

Dear Friends

The Value of Advice

On behalf of all our team at Marinis Financial Group, I trust that you and your loved ones had a happy Easter. Whether observed as a religious event or simply having time to enjoy the company of family and friends, I find the four-day break a great time in our calendar.

This edition of eGrow focuses on the value of good advice, which is our continued aim at Marinis Financial Group.

If investing, or managing superannuation and the associated taxation and Centrelink outcomes were simple, there would be no need for our expertise. Unfortunately, as is the case in many specialist arenas, the truism 'you don't know what you don't know' applies. There are many rules and legislative interfaces to navigate, so much so that it has become far too easy for the uninitiated to make mistakes – mistakes which can sometimes be irreversible – in this space.

As a result, it goes without saying that keeping abreast of the numerous legislative changes and their implications and opportunities, requires a significant commitment if, as professionals, we are to ensure that we provide our clients with the best financial strategies to achieve their goals.

At Marinis Financial Group, our aim is to be your financial concierge. We want to take away the stress of the unknown – and the fear of making a mistake – so you can enjoy what you love in life.

As part of this process, we are required to comply with extensive and complex financial services legislation. The engagement of well qualified people is paramount in ensuring that our advice considers all aspects of our clients' financial needs, their attitude to investing, and their overall situation. As many of you will know, this is not a 'set and forget' arrangement.

Our ongoing 'operational' compliance also requires that the systems we have in place are capable of privacy protection and the provision of cyber security around the confidential data we hold on your behalf. The performance of these systems is also subject to the scrutiny of our financial services laws.

One of the unexpected benefits of the COVID-19 pandemic has been the opportunity to re-shape the way we deliver our services. We are currently pioneering a new client portal, which will allow those of you who would like to keep a close eye on your personal financial situation to do so, easily. We also have a new state-of-the-art telephone system which allows us to work together remotely, as we did during the COVID-19 lockdown last year. This is important and beneficial for another reason, as there is now a further layer of legislation which requires the annual services we provide to be delivered within a rigidly prescribed period. Having these systems in place will help us to work together even more efficiently, and ensure that our ongoing advice requirements are met.

In keeping with our service commitment, our IT systems have also been upgraded to include migration to the Cloud using our own system (as opposed to a system owned/hosted by a third party) due to the enhanced cyber security features this provides. The move to our larger, upgraded premises in 2019 has provided us with the space to grow our staff, with the costs associated with the move able to be mitigated by our expense sharing arrangement with our co-tenant Piteo Accounting & Advisory.

You will also be pleased to know that our focus on reducing investment/product costs (such as those paid to investment platforms and fund managers) continues; service providers are monitored and reviewed quarterly by our investment committee. Whilst we will not compromise on security and stability for our clients, we will always look for the least costly, quality providers.

As a result, I am very pleased to report that all our clients pay less for their investment platform than those who are members of any Industry Super Fund. However, our clients also receive the value of individual advice which is tailored to them and their personal situation.

Like all businesses in 2021, however, we are dealing with additional overheads.

Over the last few years our ongoing IT costs (including data base and financial planning software systems) have increased from \$27,000 per annum to \$83,000. In addition, the cost of our professional indemnity insurance, which protects all our clients, has risen – as have, of course, our staffing costs.

As a result, for the first time in three years, we will increase our advice fees. As is our way at Marinis, we will communicate with each of you before implementing any changes to your terms of engagement, so that you will know clearly what the cost will be.

I would like to extend a heartfelt 'thank you' to all of you for your belief in our approach and your willingness to pay for good, quality advice which is supported by 'best-of-breed' systems. At Marinis we do things 'Distinctly Differently' because we are clients as well, and philosophically driven to seek the best for everyone.

We have the people and the systems in place to make sure our advice complies with financial services laws, that it is at all times appropriate, and that the short, medium and long-term needs of our clients are considered. Having said that, we are always driven to improve, therefore our restlessness for innovation, as a means to keep costs down, will continue.

New Clients

A very warm welcome to the raft of new clients who have joined us in 2021. Most of you have a connection to us via an existing friend or relative, or you have sought assistance with your defined benefit superannuation fund (sometimes in relation to your '54/11' strategy). I am humbled to be able to say that we now have clients in every state and territory in Australia.

The Economy

Whilst I'm no fan of AMP's institutional management skills, I am an admirer of AMP's chief economist – a man I've had the privilege to meet on a number of occasions – Dr Shane Oliver. On March 11, Shane reminded us that falls in the share market are normal; he is also a little pessimistic about the post-coronavirus economy.

Nobody has a crystal ball, but I remain confident that the basics of long-term investing still apply – in summary 'be conservative, and expect a rollercoaster ride'. I don't approve of the term 'investment shocks'; bouts of market volatility should be expected, as they are entirely common events.

For those in the wealth creation phase (as opposed to the income drawdown phase) it makes sense to think seriously about the looming end of financial year, and to make sure (if this is part of your strategy) that you have your concessional superannuation contributions (maximum \$25,000) in place.

Media

If you are interested in reading my most recent media contributions, feel free to click [here](#).

As always, if I or any of the Marinis team can be of assistance, please feel free to contact us either by email at admin@marinigroup.com.au or call (08) 8130 5130.

Kind Regards,

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