



From Pete's Desk

There are changes afoot for Personal Investment Centre so we thought it time for a newsletter to provide you with a "heads up".

I am currently assisting another Financial Adviser who has been through cancer treatment and is not yet able to meet with clients. This has meant that I am out of the office a little more than usual so bear with me if I am a little less accessible or if I take a bit longer to get back to you. We are hopeful that he will make a full recovery and get back to speed soon.

I have also been renegotiating our Professional Investment Associates (PIA) collective agreement with ICSL/Aegis and this has taken up quite a bit of my time but it has meant that we will be able to offer our clients lower fees by moving to an institutional model, which I have covered in more depth in another article within this newsletter.



It is with more than a little tinge of sadness that I write to inform you all that Michele is moving from Palmerston North to New Plymouth at the end of July. Michele has been with us for 13 years now and will leave quite a gap but we are happy to see her taking a new direction in her life and wish her all the very best with her move.

At this stage we are not looking to replace Michele so it will be just Lynne and myself running the office for a few months while we consider any structural changes and future planning.

If any of you have tried to open (or even close) a bank account of late you will have experienced the hoops that we now have to jump through to satisfy Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) and Common Reporting Standard (CRS). This means we will have more boxes to tick; so bear with me if you come in and I have yet another form for you to complete. These are legislative changes made at Government level and relate to international accords between participating countries. It is not just us affected now, Solicitors, Accountants and the banks all have to meet these same requirements.



It is with more than a little tinge of sadness

Inside this issue:

Peter's Desk	1
Institutional Model	2
Digital Amnesia	3
Light Relief	4
Reminders	4
Out of the Office	4
Michele's Farewell	4



Institutional Model



As already mentioned I have been heading a committee with some fellow PIA members to carry out a full review of our arrangements with Aegis. Professional Investment Associates (PIA) is a group of independently owned non-aligned professional financial advisory firms, and it exists primarily to facilitate the quality and value of research available to member firms providing a professional consultation network for the benefit of members and their clients. At present our Member Offices manage in excess of \$500 million of clients' investment funds collectively. At this level our business is important to Aegis and we have re-negotiated our agreement around this, which provides a distinct benefit to all of our clients through fee reduction. We will be making some structural changes in our arrangements with Aegis and updating to a more streamlined system for clients known as an "institutional model".

This will make no difference to you in the service that is provided by Aegis or ourselves, what will change is that I, as the Adviser, will take more of the responsibility around compliance, which is currently with Aegis, and the contracted services provided by Aegis and ICSL will be to me. Your client contract will be with me, the Adviser. We have negotiated with Aegis that the fee reduction will occur at the same time to all of our clients but transition to the new structure will be done progressively over coming months as I will need to discuss this with you all face to face and we will have new documentation to complete. At the coal face you will notice no change whatsoever in your reports or file history.

The principal changes will be:

- ✓ *Currently you have two contracts:- one with Aegis/ICSL and one with us (PIC). The new model will be one contract with PIC.*
- ✓ *How you instruct and authorise us will be improved. Currently whenever we make any changes to your portfolio we require you to sign a form and return this to us and then we send this on to Aegis. For those of you without computers and the ability to print, scan and email back to us snail mail has meant a week can pass before things move. Under the new system a valid client instruction can be an email or phone confirmation, fax or text.*
- ✓ *Cash withdrawals from your portfolio cash accounts to your nominated bank accounts as loaded within the system will likewise be able to be actioned the same as above.*
- ✓ *Current reporting will not change and you will still receive a six-monthly custodial report directly from Aegis, which is an independent audit function.*
- ✓ *Any changes required to your portfolio file such as address changes or change to your monthly drawings will be able to be made much more quickly.*

With the new system I would encourage those of you who have an email address that we do not have on file to let us know so that the approval system will be quickened up, the postal system seems to be shooting itself in the foot by being slower and slower with their delivery.



DIGITAL AMNESIA

How the internet is killing our memory

(from an article in Centraltoday April/May edition)

I was once in a situation where I was out in the city, my phone battery had died and I somehow had to contact a friend to let them know where I was. Now I know what you are thinking. “Why didn’t you just find a payphone and call them from there?” Aha... smart thinking that! Only I don’t store phone numbers in my head anymore, that’s what my phone is for. Or at least that’s what I’ve been subconsciously telling myself in the past 10 or so years since I’ve had a mobile phone.

The truth is—I couldn’t tell you any mobile or home telephone number of any close family member or friend. Not one. I could tell you my Grandparent’s old telephone number and my best friend’s number from when she was six like I was reading you my birth date ... but beyond that I’m lost and apparently I am not the only one.

A 2015 study by cyber-security company Kaspersky Lab, entitled “The rise and impact of digital amnesia: Why we need to protect what we no longer remember,” ultimately found that many of us struggle to recall memories that we store in digital devices. The evidence was found across all age groups and equally among both men and women.

The study, conducted by research firm Opinion Matters and commissioned by Kaspersky Lab, surveyed 6,000 consumers aged between 16 and 55+, split evenly between male and female, with 1,000 from each of the UK, France, Germany, Italy, Spain and Benelux.

It found that across Europe that up to 60 % could phone the house they lived in at aged 10, but not their children (53%) or the office(51%) without first looking up the number.

How many of you are nodding along? How many of you are wondering what “digital amnesia” is? Kaspersky Lab defines it as “the experience of forgetting information that you trust a digital device to store and remember for you.”

The study further found that 24% of participants would forget an online fact as soon as they had used it. We may be living in the age of information, but if we can’t remember something right after we have read it, then what use is it? On a more positive note though, it did find that 67% of participants say they would sometimes make a note of something they found online. However, it also found one in three European consumers is happy to forget, or risk forgetting information they can easily find, or find online again. A paper published in Science in 2011 by Harvard and the Universities of Columbia and Wisconsin found that the way young people in the US remembered information was changing due to readily available information online. This study termed the fact that participants retained fewer facts, but could readily recall where the information was stored “The Google Effect”.

The Kaspersky study (obviously) focuses more on the implications of a lack of IT security, given how much personal data and information is stored on digital devices, rather than the impact on human memory itself. It does however, suggest that “we need to better understand the direction and long-term implications of this trend in order to protect the information we no longer store in our minds, especially with these cyber attacks becoming more frequent”.

Is switching off the answer? Perhaps not, but it will be interesting to find out what other studies come up with to determine the long-term impact the digital world has/will have on us in the future.

Let’s just hope we remember this conversation in the first place.



Michele's Farewell

Dear All

After 13 wonderful years with Personal Investment Centre I am bidding farewell to PIC on Friday 28th July to pursue new opportunities in New Plymouth.

As I move on I would like to take a moment to remember and cherish the many friendships I have made along the way. It has been great interacting and getting to know each one of you.

Even though I will miss you all I am looking forward to this new challenge and to start a new phase of my life.

I wish you all the best.

Kindest regards

Michele



Personal Changes

Just a gentle reminder....

It is **important** that you advise us if you:

- ⇒ **Change your bank account**
- ⇒ **Change your address/email**
- ⇒ **Change your Will**

Bank account and address changes are obviously important to ensure that withdrawals and correspondence get to the right place but it is also important if you change your Will. This could mean that your investments may need to be set up differently i.e. if you set up a Tenants in Common structure or a Trust structure. Our recommendation would be 'if in doubt—give us a call' to ensure your portfolio always meets your particular needs

OUT OF THE OFFICE

Peter will be out of the office from:

Thursday 3rd to Friday 4th August (incl.)

Monday 21st to Friday 25th August (incl.)

The office will be open normal hours 9.00am to 5.00pm and phones will be diverted after hours.



People make the blunder of planning for their retirement at retirement time. There's precious little that can be done if you delay your retirement planning. Retirement Planning needs "time". Start early



97 Rangitikei St, Palmerston North 4410 P O Box 448, Palmerston North 4440
Ph.: 06 354 7900 Fax: 06 354 9950 Email: admin@investcentre.co.nz

*The information contained in this newsletter is of a general nature and is not intended as a substitute for professional advice. It should be used as a guide only.
A Disclosure Statement is available on request at no charge.*

