NZ Funds sets up wealth management business

NZ Funds is setting up its own financial advisory business, NZ Funds Private Wealth, and started acquiring planning firms.

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This is a major change for the company which has, for the past 22 years, been focused almost exclusively on serving independently owned financial advisory businesses.

Increasingly, NZ Funds have found that the needs of the owners of those advisory firms have shifted toward requiring a succession plan, either today or in the foreseeable future. The advent of the new regulatory regime has dramatically accelerated that trend.

"In order to best meet our advisory clients' succession goals, the most logical solution was to build an advisory business which we owned and operated. This business will be known as NZ Funds Private Wealth and launches on May 1," NZ Funds chief executive Richard James says.

Craig Myles has joined NZ Funds and will lead the new business.

"Craig has been the CEO of the leading South Island advisory business Myles Wealth Management for the last decade.

Myles Wealth Management's stand-out performance during an extraordinarily difficult period in financial markets singled him out as the person we wanted to lead our Private Wealth business," James says.

NZ Funds Private Wealth will launch initially with offices in Wellington and Auckland. NZ Funds Private Wealth has already completed the acquisition of the financial advisory businesses of Financial Fitness and Stewart and Associates. The retiring principals of these respective businesses, Craig Wylie and Barry Stewart are both well known and respected members of the financial advisory industry and longstanding clients of NZ Funds.

NZ Funds Private Wealth is currently in discussion with a number of other financial advisory firms across the country with a view to shaping customised succession plans for the owners of those firms.

NZ Funds Private Wealth chief executive Craig Myles says he expects the business to have in excess of $200m under advice by calendar year end.

Myles believes that "the future of the small one or two person advisory business is deeply challenged" He believes that the financial, human and technological capabilities required to compete effectively is already now beyond the scope of most existing advisory firms.

He says "even with the full weight of NZ Funds behind us the programme of development work that NZ Funds Private Wealth is committed to is daunting, to say the least. We are however working on a number of initiatives that the New Zealand wealth management sector has never previously delivered, and that is the challenge that I was attracted to".