
AFA National Conference 2009

GOLD COAST October 4-6 • RACV Royal Pines Resort

Welcome to the AFA National Conference 2009

creating the future...



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Investment & Technical

Session Stream 1

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Tailored Asset Consulting VS Research

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AFA NATIONAL CONFERENCE 2009

Creating the future...

Disclaimer

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Agenda

- Background
- State of the industry (ASIC)
- Are you a fund manager?
- What are the safeguards to protect the adviser?

Background

- There has been a “disconnect” between advisers and research.
 - ASIC will increase focus on client protection
 - Advisers will be forced to enhance or change their research process

Govt /Legal / ASIC warning

Advisers are being targeted on the following:

- Quality and frequency of due diligence on all recommended products
 - ASIC is targeting the dealer groups for poor advice NOT the research house
 - ASIC will NOT accept outdated research reports as quality due diligence

Govt /Legal / ASIC warning

Advisers are being targeted on the following:

- Monitoring
 - Risk management (knowing when to sell)
 - Re-balancing (maintaining proper risk profiles)
- Methodology around portfolio construction
 - If advisers wish to act like fund managers, they will be treated as fund managers

Are you a Fund Manager?

(platform + manager selection + blending = YES?)

Requirements of a Fund Manager:

- Adequate resources
- Funds management expertise and experience
- Rigorous portfolio construction process
- Technology for Quantitative analysis
- Risk management expertise to identify red flags
- Structure to react quickly to material information

What are the safeguards to protect advisers?

- Outsource via diversified funds eg: Astarra, Russell,etc
- Tailored Asset consulting

Tailored asset consulting provides the following benefits:

- On-going partnership with investment professionals
- Tailored service focusing on clients risk/return objectives
- Active on-going monitoring of potential “blow ups”
- Tilting and re-weighting portfolios as market conditions change

Summary

- Market conditions have forced conventional thinking to be questioned.
- Reconnects Research with Advice