

Steve Wright has qualifications in law, economics, tax and financial planning and is General Manager Professional Development at Partners Life.

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GRTV speaks with Paul Huxford on the current fund management challenges being faced by ANZ Investments' KiwiSaver team.



How hard has it been for you as a fund manager to manage this massive KiwiSaver pool of money during such a volatile period of time?

Well, the complexity in terms of what we've seen and what is in front of us, I guess to state the obvious, has been pretty large.

The speed of the declines that we've seen in some markets is almost unprecedented. And I guess in terms of the bounce, if you think about the US equity market that's been pretty interesting.

We've kept very focused during this time in terms of directing our own research effort into the key issues that we think that we need to be thinking about. And also, taking research from

the various research providers that we pay for and other sources as well.

So a big part of that is just making sure that we're looking sufficiently far out. That we're aware of the near-term issues. And then, I guess, filtering, I guess, trying to filter out all of the noise, and trying to stay really true to our investment philosophy, and what holds us in good stead.

So I think we're doing a great job of that. So, so far so good.

Have you had to make any big changes in your portfolios?

Yes, at the end of Q3 we moved to an underweight position in terms of international equity. So we did that very, very swiftly.

We recognised what was happening globally in terms of Covid-19, but

I guess, like a lot of people the speed of that has had an impact across portfolios. And we haven't lost sight of the long term, but we continue to also focus a reasonable amount of effort on our tactical asset allocation. So we have been quite busy from that perspective as well, but both in equities and in foreign exchange and fixed income as well.

So where we are now, we're relatively neutrally positioned in equities. We're slightly underweight fixed income and carrying good levels of cash, looking for opportunities as they may arise.

To give you a sense of performance just looking at draft numbers, our conservative fund, if I look at that from last year sort of 8, 9% for the quarter, that looks like being down about 1.5%, at the moment based on draft numbers.

Clearly, you're never happy any time to see negative numbers, but I think in the context of that 8, 9% return last year, given everything that's gone on, that's probably not a bad result to have delivered.

In terms of growth ... other end of the spectrum, we were sort of 23.5, 24% last year, that looks like being down about 15% over the last three months.

So I guess importantly, from our perspective, all of the funds have, by and large done what they said on the tin.

And I think, some of the benefits of our long-term perspective, our focus on quality, simplicity and transparency in terms of our investment style, particularly in the fixed income space, is coming through quite strongly. The way in which we view fixed income, it's the shock absorber and you don't want your fixed income assets being devalued significantly during these times of market dislocation.

And our focus on holding quality fixed income assets, I think, is really coming to the fore at the moment which we are pleased about.

Was there ever a light bulb moment that this was suddenly going to hit the markets ... for you guys?

Well, I guess there's been lots of light bulb moments. It seems it's been absolutely fast forward over the last period of time.

And the way in which we've talked about it to some of our younger team members is that the GFC was very, very different. It was quite slow moving. It was financial ... started with a financial leverage problem. This was a direct hit to consumption, but really the speed has meant there has been many, many light bulb moments, I guess, as we've gone along.

A lot of the younger investment team members would have never seen anything like this, so it would be a reasonable fright to them?

Yeah, we're fortunate in that we have good diversity of thought. We've got a lot of older heads around. I think if you add it up, there's the better part of 400 years of experience. So we have got tons of people that have seen this cycle before.

So that's ... I feel good, feel really good about that. And then a good mix of people across all age levels, but look it's a fast forward learning experience for our younger grads and staff.

You mentioned before this is different from the GFC in the fact that it came down really fast, the GFC was more gradual. Do you see this reversing quickly?

Look, I'd say bear markets don't end in a month, so we've seen a good bounce in recent days. And I think that may reflect the really positive news around cases peaking around the world.

So that's going on. So I think people will take heart from that. And I guess the big question is how do we get ourselves out of this, and what does the recovery look like? Will there be second wave issues, all of that, all of that complexity?

Do we see this nasty relationship between labour and demand spiral in the future or have central banks and central governments done enough. So there's plenty ... there's a whole heap questions around that.

Lots of people are looking at China, yeah production is coming back, but we have yet to see the consumer comeback there. And there's a real catch-22 here as well because as the consumer gets out and about, that may well coincide with a second wave.

So there are many, many issues that we are devoting a lot of time to really trying to understand how this pans out, both in the short term, but longer term as well. Because depending on your longer term view, you may think that there's a heap of value there already.

But one of the key things for us is that you should always ... make sure that you size your positioning to the level of conviction that you have.

I think it's fair to say that there's a pretty decent amount of complexity out there at the moment. And that's how we see it at the moment and why we're carrying a bit more cash.

So it's got to be an environment which really benefits the value approach to investing, has it?

Well, I would more say quality, I think. If you're talking about value it has underperformed growth, internationally, quite significantly over the last little while.

Maybe that's become a little extreme, and you can see that in the performance of our international managers. And there's quite a divergence there between Franklin Templeton who's more sort-of growthy and LSV who's more the value manager. So I'm sure at some point that may reverse out, but we're happy with that diversified style of those managers at the moment. That suits us well over a long period of time.

In your investment career, how does this sit in terms of difficulty?

I guess they're all difficult ... I've been around for a while, for too long. I'm in my early 50s, so I've seen a lot. I would say that it's up there with the GFC. We learned a lot, people learned a lot out of it.

But I think the key thing is that it's always different, and it's a matter of taking what you think is appropriate in terms of lessons or what's likely to happen. But continuing to challenge yourself, that it will be different this time, and have we thought about it the right way?

So there is no, I guess, there's no absolute playbook because it's always different. And like you said, it's what keeps it interesting.


Have you had any sleepless nights?

Yeah, quite a few. Yeah, quite a few. There's a number of us up at all hours. That's just what we do.

We take the responsibility and the privilege of managing a large amount of money for many New Zealanders very, very seriously, so the teams and myself don't mind. That sacrifice is just part of what we do.

Oh, absolutely. And you know, there's been a really good run for what ... 10 years now? So something had to happen soon. Tell me, for KiwiSaver members, is there any sort of tips or things you'd like to say to them about how they should be thinking about it at the moment?

Look, I think the key thing is people being comfortable that they're in the right fund, and looking at that.

We tend to look long term in terms of what we do. And you're always trying to look sufficiently down the track because there are points in time where the market doesn't price things properly, and that can lead to good opportunities. 

To watch the full interview, download an audio podcast or to read the full transcript, visit:

goodreturns.co.nz/grtv

The long and short of it

Long-short funds are becoming more popular with Kiwi investors, especially as markets have become more volatile – but what exactly are they, and how do they work?

What is a long-short fund?

Traditional equity funds typically measure risk against a reference portfolio or index. The portfolio outcomes are then framed in terms of the overweights and underweights relative to the index weight, with the degree of over and underweight sizes reflecting the risk budget and alpha targets of the fund. However, a fund manager may, as an outcome of this, still hold a position in a company which they may not necessarily like for risk management purposes, especially if it is a large capitalisation company which has a large index position. The minimum position that can be held is zero.

A long-short fund however can capture and emphasise not only the best ideas of a manager, but also express more meaningfully, through short positions, the companies that they believe will underperform and go down in value. The objective when shorting a company is that you profit when you buy back the short position at a lower share price than what you sold it at.

There can be different types of long-short strategies. There are several ways that they can be differentiated, including market geography, sector or investment philosophy. There are also varying degrees of gross and net exposures and, in some cases, the use of leverage to magnify positions and exposures.

We believe we may now be in an environment where markets are likely to be more volatile with return expectations lower than they have been in the past, providing a fruitful opportunity set for long-short funds to provide superior returns with the benefit of lower volatility

S&P Rolling 12 Mo. Return	Number of Periods	S&P 500 Avg Return	Equity L/S Avg Return	Differential for Equity L/S
>=30%	30	36.90%	25.40%	-11.50%
20% to 30%	58	24.10%	18.30%	-5.80%
10% to 20%	91	15.20%	12.10%	-3.10%
0% to 10%	55	5.80%	4.70%	-1.10%
0% to -10%	16	-4.80%	2.00%	6.80%
-10% to -20%	19	-14.40%	-1.60%	12.80%
<=20%	20	-29.10%	-13.40%	15.70%
Full period	289	11.40%	10.10%	-1.20%

Source: Calamos Investments using data from Morningstar and www.hedgefundresearch.com

What are the benefits to long-short funds?

The ability to short companies can give the manager a larger investment universe to express their ideas. Secondly, long-short funds tend to have a lower correlation to equity markets with the shorts and the cash in the portfolio which is generated from the short sales providing an offset to gross market exposures.

A long-short fund's sweet spot is illustrated below showing, with evidence from the US market and funds where overall market returns are within the -10% to +10% range, when long-short funds tend to outperform. If markets are trending, like they have for the last 11 years, long-short funds would tend to underperform traditional long-only cap-weighted funds.

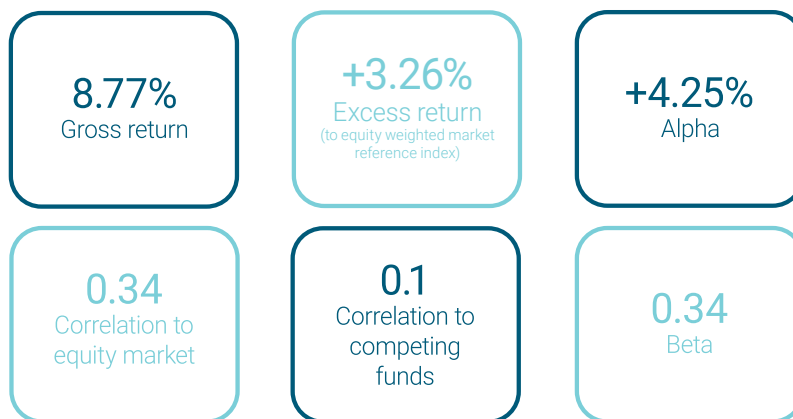
We believe we may now be in an environment where markets are likely to be more volatile with return expectations lower than they have been in the past, providing a fruitful opportunity set for long-short funds to provide superior returns with the benefit of lower volatility for investors.

How do you pick your longs and shorts?

The Harbour equity team has been managing traditional long-only equity portfolios as a team since 2000. Over this time the team has proven efficacy in identifying not only companies which have outperformed the market, but also highlighted many companies which are to be avoided. Our research process combines the talents of Harbour analysts researching the companies under their coverage, alongside quantitative factors that fit our overall growth bias.

At a high level, we are attracted to companies that are exposed to or possess several key features:

- **Strategic market position and megatrend tailwinds.**
- **Large addressable markets.**
- **Great business model with increasing returns to scale.**
- **Strong leadership.**
- **Strong environmental, social and governance (ESG) values.**
- **Positively viewed by Harbour analysts on fundamental data.**



Harbour Long Short Fund: Performance Stats 12 mths to February 29, 2020

The Harbour Long Short Fund has been developed using this same process, investing in those great growth companies on the long side, but at the same time using the same output to express on the short side those businesses where we think there are poor fundamentals.

In addition to the growth indicators that we typically use, this fund also considers yield and value factors to partially neutralise style biases that can work against performance in a long-short fund for prolonged periods of time. We moderate style-factor risk in this fund as part of a low-volatility objective.

The Harbour Long Short Fund is different to others in the market.

- **The fund is unleveraged.**
- **High conviction focus. Generally 40 stocks total, eg 25 long and 15 short positions.**
- **Long-term target of 30% net equity exposure; 60% long and 30% short.**
- **Attractive risk characteristics with 3% realised volatility for the 2019 calendar year.**
- **4.5%-5% expected long-term volatility.**
- **Proven investment process and experienced team with long track record.**

The Harbour Long Short Fund has a long-term target of being 60% long and 30% short, with a net equity exposure of 30%. We have found this to be an optimal long-term asset allocation to minimise volatility and achieve the best possible risk-adjusted return.

In practice, the expected volatility has, since inception of the fund, been between 4% and 5.7%. Contrast this with the S&P/NZX 50 index over the same period having ranged between 9.5% to 21% (and 22% currently).

By design, the volatility in this fund is significantly lower than that of the equity market. This provides downside protection in times of equity market losses.

For instance, in March 2020, one of the worst drawdowns in a single month on record, the Harbour Long Short Fund was down 2.2% (gross) when the S&P/NZX 50 index was down 12.8%, and still delivered a positive return to investors for the year to March 2020.


Similarly, the fund provides access to capital gains and inflation-protection by having a positive net equity exposure. Whilst the fund is unlikely to generate returns like that of a bull equity market, it is expected to generate moderated equity-like returns through the cycle at significantly lower risk than that of pure equity funds.

This combination of downside protection, low volatility and exposure to equity upside should make it an attractive option for those seeking to dial down the risk of an otherwise diversified portfolio.

It is a genuinely alternative asset focused on long-term capital growth at moderate levels of risk.

Where do long-short funds fit in a portfolio?

Every client is different, as are their investment goals. Harbour's Long Short Fund can provide some key benefits for investors.

- **Equity exposure with lower volatility; for those more risk-averse who still wish to hold equities.**
- **Downside protection to markets, but still having exposure to the upside.**
- **Access to Harbour's very long-term proven idea generation on both the long and short side.**
- **Strong risk management framework and risk analysis of return and risk sources.** 

This does not constitute advice to any person.

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**Financial
services feels
the Covid-19 heat**

**But industry may emerge in better shape
than many, commentators say.**

Financial services businesses aren't immune from the financial pain caused by Covid-19 disruption, but should pick up lessons from the lockdown that put them in better shape in future, industry players say.

The New Zealand economy has suffered a serious blow as a result of the outbreak of the pandemic, and the resulting measures to battle it in New Zealand and abroad.

While financial services – insurers, banks and other product providers – were classed an essential service and allowed to operate during the level four lockdown, advisers were not. They were, however, told by the Financial Markets Authority that they should be able to continue to operate online and on the phone, from home offices, to help their clients get through.

Advisers have seen their workloads increase as clients sought help and reassurance, but much of the work has not generated revenue. Sometimes it's even netted them less money – such as navigating premium holidays that some insurers are offering to give clients a financial break.

Some financial advisers have recognised that they will face a drop in revenue of at least 30% as a result of the Covid-19 outbreak and have claimed the wage subsidy on offer from the Government. This is not unique to financial services – almost \$10 billion has been paid out across the economy to businesses facing a struggle.

Among the insurance and investment advice businesses who have claimed, Stewart Financial Group and Rival Wealth each claimed just over \$100,000 for 15 employees, Astute Investments and Financial Planning just under \$30,000, Advice Plus and Insurance Base \$42,000, Imak Advice \$84,355, Core Advice \$14,429, Haven Financial Advisers \$84,355 and Eureka Financial \$28,118.

Financial Advice New Zealand chief executive Katrina Shanks said it was a "wait and watch" scenario for most advisers.



Katrina Shanks

They had to monitor what insurers and banks offered as assistance to clients in financial hardship, what impact the shift in lockdown levels had on people's jobs and income over time, and what would happen with existing clients who determined that insurance or investments were not a priority for them in more constrained circumstances. Advisers were finding it difficult to write new insurance business even when there was demand, she said, because things such as medical clearance were harder to get.

But there did not seem to have been significant demand from financial services for the subsidy yet, she said, compared to other, more deeply affected sectors. "People are just watching to see what's going to happen ...

"There's certainly a lot of nervous advisers out there."

Katrina Shanks

"As in every sector, nervousness that this is going to impact on the business and the stability of the business in future."

She said some advisers would reassess their businesses and whether they were sustainable in a new environment that also included licensing around the corner. "Everybody has to make that decision themselves."

Financial Advice New Zealand's peer support programme was intended to

help, she said. "The key is not to panic. Seek advice for your business or from another adviser, talk through your options."

The important role for advisers would be to reassure clients about their options – whether that was helping them to understand how they could keep some insurance cover in place on a tighter budget or understand how their investments were moving. "This is the time when we can show the value of being financial advisers, build trust relationships even further ... they should be really busy engaging with clients, talking to them about what the options are and listening to what they've got to say."

Dean Logan, of Logan Smythe and Associates, told a recent Financial Advice NZ webinar, on managing a business through the Covid-19 outbreak, that the difficulty for advisers was knowing when the recovery would come. A successful lockdown would lead to a strong domestic economy eventually but adviser businesses had to get there and survive through the current period. "The goal posts keep moving ... it's all about sustainability plans and preservation."

But he said advisers could use the skillsets they had developed through their careers to forecast and plan. The opportunity ahead of them was to focus on continued CPD and education, he said. The last couple of weeks had been a wake-up call to catch up with technology.

"You can't focus on what you can't control ... there is a lot of support out there, the key is to put up your hand and ask a question."

Tim Fairbrother, founder of Rival Wealth, said his business already had a continuity plan in place which it had now called upon. He said planning was easier to do before the markets started to fall than when a problem hit and emotions were strained.

"We've been happy to have that piece of paper to help us through that."

He said while the business had not yet experienced any clawbacks, it had resources to cover it if that was to occur and had tried to time payments going in and out to create efficiencies.

"Small things can make a difference ... The stuff we did before this event, we felt pretty prepared."

Investment and KiwiSaver cash flows were going to be down in April, he said, and new business was hard to come by. He had gone through the Rival bank statements to work out what could be cut from spending. "What I found was



Tim Fairbrother

that in variable costs there was only about \$1,000 a month I could cut out from leaving the office. Our biggest cost is the wages, that's 63% of the cost base."

Staff had been asked to take a small reduction in hours, he said. "Not big, we're still very, very busy."

Fairbrother expected a resurgence in the coming months as pent-up demand drove people to spend, then a tough couple of years. "For our business, we're trying to focus on our culture and trying to reassure our teams. They look to us as business owners and managers for guidance making sure things are going to be okay."

Groups adjusting

Questions were already being asked about how dealer groups would show their value in the new regime. The Covid-19 outbreak is expected to put further pressure on some. But how the groups are affected will depend to some extent on their structure. Kepa has claimed \$60,436 for its nine employees. MySolutions has been paid \$32,318. Foxplan has claimed more than \$110,000 for 16 employees. Mortgage Link New Zealand

claimed \$28,000, Mortgage Link Otago \$60,426 and Mortgage Link Hawke's Bay \$32,318. Newpark has claimed \$28,118 for four employees.

Tony Dench, chief executive of Share said his group had adjusted well. "Most of Share is now used to working away from the office, maybe not to this degree but they were certainly well set up for it."

He said advisers were being encouraged to get in touch with clients and check in with them regularly. They had embraced virtual meetings and Zoom calls, which helped to keep business going as well as it could, he said.

Dench said Share was having conversations at board level and across the industry and offshore that gave him confidence that it would be possible to get through in a solid position.

He said while new business and initial commissions were hard to come by there was other work that advisers could do. Renewal commission should hold up well if employment levels stayed within the forecast ranges.

But that drop in initial income would be what would drive insurance advisers and groups to seek the subsidy he said. "But even that is only for 12 weeks at this stage. This thing is going to last an awful lot longer than that."

Dench said he was taking an optimistic but realistic approach and expected things to be difficult economically for the next year.

He said he hoped no advisers would leave the industry.

"If we end up with unemployment up to 10% or 11% the flipside of that is that 90% are still in jobs and will carry on and require the protection that insurance can provide. That's an opportunity for advisers to keep going."

Tony Dench

"The value of an advice business is deeply rooted in the relationships it has with clients and there's no better time to build and promote those relationships than right now."

At Lifetime, Peter Cave said the business had made a significant investment in technology 18 months ago and had no trouble transitioning to a work-at-home environment. He said

Lifetime's March numbers were not particularly affected by Covid but there would be an impact on the investment side in future and insurance new business was slowing. "But we're not going to get near a 30% drop." He said only a small number of insurance clients had so far opted for premium holidays.

Planning clients had all been coached to have three months' of emergency reserves built up. "We had a spike in calls in the first couple of days but we're now back down to 25 inbound calls a day, it's business as usual, nothing new in that space. But we're proactively going out and triggering those conversations."

It was a good opportunity to engage with clients, he said, and advisers were calling a combined 300 or 400 a day. "We are lucky to have a large, diversified client base, from retired people living off a nest egg to young people out of university."

The business also had a range of revenue streams, so while mortgages might be down, investment would continue or insurance could pick up slack.

Managers watching markets

Fund managers have also been affected, but less than some had originally feared. Mint Asset



Peter Cave

Management blamed a share market fall for affecting its fee revenue when it claimed just over \$91,000 in wage subsidy. Pathfinder also claimed just over \$49,000 but is understood to plan to pay that back as it has not experienced the 30% revenue drop required.

Elevation Capital Management claimed \$18,259.

John Berry, chief executive of Pathfinder Asset Management, said there had not been the drop in KiwiSaver business that the industry might have expected. The third week of the level four lockdown was the biggest it had had for people joining CareSaver.

He said while previously it had built its business through face-to-face communication and talking to businesses and at conferences, it had to switch to online marketing instead.

"That seems to have worked fine."

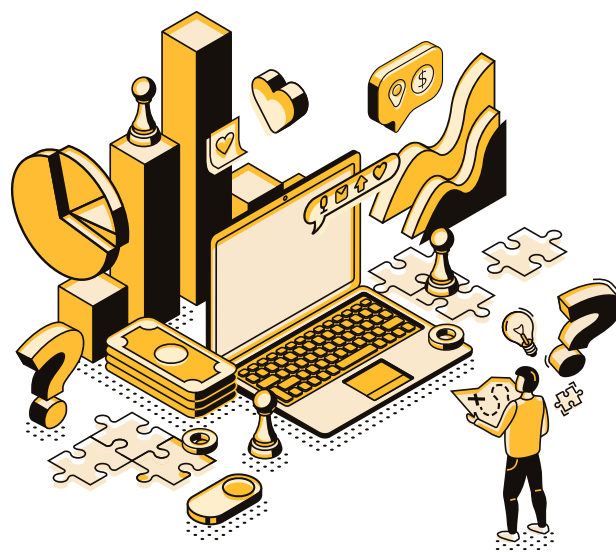
"I'm surprisingly positive. If you think back to March when the US market was melting down and New Zealand was moving to level four there was so much uncertainty, the world felt like a grim place but people are more optimistic about New Zealand now. There is going to be damage to the economy and job losses ... but I get a sense that New Zealand may be in a better place through acting swiftly."

Berry said some advisers managing client portfolios seemed to be making adjustments to move with the Covid-19 investment landscape but they were not making wholesale changes.

In February, Pathfinder had started thinking about what the impact of Covid-19 could be globally, he said. CareSaver already excluded fossil fuels which gave it a "massive tail wind" through the disruption, he said. Funds with significant exposure to airlines and hotels had suffered more.

"There has been research in the past that high ESG companies are more resilient in market downturns."

Morningstar has released data showing that on average, KiwiSaver conservative funds were down 2.98%



in March, balanced down 8%, growth down 10.56% and aggressive down 11.91%. Over the three months to the end of March, conservative funds were down 2.12%, balanced 8.95%, growth 12.39% and aggressive 14.86%.

ANZ's conservative fund fell 1.7% in the first quarter, Milford's 3.9% and Booster's 2.3%. At the same time, CareSaver returned a positive 1.8%. In balanced funds, CareSaver lost 3.6% compared to 7.4% for Fisher Funds, 8.6% for ANZ and 10% for Milford. Booster outperformed the balanced fund average by 2.9% and the growth fund average by 2.7%. Simplicity outperformed the average in each of the three main risk groups.

Some businesses that were heavily online would survive better and take less time to come back, Berry said.

"When you're looking at the IMF saying it's the biggest downturn since the 1930s and a decade of job growth in the US has been wiped out in a month what is going to be changed?"

Berry said managers had to expect the growth seen in recent decades would not be possible in the immediate future. "It will come back but the question is when?"

Pathfinder would focus on investing in high-end, quality stocks, he said, with strong balance sheets and access to capital if it was needed.

Berry said investors in CareSaver had benefited from its funds' active approach to investing, their ability to respond quickly to market developments and their focus on companies with strong environmental, social and governance (ESG) credentials.



"Investors trust their manager to look after their retirement savings. Managing investments in a bull market is easy, but bear markets sort out the good managers from the bad. We are delighted with our performance given the very testing conditions we have faced."

At Harbour Asset Management, managing director Andrew Bascand said his firm had increased investment in healthcare, consumer staples and materials and had decreased exposure to consumer discretionary spending, information technology and communication services.

"Subsequent to then, we have been active in recapitalisation of several companies – lessons from the global financial crisis show recapitalisations of good companies at times of stress generally provide good returns over the medium term."

Bascand said while the business would normally deal with one capital raising a month, it was now dealing with more than one a week. Staff were extremely busy, he said. *"We have trebled our communication with our clients."*

He said the experience from the global financial crisis was that financial services providers who stepped up boosted their relationships with their clients.

But he said this was different to the global financial crisis in part because of the impact of KiwiSaver, which was now significant and growing with regular savings.

Advisers had also had significant training over the past 10 years to

help clients understand long-term investing and rebalancing were good things to be encouraged no matter what the market was doing.

"It's not a financial crisis, not a housing crisis or a share market crisis. This is a shock like an earthquake or a hurricane ... people who've been through four or five financial crises think this is a financial crisis but it's not."

He said while it would be unpleasant, data showed that there was usually a recovery to a better state than before within three years of a crisis.

Bascand said he expected to see more consolidation of adviser businesses in future, and adoption of IT and online platforms. Younger people would come through the crisis particularly well, he said because they were used to coping with an online environment.

Dench said he expected that some businesses would come out the other side in better shape as they developed more efficient business practices.

"There's a lot of discussion around kindness and looking out for each other. If the industry can all do that we can see our way through."

Cave said the experience had forced a lot of advisers to come to terms with using technology for their businesses. They now realised that it could be adapted to their business models and would emerge with a different view of the world, he said.

He said advisers had a chance to contact clients who might have time on their hands to talk more than they would normally. Advisers could have a conversation that was not about selling a product, he said. *"It's the perfect tsunami for us. It won't blow over too quickly, it's going to be a long economic recovery process."*

Shanks said recovery could take some time. *"But it will recover and come back and you have to be in a place to make the most of it when it does."* ▲



Andrew Bascand



SEARCHING FOR FUTURE QUALITY IN UNPRECEDENTED TIMES

Portfolio manager, Iain Fulton, shares his insights on what's happening in the market during these uncertain times, what the team are doing with their research effort, how companies can adapt to the current demands and how looking after stakeholders can pay off in the long term.

Nikko Asset Management's global equity team has an investment philosophy that's centred on the search for future quality in a company. They define future quality companies as those that can attain and sustain high cash returns on investment.

What's happening in the market?

We believe that this is the sharpest and fastest contraction in economic activity that we have seen since the second world war. These are unprecedented times, there's never been a time where whole industries have just stopped with a zero revenue situation. Companies that appeared to be defensive prior to the Covid-19 outbreak have turned out to be anything but defensive. Dividends are disappearing and equity capital raising, as we have seen already, has become the norm due to balance sheets becoming increasingly pressured in many industries. There is some good news however, investors understand what's happening and markets are moving ahead of the sales side estimates and discounting a lot of these scenarios very quickly.

Another positive is the extent of the fiscal support and monetary stimulus that has come in to assist companies, their employees and the markets.

Throughout these turbulent times our team remain focused on the four key pillars of future quality.

How we see the world differently

The four pillars of future quality



Focus on valuation

With the anticipation of more bad news coming and the very sharp fall that we've seen in markets, the valuation spread, the gap between the most expensive stock and the cheapest stock, has become extraordinarily wide. There's only two other times that it has been this wide, during the GFC and the great depression.

If credit spreads can continue to improve then the market won't worry about new bad news on the earnings front, bad would become good and the value rally that people are looking for would come into play. But there are a lot of "ifs" for this scenario to play out, especially the many unpredictable Covid-19 variables, such as new case numbers, death rates, virus stabilisation and when we will actually return to some level of normal activity. At this time there is a huge range of potential outcomes, so our focus and approach is to stick to the facts around wide valuation spreads, the scale of the fiscal and monetary stimulus and how it can be put to good use, not just for public companies but also the many smaller private companies that make up the economy and many supply chains that serve our public companies. We will need a certain set of circumstances from the policy side, the virus outcome and a return to normal economic activity for that value to be realised.

Better quality balance sheets

We're looking for quality businesses to own and invest in. Those that can sustain that quality into the future and earn higher returns on capital not just for today, but for the long term.

A company's balance sheet, today more than ever, is going to dictate the company's strategy. If a company is in a zero revenue situation and has a compromised balance sheet, that will dictate the strategy that the business follows. So our focus is on companies with better quality balance sheets, companies that are self-financing and are appropriately financed with a lower level of debt than the average business. Better quality balance sheets lend the company's management teams a lot more choice and flexibility in the strategic actions they are going to take. That's critical in sustaining the franchise quality of the business through these difficult periods and then positioning to recover and come out on the other side with a quality business.

The importance of stakeholders

Companies should not only be servicing shareholders, we think they also need to look after their stakeholders. It's important to retain suppliers and employees so that they will be there in the future. Companies also need to work with government and regulators and potentially put assets to work into supporting relief efforts, whether it's manufacturing ventilators or face masks or something else, if a company has a strong enough balance sheet then they should be in a flexible position to retain labour and support the supply chain. This will mean a company can go back to full capacity quickly without losing those vital stakeholders and that in turn will be good for shareholders. These companies will emerge with a better quality franchise in the future. So again the strength in the balance sheet is permitting these businesses to do the right thing. **A**



I am Iain Fulton, Portfolio Manager. Our Edinburgh-based Global Equity team is driven by a passion for uncovering Future Quality companies that attain and sustain high returns on invested capital. With more than 110 years of collective investment experience, we can identify opportunities for your portfolio that others miss.

Together we are **nikko am**



**Find out more
about the team
and what we can
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Nikko Asset Management

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Dealer groups face uncertain future

Everything is changing – but even more so for dealer groups who now must determine how they can charge members for their services.

Dealer groups are being told they will have to change the way they operate if they want to continue to be relevant in the new advice regime.

Many groups are pondering their future as the advice industry moves towards a now-extended deadline of March next year for the new licensing regime to start.

Some groups are taking licences for their members, others are coaching members through the process for their own – but there's a warning that a more fundamental question for them to address might be whether they can continue to exist at all.

Groups that take override commissions – a percentage of their members' business – from insurers are particularly in jeopardy. Regulators have signalled a desire to stamp out commission payments tied to the volume of business done with a certain insurer. The FMA has said that it creates an incentive to sell a particular product as certain targets with each insurer are reached.

Insurers have taken note of the regulatory discomfort. AIA introduced a new AIA Living commission structure last year without any production or volume-related bonuses. Asteron Life also removed its production bonus.

Partners Life has gone a step further this year and will stop paying override commission to groups.

It said that, as part of its process to show regulators that commission could be used to incentivise good behaviour, not bad, the commission components previously paid to groups would now be on offer for advisers who showed they were performing against its customer outcomes matrix. The same amount of money would

be paid in commission, but the mix of who it was paid to could be different. That's left groups who rely on that income increasingly reassessing their future.

Licensing

Melanie Purdey, former chief executive of Newpark, said licensing offered groups an opportunity.

They could give advisers who did not want to run their own licensed businesses a chance to focus on what they did best.

If the groups took on a licence for advisers to work under, the group could handle the compliance and systems required to operate in the new environment, leaving advisers to tend to their patients – the clients. But to get there would take work, she said, and a new approach for many groups.

Tony Dench, chief executive of Share, said how dealer groups evolved would depend on how they negotiated licensing.

Share will take a licence for its members, as would other groups. But some were encouraging advisers to take their own. "That's going to have an impact on where support payments go."

He said there had been an indication from providers that support payments would go to the licence-holder. "That makes sense because it's where the risk and responsibility is."

Dealer groups who are licence-holders for their members will have a responsibility to ensure their

advisers are meeting the regulatory requirements and could face penalties if they are not.

Dench said if that changed and more providers indicated that money would go to the advisers rather than licensees that would mean that members would increasingly have to pay for the services a group provided.

"There's a bit of wait and see exactly how that operates. If the money goes wherever the risk and responsibility lies that's the right approach."

Tony Dench

Bernie McCrea, chairman of the Newpark board, said the group would have two parts for some time to come – the dealer group and the licensed financial advice provider.

He said commission changes would have an effect but the group would move with them. "The rules of the game are those for some suppliers, and there are different rules for others ... they set the rules, it's their business and they can choose what they want to do."

He said the old model of override money coming in, expenses being paid and the rest being distributed had passed.

Running a dealer group was increasingly expensive, he said. Bills would run into six figures to get the operation off the ground, he said.

Newpark already has a fee-paying model for mortgage advisers and McCrea said it would work out whether it offered that to other advisers, or looked at profit sharing, a common shareholding or dividend structure.

Graham Hill, executive manager of distribution at Asteron Life, said it was still working through some of the mechanics of its commission structures.

There would still be payments made to dealer groups but they would be based around the services provided to advisers, such as compliance or training.



Tony Dench



Melanie Purdey

"Any organisation needs to adapt or change and needs to do that to survive. What we have seen in New Zealand is that is occurring. Groups have moved away from being the aggregator to providing valuable services."

He expected to see most groups as licence-holders in the new regime, with a couple existing solely as service providers.

Time to step up

Purdey said some dealer groups currently did not have as much of an expectation on them from product providers as there probably should have been, given the levels of support they were resourced to provide.

They would soon need to show they were investing their money into advisers – with services, processes or tools and systems to help them

into the future, she said, to justify the amounts they received.

With the option to be paid extra commission directly rather than overrides, advisers who did not see their group providing value might decide to do it themselves, she said, finding their own insurances and processes and systems.

She said more would ask: "If I'm writing \$100,000 a year with Partners Life and \$30,000 is going to the dealer group, am I getting \$30,000 of value?"

Many dealer groups were not doing enough at the moment to invest back into adviser businesses, she said.

" With my compliance hat on, understanding what it takes to operate as a QFE or FAP, I don't think it's well understood.

Some dealer groups are more evolved in their thinking than others. There's still a considerable way to go. "

Melanie Purdey

Naomi Ballantyne, managing director of Partners Life, said it was not up to insurers to decide whether dealer groups added value.

It would be for advisers to work out whether they could do better for themselves on their own than they could while they gave their money to a group, she said. *"For some it's a collegial thing, they're a group of independent advisers who are fiercely independent but they get to hang out together and believe there is no influence from the product providers. That might have value ... like in the legal fraternity or accounting. It comes down to how much you are willing to pay?"*

Former Fidelity Life chief executive Milton Jennings said he did not think insurance companies should fund adviser groups into the future.

"The actual adviser should be funding them. That should be the model. If you are adding value, the adviser should pay."

Jennings said he had long felt that overrides promote the wrong sort of relationship with groups. *"I certainly think there's a role for them going forward but they have got to get the right structure."*

He said, while Partners Life had benefited from the support of groups in the past, it was right to shift away from that. *"They should be paying for the service they receive."*

Adviser Tim Fairbrother, founder of Rival Wealth, agreed there would be more focus on what was delivered. *"The dealer group will need to provide value for the margin they are taking, and this will be different depending on the maturity and size of the business. Most will move to a user pays model where transparency in the proposition becomes paramount."*

Regan Thomas agreed.

"The combination of increased compliance requirements, duties and obligations, and the need for efficiency in our businesses, along with increasing pressure on dealer groups to provide greater transparency around commission structures and costs means the game is changing."

"An observation I made when I was considering joining a group or going it alone was that the overrides and/

or commission splits were opaque. It seemed that for day to day operations – contacting clients, delivering advice, processing applications, keeping records – all that stuff was pretty much left to the adviser on the ground.

"For me support means more than telling – it involves doing. I don't just want templates and manuals, flowcharts and checklists. That's just a list of things for me to do. And I don't just want access to a CRM – that's an admin job that I still need to take care of as well. I wanted my CRM to be an essential tool, not an expensive address book."

He said he had considered hiring a PA.

"That would be better because either A) they would do the stuff I was meant to, or B) they could do the stuff I shouldn't be doing. Ideally both. But it's expensive. For me the definitions of value and support changed some years ago. I think more and more advisers over the period leading to, and soon after, the start of the new regime may come to similar conclusions – in fact in the post-Covid economy that may accelerate."

"I wanted a system, workflow and specific deliverables – tangible things that make a business work. And someone to either do them, or help me do them, or to automate them."

"Because of that, I don't consider the group I am with to be a dealer group. I got a set of systems and automations, compliance advice, a CRM and a

virtual PA to run it all, all in one. I got a business partner. That's what I call support. I know exactly how much I'm paying, and what I'm getting for the fees/use of overrides. That's what I call value."

Hill said Asteron Life was "absolutely committed" to the independent financial adviser market and it made sense for those businesspeople to be aligned to a group. "There's scale with the groups. They can provide a range of services that a small operator might not be able to access on their own."

"[We are] looking at the relationship with dealer groups as a partnership. This is all about running a compliant business so you ultimately end up with better outcomes for consumers."

Graham Hill

New look

Purdey said an old-fashioned model of dealer groups headed "by the guy with the most friends on Facebook" was finished.

"It has got to be more than a personality. You have to deliver something that's best of breed – that offers value. The model will be very

different. We'll see very different players in the market in two or three years' time."

Ballantyne said groups that had functioned by bringing brokers together, offering cash back as an incentive to join and "pocketing the rest" would not be able to continue.

New Zealand would move to more of an Australian model, she said, where it was clear at the outset what membership would cost and what would be delivered in return.

Dealer groups would need to run as a business, she said, showing what value they provided for the money they received, and with some competition around that. "As opposite to a gang of friends ... a dealer group has to be a business that sells product to a customer in the same way as every other business. Sells something that people want and are willing to pay for."

That would be a different skillset for many, she said. Some would be able to do it and others would struggle.

So far there had been a lot of discussion about what groups could offer.

"The proof is in the pudding. Saying you do something is different from whether advisers are prepared to pay for what you say you do." ④

Naomi Ballantyne



Choice and efficiency underpins group's FAP strategy



Mortgage and Insurance Link re-affirms its licensing model and adds an in-house administration and compliance support service to its adviser services.

"We made the decision to establish a Mortgage and Insurance Link FAP and also provide for advisers who chose to set-up their own FAP when the concept of licensing was announced some two years ago," says Managing Director of the Group, Josh Bronkhorst. "Right from the start, we wanted to be able to provide robust and comprehensive support, but also flexibility and choice for advisers of various business models."

Over 80% of the 120 plus adviser partners the group currently supports have signed up to operate under the Link FAP in the new regulatory regime.

"Initially we encouraged advisers to set up their own FAP. But, with what we know about the additional compliance and administration requirements of the new regulatory regime, we believe that many advisers will look to stay with or join a group that offers them: reliable systems; processes and support; keeps them safe; helps them find and keep new clients; maximises the time they spend advising; and helps them grow their businesses. We're taking the necessary steps to support this need in the adviser community – we've always opted for quality as a group and the time is right now to gear up for growth."

Responding to what advisers need

"These past few weeks have been extremely challenging for everyone, but they have also highlighted how vital it is for advisers to have the right structures in place – for business growth and success, regulatory requirements, and the age-old pursuit of freeing up or maximising time for providing quality advice," says Bronkhorst.

"Our model provides options for advisers to work under our FAP or their own FAP; to join our brand or to aggregate through our group under their own brand. We've also ensured we can provide options in the CRM space: In addition to Advice Link, our bespoke mortgage and insurance CRM developed over the past three years, advisers under our group can also choose to use Trail (for mortgage and insurance) or Xplan (for insurance)."

Bronkhorst noted that many of the group's larger adviser businesses had their own administration staff. However, to help smaller adviser businesses, single advisers who do not have administration resources, or those who will need more support in the new regulatory environment, the group has developed a new Administration and Compliance Support Service.

"With regulatory change, and of course the impact of Covid-19, a lot of advisers will be reviewing what's working in their business and what could do with a rethink. Freeing-up valuable time for advice and becoming more efficient is a big item on many agendas," says Bronkhorst.

The new Administration and Compliance Support Service is a comprehensive service for mortgage and insurance adviser businesses, offering data capturing, data management, appointment booking, application processing, claims support, compliance support and more.

"We explored offshore admin options

but decided to employ local and keep it in-house," said Bronkhorst. "Our new Administration and Compliance Support Service is designed to put time back into an adviser's day and to lift efficiencies in adviser businesses," says Bronkhorst. "All of our advisers will also automatically have access to our recently launched Professional Development and Learning Platform."

Bringing the brands together

2020 is also the year that the group has elected to bring the brands together under one Mortgage and Insurance Link brand.

"The Mortgage Link brand was born in 1991 and has continued to evolve. Insurance Link was launched in 2016 and was intentionally developed as a separate brand with its own character," says Bronkhorst. "But as the needs of our advisers evolved, we recognised the value of bringing our two brands together. We're looking forward to this exciting new chapter for our group and adviser partners."

"We've always believed that knowing and understanding our adviser partner businesses is critical to having strong, long-term relationships. This is true now more than ever and we'll be working even closer with advisers in our group to establish business plans and strategies for growth, to enable our advisers to focus on growing their businesses."

"And for those thinking about life after advice, we'll be there to help with succession planning, so that our adviser partners can exit the industry on their terms, when it's right for them, and when they are ready to take the step," says Bronkhorst. 📍

Josh Bronkhorst, Managing Director, Mortgage & Insurance Link. Supporting advisers since 1991.

Active management or an index approach ?



David van Schaardenburg gives his analysis of how active managers perform during a crisis and whether an index investment approach can produce different results.

The complacent “there is no alternative” (TINA) mentality that prevailed for many in the investment community in the latter stages of 2019 and early 2020 meant most investment assets, irrespective of relative quality, rose in value.

As interest rates and bond yields fell to new lows, there was an almost consensus view that investors had no choice but to take on more investment risk to achieve a return above that being offered by lower risk assets like bank deposits and government bonds where yields were expected to continue to decline towards zero.

This environment generally seemed

to make it harder for active managers, especially those with a value or quality investment philosophy, to beat index or passive strategies. However, the insights of investment luminaries like [William Sharpe](#) would seem to indicate an indexing approach would normally beat the average active fund manager strategy, in part due to the latter’s usually higher fees, plus the added costs associated with higher portfolio turnover.

But overpriced sharemarkets can leave index investors doubly vulnerable to the unanticipated. As the 2020 “*black swan*” event shut down swathes of the global economy, not only have sharemarkets from mid-February to mid-March fallen

dramatically, but index investors have borne the full extent of that downside – the reverse effect of capturing the full upside in the prior bull market.

The sudden turn to a bear market combined with the differing prospects for industries and companies could set the perfect stage for active fund managers to get one back on their indexing competitors, who saw an increasing percentage of investor inflows during the 2010 bull market decade. But in Q1 2020, have active fund managers delivered superior performance after fees, but pre-tax, versus asset class benchmarks which represent index strategies?

Here are some observations from

the data I've analysed, noting I have confined this analysis to a limited number of single asset class fund groups, as defined by Morningstar, who have provided the data for this study. The asset class groups reviewed spanned NZ equity trusts, NZ bond funds, NZ based global bond and equity funds. A total of 100 single asset class funds.

- **The range of Q1 returns for NZ bond funds varied from -1.99% to 3.36% with an average of 0.76% versus the benchmark of 2.69%. It appears many funds had ongoing risk levels above that of the benchmark. Overall: a "fail" for active managers.**

- **Q1 returns for NZ equity funds ranged from -2.26% to -21.75% with an average of -13.5% versus a benchmark of -15.5%. Thematically, funds with a large cap bias performed better in the quarter. Interesting to also note the best performers in Q1 2020 were underperformers on a longer-term timeframe, even while the fund sector average kept up with the benchmark. Overall: a "pass" in this asset class for active managers.**

- **With global bonds the return also widely varied in Q1 ranging from -11% to 4.6% versus the asset class of 1.4%. The NZ based funds for this asset class have on average consistently struggled to keep up with the benchmark over shorter and longer-term timeframes.**

- **In global equities the range of returns was unsurprisingly high from -19% to -1% versus an index that was -10%. The sector average fund return was -10%. Longer-term performance for funds in this sector is also very similar to the benchmark. I'm somewhat disappointed that only 50% of active global equity funds beat the benchmark in an environment highly suitable for active management.**

So, what can we take from this? Due to the very short-term period it's impossible to reach any significant conclusions. But I can tell you

"being good at managing the downside doesn't necessarily make an active manager the right one to use in a more positive investment world."

Additionally, you should consider some of the common ways an active manager can add value in a down market and stay within the investment parameters available for the fund. This might include strategies such as having part of the fund in cash or other relatively capital stable assets like bonds; investing more in lower risk bonds or companies by the nature of their industry, larger size, level of financial or operational gearing; putting in place derivative strategies that realise profits as the market or individual share prices fall; or taking a currency position different from your benchmark for global funds.

Take lifting the cash or bonds allocation in an equity fund. Typically, a retail equity fund may hold up to 5% of the fund in cash on any one day for liquidity reasons. If the market index falls 20%, such a fund will beat the benchmark by 1% by virtue of operational reasons. A number of managers have commented they held above normal cash levels in some funds due to concerns about pending withdrawals at a time of reduced security liquidity and widening bid/offer spreads.

I haven't heard any investment manager yet claim to have fully predicted this crisis, worked out the market and security impacts and then optimally positioned their portfolio for this. However, as the impact of Covid-19 on China increased in January to February, a number of fund managers indicated they reduced their exposure to those industries most likely to be negatively affected by a slowing in Chinese demand, especially travel and tourism stocks. Others reduced general fund risk by limiting or reducing exposure to weaker credit rated companies, small caps or those more likely to need to raise capital in a weaker economy.

On an industry basis healthcare, food manufacturing and distribution, and IT software looked like they would be beneficiaries with increased or stable demand. Airlines, retail and anything tourism related has seen a massive contraction which may take several years to recover from.

If your active manager had a portfolio over or underweighted towards the former versus the latter industries before the crisis was apparent for non Covid-19 reasons, then they were set to outperform or underperform in this crisis. Because getting your portfolio reset in a dysfunctional market is nigh on impossible.

My take-aways for investment advisers.

- **On the whole, you shouldn't have been particularly surprised by relative under or outperformance by the active funds you select for your clients in Q1 2020 because you should have already known how their funds were positioned from a risk perspective prior to the "Covid-19 crash" as:**

- **The fund manager and the fund research services you utilise provided a high level of transparency and understanding.**

- **You were already highly engaged in understanding their portfolio risks versus their benchmarks.**

- **You may wish to revisit the appropriateness of some of the funds your clients have utilised as it is now clearer if they are riskier or less true-to-label than was previously evident.**

- **Be conscious the outperformers in a down market may be the underperformers in a recovery period.**

My messages for investors.

- **If any of the returns from the funds you invest in have surprised you, then it is best to seek professional investment advice simply based on, "if you don't understand it, you shouldn't be in it".**

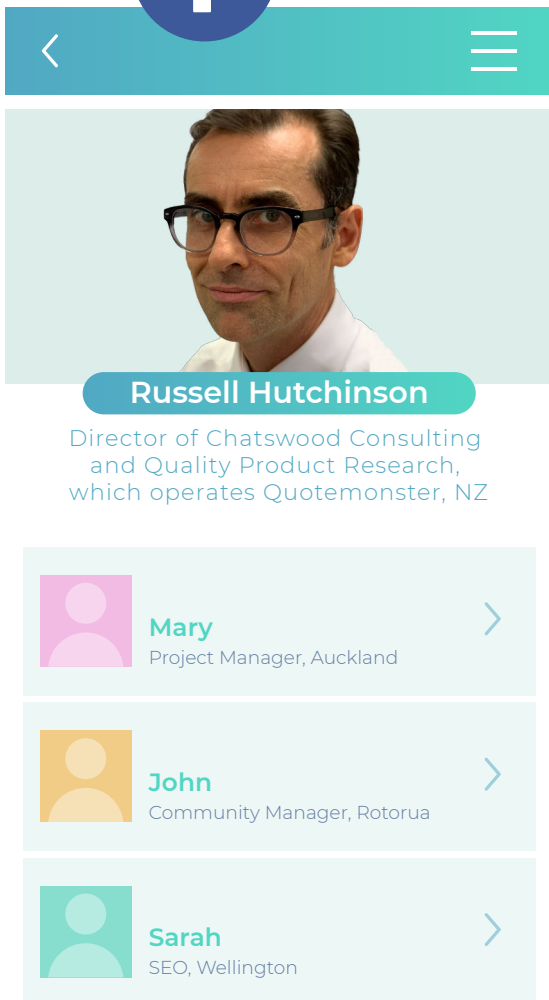
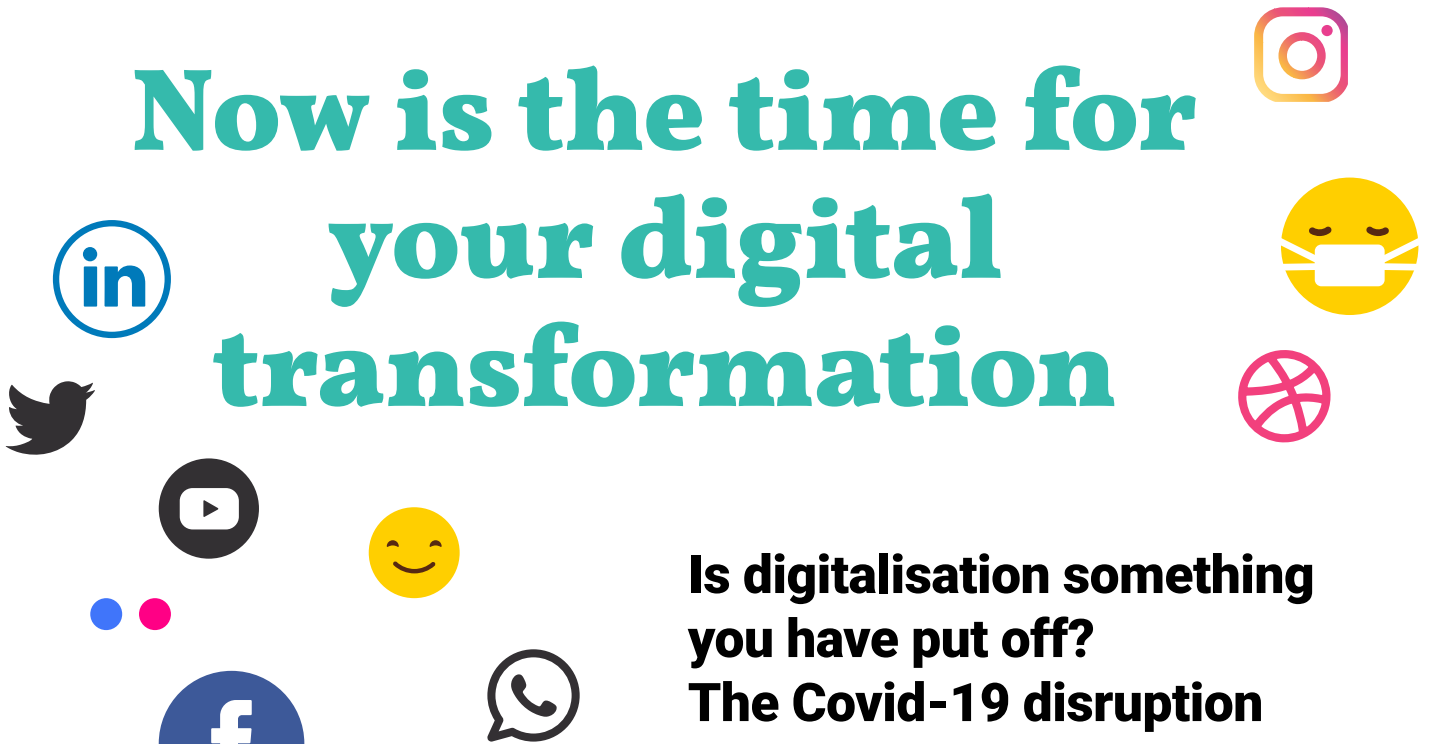
- **Ask your current investment adviser to explain the performance drivers of the funds they invest in for you. If they can't do this to your satisfaction, then consider looking at alternative professional advice options.**

It's been very interesting analysing how active managers as a group cope in a crisis. The data, while short term, hasn't changed my thinking that finding active managers who can outperform requires intensive and diligent ongoing research by investment advisers. As a group, the data series would appear to show they are more than likely on average, and with some wide dispersions, to underperform their market index in most asset classes. 📌

David van Shaardenburg is a Senior Partner – Wealth Management at Findex. www.findex.co.nz

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Now is the time for your digital transformation



Is digitalisation something you have put off? The Covid-19 disruption provides the perfect opportunity to reach out to your clients digitally and reassure them that you are available via other mediums.

If you are a digital laggard, then this is for you. It's not for the ones that have already migrated their business online – it's for you, you prefer to meet people in person, the human touch, the reality of presence, and a real discussion with the client. Something about that makes the client confront the things they have been trying to avoid. You can bring them to a decision.

Until you were stopped from doing that.

Like it or not, and you don't have to like it, the level four restrictions have stopped a whole way of doing business. With little notice we were ordered home and whether you took it well, or took it hard, you've been doing your bit to beat this bad bug.

My business has gone through something of this transformation over the last few years. For the last eight of them I have worked with a distributed team of people already used to working from wherever they happen to be. We had our physical office at the hub, but most of us could work anywhere. Most of our customers interact with us digitally. I miss in-person meetings. I even miss some of the travel. But I am very grateful for the portability that a good digital strategy has given us. But that is not the place to start if you are a digital laggard.

Instead, I shall start with my neighbourhood butcher. Like most small retailers, they were forced to close under level four restrictions. But because they are a husband and wife team they sought advice and found that they could operate if they did contactless home delivery. That was a breath of fresh air for a small business that would continue to have to pay a range of expenses during a month – or more – when they would have had no revenue.

But now what? The problem is how to tell their clients that they were open for business – albeit in a limited way. As a traditional butchers they had not needed to have mailing lists, text messages, or any online presence at all. They had no web pages, and no payment infrastructure. How could they establish everything that they need during lockdown without opening up the shop and without the precious foot-traffic that location gave them? Meanwhile, handed a virtual monopoly by the Government, people that had used them were being forced to use supermarkets – habit and loyalty are not the same things, but they look awfully similar.

They were unused to technology and it would have been a big ask for them to start the way a technologist might suggest: strategy, plan, vision of the site, re-engineer the whole purchase process. Become the Uber of meat ... no, they needed a simpler, more straightforward way to replace the broken pieces



Russell

Some businesses have sailed through this – they were nearly online entirely before, and this has given them a last nudge.

LinkedIn post? and *“what’s the best size for images on ...?”*.

Next, start calling people – call the centres of influence that you most want to know about how you are changing your business to work online.

of their business model. Existing technology platforms connect most people in New Zealand. They can be used along with simple old-world strategies to replace the broken links in the marketing chain. This is what they did:

They got on Facebook. They searched for people that they knew in the local area and discovered community groups. They posted details of their plan to take orders by phone and email and make deliveries. It turned out that a lot of people were really pleased to hear that their local butcher was still going to be in business – before the posts on Facebook they were worried that the business might be a casualty of the Covid-19 crisis. They also stuck a sign on their shop door inviting clients to call them. They spruced up their Facebook entries (personal ones) and added a company page. They worked out what they would need to do to take orders. They have started to post details of the range available.

I know your business does not resemble a butcher’s but many of their problems are just the same for the adviser with very little online presence.

Like them, some of your clients right now may be wondering if you will still be in business, getting online and sharing on Facebook and LinkedIn are two simple ways to communicate in a broadcast to many clients at one time that you are definitely still operating. The great thing about using existing services like these is that the structure helps to ensure your early foray into digital looks professional. You can do even better if you Google some simple questions like “how do I make a good

Like our butchers, you need to work out how to do sales and service in the new environment. Your equivalent of the list of stock is needed. Your starting point is what your customers are most concerned about right now. If you need a theme for each of the next few weeks then it would be those subjects that have been most in our inboxes: whether you are covered (yes, of course); what to do if you need help with your premiums (call us and we can help); and how to do a good review of your coverage.

You need to be proficient at one videoconferencing tool. Test your set-up with a friend. If you need better kit – like speakers, microphone, headset, and so on, the great thing is you can buy them online and have them delivered.

Having got to digital basecamp you can start adding the frills: build a basic website using tools like Wix and Squarespace. Build an integrated business workflow and database using either the Microsoft or Google suites, or one of the many great online CRM systems like Nutshell. Workflow tools like Trello allow you to share tasks and processes with your administrator who may be working from their home. But I don’t want to confuse with complexity. 🗨



Russell

Start with the basics, the rest will come. Enjoy the journey – I am certain your clients will be happy you chose this path.

ASSET ADVISER

For more information call 0800 888 361

Name	Latest Transaction Exit price	1Yr Return %	3Yr Return	5Yr Return	Size \$M	Morningstar Rating Overall
NZ Insurance Cash						
AMP KiwiSaver Cash Fund	1.5534	1.10	1.41	1.74	82.13	--
AMP NZRT Cash Fund	1.54513	1.30	1.61	1.92	99.60	--
AMP Prem PSS OnePath NZ Cash	1.63881	1.26	1.64	1.93	3.12	--
AMP PSS Select Cash	1.53653	1.06	1.44	1.73	0.76	--
ANZ Default KiwiSaver Scheme-Cash	1.4866	1.82	2.12	2.32	25.05	--
Aon KiwiSaver ANZ Cash	15.78891	1.30	1.66	1.89	4.30	--
Aon KiwiSaver Nikko AM Cash	14.80907	1.23	1.79	2.13	1.72	--
ASB KiwiSaver Scheme's NZ Cash	1.5175	1.51	1.87	2.19	813.30	--
BNZ KiwiSaver Cash Fund	1.2019	1.87	2.20	2.39	254.21	--
Booster KiwiSaver Enhanced Income	1.559	1.45	1.76	2.01	36.10	--
Fidelity Life Super-Super Cash Portfolio	2.8344	0.87	1.21	1.30	7.32	--
Fisher TWO KiwiSaver Scheme-Presv	2986.1383	1.32	1.97	2.26	33.78	--
Kiwi Wealth KiwiSaver Scheme Cash	--	2.00	2.47	2.70	315.86	--
Mercer KiwiSaver Cash	--	1.54	1.86	2.18	18.47	--
NZ Defence Force KiwiSaver Cash	--	1.32	1.68	--	0.96	--
OneAnswer KiwiSaver-Cash Fund	1.435	1.80	2.03	2.24	63.65	--
SIL 60s + Sup Cash Fund	2.2884	1.63	2.01	2.11	1.15	--
Westpac KiwiSaver-Cash Fund	1.4446	1.64	1.99	2.28	582.14	--
NZ Insurance Equity Region Australasia						
Booster KiwiSaver Trans-Tasman Share	1.6155	-7.38	4.74	7.17	8.11	3
OneAnswer KiwiSaver-Australasian Share	2.2631	1.09	10.70	10.41	35.70	5
NZ Insurance Equity Region Australia						
AMP KiwiSaver Australasian Shares	1.2289	-5.82	4.81	--	4.53	5
NZ Insurance Equity Region NZ						
AMP Prem PSS ACI NZ Shares	3.04774	0.45	9.49	10.16	7.89	3
AMP Prem PSS ACI NZ Shares Index	2.78721	-0.71	10.92	11.24	7.61	3
Fidelity Life NZ Shares Portfolio	7.4812	-3.15	7.39	7.92	1.39	1
Fidelity Life Super-Super NZ Share	--	-7.75	4.36	7.20	8.68	1
NZ Insurance Equity Region World						
AMP Prem PSS ACI Global Shares Index	2.49775	3.12	7.61	7.81	8.39	3
AMP Prem PSS FDI Intl Share Fund 1 Value	1.42902	1.00	4.23	5.68	10.27	2
Mercer KiwiSaver Shares	--	-7.65	3.71	5.70	28.83	2
NZ Defence Force KiwiSaver Shares	--	-7.80	3.54	--	13.01	1
OneAnswer KiwiSaver-Intl Share	2.154	2.21	8.12	8.77	51.95	5
OneAnswer KiwiSaver-Sustainable Intl Shr	2.1876	14.35	11.07	8.87	10.12	4
NZ Insurance Equity Region World - Hedged						
AMP KiwiSaver International Shares	1.2128	-7.91	2.14	--	4.32	2
AMP KiwiSaver Passive International	1.2803	-4.54	4.06	--	4.56	3
AMP Prem PSS ACI Global Shares Index Hdg	2.1204	-14.12	-0.47	1.94	8.50	2
Booster KiwiSaver International Share	2.0747	-2.10	4.94	6.02	13.90	4
FANZ Lifesights KiwiSaver High Growth	1.20576	-7.16	2.58	--	139.50	3
Fidelity Life Aggressive	3.6406	-8.07	1.85	4.14	4.46	2
Fidelity Life International	2.5689	-7.64	2.12	3.10	0.41	2
Fidelity Life Super-Sup Intl	--	-2.31	4.81	5.22	21.14	3
Fidelity Life Super-Super Aggressive	--	-3.07	4.43	6.32	21.89	3
Fisher FuturePlan - Intl Coms	3.20157	-4.52	3.30	3.44	22.05	2
Fisher TWO KiwiSaver Scheme-Eq	4899.8834	-1.44	6.31	6.81	138.23	5
NZ Insurance Equity Sector Global - Real Estate						
AMP KiwiSaver Property	1.0018	-13.57	2.42	--	6.21	5
OneAnswer KiwiSaver-Intl Property	1.3304	-15.16	-0.38	0.13	7.90	3
NZ Insurance Equity Sector NZ - Real Estate						
MFL Property Fund	4.0673	-13.25	1.03	3.30	417.75	1
OneAnswer KiwiSaver-Australasian Prpty	2.0185	-6.62	6.25	6.91	23.98	4
NZ Insurance Global Bond						
AMP KiwiSaver International Fxd Intr	1.1024	4.91	3.03	--	1.04	2
AMP Prem PSS PIMCO Global Fixed Interest	2.52164	4.34	3.32	3.22	3.54	4
AMP Prem PSS SSGA Global Fixed Intl Index	2.12813	4.79	3.13	3.05	6.88	3
OneAnswer KiwiSaver-Intl Fxd Intr	1.8875	7.91	4.55	3.68	2.96	5
NZ Insurance Miscellaneous						
Booster KiwiSaver Capital Guaranteed	1.1384	1.05	1.92	2.18	62.27	--
Kiwi Wealth KiwiSaver Scheme CashPlus	--	-2.37	2.82	2.89	122.45	--
NZ Funds KiwiSaver Growth Strategy	1.8463	--	--	--	198.58	--
NZ Funds KiwiSaver Income Strategy	1.4995	--	--	--	36.55	--
NZ Funds KiwiSaver Inflation Strategy	1.5561	--	--	--	54.81	--
Westpac KiwiSaver-Capital Protect Plan 3	2.201	-5.76	4.88	6.14	14.39	--
Westpac KiwiSaver-Capital Protect Plan 4	2.2741	-5.76	4.89	6.15	20.70	--
Westpac KiwiSaver-Capital Protect Plan 5	1.9772	-5.76	4.89	6.15	16.85	--
NZ Insurance Multisector - Aggressive						
AMP KiwiSaver LS Aggressive Fund	1.5872	-7.14	2.83	3.94	343.76	3
AMP NZRT AMP Aggressive	3.26153	-6.79	3.14	4.21	285.50	3
AMP PSS Select Growth	1.80345	-7.73	2.21	3.37	37.59	3
Booster KiwiSaver Asset Class Growth	8.1505	-12.16	-0.08	2.80	65.79	1
Booster KiwiSaver Geared Growth	2.2324	-6.58	5.14	6.48	70.93	4
Booster KiwiSaver High Growth	1.652	-2.85	4.80	5.72	340.09	4

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Booster KiwiSaver Socially Rsp Inv Gr	2.0013	2.77	7.14	7.49	79.77	5
Fisher FuturePlan - Growth	3.19128	-1.77	4.46	5.18	71.30	5
Generate KiwiSaver Focused Growth Fund	1.7743	-0.51	7.79	7.37	748.00	5
Mercer KiwiSaver High Growth	--	-6.83	3.39	5.29	202.12	4
NZ Defence Force KiwiSaver High Growth	--	-7.00	3.21	--	26.83	3
NZ Insurance Multisector - Balanced						
AMP KiwiSaver AMP Global Multi-Asset	1.0657	-4.11	0.11	--	13.19	1
AMP KiwiSaver AMP Income Generator	1.1102	-3.80	2.69	--	4.89	2
AMP KiwiSaver AMP Responsible Invnt Bal	1.135	-4.78	2.39	--	12.91	1
AMP KiwiSaver ASB Balanced	1.1754	-2.89	3.76	--	25.35	3
AMP KiwiSaver LS Balanced Fund	1.758	-3.25	3.17	3.71	997.77	2
AMP KiwiSaver LS Moderate Balanced Fund	1.7406	-2.26	3.11	3.52	737.27	2
KiwiSaver Mercer Balanced	1.9291	-3.17	3.37	4.55	52.11	3
AMP NZRT AMP Balanced Fund	3.10574	-3.10	3.33	3.92	887.58	2
AMP NZRT AMP Global Multi-Asset	1.0635	-3.84	0.35	--	3.60	1
AMP NZRT AMP Income Generator	1.11853	-2.99	3.25	--	3.48	2
AMP NZRT AMP Moderate Balanced	2.28025	-2.24	3.27	3.71	304.37	2
AMP NZRT ASB Balanced Fund	2.19511	-2.93	3.96	5.05	96.21	3
AMP NZRT Mercer Balanced	2.58996	-3.12	3.53	4.74	153.13	3
AMP NZRT Nikko AM Balanced	2.74083	-5.34	3.49	5.11	177.60	3
AMP NZRT Responsible Investment Bal	1.13813	-4.81	2.56	--	5.14	2
AMP PSS Lifespects Consolidation	1.8626	-3.17	2.31	2.86	5.95	2
AMP PSS Lifespects Progression	1.96522	-3.95	2.45	3.00	2.18	2
AMP PSS Select Balanced	1.89366	-3.82	2.52	3.10	47.82	2
ANZ Default KiwiSaver Scheme-Balanced	1.8483	-1.31	3.88	4.39	160.92	4
ANZ KiwiSaver-Balanced	1.9301	-1.30	3.88	4.42	2354.51	4
Aon KiwiSaver ANZ Balanced	26.17439	-2.59	3.20	4.13	32.51	4
Aon KiwiSaver Russell Lifepoints 2025	9.65984	0.70	4.22	5.00	22.66	--
Aon KiwiSaver Russell Lifepoints 2035	9.58375	-0.99	4.52	5.67	23.44	--
Aon KiwiSaver Russell Lifepoints Bal	9.83516	-1.80	4.43	5.64	188.33	5
ASB KiwiSaver Scheme's Balanced	1.9355	-3.08	4.16	5.31	1751.00	4
BNZ KiwiSaver Balanced Fund	1.5879	1.50	5.31	5.55	443.22	4
Booster KiwiSaver Balanced	1.8808	-0.02	4.40	4.99	487.47	4
Booster KiwiSaver Socially Rsp Inv Bal	1.4789	3.10	5.79	6.14	70.23	5
Fidelity Life Balanced	4.8006	-2.30	3.82	4.18	4.01	2
Fidelity Life Super-Super Balanced	--	-0.23	4.34	4.80	259.23	4
Fisher FuturePlan - Balanced	4.36041	-0.59	4.14	4.63	115.56	3
Fisher TWO KiwiSaver Scheme-Bal	5404.3727	0.37	5.15	5.57	828.82	5
Kiwi Wealth KiwiSaver Scheme Balanced	--	-0.65	4.32	4.80	1589.22	3
Mercer KiwiSaver Balanced	--	-2.87	3.48	4.54	434.04	4
Milford KiwiSaver Balanced Fund	2.3064	-0.17	5.09	6.18	361.52	5
NZ Defence Force KiwiSaver Balanced	--	-3.04	3.30	--	60.86	3
OneAnswer KiwiSaver-Balanced	1.9573	-1.29	3.91	4.47	556.31	4
Westpac KiwiSaver-Balanced Fund	1.8615	-2.37	4.92	4.92	1476.37	4
Westpac Retirement Plan - Balanced Port	3.7568	-3.59	3.12	3.76	87.69	3
NZ Insurance Multisector - Conservative						
AMP KiwiSaver ANZ Conservative	1.1447	3.31	3.89	--	10.35	3
AMP KiwiSaver Default (Default)	1.742	1.12	3.32	3.67	1358.23	2
AMP PSS Select Income	1.90175	2.40	3.15	2.87	1.08	2
ANZ Default KiwiSaver Scheme Cnsv(Dflt)	1.8639	3.40	4.30	4.17	1101.18	5
Aon KiwiSaver Russell Lifepoints 2015	9.82741	1.73	3.82	4.26	4.94	--
Aon KiwiSaver Russell Lifepoints Cnsv	10.29047	1.75	3.83	4.23	75.79	4
ASB KiwiSaver Scheme's Cnsv (Default)	1.8893	1.86	4.09	4.39	3943.81	4
BNZ KiwiSaver Conservative (Default)	1.3885	2.56	3.98	4.14	799.41	3
BNZ KiwiSaver First Home Buyer Fund	1.1757	2.02	3.28	--	177.06	2
Booster KiwiSaver Default Saver	1.3183	2.85	4.26	4.25	91.60	4
FANZ Lifesights KiwiSaver Income	1.13496	3.05	2.68	--	97.20	1
Fisher FuturePlan - Capital Prot	1.26279	1.51	1.50	1.50	17.59	1
Fisher TWO KiwiSaver Cash Enhanced(Dflt)	1.85934	2.04	4.11	4.34	673.54	4
Kiwi Wealth KiwiSaver Scheme Cnsv	--	0.93	3.75	3.61	815.80	3
Kiwi Wealth KiwiSaver Scheme Default	--	2.16	4.02	4.17	265.79	4
Mercer KiwiSaver Conservative (Default)	--	1.24	3.60	4.05	1108.40	4
Milford KiwiSaver Conservative Fund	1.7792	1.75	4.40	4.98	211.80	5
NZ Defence Force KiwiSaver Conservative	--	1.03	3.34	--	4.87	2
OneAnswer KiwiSaver-Conservative	1.8249	2.84	3.90	3.80	462.87	4
Westpac KiwiSaver Default	1.2883	1.29	3.84	3.95	281.16	2
NZ Insurance Multisector - Growth						
AMP KiwiSaver ANZ Balanced Plus	2.1379	-2.15	4.05	4.69	283.23	3
AMP KiwiSaver ANZ Growth	1.173	-4.05	3.82	--	22.46	3
AMP KiwiSaver ASB Growth	1.1854	-5.98	3.38	--	21.80	2
AMP KiwiSaver LS Growth Fund	1.6451	-5.78	3.01	3.88	774.32	2
AMP KiwiSaver Nikko AM Balanced	1.874	-5.49	3.26	4.86	81.81	2
AMP KiwiSaver Nikko AM Growth	1.1582	-6.79	3.19	--	19.18	1
AMP NZRT AMP Growth	2.32167	-5.44	3.31	4.16	249.22	2
AMP NZRT ANZ Balanced Plus	2.693	-3.15	3.05	3.67	296.64	2

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AMP NZRT ANZ Growth	1.17022	-3.95	4.03	--	11.14	3
AMP NZRT ASB Growth	1.17253	-5.79	3.52	--	13.22	2
AMP NZRT Nikko AM Growth	1.14247	-7.15	3.23	--	13.42	1
AMP PSS Lifespects Growth	1.90719	-5.86	2.31	3.25	0.21	1
ANZ Default KiwiSaver Scheme-Balanced Gr	1.853	-3.40	3.84	4.41	167.34	3
ANZ Default KiwiSaver Scheme-Growth	1.8342	-5.77	3.59	4.83	143.89	3
ANZ KiwiSaver-Balanced Growth	1.9663	-3.40	3.81	4.72	1982.25	4
Aon KiwiSaver Milford	3.56428	-2.00	6.12	7.21	160.88	5
Aon KiwiSaver Nikko AM Balanced	18.81127	-4.99	3.63			

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NZ OE Equity Region Australasia						
AMP AIT Australasian Shrs-Multi Mgr-UT07	3.13642	-6.62	3.97	5.71	11.06	2
AMP ARS-NZ & Australian (multi-manager)	4.43061	-	-	-	7.88	3
AMP ARS-NZ & Australian (Value)	5.17203	-	-	-	5.41	3
AMP NZRT Australasian Shares	1.47879	-6.24	4.92	6.67	10.64	3
BT PS Australasian Diversified Share	2.5577	0.39	9.47	9.60	53.47	4
Castle Point Ranger Fund	1.6756	-8.96	7.56	9.58	85.28	4
Devon Alpha Fund	1.602	-6.55	2.31	2.87	94.63	1
Devon Dividend Yield	1.52	-20.68	-2.69	2.50	28.37	1
Devon Trans-Tasman Fund	3.5122	-11.53	1.33	4.49	71.47	2
Forto Equity Trust	0.92975	-31.88	-10.90	-2.51	21.49	1
Harbour Australasian Equity	2.8599	-4.52	8.04	10.62	242.31	4
Harbour Australasian Equity Focus Fund	1.6322	-11.87	4.00	8.74	12.68	3
Harbour Australasian Equity Income	1.6298	-8.77	2.13	3.77	41.80	2
Milford Trans-Tasman Equity	2.7866	-1.53	8.46	9.54	387.00	3
Mint Australasian Equity Fd (Retail)	3.4598	4.99	12.84	12.43	236.04	5
Nikko AM Concentrated Equity	2.3097	-2.01	6.78	9.62	39.47	4
OneAnswer SAC Equity Selection	2.2695	-6.69	0.99	3.21	10.56	2
Pie Australasian Dividend	2.3156	-12.75	3.34	6.30	109.93	3
Pie Australasian Emerging Companies	3.6168	-0.66	3.08	10.93	90.86	4
Pie Australasian Growth Fund	5.4329	2.67	6.38	5.76	83.31	4
Pie Growth 2 Fund	1.5341	-8.59	4.25	-	176.59	3
NZ OE Equity Region Australia						
AMP Capital Australian Share Fund	2.39585	-14.00	-2.29	0.43	207.79	2
Devon Australian	1.135	-19.35	-5.23	0.63	11.13	3
Fisher Funds Australian Growth Fund	3.5778	-6.94	3.61	4.66	53.31	4
Fisher Funds Premium Australian Fund	1.5877	-6.04	3.95	4.93	86.77	5
Milford Dynamic	1.7317	-6.75	4.08	5.04	248.16	4
OneAnswer SAC Australian Share	2.9503	-23.71	-9.70	-4.95	14.89	1
NZ OE Equity Region Emerging Markets						
AMP AIT Emerging Markets - UT65	1.36495	-9.96	0.18	1.77	1.52	-
NZ OE Equity Region NZ						
AMP Capital NZ Shares Fund	3.13593	0.88	9.97	10.59	448.24	3
AMP Capital Ethical Leaders NZ Shares	2.38043	0.15	10.11	10.97	25.89	3
AMP Prem PUT ACI NZ Shares	3.12158	0.78	9.44	10.06	3.17	2
AMP Prem PUT ACI NZ Shares Index	2.44686	-0.20	10.86	10.79	3.35	3
Fisher Funds NZ Growth Fund	10.0449	1.20	11.54	12.19	181.93	5
Fisher Funds Premium New Zealand Fund	2.4188	2.96	12.48	12.77	131.80	5
Fisher Trans Tasman Equity Trust	6.0647	-0.59	8.97	9.57	53.73	3
Forsyth Barr NZ Fixed Interest	3.1713	-2.37	9.98	11.44	49.94	3
Harbour NZ Equity Advanced Beta Fund	1.5828	-9.04	5.95	7.63	226.69	1
Nikko AM Core Equity	2.411	-1.54	10.73	11.96	27.66	4
NZ Funds Dividend and Growth	2.1201	-	-	-	130.56	1
OneAnswer SAC NZ Share	5.574	2.21	11.22	10.90	52.48	4
Russell Investments NZ Shares	1.7652	-1.26	9.94	11.31	200.75	3
Smartshares NZ Core Equity Trust	1.42	-	-	-	79.46	3
NZ OE Equity Region World						
AMP Capital Core Global Shares Fund	1.59818	-0.21	5.58	7.18	828.12	3
AMP Capital Emerging Markets Share	1.14214	-7.75	1.93	2.96	59.16	1
AMP Prem PUT FDI Intl Share Fund 1 Value	1.49204	1.36	4.26	5.65	3.81	2
AMP Prem PUT SSGA Global Shares Index 2	1.5982	3.66	7.33	7.88	2.80	3
Elevation Capital Value Fund	1.2751	-	-	-	16.64	-
Fisher Funds Property and Infrastructure	2.5707	-11.28	6.11	7.45	125.25	3
Nikko AM Global Equity Unhedged	2.1995	6.37	9.15	8.73	109.63	4
OneAnswer SAC International Share	2.4461	2.10	7.96	8.76	233.39	4
Pie Global Small Companies Fund	1.6262	4.31	7.02	7.11	89.82	3
Russell Investments Global Shares	1.9123	-1.26	4.84	6.20	77.98	2
T.Rowe Price Global Equity Growth	1.8043	5.29	12.72	10.57	108.00	5
NZ OE Equity Region World - Hedged						
AMP AIT Global Equities-Multi Mgr-UT28	1.11989	-12.60	-0.53	2.03	10.47	2
AMP AIT Global Infrastructure - UT04	2.66029	-7.73	3.11	3.16	25.43	4
AMP ARS-International Shares (Growth)	1.86222	-	-	-	6.76	5
AMP ARS-International Shares (Passive)	1.89901	-	-	-	3.19	3
AMP ARS-International Shares (Value)	1.54182	-	-	-	4.12	2
AMP Capital Core Hedged Global Shares Fd	1.32939	-16.93	-2.33	1.35	469.97	2
AMP Capital Global Listed Infrastructure	1.57911	-11.54	0.88	1.13	280.40	1
AMP Capital Global Shares Fund	2.7808	-8.75	2.05	4.21	51.83	4
AMP Capital Ethical Leaders Global Shares	1.57274	-9.92	1.08	2.08	66.12	2
AMP NZRT International Shares	1.48055	-6.71	2.88	4.71	9.63	3
AMP NZRT Passive International Shares	1.53448	-5.04	4.17	5.11	7.15	3
AMP Prem PUT SSGA Global Shares Index-Hdg	2.14451	-13.70	-0.74	1.83	4.30	2
ASB World Shares	1.5298	-12.14	1.03	4.10	438.57	3
BT PS International Diversified Share	1.7597	-9.96	2.05	4.05	63.23	3
Fisher Funds International Growth Fund	2.2894	1.65	10.61	8.69	52.77	4
Fisher Funds Premium International Fund	2.4251	3.23	11.35	9.26	160.90	5

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Fisher Global Fund	5.5346	-4.09	3.54	3.68	92.96	3
Milford Global Equity	1.6069	1.38	5.37	4.66	693.68	4
Nikko AM Global Equity Hedged	1.6566	-14.15	0.00	2.71	36.38	2
NZ Funds Equity Inflation	0.9422	-	-	-	83.18	1
Pathfinder Global Water	1.9547	-0.89	4.21	5.92	24.96	4
Pathfinder World Equity Fund	1.7444	-0.71	2.81	3.62	9.18	3
Russell Investments Hedged Global Shares	1.7932	-14.43	-0.77	2.10	73.81	2
NZ OE Equity Sector Global - Real Estate						
AMP AIT Global Property - UT54	3.11485	-13.40	1.92	1.88	1.81	4
AMP ARS-Listed International Property	4.6543	-	-	-	5.15	3
AMP Capital Global Propy Securities Fd	1.34434	-17.36	0.03	-0.29	143.35	2
NZ Funds Property Inflation	1.7724	-	-	-	86.66	2
OneAnswer SAC International Property	1.3402	-15.21	-0.57	-0.09	205.48	3
NZ OE Equity Sector NZ - Real Estate						
AMP ARS-Listed NZ & Australian Property	4.75343	-	-	-	3.95	2
AMP Australasian Property Index Fund	2.24928	-15.50	3.27	5.28	131.78	2
BT Property Fund	4.2881	-12.65	3.93	5.72	32.38	3
Mint Australia NZ Rl Est Inv (Ret)	2.0103	-5.75	6.64	6.57	65.10	3
OneAnswer SAC Property Securities	3.5445	-6.66	6.22	6.87	122.10	4
NZ OE Global Bond						
AMP AIT Fixed Interest Income - UT36	1.26172	1.40	1.87	2.22	50.97	2
AMP AIT Global Bonds-Multi Mgr-UT13	2.10791	4.00	2.41	2.25	6.78	1
AMP ARS-International Fixed Interest	2.70041	-	-	-	1.45	3
AMP Capital Global Short Duration	1.08446	1.05	1.76	2.15	136.33	1
AMP Capital Hdd Gbl Fixed Intrst Fund	2.54509	4.54	3.31	3.10	103.70	3
AMP NZRT International Fixed Interest	1.28999	6.48	3.76	3.31	1.70	4
AMP Prem PUT SSGA Global Fixed Int Index	1.96311	4.82	3.01	2.87	3.48	2
BT PS International Diversified Bond	2.3431	1.71	2.70	2.35	93.76	2
Fisher BondPlus Fund	2.321	2.46	2.76	2.72	154.28	3
Fisher Funds Income	1.0747	2.66	3.28	3.42	64.08	4
Nikko AM Global Bond	1.2304	4.46	3.72	3.74	34.79	5
NZ Funds Global Income	1.6147	-	-	-	128.80	3
OneAnswer SAC International Fixed Intrst	1.3477	7.76	4.41	3.56	1.45	4
Russell Investments Global Fixed Int	1.1646	3.71	3.50	3.54	583.87	4
NZ OE Miscellaneous						
AMP ARS-UK Cash	0.77542	-	-	-	6.77	-
KTAM NZ Australian Long Short Equity	1.45727	-	-	-	17.17	-
Nikko AM Income	1.0562	-9.95	-0.15	2.09	12.76	-
NZ Funds Core Inflation	1.5444	-	-	-	101.54	-
NZAM Global Growth	1.4606	-	-	-	19.88	-
Pathfinder Commodity Plus Fund	0.9008	-6.29	0.58	-0.84	4.76	-
Salt Long Short Fund	1.3345	-6.58	-3.37	2.76	88.20	-
NZ OE Multisector - Aggressive						
AMP AIT Aggressive Portfolio - UT31	1.95007	-7.88	1.86	2.83	59.95	2
AMP AIT elnvest - Aggressive - MDF7	1.39943	-6.53	2.84	3.87	8.60	3
AMP AIT Growth Portfolio - UT03	1.88495	-6.50	2.08	2.90	25.58	2
AMP Capital Ethical Leaders Growth	2.63214	-8.58	1.84	2.70	7.19	2
AMP PUT Select Growth	1.72296	-7.56	2.23	3.30	18.32	2
NZ OE Multisector - Balanced						
AMP AIT elnvest - Balanced - MDF5	1.33109	-3.44	2.95	3.57	43.23	2
AMP AIT Moderate Portfolio - UT01	1.9235	-1.84	2.34	2.54	48.11	1
AMP ARS-Balanced	2.39086	-	-	-	139.58	3
AMP Capital Global Multi Asset Fund	1.21592	-3.74	0.56	1.75	145.38	1
AMP Capital Income Generator Fund	1.05642	-3.07	3.09	4.28	142.07	3
AMP Capital Ethical Leaders Balanced	1.9374	-4.82	2.54	2.90	53.78	2
AMP PUT Select Balanced	1.81546	-3.75	2.44	2.99	39.05	1
ANZ Invmt Fds Balanced	1.8739	-1.39	3.67	4.15	427.12	3
ASB Balanced	1.8658	-3.54	3.63	4.76	330.61	3
Milford Balanced Fund	2.2575	-0.38	4.91	5.95	696.40	5
NZ Funds Core Growth	1.3853	-	-	-	101.13	1
OneAnswer MAC Balanced	1.8739	-1.39	3.67	4.15	58.76	3
Westpac Active Balanced Trust	2.3024	-2.57	3.82	4.29	512.16	3
NZ OE Multisector - Conservative						
AMP PUT Select Income	1.77143	2.45	3.13	2.80	1.90	1
ANZ Invmt Fds Conservative	1.6336	2.72	3.69	3.56	59.21	2
ASB Conservative	1.7011	1.22	3.48	3.78	143.49	3
Milford Conservative	1.1331	1.70	4.47	-	451.38	5
OneAnswer MAC Conservative	1.6336	2.72	3.69	3.56	18.50	2
Westpac Active Conservative Trust	1.9671	0.43	3.11	3.16	313.84	2
NZ OE Multisector - Growth						
AMP AIT Balanced Portfolio - UT 02	1.99709	-3.61	2.44	2.91	81.11	1
AMP AIT elnvest - Growth - MDF6	1.37515	-5.98	2.73	3.62	12.15	1
AMP ARS-High Growth	2.19154	-	-	-	50.91	2
ANZ Invmt Fds Balanced Growth	2.0162	-3.49	3.63	4.49	281.86	2
ANZ Invmt Fds Growth	2.1112	-5.86	3.37	4.61	153.57	2

Name	Latest Transaction Exit price	1Yr Return %	3Yr Return	5Yr Return	Size \$M	Morningstar Rating Overall
ASB Growth	1.6128	-7.13	3.19	4.97	96.52	2
Fisher Multi Sector Fund	3.4284	-0.58	4.06	4.44	10.62	3
Milford Active Growth	3.5768	-2.45	5.83	6.96	1052.75	5
NZ Funds Global Equity Growth	1.6093	-	-	-	90.79	1
OneAnswer MAC Balanced Growth	2.0162	-3.49	3.63	4.49	46.94	2
OneAnswer MAC Growth	2.1112	-5.86	3.37	4.61	35.67	2
OneAnswer SAC Balanced	3.2096	-3.46	3.64	4.42	47.73	3
Westpac Active Growth Trust	2.2292	-4.71	3.89	4.66	107.93	3
NZ OE Multisector - Moderate						
AMP AIT elnvest - Conservative - MDF2	1.25584	-0.15	2.78	2.89	10.86	2
AMP AIT elnvest - Moderate - MDF3	1.29616	-1.58	2.83	3.14	45.87	2
AMP ARS-Conservative	2.49403	-	-	-	38.40	3
AMP Capital Ethical Leaders Conservative	2.49704	-0.44	2.51	2.64	6.42	2
AMP PUT Select Conservative	1.82308</					



Good Returns.

NZ's Financial Adviser News Centre

Top 10



As usual it has been a busy month on *Good Returns*. Here is a list of the top 10 most read stories over recent weeks.

1 KiwiSaver withdrawal process should be easier

There are calls for New Zealand to follow Australia's lead and make it easier for those affected by Covid-19 to access KiwiSaver savings.

2 Where do stock markets go from here?

Jody Jonsson and Joyce Gordon of Capital Group – both veterans of many bear markets – give their perspective on the future for global markets and how the recovery might pan out.

3 Advisers 'will drop out'

Advisers who are new to the industry will be most likely to drop out due to Covid-19 economic disruption, industry commentators say.

4 Adviser warned over misleading Covid-19 ads

A registered financial adviser is in the gun after posting misleading insurance information about Covid-19.

5 Fund update and future outlook

Mint Asset Management portfolio manager Anthony Halls shares his analysis on the present market effects of Covid-19, an update on its individual funds and a look ahead to a post-virus investment world.

6 [Obituary] Ron Flood

The death of a proud insurance salesman. Ron Flood, CLU 1953 – 2020.

7 [The Wrap] The state of financial services two weeks into lockdown

Two and a bit weeks into New Zealand's Covid-19 lockdown we look at how financial services sector is going. Not too bad is the answer. Here's why.

8 ASSET Magazine: The Covid-19 issue

ASSET is available in a digital format during the Covid-19 crisis. In this issue we look at what advisers can do to help their clients during this time.

9 Markets this month and beyond

The Harbour team examine market movements in the past month, and what they are watching going forward.

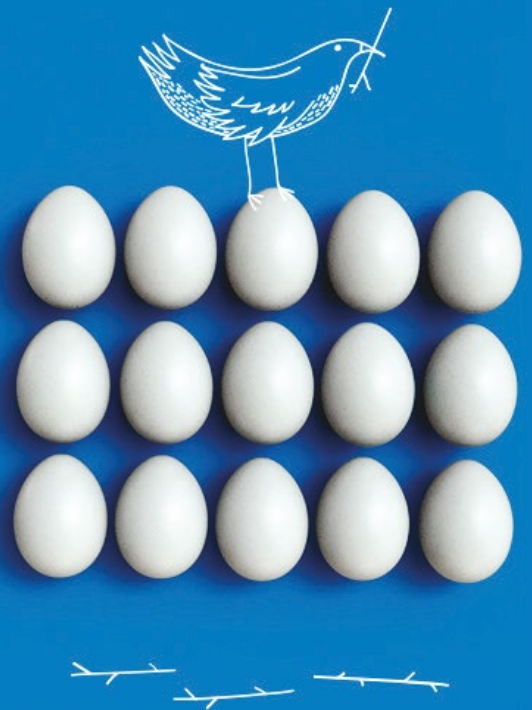
10 Covid withdrawals possible 'but not always desirable'

KiwiSaver members are being told they may be able to withdraw their money to help them through tough financial times caused by Covid-19 – but the decision should be made carefully. ^A



**KEEP UP WITH THE NEWS AT
GOODRETURNS.CO.NZ**

To the Financial Advisers of New Zealand,



As we all face this time of unprecedented uncertainty, Booster would like to thank you for the work you have done helping New Zealanders keep calm and carry on.

During good times the work of an adviser may not be so visible. But when things get tough, the value that good advisers add to clients' lives is plain for all to see.

As panicked headlines filled February news feeds, we watched advisers around the country come to the rescue. As investors worried and risked making emotional decisions, we watched advisers help them through the volatility and hold them on course. Advisers saved their clients significant stress, put their minds at rest and will have reduced the negative impact on their savings.

There is still much uncertainty ahead and much more wise advice to be given. No one can predict exactly how the global economy will be impacted but we all know that many Kiwi's will face tougher challenges than they have before.

The role that a financial adviser will play in these times will be immense - helping their clients navigate the bumps they may face along their journey to a comfortable retirement. This will show the true value of advice. Booster is fully committed to helping you along your journey as advisers.

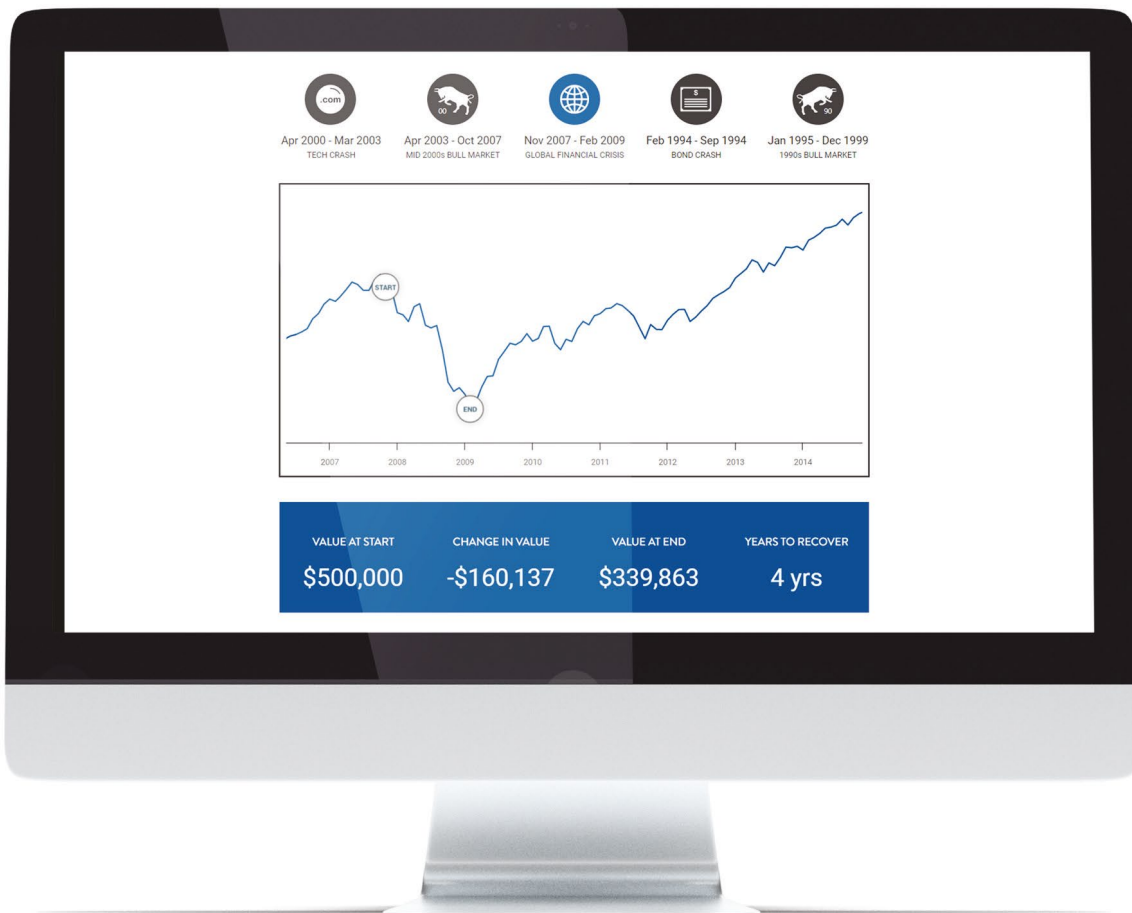
For all your hard work, already done and still to come, we thank you. It's our belief that quality financial advice is the most important part of any individual's financial well-being. Over the coming months and years that advice will make a world of difference to a wide group of New Zealanders and for that we thank you.

We started our business 22 years ago with the foundation that "Advisers are our business". Now more than ever, we are proud to partner with you.

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