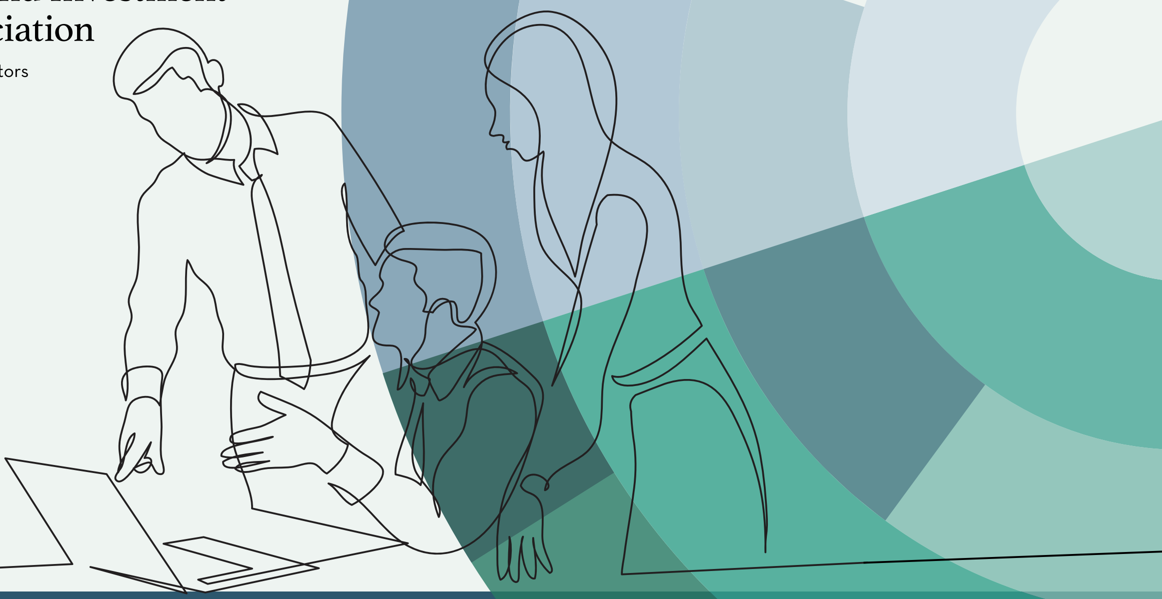
Stockbrokers and Investment Advisers Association

Serving the interests of investors

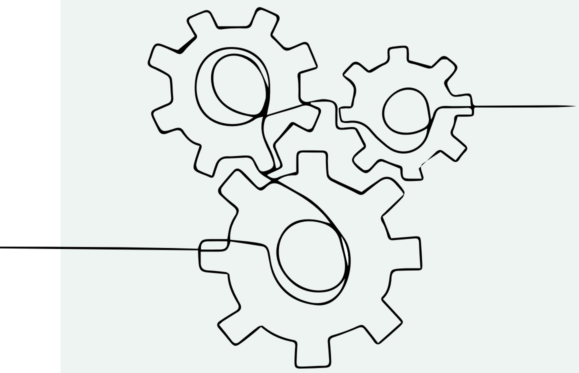


INVESTMENT ADVISERS MAKE A

DIFFERENCE IN PEOPLE'S LIVES

As an investment adviser you:

- ✓ help Australians generate wealth over the long term
- ✓ improve people's overall wellbeing by improving their financial wellbeing
- ✓ contribute to the Australian economy by assisting businesses to raise capital from investors.



An investment adviser has their clients' best interests at heart.

It is a long-term relationship aimed at securing financial wellbeing for their clients by helping them build, preserve and manage their investment portfolio and wealth over time.

Research globally makes it clear that improving financial wellbeing is an integral aspect of improving an individual's overall wellbeing. Individuals receiving financial advice say they:

- ✓ have greater peace of mind financially and greater control over their financial situation
- ✓ experience a positive impact on mental health, family life and physical health
- ✓ increase their personal happiness —how people feel about their finances affects how they feel about life in general.

FIND OUT MORE about becoming an investment adviser or Student Affiliate membership as a pathway to a career in investment advice.

www.stockbrokers.org.au

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What does an investment adviser do?

An investment adviser is someone who engages in the business of providing investment advice to others about the value of or about investing in securities – shares, bonds, mutual funds, exchange traded funds (ETFs), and certain other investment products. They create an investment strategy to benefit their clients.

There is a risk factor to consider when making investments and an investment adviser:

- ✓ helps clients to determine the level of risk they are prepared to accept (their risk appetite)
- ✓ informs them on historic returns and typical volatility they may experience
- ✓ sets up a diversified portfolio to both protect accumulated wealth and position clients to reap rewards when markets soar and go down
- ✓ helps define the client's investment time horizon
- ✓ establishes an appropriate allocation to growth, defensive and alternative assets
- ✓ ensures clients can take advantage of compounding interest in long-term investments and
- ✓ helps clients contribute to a successful Australian economy by investing in emerging and established businesses.

The adviser will also help clients monitor and reassess the investment performance as they may not always have the time to do it. Regular monitoring of an investment portfolio is necessary to ensure alignment of the client's investments with their financial goals.

How does an investment adviser secure financial wellbeing for clients?

Investment is an essential pathway to generating wealth over the long term. Investing is the simple act of putting money into a financial asset with the goal of generating an income, making a profit or both. Securities are a financial asset.

Compounding is the process in which an asset's earnings, from either capital gains or interest, are reinvested to generate additional earnings over time.

The 30-year return from the Australian share market, based on a $10,000 starting investment with no extra contributions, but with income distribution reinvested, shows that an initial $10,000 invested would have been worth more than $160,000. If an additional $500 a month was contributed, much higher long-term results are generated — $1,052,982.13.[1]

That is the power of compounded returns.

[1] A proven way to build wealth', Tony Kaye, Senior Personal Finance Writer, Vanguard Australia

The 2022 Russell Investment annual *Value of an Adviser* report notes that without guidance

"... investors often buy when markets are euphoric and sell when markets are bearish. When we look at the 26-year period from 1995–2021, we've found that the average investor's returns were 1.93% lower than the overall market's returns."