



GLOBAL ASSOCIATION *of*
INDEPENDENT ADVISORS™



GLOBAL MEMBERS



OUR FIDUCIARY DUTY TO CLIENTS

What binds our international network of independently owned investment advisory firms is a common adherence to the principles of fiduciary excellence – a commitment that mandates always putting our clients' interests first.

Many of the member firms were founded more than 30 years ago. They include a foundation member of Zero Alpha Group (ZAG), founded in 1995, and members of the Asset Class Investors Group (ACIG), formed in 2002. Other members come from Canada and Europe.



INTRODUCTION



GLOBAL
ASSOCIATION of
INDEPENDENT
ADVISORS™

*Global Association of
Independent Advisors™ (GAIA)
firms share best practices and
learn from each other, so that
we can better serve our clients
in a fiduciary capacity.
All firms are committed to
providing clients with objective
advice and personal solutions.
These incorporate broad global
diversification, a structured
and proven approach to investing,
and independent fi uciary-based
financial planning and wealth
management solutions.*

WHAT IS AN INVESTMENT FIDUCIARY?

Today more than ever, advisors are challenged with understanding their clients and the challenges they face. The Center for Fiduciary Standards has defined the advisor who looks at the client first as an investment fiduciary. Simply put, a fiduciary is someone who serves as an ever-vigilant guardian of the client's best interests. This professional focuses on the client first before making a financial recommendation.

It's a concept that's garnered much attention in recent years, as legislators around the world pass legislation to improve investment transparency and advisor accountability.

Our clients' financial success is not about being lucky, but being prudent about creating and preserving wealth.

Clients should focus on what they do best and consider delegating the rest. That is why clients choose to rely on a trusted advisor to guide their lifestyle, financial and investment decisions.

When that advisor is also a fiduciary, the client can be confident that the advisor will:

Create clarity around life needs, concerns and opportunities ahead

Provide quality, unbiased investment advice

Respect the client's concerns about risk, identify efficient ways to reach client goals and strive to reduce costs

Be free of commercial and personal conflicts of interest



HIGH STANDARDS

THE HIGHEST STANDARD OF FIDUCIARY

Today's client must expect that they are the client and the focus; not their funds. In creating a fiduciary gold standard, an independent global assessment and certification organisation was formed.

The Center for Fiduciary Excellence (CEFEX) serves as an independent auditor to verify that an investment advisory firm conforms to all practices and criteria that comprise the Global Standard of Fiduciary Excellence.

*The Accredited Investment Fiduciary® (AIF®) Designation has been the mark of commitment to a standard of investment fiduciary excellence. Those who earn the AIF mark successfully complete a specialised program on investment fiduciary standards of care and subsequently passed a comprehensive examination. AIF designees demonstrate a thorough understanding of Prudent Practices for investment advisors and stewards.

To date, only 80 firms across the globe have achieved this designation. Every GAIA member firm is required to obtain and maintain CEFEX certification, and at least one individual at each firm must be certified as an accredited investment fiduciary (AIF)*.

While each GAIA firm is independently owned and autonomous, their investment philosophies are guided by certain core beliefs. We believe that:

Investment markets are highly efficient and prices generally reflect known information

Risk and return are closely correlated

Diversification is essential

Asset allocation is the most critical decision

Focus should always be on what can be controlled (i.e. asset allocation, fees and taxes, *not* forecasting, market timing or stock picking).



THE GAIA'S STANDARDS

GAIA's fiduciary standards rise well above the limited performance reporting requirements governing today's investment management industry. GAIA standards encompass all aspects of our client relationships from the development of their financial and investment plans and written investment policy statements, to our review and evaluation of their investment portfolios. This includes the ongoing guidance and monitoring of each step of the client's financial journey.



OUR BELIEFS

FINANCIAL PLANNING STANDARDS

We believe that open, honest communication is the foundation upon which the entire financial planning and wealth management process should be built. It's important that we understand our clients' current circumstances and their long-term goals and objectives.

It is our responsibility to help our clients better understand the "why" behind our guidance and recommendations; to explain subjects like historical capital markets' behaviour, modern portfolio theory, strategic asset allocation, the benefits of broad global diversification and the importance of controlling costs.

GAIA firms are different because we:

Consider the clients' cash flow and liquidity needs when constructing their investment portfolios

Avoid unnecessary conflicts of interest. If conflicts do arise, GAIA members disclose the nature of such conflicts and how they might affect clients

Believe in maximising the clients' after-tax returns and employ appropriate strategies when and where possible

Pledge strict adherence to a privacy policy designed to safeguard the confidentiality of all clients' personal data

Liaise with the relevant local GAIA firm when there is an international element to the advice.

WRITTEN INVESTMENT POLICY STATEMENT

Each GAIA firm believes that a tailored investment policy should reflect our clients':

- Lifetime context on which investment decisions are based
- Investment time horizon
- Risk parameters and expected return
- Tailored target asset allocation for major asset classes

It must also incorporate:

- Any investment restrictions
- Performance benchmarking
- Reporting frequency

The policy is built on a robust and evidence-based investment philosophy.



**KEY COMPONENTS OF
GAIA'S FIDUCIARY STANDARDS**





MEETING CLIENT EXPECTATIONS

Rather than pursue opportunistic investment strategies that hinge on predictions of market movements or individual stock performance, we employ disciplined, systematic client portfolio solutions. This means our clients become a rate of return “demander” through the use of asset class strategies.

We provide investors with access to world-class institutional funds that are disciplined and diversified.

GAIA member firms:

Recommend custodians that provide asset protection, access to institutional calibre investments and comparatively low cost structures

Take into account both quantitative and qualitative criteria in selecting and reviewing your investment recommendations

Recognise the importance of controlling costs, including expenses, transaction fees and trading costs

Use rebalancing strategies to help mitigate ongoing investment risk management and potentially enhance long-term returns

Implement annual (or more frequent) internal reviews of all recommended investment funds and/or strategies.

CLIENT SERVICE AND EXPERIENCE STANDARDS

As a client of a GAIA member firm, clients can expect that we will:

- Periodically compare client investments to appropriate benchmarks or indexes, peer groups and diligence criteria with regular reporting
- Provide a documented investment management service agreement
- Adapt the investment strategy to reflect any changes in legislation
- Treat clients with the utmost respect and professional courtesy

Clients should receive three things as part of the client experience:

- Clarity to help both advisors and clients understand key issues and concerns
- Insight based on the advisor’s education and experience but also based on the advisor’s understanding of the client
- Partnership and the undertaking to work with the client through the ages and stages of life

UNITED STATES

CANADA

UK/EUROPE

AUSTRALIA

NEW ZEALAND



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**Membership of GAIA is strictly limited to fee-based wealth advisors who are not aligned with financial institutions.*