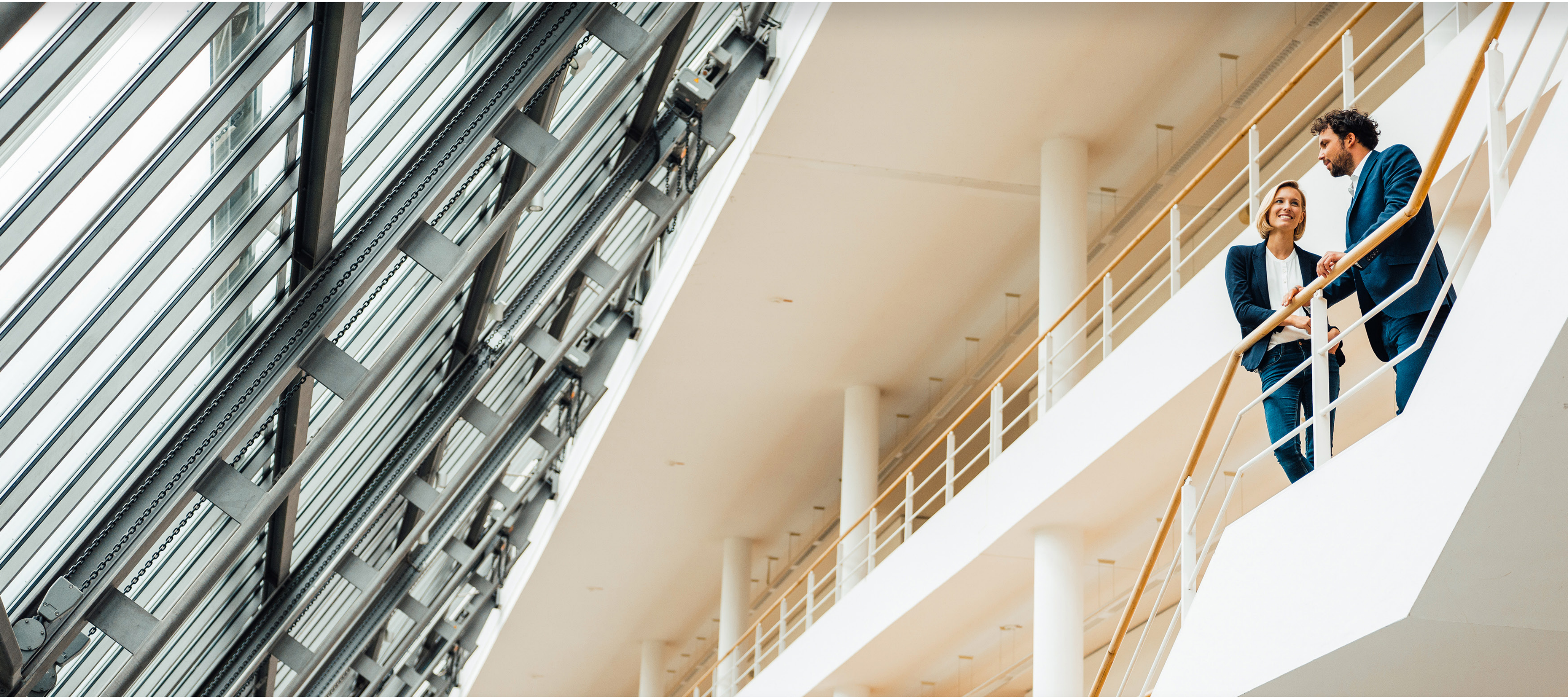
VALUE OF AN ADVISER

Russell Investments



2026

Making invisible value visible

Neil Rogan

Head of Distribution
Australia and New Zealand
Russell Investments

Foreword

Financial advice is producing more confidence and satisfaction this year. But what clients need from advice—and how they experience its value—is changing.

To understand that change, for the second year, we commissioned independent research with almost 1,000 Australians, including financial advisers, advised clients and non-advised investors.

This year's Value of an Adviser research is clear: clients want more than returns.

They want reassurance, confidence and a trusted guide through decisions that are increasingly complex, emotional and urgent. At the same time, advice businesses are navigating increasing regulation, rising client expectations, and growing demand for personalised advice.

Against this backdrop, advisers are meeting that challenge. Client satisfaction is extremely high. Confidence increases after advice. Long-term relationships are deepening. Perceived value is rising even as fees do.

But the research also surfaces some opportunities. Some of the most valuable things advisers do, like behavioural coaching, strategic guidance and the reassurance that keeps clients invested through uncertainty, are often the hardest for clients to see. These are not delivery failures. They are visibility failures. The challenge is not what advice delivers. It is making that value easier to see.

As demand for personalised advice grows, firms also have to rethink how they deliver it. AI, automation and scalable implementation models are letting advisers serve more clients without losing the trust, judgement and personalised guidance they value most. These tools don't threaten the human advantage. They reinforce it.

Three strategic priorities emerge from this year's research:

1 Make invisible value visible.

Clients value behavioural coaching, decision support and reassurance as much as investment expertise. Measure it, communicate it, reinforce it. Don't assume clients already recognise it.

2 Industrialise personalisation.

Personalisation must work at scale. Firms need repeatable processes, technology and operating discipline that hold the client experience steady as they grow.

3 Build defensible delivery models.

Growth and regulatory scrutiny make implementation a strategic question, not an operational one. Advice businesses need delivery models that are transparent, governable and resilient.

Growth isn't the problem for advice businesses. Execution is. The firms best positioned for the future will combine exceptional human advice with scalable delivery models, giving more Australians the confidence that comes from high-quality financial advice.

What follows explores the stories behind these findings, beginning with the biggest shift of all: what clients are really asking of advice.

There's more to explore
Discover the Value of an Adviser website and Resources Hub

The landscape in numbers

Perceived value is rising, despite higher average fees

90%

of advised clients rate their adviser as **good or excellent value**—up from 84% in 2025—even as average annual fees rose to **$5,235**.

Advice delivers a confidence breakthrough

41% to **83%**

Percentage who **strongly agree they are confident in achieving their financial goals before and after advice.**

AI is already in the room

90%

of advisers are currently using AI in their practice, with 81% reporting a **net positive impact** on their business and clients.

Relationships are getting longer

76%

of advisers report client relationships of **more than ten years**—up from 61% in a single year.

Communication is increasing

67%

of clients speak with their adviser **3+ times a year**.

Up from 60% in 2025.

Women lead prospective advice demand

62%

of non-advised investors who are **highly likely to use a financial adviser** are women.

The non-advised market is ready to move

54% of non-advised investors say they are **very likely to consider using a financial adviser in future**.

48% of those expect to seek advice **within the next two years**.

Emotional benefits continue to grow

43% of advised investors seek advice for reassurance about financial security, now the **top driver for seeking advice.**

Feeling more in control of finances (40%) is the leading emotional benefit of advice, while **feeling supported to make decisions aligned with personal values** has risen sharply to 37% (from 28% in 2025).

Advised clients don't just stay —they refer

+45

The NPS score in 2026. This puts financial advice alongside the **most trusted consumer brands**.

Baby Boomers are the biggest promoters among clients, with 68% scoring their adviser 9 or 10.

Client satisfaction reaches a new high

33% of advised clients now rate their adviser a **perfect ten out of ten**, up from 25% in 2025.

AI is not reducing financial advice demand

26% of non-advised investors say **AI is more likely to make them seek professional advice.**

Different generations. Different conversations.

Trust is universal, but client needs are not. These generational snapshots highlight how financial confidence, motivations and expectations change across Australia's investors.

	Baby Boomers The legacy generation	**Gen X** The pressure generation	**Millennials** The balancing generation	**Gen Z** The emerging advice generation
Are very or extremely confident in achieving long-term goals	70%	62%	72%	92%
Why they seek advice	Retirement planning **61%** Reassurance **49%** Tax planning **27%**	Retirement planning **49%** Reassurance **48%** Tax planning **31%**	Navigating options **43%** Reassurance **42%** Tax planning **27%**	Not sure where to start **41%** Navigating options **36%** Tax planning **33%**
What they want from an adviser	Trusted relationship **61%** Tailored advice **46%** Alignment to goals **38%**	Trusted relationship **34%** Tailored advice **34%** Transparent fees **30%**	Trusted relationship **41%** Expertise **36%** Transparent fees **32%**	Trusted relationship **44%** Guidance on choices **38%** Expertise **31%**
Satisfaction	48% rate their adviser 10/10	24% rate their adviser 10/10	29% rate their adviser 10/10	28% rate their adviser 10/10
AI use	21% mostly for financial research	53% mostly for explaining financial concepts in simple terms	81% mostly for explaining financial concepts in simple terms	88% mostly for understanding tax and super rules

The value of advice is shifting

Retirement planning is no longer the main reason advised Australians seek advice. This year, concerns about financial security have overtaken retirement planning as the primary driver.

Among advised clients, 43 per cent say they sought advice for reassurance about their financial future, compared with 38 per cent who cite retirement planning. Retirement planning is a destination. Financial security is a feeling. That distinction runs through almost every other finding in this year's research.

This shift unfolds amid persistent uncertainty. Market volatility, rising living costs, geopolitical tensions and an increasingly relentless news cycle mean clients are making important financial decisions in a far more emotionally charged environment.

Financial decisions rarely happen in isolation. They often accompany career changes, illness, divorce, caring for ageing parents, helping children into property or planning retirement. Many clients are juggling several of these priorities simultaneously, trying to build wealth while protecting the people who depend on them.

43% seek advice for **reassurance**

38% seek advice for **retirement planning**

among advised clients in 2026

> The challenge is generational pressure: 'Do I give money to my kids early, or only when I pass away?' and navigating that complexity.
>
> **Dean Holmes**
> Advice Business Owner
> Absolute Wealth Advisers

As a result, advice conversations increasingly extend beyond portfolios and retirement projections into family priorities, major life transitions and difficult financial trade-offs. Clients are looking for a trusted partner who can apply financial expertise to the realities of their lives.

Competing financial goals as a driver of seeking advice jumped from 23 per cent to 31 per cent among advised clients, the largest single movement in this year's research. Clients are no longer arriving with a single financial problem to solve. They are arriving with several, all competing for the same capital.

The numbers make the sandwich generation measurable. Millennials and Gen X feel this most, often sitting at the centre of these competing responsibilities. Gen X investors are the least confident about achieving their long-term financial goals. Just 15 per cent express high confidence, against an average of 26 per cent across all investors.

Many are navigating what advisers describe as the "how do we look after everyone?" conversation.

As one adviser observed:

"Clients aren't asking about performance. They're asking, 'Are we going to be okay?' It's not about the numbers. It's about being that life coach, that behavioural coach."

These aren't abstract financial goals. They're competing emotional obligations with real dollar consequences.

Advice that meets clients at that level of complexity can earn loyalty across generations.

This shift changes not only what advisers deliver, but also what they need to communicate. As the emotional and behavioural benefits of advice grow more important, advisers must make that value as visible as they make it real.

Advisers are meeting the challenge

Confidence in achieving financial goals

41%
Before advice

83%
After advice

Percentage of advised clients who **strongly agreed they are confident in achieving their financial goals**

2x improvement in confidence post-advice

Advisers are delivering. Before receiving advice, 41 per cent of advised clients strongly agreed they were confident in achieving their financial goals. After the advice, the figure doubles to 83 per cent. Across two years of research, this remains one of the clearest demonstrations of the value advice creates. Confidence is no longer an emerging benefit of advice. It is becoming one of the profession's defining measures of value.

Investment returns remain the foundation. Clients expect them, and rightly so. What has changed is the expectation alongside it: clients now want reassurance and personalised guidance on top of strong investment fundamentals, not instead of them. The adviser who leads only with portfolio performance is talking about the foundation when clients are asking about the house.

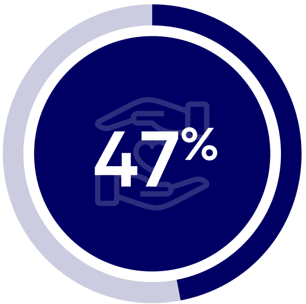
The profession has spent years talking about moving beyond investment management. This year's research suggests it has.

Expertise is the differentiator in 2026. It's the key driver of client satisfaction. As decisions become more complex, expertise is no longer just technical competence. It is the ability to apply judgement when the answers are not obvious.

Advisers have recognised the shift. Fewer now identify retirement planning as a primary driver of advice, down from 90 per cent to 73 per cent over the year. In its place, guidance around financial choices rose from 28 per cent to 40 per cent. One-third of advisers now say they increasingly spend their time helping clients navigate complex financial decisions rather than optimising portfolios.

> [Working with an adviser] increases clarity, increases capability, and that leads to increased confidence.
>
> **Scott Hammond**
> Financial Adviser
> Transition Wealth

Managing client relationships



Selecting investments

Nearly **10x** more advisers identify client relationships as their main focus, compared with selecting investments.

Most valuable benefits delivered to clients

60% Giving them **peace of mind** about their financial future

33% **Reducing their stress and anxiety** about money

31% Helping them feel more **confident and knowledgeable** about their finances

4% Improving their **investment performance**

In fact, 47 per cent of advisers say their main focus is managing client relationships, with only five per cent saying it is selecting investments.

Advisers themselves increasingly define value in human rather than technical terms. Sixty per cent say one of the most valuable benefits they provide is peace of mind about clients' financial futures, while only four per cent identify improving investment performance as their greatest contribution.

As one adviser told us:

"Gone are the days of value being investment returns. It's not that at all. Value is being a life coach, a behavioural coach, being with the client every step of their journey."

Clients increasingly assume advisers will deliver strong investment outcomes. What they remember are the conversations that help them make difficult decisions, the reassurance that keeps them on track, and the confidence that comes from knowing they are not navigating alone.

This shift changes not only what advisers deliver, but how they need to communicate their value.

Making the invisible visible

Advisers are creating strong value for their clients. The opportunity is making it easier to see.

Advisers are increasingly confident in their own delivery. Self-rated performance on building trusted relationships jumped from 55 per cent to 72 per cent in a single year. On tailored advice, scores rose from 38 per cent to 56 per cent. Nearly one-third of clients rate their adviser a perfect 10. Average annual fees rose from $4,572 to $5,235. Yet 90 per cent of advised clients still describe advice as good or excellent value.

Clients are highly satisfied with their advisers. Yet important perception gaps remain. The areas clients value most—tailored advice, guidance through financial decisions, tax-effective planning and fee transparency—show the largest gaps between importance and perceived delivery. Advice tailored to needs and values shows a six-point gap. Affordability of fees, five points. Guidance on choices and trade-offs, four points.

These are not delivery failures. They are visibility failures.

> A huge part of financial planning isn't spoken about...
> You help people avoid silly financial decisions.
>
> **Taylor Mifsud**
> Financial Adviser
> Ironbark Financial Group

Where clients see the biggest gaps

	Importance	Performance	Gap
Advice tailored to my needs and values	36%	30%	6%
Affordability of fees	31%	26%	5%
Guidance on choices and trade-offs	31%	27%	4%

Clients value **tailored advice, affordability of fees and decision guidance** most, yet these areas show the biggest gaps between importance and perceived delivery.

The adviser is creating the value. The client is not always recognising it.

Make personalised advice easier to recognise. Explain the thinking behind key financial decisions. Demonstrate the value created through tax planning. Connect ongoing fees to the advice, guidance and reassurance clients receive throughout the year. That is how the invisible becomes visible.

The clearest example is behavioural coaching. It ranked as the number one financial benefit advisers believe they provide, in both 2025 and 2026. Helping clients avoid costly mistakes during market volatility is where advisers believe they add the most value.

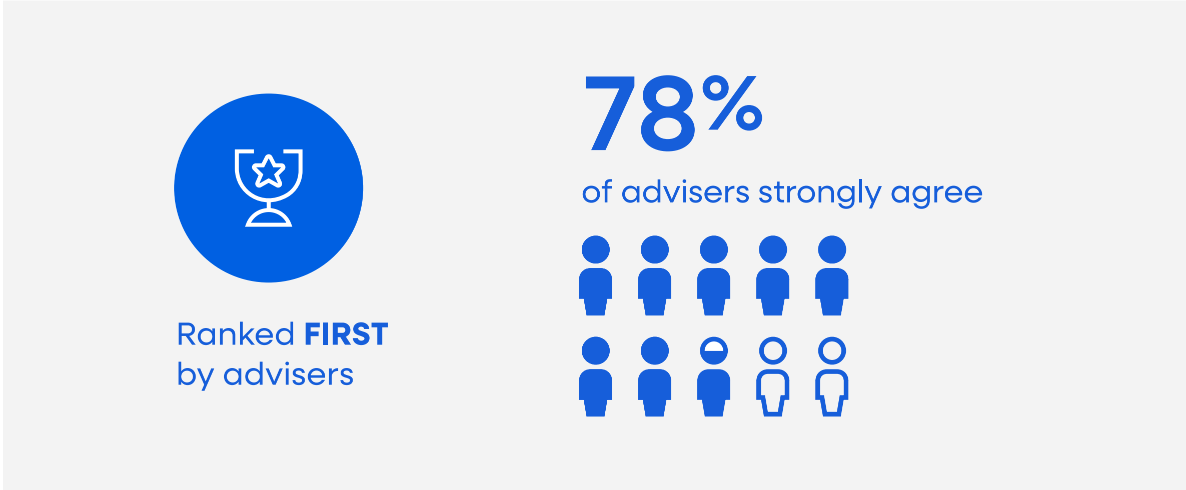
Clients rank it last. Not because they don't value it, but because good behavioural coaching leaves no trace. No dramatic moment. No visible rescue. No line in a report that reads: "I saved you $43,000 by talking you out of selling in October." The mistake never happened. That is exactly why the client never saw it.

Reassurance works the same way. But reassurance is not a one-off. Markets move. Life changes. Uncertainty returns. Make it tangible—something clients can see and return to—and its value compounds meeting to meeting. The proportion of clients communicating with their adviser three or more times a year rose from 60 per cent to 67 per cent. That's not just more contact. It's more reassurance.

Language is the other lever. We learned last year that advisers talk about protection. Clients talk about feeling in control. Advisers talk about avoiding mistakes. Clients talk about feeling confident. Advisers describe what they do. Clients describe how it makes them feel. Speak in the client's language, not professional shorthand, and the value lands. The question isn't "what did I do?" It's "how should my client feel as a result?"

Making value more visible doesn't require advisers to deliver more. It requires advisers to communicate the value they already create—in ways clients recognise, remember and can repeat back.

Avoiding costly mistakes during volatility is a benefit of financial advice



The human advantage

As information becomes easier to access, the human qualities hardest to replicate become more valuable. Clients no longer need advisers because information is difficult to find. They need advisers because applying that information to their own circumstances has become increasingly complex.

AI can do research, generate ideas, summarise legislation and model scenarios in seconds. What it cannot do is help a client process a terminal diagnosis, work through the financial implications with their family, or provide the reassurance and judgement needed when life's biggest decisions are also its most emotional.

As one adviser told us:

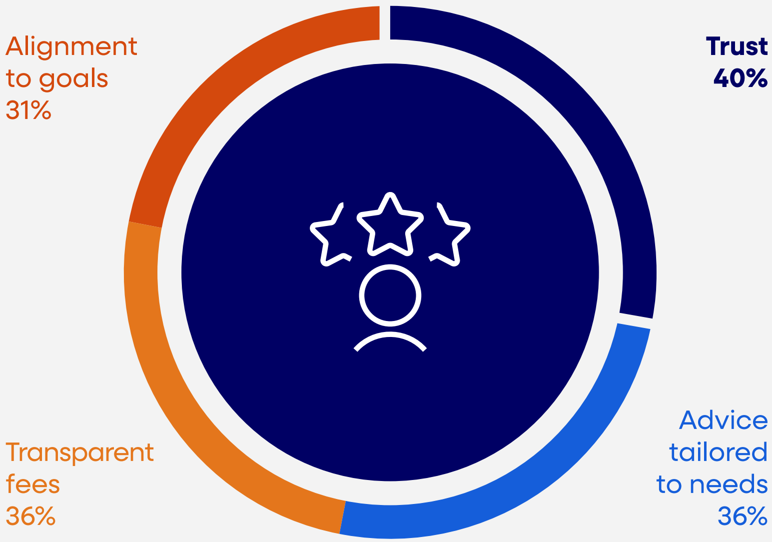
"The emotional conversations, the being present in the room with the client, making a client feel comfortable, building that trust and extracting those deep, emotional questions—that can't be done by AI."

> Focus on the human part of advice, and make sure you can not only deliver great financial plans, but that you can also take them on a journey.
>
> **Ben Nash**
> Financial Adviser
> Pivot Wealth

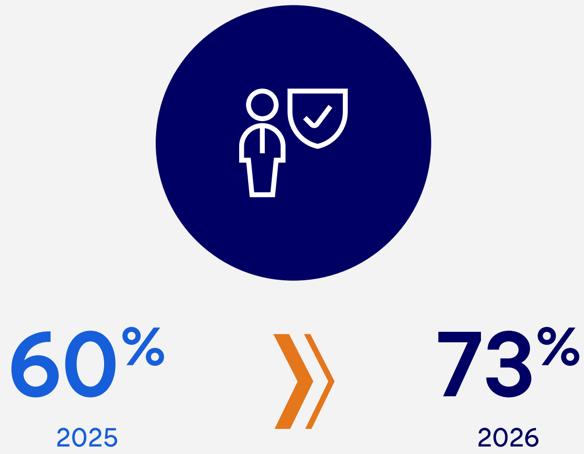
Trusted relationships remain the most important adviser attribute for both clients and advisers. Forty per cent of clients selected trust first. Among advisers, the importance of trusted relationships has risen from 60 per cent to 73 per cent in a single year.

Trust is the adviser's competitive advantage. Like investment returns, it compounds—building gradually, becoming more valuable over time, and remaining difficult for competitors to replicate.

Top adviser attributes



40% of clients selected trust as the **most important adviser attribute.**



73% of advisers selected trust as the **most important adviser attribute.**

Generational data makes that concrete. Fifty-five per cent of Baby Boomers rate trust as the most important thing about an adviser—the highest of any generation. Baby Boomer Net Promoter Score (NPS) stands at 57.9. For this cohort, the adviser is not simply a financial planner. They are a protector, a guide, a trusted family partner.

Gen Z tells a different version of the same story. NPS rose from 31.7 to 44.1—the largest improvement in advocacy of any generation. Younger clients who find an adviser they trust quickly become advocates. The dynamic is the same across generations. The timeline is different.

Far from replacing advisers, AI is reinforcing the value of human advice. Fifty-seven per cent of non-advised investors are already using AI to support financial decisions, most commonly for financial research and explaining complex concepts. Yet rather than reducing demand for advice, AI appears to be increasing it. More than one-quarter (26 per cent) of non-advised investors say AI makes them more likely to seek professional advice in future, while 19 per cent say it makes them less likely. When asked about the barriers to seeking advice, only four per cent cite AI tools such as ChatGPT.

AI helps clients answer the questions that are easy to ask. It pushes them towards advice on the questions that matter most.

As one adviser observed:

"I love that my clients are coming in and asking me the right questions. We can get to the deeper questions, the things that actually matter, because they are arriving with the foundational knowledge already in place."

Clients arrive better informed, advisers spend less time explaining fundamentals, and more time applying judgement to the complex financial and life decisions that technology cannot resolve. AI does not threaten the human advantage. It reinforces it.

This distinction will matter even more in the years ahead. Australia's intergenerational wealth transfer is already underway—it's often framed as a transfer of assets. It is just as important to think of it as a transfer of trust. Assets rarely move in isolation. Relationships move with them.

Forty-three per cent of advisers say they are actively engaging the next generation of their clients as part of the advice relationship.[1] The firms most likely to retain assets across generations are those that have built relationships beyond the primary client and established trust with the broader family. The opportunity is not simply participating in the transfer of wealth. It is ensuring trust transfers with it.

Advocacy (NPS) by generation

	Gen Z	Millennials	Gen X	Baby Boomers	Overall
2025	31.7	44.5	42.0	47.0	43.4
2026	44.1	44.0	30.7	57.9	45.3

Older clients remain the strongest advocates, but **Gen Z** recorded the largest improvement in advocacy this year.

[1] Adviser Ratings, *Australian Advice Landscape 2026.*

Meeting rising expectations

Just as client expectations are evolving, so too are the pressures on advice businesses. Advisers are being asked to deliver more personalised, relationship-driven advice while navigating increasing compliance, regulatory complexity and capacity constraints.

Tailored advice now ranks second only to trust among the attributes clients value most. Advisers agree—trusted relationships and tailored advice are their two highest priorities. Advice tailored to client needs is also the second biggest driver of client satisfaction, after expertise.

The challenge is producing it consistently at scale.

Nearly two-thirds of advisers say providing personalised advice at scale is a significant challenge. Forty-two per cent cite compliance and regulation as directly limiting their ability to do so. It is also limiting their ability to spend time with clients. This highlights the opportunity to redesign advice businesses, so advisers spend more time where clients derive the greatest value.

> In a post-royal commission world, compliance costs increased. The time we're spending to satisfy compliance objectives and prove that advice is in a client's best interest is very time consuming.
>
> **Xander Hawes**
> Financial Adviser
> Ironbark Financial Group

Advice tailored to my needs and values...

1st

The **most important adviser attribute** for non-advised investors.

2nd

The **second most important adviser attribute** for advised clients.

2nd

The **second biggest driver** of client satisfaction.

Tailored advice ranks in the top two across all three measures.

Compliance requirements remain the biggest pressure facing advice businesses, cited by 69 per cent of advisers. More than half point to regulatory change. Almost half cite pressure on fees and pricing.

Three different pressures. Together, these forces are encouraging firms to rethink how advice is delivered, creating more room for high-value client conversations.

The supply side is not keeping pace. Australia has 15,157 ASIC-registered financial advisers—the lowest number since June 2003[2], and 46 per cent below the 2018 peak[3]. Forty-six per cent of advisers are concerned about shortages as fewer practitioners support a growing number of clients with increasingly complex needs.

Demand is moving in the opposite direction. More than half of non-advised investors, 54 per cent, say they are likely to seek professional advice. Forty-eight per cent of these expect to do so within two years. One in three already cite tax as a strong driver. The overhaul of capital gains tax and negative gearing—which takes effect from July 2027—has the potential to reshape long-term investment strategies and make tax planning an even bigger part of the advice conversation. Fewer advisers. More demand. A widening gap on both sides.

The result is an industry where creating capacity has become just as important as creating demand. Technology is part of the answer. It's not just reducing the cost of producing advice—it's raising the quality of the engagement itself.

The firms best positioned for the future will be those that find new ways to create capacity without compromising the quality of advice or the client experience.

	Gen Z	Millennials	Gen X	Baby Boomers	Overall
Extremely/ very likely to use financial adviser	66%	59%	52%	29%	54%
Plan to start using a financial adviser within the next two years	54%	45%	46%	63%	48%

[2] Rainmaker Information, *Financial Adviser Report.* As at March 2026.
[3] Adviser Ratings, *Australian Advice Landscape 2026.*

Building capacity without compromising quality

Demand is rising. Adviser numbers are not.

Client expectations are growing more complex by the year. Traditional operating models are evolving to keep up, and firms are rethinking not just how they grow, but how they produce advice at scale.

Winning new clients is one thing. Delivering the same advice, governance and client experiences across more clients, more portfolios and more advisers is another.

The firms getting this right are redesigning how advice gets made, not just how it's sold. As advice businesses grow, implementation becomes more than an investment decision. It becomes part of the operating model itself. AI, automation and scalable implementation are becoming one system, built to create capacity without losing the relationships at the centre of it.

AI is central to that shift. Around nine in 10 advisers now use it in some form within their business, primarily to prepare client meeting notes and summaries (73 per cent), check or validate information (39 per cent), and generate documents and reports (37 per cent). More than 80 per cent say AI has had a positive impact on their business. AI isn't just cutting the cost of producing advice. It's raising the quality of the engagement itself.

Importantly, technology isn't replacing the advice relationship—it's creating more capacity for it. AI reclaims administrative and compliance time, freeing up advisers to focus on client-facing work, deeper strategic conversations and more personalised advice. With demand continuing to outstrip adviser capacity, those productivity gains have become strategically important.

> AI could let the advisers we already have sit in front of twice as many clients. That's an opportunity to serve more humans, not fewer.
>
> **Dean Holmes**
> Advice Business Owner
> Absolute Wealth Advisers

Top uses of AI among advisers

73% Preparing client meeting notes or summaries

39% Checking or validating information

37% Generating documents or reports

28% Other administrative tasks (e.g. CRM, calendars, and managing emails)

Managed accounts represent another important part of this broader shift. The latest industry research shows they have overtaken other investment vehicles to become advisers' preferred core portfolio solution.[4] Funds under management have reached $256 billion, forecast to grow to $400 billion by the end of 2027.[5]

Around six in ten advisers now use them, with a further 13 per cent actively considering adoption.[6]

The attraction extends well beyond investment management and into the operational. Managed accounts standardise implementation, simplify governance and reduce administrative work at scale. That frees advisers to spend more time where clients see value—strategic guidance, complex decision making and trusted relationships.

Advisers using them report reduced administration (87 per cent)[7], improved client engagement (73 per cent)[8] and improved investment outcomes (73 per cent)[9]. More than eight in 10 have cut administrative burden since adopting managed accounts. Nearly six in 10 can now service a larger client base—the same team, more clients, no drop in quality.

Managed accounts and automation are giving advisers the capacity to focus on what clients value most.

6 in 10

advisers now use **managed accounts**, with a further 13% considering adoption.

87%

report **reduced administration**.

73%

report **improved client engagement and investment outcomes**.

As one adviser told us:

"They remove a huge investment management part of our job, which means we can focus on being the life coach, the behavioural coach—not focusing on the nitty-gritty and the numbers, because we can outsource that to a fund manager whose job it is to do that." The efficiency gain, he added, flows to clients as much as to the practice: "It's a better outcome for the client, because the fund manager is better poised to make changes based on where the market could be going."

Automation completes the picture. Whether through communications, scheduling, workflow redesign or managed account implementation, firms are increasingly separating work that can be systematised from work that depends on human judgement.

The payoff? Advice is delivered more consistently, not just more efficiently.

As one adviser observed:

"Yes, there's an adviser shortage. There's also an adviser efficiency problem, and that's the one we can solve in the near term."

Regulation is evolving alongside these changes, placing greater emphasis on governance. Advice models that are transparent, governable and resilient give firms the confidence to scale without compromising quality or regulatory standing. This is one reason managed accounts continue to gain momentum. Around half of advisers say they strengthen governance and support the best interests duty and related obligations, with the benefit particularly evident among smaller advice practices.[10]

The firms that win from here will pair exceptional advice with operating models built to deliver it consistently. A defensible business model is becoming as important as a compelling client proposition.

[4] State Street / Investment Trends *Managed Accounts Report 2026.*
[5] State Street / Investment Trends *Managed Accounts Report 2026.*
[6] State Street / Investment Trends *Managed Accounts Report 2026.*
[7] IMAP Managed Accounts *Building your future business whitepaper.*
[8] Ibid.
[9] Ibid.
[10] State Street / Investment Trends *Managed Accounts Report 2026.*

What this means for advisers

The research suggests the firms best positioned for the future will be those that continue investing in both sides of the advice equation: **strengthening the human relationship clients value most, while building operating models capable of delivering that experience consistently at scale.**

Start the conversation

Talk to your Regional Manager about our Value of an Adviser workshops and how to apply the research in your practice.

1 Make the invisible value visible

Clients increasingly value reassurance, judgement and behavioural coaching, yet these remain among the hardest parts of advice for clients to recognise. **The opportunity is not to deliver more value, but to communicate the value already being created.**

That starts with language. Advisers often describe what they do. Clients describe how advice makes them feel. Explaining outcomes in terms of confidence, control and peace of mind, alongside financial results, helps make advice more tangible.

It also extends to client engagement. **As clients seek reassurance more frequently, practices should consider whether their communication rhythm reflects the way clients now experience advice.**

2 Industrialise personalisation

Clients increasingly expect advice that reflects their individual circumstances, values and competing priorities. At the same time, advice businesses face growing compliance obligations, adviser shortages and rising demand.

Leading firms are creating capacity through AI, automation and scalable implementation models, allowing advisers to spend more time where clients derive the greatest value: applying judgement, strengthening relationships and helping clients navigate complex decisions.

Growth should enhance the client experience, not dilute it.

3 Build defensible delivery models

As businesses continue to grow, scale, consistency, governance, and implementation become increasingly important. Delivery models need to support high-quality advice across more clients without increasing operational complexity.

The firms best positioned for the future will combine trusted relationships with operating models that are transparent, repeatable and resilient under scrutiny.

Looking ahead

Several themes emerging from this year's research deserve continued attention:

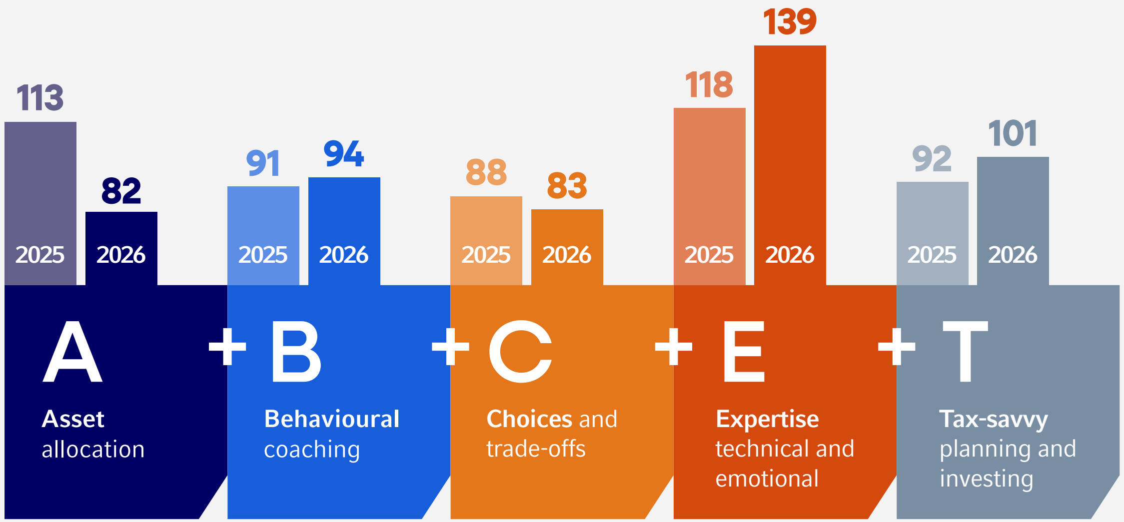
- Confidence is becoming a measurable outcome of advice alongside investment performance.
- Tax planning will be increasingly valuable as legislative changes reshape investment decisions.
- Intergenerational wealth transfer presents an opportunity for firms that build relationships beyond the primary client.
- Fee transparency remains an opportunity to strengthen trust by linking costs clearly to client outcomes.

As the value of advice becomes more emotional and personal, it can also become harder to quantify. Yet some of that value can be measured. For almost a decade, Russell Investments' **Value of an Adviser formula** has sought to do exactly that.

SECTION TWO

Quantifying your value

The Value of an Adviser Index



Expertise, which has topped both years, increased significantly from 118 to 139, becoming the strongest driver of client satisfaction by a considerable margin.

The Value of an Adviser Index measures the relative contribution each component of advice makes to overall client satisfaction. Unlike the Value of an Adviser formula, which estimates financial value, the Index identifies the aspects of advice that have the greatest influence on how clients rate their adviser.

Now in its second year, the Index also allows us to track how those drivers change over time. As markets, technology, geopolitical events and life circumstances evolve, so too can the factors that have the greatest impact on individual client satisfaction.

- **100** The results are indexed to 100
- **>100** Indicates a stronger influence on satisfaction
- **<100** Indicates a weaker influence on satisfaction
- The Index measures **relative influence on satisfaction**, not absolute satisfaction.

Tax-savvy planning also strengthened, reflecting its importance across every stage of the financial journey. That does not diminish the importance of behavioural coaching or helping clients navigate complex choices and trade-offs. Instead, it suggests clients increasingly see satisfaction as a reflection of their adviser's expertise, judgement and ability to apply knowledge in real-world situations. In other words, expertise is becoming the capability that underpins many of the other forms of value advisers deliver.

For advisers, the implication is twofold. First, continuing to develop technical and interpersonal expertise is becoming an increasingly important differentiator. Second, many of the benefits that expertise creates, particularly behavioural coaching and guidance through complex decisions, remain difficult for clients to recognise unless advisers make them visible through their conversations and ongoing engagement.

THE VOA FORMULA

The value an adviser creates in 2026

Australian financial advisers added at least **5.5 per cent** per annum in value for clients over the past year by helping them navigate markets, optimise portfolios and structure their financial affairs.

The Value of an Adviser formula, A + B + C + E + T, estimates the annual benefit delivered by the core components of advice. This section explores each component and highlights how advisers can use them to demonstrate value.

The classic Value of an Adviser equation

A	+ B	+ C	+ E	+ T
Asset allocation	**Behavioural** coaching	**Choices** and trade-offs	**Expertise** technical and emotional	**Tax-savvy** planning and investing
1.5%	**2.8%**	**Variable**	**Priceless**	**1.2%**

= at least 5.5% p.a.

A Appropriate asset allocation (1.5%)

Asset allocation remains the biggest contributor to long-term returns, and its influence can be underestimated. In 2025, global equity markets delivered strong performance, with growth assets significantly outpacing defensive assets. The dispersion between portfolio options widened considerably over the year, increasing the potential cost of holding an allocation that is more conservative than appropriate for an investor's goals and risk capacity. Clients who held appropriate allocations to growth assets benefited considerably. Those in conservative or default options captured less of those gains.

Advisers add value by designing portfolios aligned to each client's risk tolerance, goals and time frame. They diversify across a broad range of assets to optimise returns while managing risk, ensuring clients capture market opportunities rather than sit on the sidelines.

Consider two hypothetical investors:

Emily

Emily was holding a balanced portfolio, but her adviser recommended shifting to a growth allocation better suited to her long-term goals and risk capacity. Based on 10-year returns to 31 December 2025, her Growth portfolio returned 9.1 per cent per annum compared with 7.6 per cent per annum for a balanced portfolio.

	Advised portfolio	Default portfolio
Asset allocation	90% growth assets	70% growth assets
Illustrative annual return	9.1% p.a.	7.6% p.a.
Portfolio value	$237,825	$207,449

Emily's advised portfolio delivers a **1.5% p.a. higher return** from an appropriate asset allocation—more than $30,000 over 10 years.

Chris

Chris manages his own superannuation and holds a conservative portfolio weighted heavily toward defensive assets. Without advice, he remains in a portfolio returning 4.5 per cent per annum. Had he sought advice and shifted to 50% growth assets, his expected return could rise to 6.1 per cent per annum. These examples underscore the value of tailored asset allocation and the cost of staying in overly conservative positions.

	DIY portfolio	Advised portfolio
Asset allocation	30% growth assets	50% growth assets
Illustrative annual return	4.5% p.a.	6.1% p.a.
Portfolio value	$155,000	$180,952

Chris's DIY portfolio delivers a **1.6% p.a. lower return**, which leaves him almost $26,000 worse off over 10 years.

Examples shown for illustrative purposes only. Returns shown are before fees and costs. Actual outcomes will vary depending on fees, costs, investment performance and individual circumstances. Past performance is not a reliable indicator of future performance.

B Behavioural coaching (2.8%)

Market volatility challenges even experienced investors. Calendar year 2025 was a reminder of how quickly sentiment can change. Global sharemarkets hit record highs, fell sharply in response to U.S. tariff announcements on Liberation Day, and then rebounded strongly. Periods like these often tempt investors to react emotionally, despite decades of evidence showing that staying invested delivers better long-term outcomes.

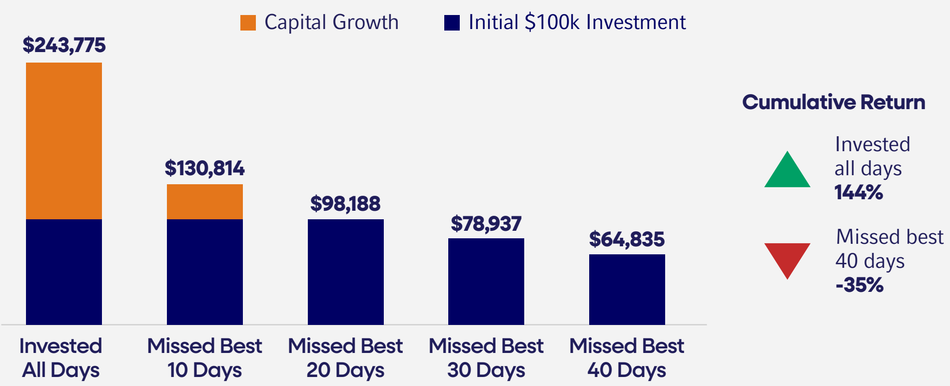
Behavioural coaching is one of the most important services an adviser provides. Our analysis shows it contributes approximately 2.8 per cent per annum to a client's returns by keeping them invested through market swings. This aligns with our research, where advisers again identified behavioural coaching as the single most important financial benefit they provide to clients.

While advisers build portfolios designed to meet long-term objectives, they also help clients maintain the discipline to stay invested when markets become uncertain. Our modelling shows that investors who regularly adjusted their exposure to the S&P 500 index would have given up roughly 2.8 per cent per year over the past decade. This illustrates that an adviser's role goes beyond setting the right strategic asset mix. It includes helping clients stay calm and stick to their plan when markets turn volatile.

The impact of poor investor behaviour can be significant. Missing just a handful of the market's strongest days can materially reduce long-term returns, while regularly moving in and out of markets in response to short-term events can erode wealth over time. The charts below illustrate the cost of reacting emotionally rather than remaining invested.

Impact of missing best days for S&P/ASX 300

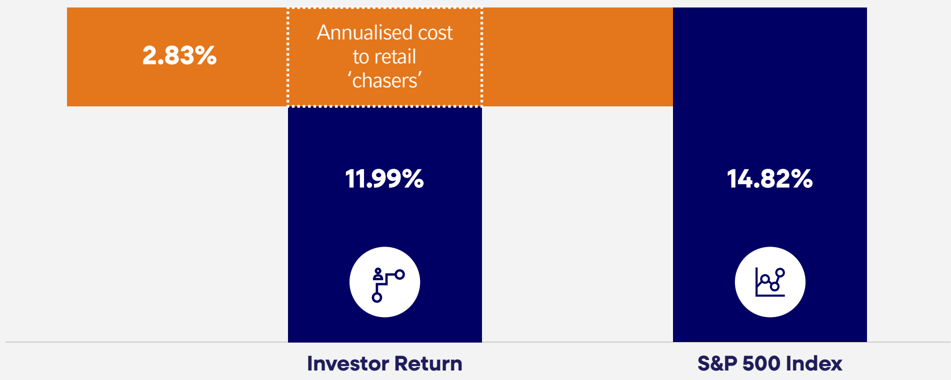
Starting investment of $100,000



Source: Morningstar. Investor returns based on Morningstar Investor Return for the U.S. Large Blend Average for the ten years ended 31 December 2025. Impact of missing best days based on the S&P/ASX 300 Total Return Index for the 10-year period ending 31 December 2025. For illustrative purposes only. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

The high cost of investor behaviour

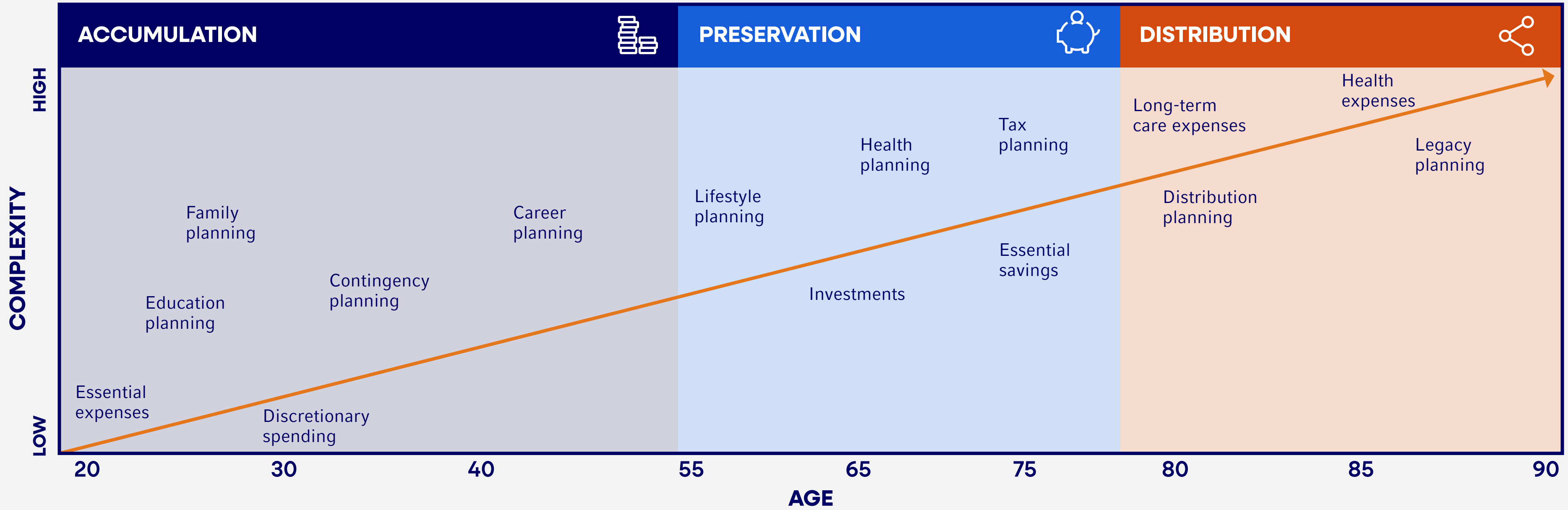
2016–2025



Source: Morningstar. Investor returns are based on the Morningstar Investor Return provided by Morningstar for the U.S. Large Blend Average for 10 years ended 31 December 2025.

C Choices and trade-offs (Variable)

The complexity of financial decisions increases across life stages



Financial advice is more than investing. Life in 2026 is full of complex and competing decisions. Clients are simultaneously managing mortgage stress, supporting adult children into property, helping ageing parents and planning their own retirement. They are navigating inheritance conversations, asking how to align investments with personal values and trying to make sense of a tax environment that continues to evolve.

Skilled advisers act like elite coaches, blending technical expertise with a genuine understanding of each client's personal situation and motivations. They help clients weigh competing priorities and make informed trade-offs across a lifetime—from buying a first home through to planning aged care and estate strategies.

As one adviser put it:

"A lot of our clients are in that sandwich generation. They are trying to get themselves to retirement, helping kids into property, and at the same time dealing with ageing parents. The conversation becomes—how do we look after everyone?"

Unlike investment returns or tax savings, the value of these decisions cannot be expressed as a single percentage. Every client's circumstances are different, and every trade-off is unique. That is why this component remains variable within the Value of an Adviser formula.

E Expertise (Priceless)

Advisers combine technical knowledge with emotional expertise developed over years of experience. Their expertise spans investments, superannuation, tax, retirement planning, estate planning, aged care, social security, and risk management. More importantly, they know how these disciplines interact, allowing them to develop strategies tailored to each client's circumstances.

The 2026 Value of an Adviser Index confirms expertise remains the most highly valued component of advice, rising to an index score of 139, up from 118 in 2025 and the highest of any component in the Value of an Adviser formula.

Unlike investment returns or tax savings, the value of expertise cannot be reduced to a single percentage. It underpins every recommendation an adviser makes and is the foundation on which trust, confidence and long-term relationships are built. For that reason, it is priceless.

Across a client's lifetime, advisers apply their expertise in three important roles:

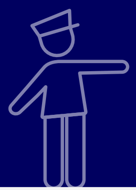
Expertise is again the highest-rated satisfaction driver in the Value of an Adviser Index

VOA INDEX SCORE

139

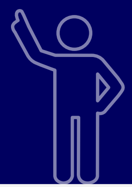
from **118** in 2025

Guide



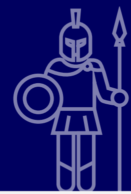
Advisers help clients weigh competing priorities and understand the consequences of different choices. This role is becoming more important as clients juggle more financial goals and seek guidance through increasingly complex decisions.

Guru



Information is easy to access. Applying it is not. Expertise lies in knowing what matters, when it matters and what to do next. Advisers bring together tax, investment, super and retirement knowledge to identify opportunities, anticipate consequences and turn information into advice.

Gladiator



When situations become difficult, advisers can step in to protect their clients' interests. From financial abuse and insurance claims to estate matters and major life events, they can advocate, coordinate with other professionals and help families navigate decisions when the stakes are high.

T Tax-savvy planning and investing (1.2%)

Tax planning is a core pillar of financial advice that extends beyond negative gearing, capital gains tax and personal tax deductions. It is required to deliver on all aspects of the services that advisers offer—from superannuation advice to social security assistance.

Our 2026 research reinforces its importance. Tax efficiency was the second most common reason non-advised investors said they would seek professional financial advice, behind only retirement planning. For advisers, this represents not only a significant source of client value but also a powerful opportunity to engage prospective clients at the beginning of the advice journey.

Advisers add value by optimising assets across superannuation, investment bonds and other tax-effective structures, while implementing strategies that maximise after-tax outcomes.

Our calculations suggest the tax benefit advisers deliver is around 1.2 per cent per annum. For example, a person earning $85,000 who salary sacrifices $5,000 to super could save around $850 in tax each year—and that benefit compounds over time. Transition to retirement strategies allow eligible clients to increase contributions without reducing take-home pay, an attractive opportunity as retirement approaches.

Tax considerations extend beyond superannuation. Advisers help clients navigate an increasingly complex tax system, avoid costly mistakes and make informed decisions across investments, retirement, business ownership and estate planning. The value lies not only in identifying opportunities but also in helping clients understand the implications of those decisions with confidence.

Tax strategies create tangible value

Sam's salary is $85,000. If he sacrifices $5,000 to super, he will pay $750 in contributions tax instead of $1,600 in income tax, giving him $850 more to invest.

	With salary sacrifice	Without salary sacrifice
Gross salary	$85,000	$85,000
Salary sacrifice	$5,000	$0
Taxable salary	$80,000	$85,000
Income tax	$16,388	$17,988
Contribution tax on salary sacrifice	$750	$0
Net benefit (take home pay + salary sacrifice)	**$67,862**	**$67,012**

Compulsory Superannuation Guarantee employer contributions are paid in addition to this amount. Estimates based on 2025-26 income tax rates, inclusive of the Medicare Levy.

Source: Russell Investments. For illustrative purposes only.

The research is only the beginning.

The 2026 Value of an Adviser campaign turns the findings into practical tools advisers can use in their business, from making invisible value easier to demonstrate, to engaging different client segments and creating capacity to personalise advice at scale.

Making invisible value visible workshop

Use the A+B+C+E+T framework to identify, articulate and demonstrate the value you deliver.

Segment workshop

Explore how needs, motivations and expectations differ across generations and client segments.

Talk to your Regional Manager about booking a workshop

Explore more Value of an Adviser resources and client tools

Acknowledgements

This report would not have been possible without the generosity of the advisers who shared their time, experiences and perspectives with us in our qualitative research.

Their stories brought the research to life, reminding us that the value of advice is found not only in strategies and outcomes, but in the relationships, judgement and care that advisers bring to their clients every day.

We extend our sincere thanks to:

- **Adam Ghanem**, Ironbark Financial Group
- **Ben Nash**, Pivot Wealth
- **Dean Holmes**, Absolute Wealth Advisers
- **Scott Briggs**, Briggs Financial Services
- **Scott Hammond**, Transition Wealth
- **Taylor Mifsud**, Ironbark Financial Group
- **Xander Hawes**, Ironbark Financial Group

Unless otherwise stated, all statistics in this report come from the 2026 Value of an Adviser research conducted in Australia in April and May 2026. The research surveyed 501 advised investors, 200 non-advised investors and 237 financial advisers.

ABOUT RUSSELL INVESTMENTS

Russell Investments is a leading global investment solutions partner providing a wide range of investment capabilities to institutional investors, financial intermediaries and individual investors around the world. Since 1936, Russell Investments has been building a legacy of continuous innovation to deliver exceptional value to clients, working every day to improve people's financial security. The firm has AUD602.7 billion in assets under management (as of 30 June 2026) for clients in 31 countries. Headquartered in Seattle, Washington, Russell Investments has offices in 17 cities around the world.

ABOUT HONEYCOMB STRATEGY

Honeycomb Strategy is an Australian-owned, award-winning market research and behavioural science agency that expands the strategic capabilities of leading brands to solve product-market fit, go-to-market and brand strategy challenges. Honeycomb is widely recognised for both its work and workplace with several accolades including Campaign's Research Agency of the Year Winner (Silver) 2025, one of The Australian's Top 10 Best Places to Work (Small Organisation) 2025, B&T Research Agency of the Year Finalist 2023 and 2022, SmartCompany Smart Workplaces 2023, SmartCompany Smart50 2022 and The Australian Financial Review Fast Starters 2020.

ADDITIONAL DISCLOSURES

The value of Appropriate asset allocation is based on portfolios with average asset allocations across Conservative, Diversified 50, Balanced, Growth and High Growth risk profiles. The value takes the difference of 10-year annualised performance of each adjacent risk profile, and calculates the average overall. These portfolios use index values as asset class exposures, including Australian equities: S&P/ASX 300 TR Index AUD, International Equities: MSCI AC World TR Index AUD, MSCI AC World TR Index AUD ($A Hedged). International Bonds: Bloomberg Barclays Global Aggregate TR Index.

Australian Bond: Bloomberg AusBond Composite 0+ Yr Index (AUD). Example is provided for illustrative purposes only. Actual returns may vary. Past performance is not a reliable indicator of future performance.

IMPORTANT INFORMATION AND DISCLOSURES

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFSL 247185 (RIM). This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. This document is not intended to be a complete statement or summary.

AUSF2-02022

Notes


Russell
Investments