



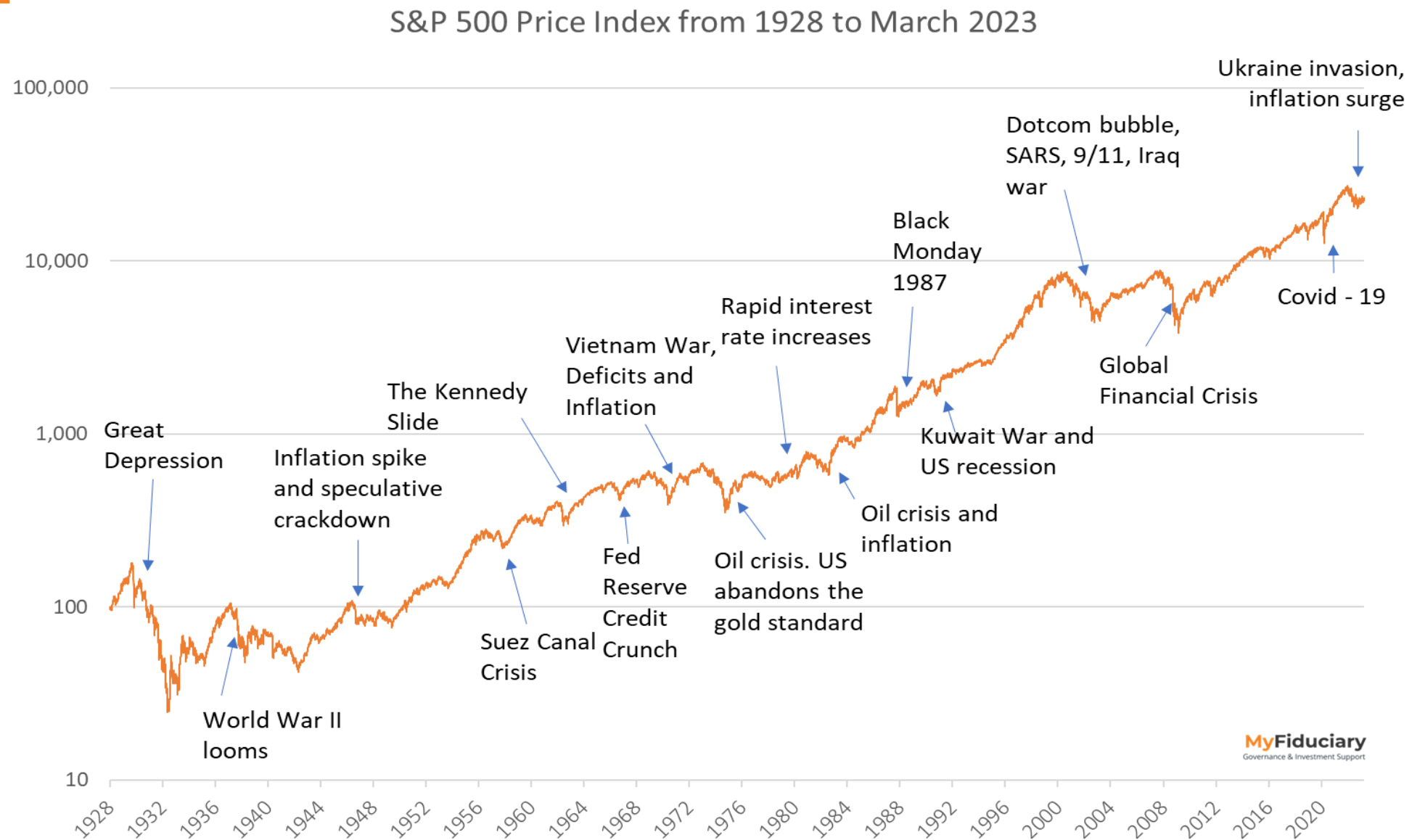
MyFiduciary

Financial Advice NZ Super Wednesday Webinar: Investment and Financial Planning

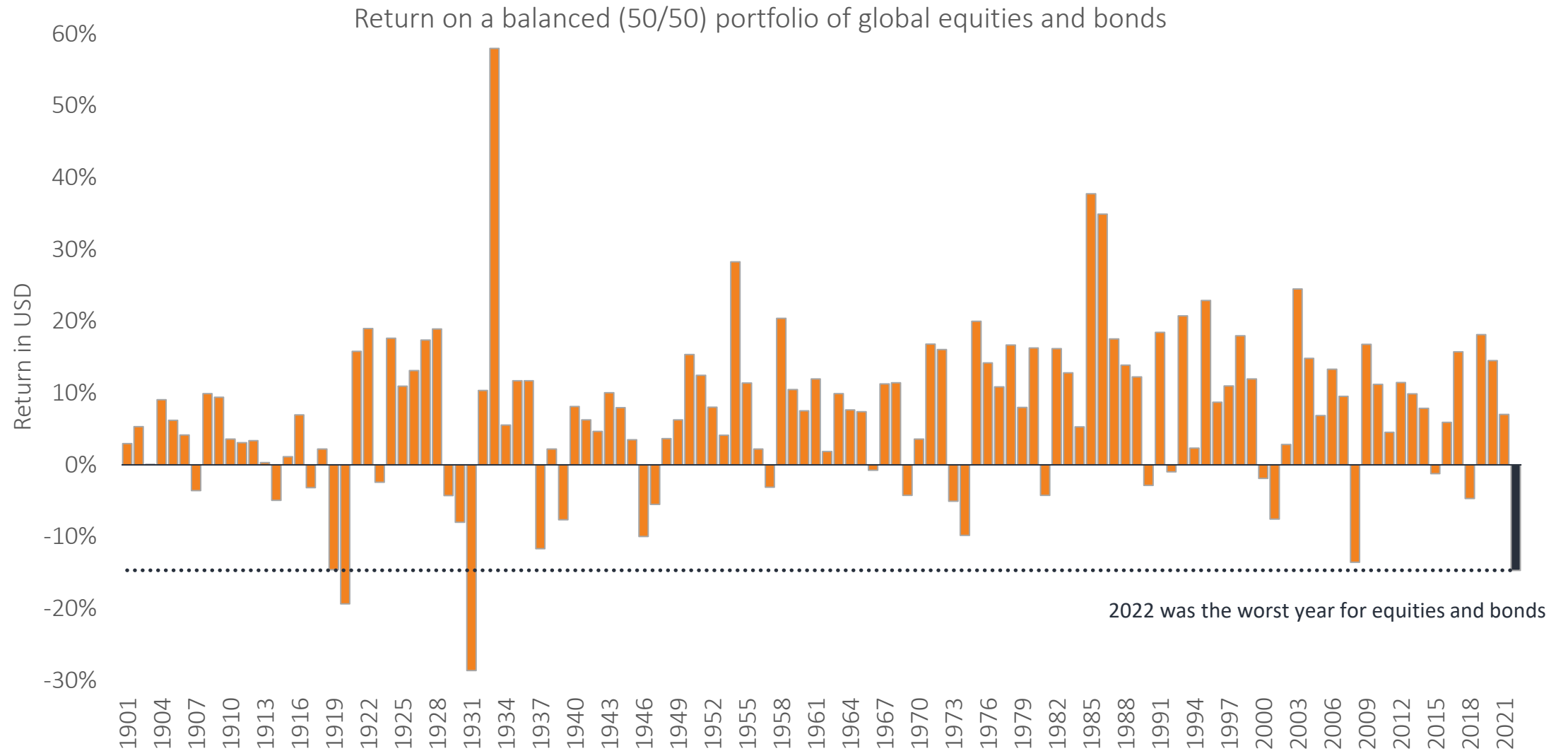
Chris Douglas, MyFiduciary

April 2023

Over the long-term, markets work



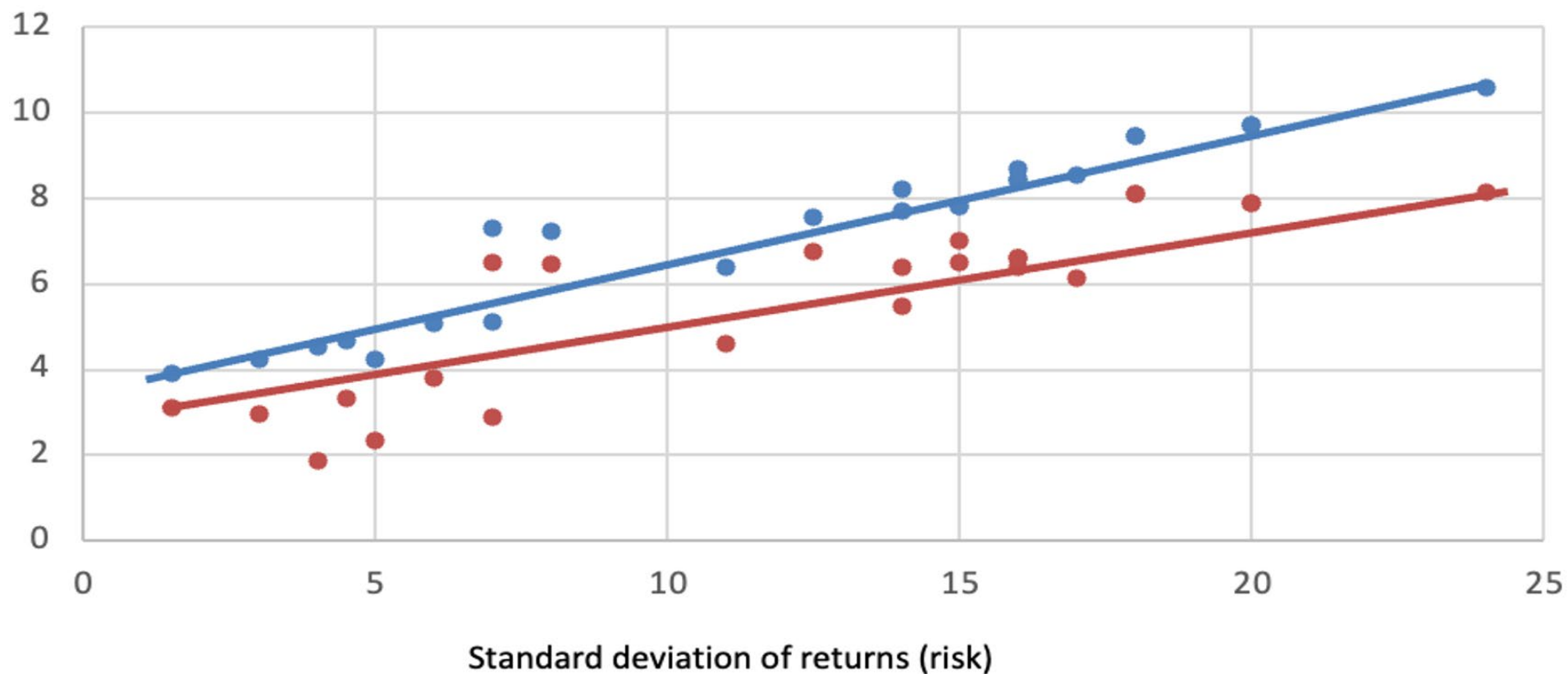
Annus Horribilis, 2022



But the risk/return trade off has improved

Expected risk and return trade-off
(Blue current assumptions, red as at Dec 2021)

10 year expected return



How do you help clients avoid following human emotions?



The hierarchy of decisions: focus on what is important



Build robust portfolios



**DECEPTIVE
BENDS**

Core asset allocation comprised broadly diversified exposure to listed markets.

Core allocation is seen as the foundation for portfolio design and the success (or not) of a portfolio in meeting its purpose.

Core includes:

- Growth assets
- Inflation resilient 'real' assets
- Deflation resilient assets
- Diversifying assets

Illustrating the path of future returns is important

Portfolio risk and return summary

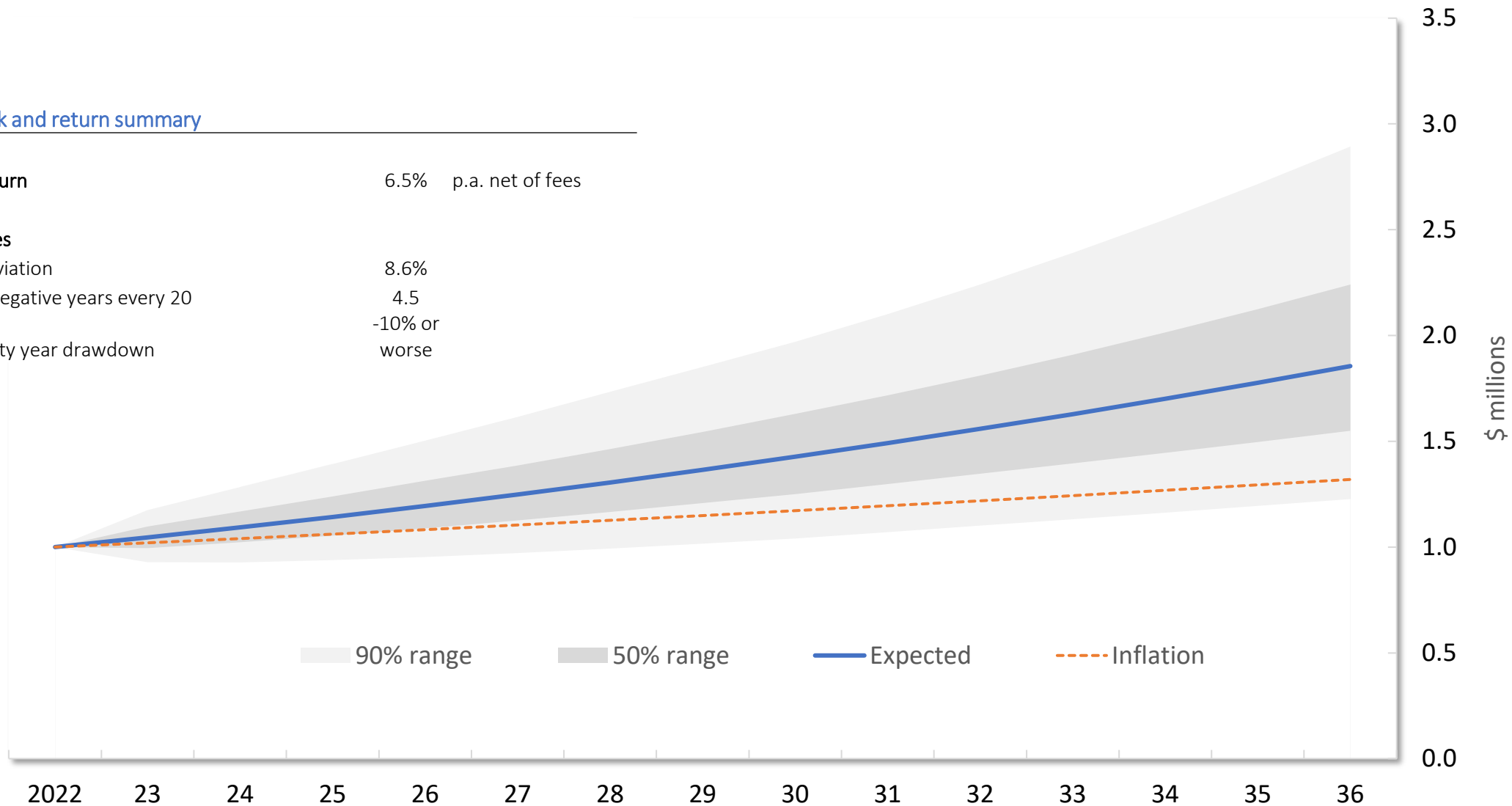
Expected return 6.5% p.a. net of fees

Risk measures

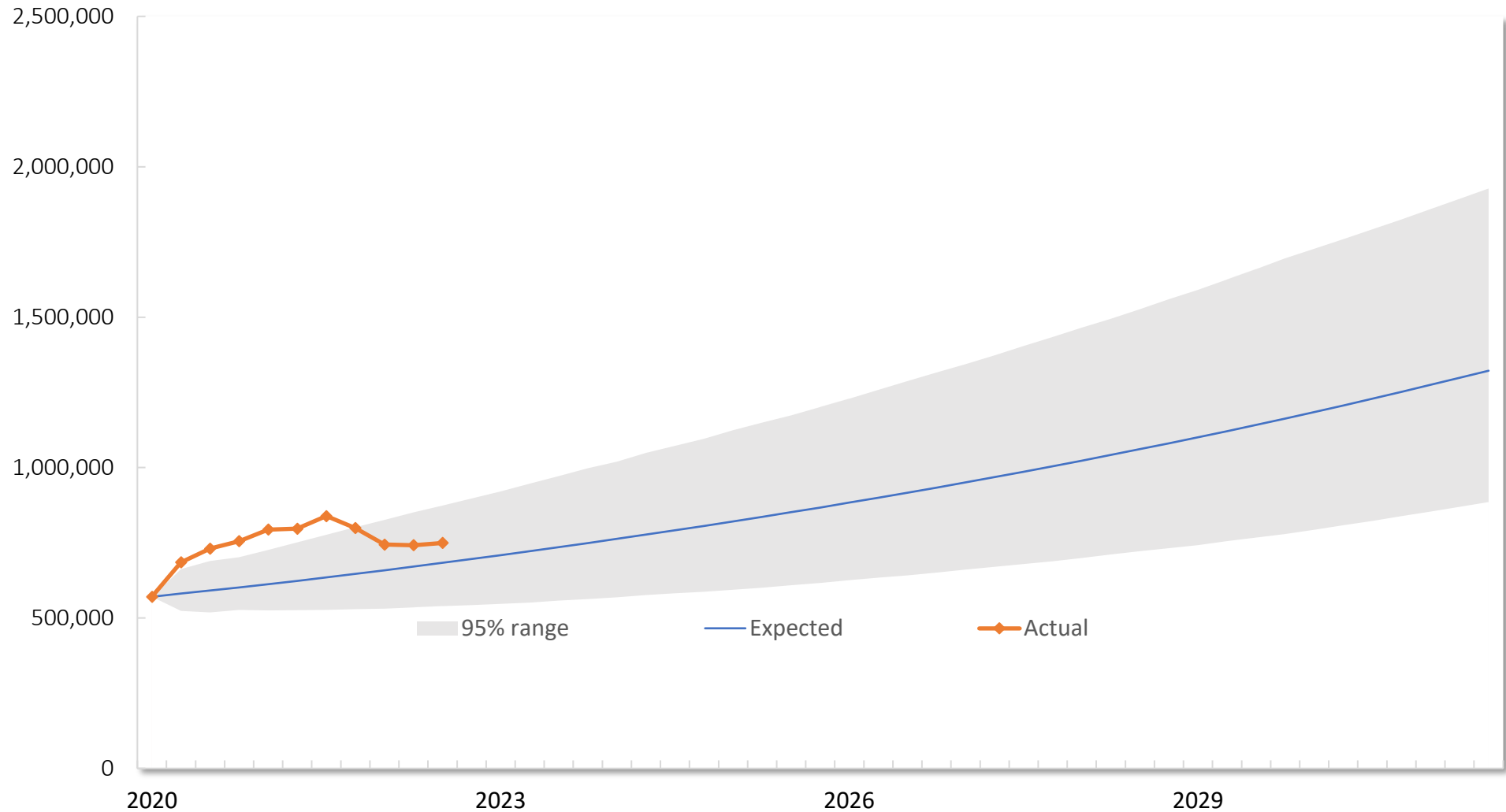
Standard deviation 8.6%

Number of negative years every 20 4.5

One-in-twenty year drawdown -10% or worse



Tracking their progress, can also help keep clients engaged



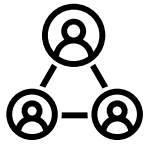
So I spoke to my financial advisor and everything is on track. If I stay the course, I should be able to comfortably retire at about 108.



som**ee**cards
user card

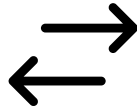
Examples of Some Elements of Fi360's Prudent Practices

Fiduciary Duties of Loyalty and Care



The framework provides practices and processes for addressing loyalty and care to the client. This can be used to help both best practice management for a firm and advisers.

Conflicts of Interest



Fi360 requires an adviser identifies conflicts of interest and avoids or manages them in a manner consistent with the duty of loyalty.

Investment Strategy for each client



An investment strategy for each client which includes:

- defining the time-horizon.
- defining the risk profile.
- designing a well diversified investment strategy.
- managing and monitoring service providers.

Prepare an IPS



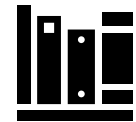
An investment policy statement reflects each client's goals, and objectives. The IPS provides a framework for the management of the portfolio and is the key governance document.

Due Diligence Criteria & Process



A reasonable due diligence process is followed to select investments and service providers. The process needs to be documented and consistently applied.

Fiduciary File



A 'fiduciary file' is kept to secure documents pertaining to the client's investments. This both meets regulatory obligations of advisers, and helps trustee clients manage their fiduciary obligations under various trust legislation.