

TOWER Investments – Press Release (For immediate Release)

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TOWER Welcomes Capital Market Development Taskforce Report Recommendations

Default KiwiSaver provider and FundSource Fund Manager of the Year TOWER Investments has welcomed recommendations made in the Capital Market Development Taskforce report “Capital Markets Matter”.

“Capital markets do matter and the reforms recommended by the Capital Market Development Taskforce have considerable potential to benefit New Zealand investors and retirement savers if implemented,” said TOWER Investments CEO Sam Stubbs.

“As a responsible fund manager TOWER Investments is particularly pleased by Taskforce recommendations that will require investment product manufacturers and distributors to deliver substantially improved service quality levels to retail investment consumers.”

“Specific recommendations we support include:

- Improving information available to investors, such as providing simplified, standardised, cross-comparable offer documents and much greater transparency around fees;
- Lifting the game of financial advisory services in relation to clarification of what the term “independent” means;
- Raising the level of financial literacy in the general population;
- Improving the quality of existing investment products by requiring supervisors and fund managers to have standardised, fully-disclosed fiduciary duties to clients and reviewing the investment mandate of KiwiSaver default schemes to ensure it is appropriate;
- Filling market gaps by active government involvement in developing the annuities market for retired Kiwis and issuance of longer-term and inflation-linked sovereign bonds to assist fund managers with liability matching.”

“New Zealand’s capital markets are clearly in need of updating and rejuvenating reforms to help Kiwi investors and retirement savers meet their personal needs and goals in the challenging investment climate of the 21st century.”

“The Taskforce has identified ways to enable investment product manufacturers and distributors better to provide this assistance, but has rightly also pointed out the need for government involvement in facilitating the evolutionary development required in our capital markets.”

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