

NEW ZEALAND INVESTMENT BRIEFING 2017

## TO ASK OR NOT TO ASK?

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# TRUST ME – I KNOW WHAT I’M DOING



# WHY WE ASK QUESTIONS

We want better  
outcomes

We're obliged to make  
proper inquiry

Other people will think  
you're more competent

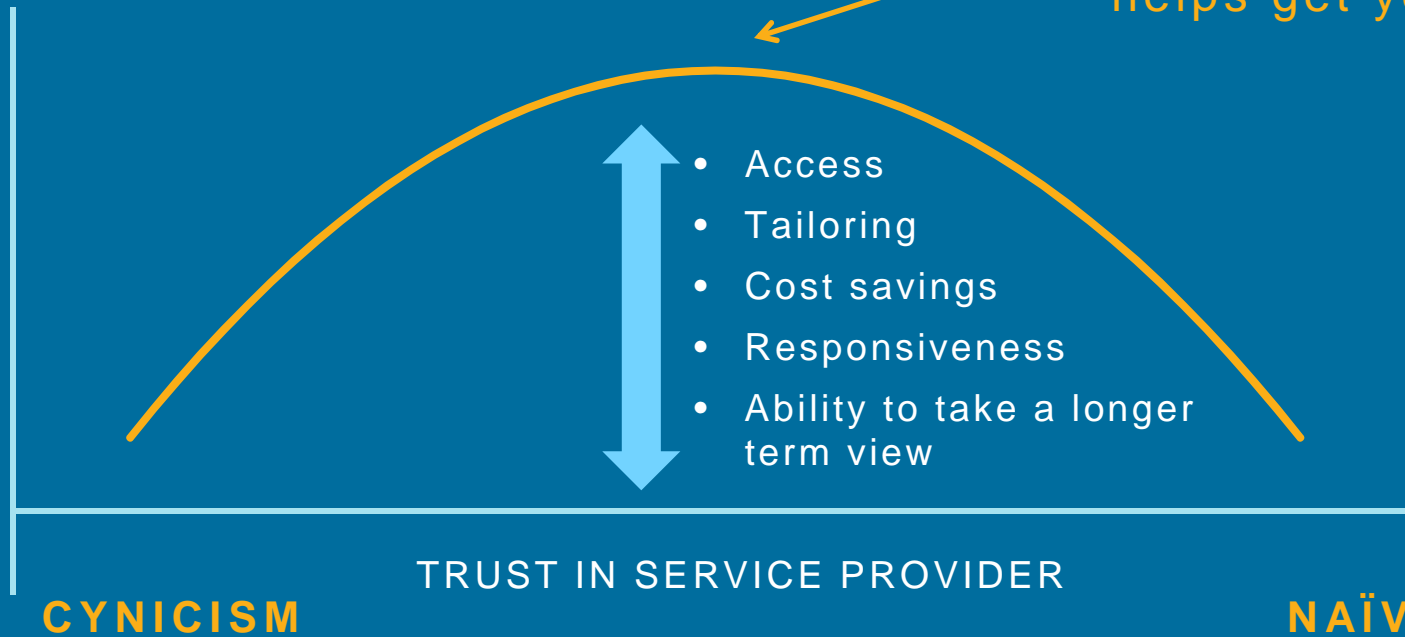
Questions often spark  
discussion

Remaining curious is a  
key element of learning

# THE TRUST VALUE HYPERBOLA

VALUE TO CUSTOMER

Asking questions helps get you here



# TOP 10 QUESTIONS

1. What's keeping you awake at night right now?

2. What's the worst that can happen?

3. What does success look like?

5. How do we explain this investment to our crowd?

4. Should we be doing this?

# TOP 10 QUESTIONS

6. What do you know that the market doesn't?

7. What's holding our investment portfolio back?

8. How much of your money is invested alongside ours?

10. Almost anything you like!

9. Mercer: What questions should we ask?

# ASKING QUESTIONS WILL

1. Help us do our job
2. Spark discussion
3. Achieve superior outcomes

*And make us smarter (and appear smarter)*

## TO ASK OR NOT TO ASK

*The person who asks a question is a fool for five minutes; the person who does not ask a question remains a fool forever.*

Chinese Proverb



## INVESTMENT QUESTIONS FROM AUDIENCE

1. **Why should we retain you rather than switch to an alternative provider? What value do you add? What differentiates you from your peers?**
2. **How efficient are the markets you operate in?**
3. **How will this affect / benefit our beneficiaries?**
4. **What more should we know about this? What one good question should I have asked you that I haven't?**
5. **Explain to me what your key conflicts of interest are and how you mitigate and manage them?**

## INVESTMENT QUESTIONS FROM AUDIENCE

6. **Things don't always go well – what are you going to do when this happens?**
7. **What was the most difficult decision you made that impacts us/our result?**
8. **Tell me something you got wrong – and what did you learn? If you could have the last year over again, what key decisions that negatively impacted your portfolio would not be repeated?**
9. **Would you do this with your money? Would you recommend your family to invest into our fund?**
10. **Tell me how your organisation will protect me and our investment if one or two of your key investment managers leave suddenly?**

## INVESTMENT QUESTIONS FROM AUDIENCE

11. How often should Trustees independently review the performance of their investment consultant?
12. What are you doing to address the changing needs of your members/clients in terms of investment innovation?
13. What are you doing to manage the costs within the fund? How do you reduce management fees without reducing expected returns?
14. How do you work out what currency to hedge – by listing, domicile or function?
15. Please define the investment strategy by describing the two bookends (the extreme outcomes – best and worst - expected from the strategy)?



**MERCER**

MAKE TOMORROW, TODAY