

# Grow @ Marinis Group

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**From:** Grow | Marinis Group  
**Sent:** Friday, 11 May 2018 10:32 AM  
**To:** Alex Wiedenmann | Marinis Group  
**Subject:** Banking Royal Commission

Dear Friends,

## **Why I love a good (banking) royal commission**

It will probably be no surprise to readers of eGrow that I am not unhappy with the current review of the financial services industry.

Sadly, that old truism "In the race of life, always back self-interest" has yet again, stood the test of time.

When a bank or insurance provider owns both the advice and the financial product, clients of those organisations will inevitably be directed to where the institution generates its highest reward. Salaried advisers will, more often than not, be remunerated with bonus payments for recommending 'home-brand' products. In other words, financial structures which reward profit driven opportunism (sometimes referred to as greed) are flawed.

Now, I don't want this to be seen as criticising all 'bank based' advisers, but more as a criticism of a system which allows conflicts of interest to foster.

In my heart-of-hearts, I don't think banks have ever run wealth creation well. There is a cultural difference between the two streams. It is my hope that the Royal Commission will recommend the breaking up of the functions of banking and the provision of financial advice currently practised by these financial giants.

## **So, what makes Marinis Financial Group any different?**

Financial Strategies (SA) Pty Ltd (trading as Marinis Financial Group) is a private entity owned by my wife Julie and myself. Our privately owned entity also holds an Australian Financial Services Licence (AFSL) as opposed to operating under the auspices of the AFSL arrangements of a larger, institutionalised entity (often a bank or a bank owned 'wealth management' arm). It means that Marinis Financial Group is not subject to the dictates of a 'head office' in the selection of the products we research and recommend as appropriate vehicles for delivery of the strategic advice we provide to our clients.

As an Australian Financial Services Licensee, Financial Strategies (SA) Pty Ltd must still, however, comply with all the same rules which regulate the large organisations. The main difference is that as a 'Responsible Manager' under our AFSL, the buck stops with me!

Marinis Financial Group charges a range of flat fees for service (depending on the level of service required and agreed to in consultation with our clients) as opposed to a percentage of funds under advice. It is our firm conviction that it does NOT cost ten times as much to invest \$1M as it does \$100,000.

The processes of MFG's investment committee are designed to ensure that we are not a 'vertically integrated' one-stop shop. In this way, as far as humanly possible, conflicts of interest are eliminated from (NOT locked into) our processes.

Our aim, wherever possible, is to keep costs to a minimum, on the basis that the less our clients pay for administration and investment management services, the more they will have to retire on. Therefore, the

investment administration platforms and the investment options we recommend reflect our ability to find the best and most cost-effective alternatives.

### **As a client in this heightened environment of scrutiny of the financial services industry, what should you be doing?**

Always scrutinise what your adviser is recommending. Make sure that the costs, and significant benefits (in dollars) of each piece of advice can be quantified. Inform yourself by reading the media and government websites; talk to people about what their experiences have been.

If you are unsure about the advice, get a second (or third) opinion.

In investment terms, don't let this scrutiny on the industry hold back on saving for your future. Keep putting away as much as you can, as soon as you can, for as long as you can.

If I, or any member of the team can be of any assistance to you, please don't hesitate to call us on (08) 8130 5130.

Also, please look at [www.marinsgroup.com.au](http://www.marinsgroup.com.au) and go to the media section to see details of our public stance on issues affecting the industry over the last decade or so.

Kind Regards,

**Theo Marinis B.A., B.Ec., CPA., FPA®**  
**Financial Strategist**  
**Authorised Representative**



**GROW @ Marinis**



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