

ADVISORY SERVICES GUIDE

Unique advice
for business
owners,
farmers &
investors

Our Purpose

Integrating your business and personal financial lives is vital if you are to achieve the peace of mind, personal well-being and lifestyle you dream of for yourself and your family. Whether you're a private business owner, farmer or a passive investor, Strategic Wealth Management Group and our associate network is uniquely qualified to provide the comprehensive range of advice and solutions you need to be successful and fully integrate the many financial dimensions of your life.

30 years
local and
international
experience

What We Do

Our clients benefit from the range of financial, private wealth management and business advice that we provide because it is:

- **Trustworthy**
- **Exceptionally comprehensive** in its scope
- Based **30 years local and international experience** in a variety of industries and investment markets
- **Innovative and well researched solutions** from around the world
- **Understandable and easily implemented** because of how we communicate our advice and the on-going support we provide to implement it
- **Insightful and revealing** of the untapped potential that exists in most situations
- **Proven** to increase the financial and personal well being of our clients
- **Complementary** to the services offered by your accountant and solicitor who are vital partners in the advisory process

We treat our
clients as we
would want to
be treated
ourselves

Our Values and Beliefs

How we work with clients is defined by our foundation of values and beliefs:

- A **clear and comprehensive** client agreement is established at the outset that sets out in writing the agreed objectives, the process and the outputs that are required to meet the client's expectations. The agreement also clearly establishes our commitments as to the cost, timing and completion of the assignment.
- **No excuses** - we will always do everything in our power to honour our client agreements whatever the challenges and circumstances that may stand in our way
- Developing and maintaining a **long-term trusted relationship** with our

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clients is more important to us than the specific outcomes of any particular assignment

- **We expect to enjoy working with our clients - and they with us** so that both of us invest in a long term relationship based on mutual trust and respect
- **We treat our clients as we would want to be treated ourselves.** That means we always act with integrity, understanding, consistency and with the clients interests at heart
- **Independence** is one of our greatest attributes. We will use this to challenge assumptions and help clients to see things from fresh perspectives by being frank, honest and when necessary, provocative to provide these new understandings and insights
- **Our advice will always be a blend** of creativity, unemotional quantitative analysis, pragmatic reasoning, sound commercial judgement and intuition or “gut feeling”. The later is often of significant importance in arriving at conclusions and decisions on those aspects of business and investment that do not lend themselves easily to quantitative analysis
- **We are always focused on doing the right thing for our clients** in terms of both their business or financial well-being and their personal well-being, as the former without the later will quickly become illusory
- **Our success is defined by our client’s return on the investment made with us.** In most situations, we expect to deliver a high return on the investment made in our advice within the first 12 months and for our clients to feel a much greater sense of well-being and control over their lives

Comprehensive Financial Planning

Our comprehensive financial planning helps you integrate your business and personal financial lives. The development of a trusted relationship between a client and an advisor takes a considerable investment from both parties and so it makes sense for clients to take full advantage of this investment by working with us on both the business, farming and personal financial dimensions of their lives.

Passive investors benefit from our comprehensive financial planning just as much as business owners and farmers because it is tailored to the needs of private individuals and trusts. Nowadays, trustees are obliged to exercise high standards of due diligence and skill when investing trust assets and this often necessitates an investment process based on independent investment advice and professional portfolio management and administration.

Unfortunately, it has proven difficult for investors to obtain comprehensive,

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and trustworthy financial advice because:

- **Individual investors often face the onerous task of trying to understand and integrate all of the elements of their financial affairs themselves**
- **Financial institutions have become product marketers** rather than professional advisers and promote the products they have whether or not these best meet the specific needs of the investor in a cost effective way
- **The integrity of the advice is often tainted** by inherent conflict of interests. These arise from how financial institutions, share brokers, insurance brokers and many financial planners are paid for their efforts. Many of their commissions and fees are not fully disclosed to investors and often create a financial incentive to advise clients in a way that is frequently at odds with the client's best interests. For example, many of the commission schemes prompt costly investment portfolio turnover and investments in expensive funds, both of which reduce investor returns

Our comprehensive financial planning and advice integrates all aspects of clients' personal and business financial lives including:

- **Dividend and reinvestment policy.** Business owners and farmers need a formal dividend policy and a disciplined basis for reinvesting and protecting the cash flow from their business so they have long term financial security that is independent of the business or farm itself.
- **Personal budgeting,** savings planning and debt management
- **Risk coaching** to accurately assess investors' willingness to accept risk (as they perceive it) and to help them express this risk tolerance in relation to the alternative investment strategies available to them
- **Portfolio investment strategy and asset allocation** in terms of property, shares, fixed interest and alternative investments such as infrastructure, private equity, commodities and inflation-protected bonds
- **Asset protection and estate planning.** We can be retained as a professional trustee of a client's family trust to assist with ongoing trust management
- **Retirement planning** in terms of wealth accumulation strategies prior to retirement and sustainable investment and withdrawal strategies after retirement
- **Education planning**
- **Risk management and insurance services** provided in conjunction with expert associates in this area

Our comprehensive financial planning advice is **implemented in conjunction with your accountant and solicitor** so that there is an effective and seamless three-way partnership working in your interests.

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The ultimate
investment
solution

Private Wealth Management Solutions

The implementation of an investment strategy and the ongoing portfolio management, monitoring and administration can be onerous and time consuming. In our volatile world, successful investment performance cannot be achieved by an “invest and forget approach”.

Portfolios must be closely monitored and managed to ensure they remain aligned with the investment strategy relative to the constantly changing circumstances shaping investment markets. This is a complex task that is frustrating for individual investors and trustees.

Most trustees and individual investors are simply too busy or do not have efficient systems to attend to the daily running of their portfolio. Equally, they would also like to:

- **Simplify their affairs** for estate planning purposes
- **Reduce their costs** of administering local and offshore investments
- **Stop handling the never-ending paperwork** and record keeping required for accounting and tax reporting purposes
- **Maintain maximum security** and protection for their investment holdings
- **Avoid exposure** to estate and inheritance tax regimes on their overseas investments (particularly USA registered investments)
- **Easily handle** overseas currency transactions

We provide a full private wealth management solution to private investors and trustees that will achieve all these goals through a custodial wrap account. This service provides:

- A **disciplined approach** to your strategy implementation on an ongoing basis and in accordance with the your investment plan and client agreement with Strategic Wealth Management Group
- **Access to low cost and exclusive institutional investment funds** not available to retail investors including Dimensional Funds, the world's most respected asset class fund provider
- Integral **cash management accounts with wholesale interest rates** for all major currencies (NZD, AUD, USD & GBP)
- **Safe custody** of the local and international investments themselves through Aegis, an independent custodial company with ~\$5B in funds
- **Efficient, state-of-the-art portfolio administration systems** to handle the day-to-day affairs and provide ongoing portfolio reporting for management and taxation purposes
- An **on-line client portal via our website** so clients can review the status of their portfolio and run various reports whenever they want

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Improve
sales,
profitability &
free cash flow

- **Low cost brokerage rates** negotiated for the exclusive benefit of our clients some 75% less than retail rates
- **Integrated reporting on all investments on a quarterly basis.** These reviews will vary depending on the clients needs but typically cover asset allocation, portfolio performance against benchmarks, assessment of individual holdings and detail any recommendations for change

Business Advice

Strategic Wealth Management Group and our associates helps business owners and managers create financial opportunities, avoid financial difficulties and maximise shareholder value by advising clients on how to improve:

- **Top-line sales growth**
- **Bottom line profitability**
- **Free cash flow** available for reinvestment

Our advice is wide ranging in its nature and specific to the situation facing each business.

However, there are a few critical aspects that drive business value in any situation and this is why our efforts tend to be concentrated on the:

- **Overall strategic profile** and driving force of the business, particularly its competitive strategy and balanced scorecard of objectives/outcomes (financial, customer, internal process and organisational learning)
- **Alignment of the leadership style**, organisation structure, behaviours and calibre of staff (with the business strategy) with a special focus on the recruitment and retention of the later
- **Alignment of the core competencies** and the improvement of the associated internal processes (with the business strategy) using six sigma methodologies. This often requires a special focus on sales and marketing and, supply chain management competencies
- **Financial self-sufficiency** and strategy including profit/cash flow planning, cost reductions, capital efficiency and the overall capital structure of the business (especially, optimisation of debt levels)

Buying or Selling Your Business:

We help owners buy and sell their businesses. This is an emotionally difficult negotiation process yet the outcome is a fundamental factor determining the level of shareholder value ultimately created. For many owners, the creation of a saleable business and the maximisation of this sale value is the end-goal. The achievement of this goal requires a proper plan to prepare the business for sale by ensuring it is realising its full potential.