



Standing Out from the Crowd

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Following the Royal Commission and certainly over at least the last 5 to 10 years, the financial advice profession or industry has careered from one catastrophe to the next, culminating in the banks now exiting, and AMP and IOOF struggling to rebuild their reputations and businesses. Time will tell whether they will survive in their current form.

Meanwhile, boutique businesses like ours have continued to stay focused on our clients, and have not become distracted by the 'noise' in the media or the market place. Media reporting suggests that there are many 'dodgy advisers' in Australia. Not to mention senior management at certain of the financial services companies, who possibly encouraged poor behaviour through inappropriate measurement and incentives.

Then there are the regulators who allowed the sale of certain 'sophisticated' products to retail investors.

Finally, various Coalition and Labor governments who have overreached on some of the legislative changes – leaving in their wake numerous unintended consequences.

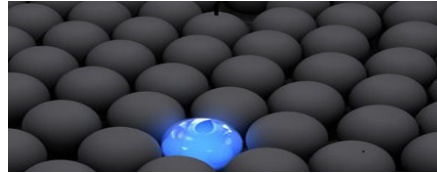
At the end of the day, all we can control is what we do for you – and how we do it. Some of this is not obvious, and so we wanted to take this opportunity to share these initiatives with you.

Some of our successes over the last 9 years – since we obtained our AFSL (Australian Financial Services Licence) in July 2010 – are:

We continue to negotiate on your behalf to save you money

A key factor in the achievement of your investment objectives is the control of costs.

Horizon Wealth continuously negotiates with product providers (Superannuation and Investment Wrap; and Insurance – where applicable) on your behalf to ensure that you receive the best pricing



available. **We pass 100% of all benefits negotiated – directly to you.**

We have been successful in expanding the range of discounts and savings applicable and, in certain situations, increasing them.

Whilst the cost of advice is clear and determinable, the value associated with advice may appear opaque and indeterminate

Vanguard conducted research between 2001 and 2014 with a view to objectively quantifying the improvement in advised client outcomes over time compared to unadvised clients. They found that advised clients experience an approximately 3% per annum increase in returns relative to unadvised clients as a result of ongoing advice on: asset allocation, managing costs and taxes, effective and efficient strategic implementation, regular portfolio rebalancing, contribution and spending strategies, total return vs income investing, risk management and behavioural coaching.

Most of you by now would have seen our own measurement tool, which we have aptly called 'Summary of Savings'. This is a summary of the quantifiable savings we have generated for you specifically in administration fees, adviser fees, premium savings (where applicable), higher interest rates on cash and also tax savings (where applicable).

We are immensely proud of being able to pass on these savings to you so as to effectively 'reduce' your fees paid to us.

What are these savings?

On the wealth side

They comprise

- Rebating **all** discounts we receive from Platform Providers to each of you.

- Increasing your interest rate on your Macquarie CMA Account within your Investment Account (by passing on the full rebate we receive to you).
- A negotiated family capped administration fee, saving you thousands of dollars.
- A continued reduction in our advice fee as your portfolio grows.
- Tax savings (where applicable) as we examine all your options and ensuring that your affairs are structured optimally in the appropriate entities so that you are able to derive the tax savings available to you.

On the insurance side

They comprise

- Packaging your insurances to derive discounts that may be available.
- Negotiating discounts that may be available from the Insurer's wellness programs.
- Continuing to ensure that our existing clients receive the same benefits as new clients. As unfair as it sounds, most insurers offer benefits to new clients only, to entice new business; but fail to extend the same offer to their existing (and loyal) clients. **We continue to persuade these Insurers to offer the same terms to our existing clients so that you are able to take advantage of these lower premiums.**

We remain privately owned

The terms 'independent', 'impartial' and 'unbiased' are restricted under Section 923A of the Corporations Act. As we earn insurance commissions, we are unable to use these adjectives to describe our business. It is generally regarded as a common business practice to include a commission in the premiums charged for insurance. This approach – managed in an open and transparent manner – has been shown to balance the requirements of the Insured, the Insurer and the Adviser.

We have always been a privately owned Australian Financial Services Licensee, who actively avoids commercial associations, payments or soft dollar inducements from or to Product Providers, Referrers and Referrals.

We are specialist Wealth Managers focused on strategic financial planning, portfolio management and life risk insurance. We are not a 'one-stop-shop' with no associated Accounting, Tax, Legal, Mortgage Broking, Property Investment and SMSF establishment and administration businesses.

We believe that this approach demonstrates our commitment to place your best interests ahead of our own.

We have enhanced our client experience

What have we done and how have we done this?

We moved into our 'new' offices in 2012 and 2 years ago extended the size of the office to allow for growth over the next 5 years (and longer) – as we look to extend our lease for the 3rd time – giving you comfort that we will continue to assist you with your personal financial affairs in the years to come.

We recently revamped and rebuilt our web site ensuring we stay contemporary with the latest technology.

We engaged with a copywriter and marketer to help write some of the material that you read today to ensure that our communication style, graphics and tables assist in simplifying the complexity as much as possible.

We continue to enhance the 'look and feel' of all our compliance documents (Statements and Records of Advice) ensuring they are easy to read, understandable and transparent – as they say, **a picture tells a thousand words**. This continues to be a work in progress, more so as product rules change, new products emerge, legislative changes to the Corporations Act, changes to Tax and Superannuation Laws and Insurance Companies who have sold or merged resulting in further product and business rule changes etc.

We improved our performance

methodology in order to make it easier for you to understand the movement in your investment portfolios, noting that you may not be as familiar with these concepts as we are.

We are mindful of our role to continue to educate you so that we are able to assist in making better decisions.

Lastly and importantly, we continue to hire well skilled, high calibre people with great client service skills so that they are all able to provide you with the same successful experience that you currently have with your Adviser. We continue to challenge ourselves to ensure you receive a consistent Horizon Wealth experience. A comment we received from a long-standing client is below.

My customer experience of dealing with your staff (those who I interact with) is uniformly fantastic. Most companies do not walk the walk when it comes to customer service. Horizon Wealth does.

We have significantly invested in the business, its methodologies, processes and compliance regime

Having our own AFSL has enabled us to customise our methodology to best suit our client base. **We continue to invest in streamlining our business as ongoing business improvement remains a key part of Horizon Wealth's DNA.**

When the requirement for the production of an FDS (Fee Disclosure Statement) became law in 2013, we developed a technology solution to produce these seamlessly. We continue to find as many technology solutions as possible to replace mundane tasks in our business although there are many that unfortunately may never disappear due to the complexity, difficulty and challenges of dealing with a number of different Product Providers on your behalf, all with their own set of different business rules.

Most of you are probably not aware that all transactions for example are initiated and completed by our office and NOT by the Product Provider (Macquarie or Netwealth as an example). The Product Provider does however, report on the

portfolio and transactions. The Product Providers are just not structured to deal with Investors on a direct basis.

Since having our own AFSL we have had an audit rating of very low risk (the lowest rating possible) for each of the past 9 years; no mean feat given the issues in the wider market. Coupled with that, we have had no client complaints in our 14 years of being in business. Our Professional Indemnity Insurers have remained constant since 2013 in what has been a tough insurance market and our premiums remain low, which is an indication of the comfort they have with our prudent business model.

What does this all mean for you?

The savings above are certainly not generated by, nor are they passed through by all advisers to all of their clients.

The aggregate savings can collectively amount to thousands of dollars annually – and tens to hundreds of thousands of dollars when extrapolated over a long-term advisory relationship.

So, partnering with a competent, skilled and ethical advisory business, firmly aligned with your interests, **actually does count**.

We believe that the value that we provide extends much further than simply being a conduit to cost savings. The feedback we continually receive indicates that our clients value highly that we:

- Provide peace of mind,
- Are regarded as a brand of trust,
- Provide an extremely high level of client service,
- Are approachable,
- Are easy to do business with,
- Are competent and skilled in managing money and reducing tax,
- Provide advice leadership,
- Provide clear and easy to understand reports,
- Explain the concepts and law in layman's terms, and
- Last and most importantly, are partners with you in your journey – when work becomes optional and you become financially independent.

General Advice Disclaimer

This information was prepared by Horizon Wealth Management. It is of a general nature and does not take into account your personal investment objectives, financial situation or particular needs. You should assess whether this general advice is appropriate to your individual objectives, financial situation and needs. You can make this assessment yourself or seek the help of a professional financial advisor or taxation professional.