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INDUSTRY SUPPORTS SECURITIES COMMISSION RECOMMENDATIONS TO CHANGE

"The Securities Commission's recommendations for changes to the law relating to investment advisers are welcomed by the Investment Savings and Insurance Association (ISI)," said Vance Arkinstall, Chief Executive.

"Whilst we do not have the specific details of the Commission's report to the Minister, the industry enjoys a strong working relationship with the Securities Commission and we are supportive of moves by the Commission to improve public confidence in the investment advisory industry," Mr Arkinstall said.

"New Zealand is fortunate in the quality and expertise of its investment advisers – certainly those advising on managed funds, unit trust and superannuation products. Advisers in New Zealand by and large do an excellent job. None-the-less the industry constantly seeks improvements that strengthen the integrity of the investment advisory process and increases investor confidence."

Mr Arkinstall said "The timing of these changes is appropriate as we see an increasing number of individuals choose managed funds as their preferred long term savings vehicles ahead of property."

"The Commission announcement is also timely as the ISI in conjunction with several interested parties commenced a project in 2001 to identify improvements and changes to the industry-led self-regulation process. We expect the Securities Commission's proposals will compliment the work we are undertaking," said Mr Arkinstall.

The managed funds industry manages retail investments through superannuation, unit trust, insurance bonds and group investment products of approximately \$30 billion, often on behalf of many small and inexperienced investors. The industry takes that responsibility very seriously which is why we value the integrity of the investment process and seek ways to increase public confidence in this vital industry.

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Vance Arkinstall
Chief Executive
ISI