



**Filtered Research Centre**

**Asset Consulting and  
Investment Research**

**Conflict free  
peace of mind**



## Filtered Research Centre

# integrity and reliability

### INNOVATIVE APPROACH

FRC is an AIOFP member owned and facilitated service that has contracted the resources of four well known Institutions to deliver conflict free, peace of mind to you and your clients in a cost effective manner.

### ELIMINATION OF CONFLICTS

The Australian market is dominated by the profoundly conflicted practice of product manufacturers paying Research Houses to rate their products. This flawed practice is widely recognised as one of the key reasons why many past product failures have not been identified in time to protect the adviser and their clients. FRC's primary objective is to eliminate this outcome. FRC have contracted the services of global player **Mercer** and local boutique **McGregor Asset Consulting** to deliver research and investment consulting services respectively. Both entities are funded by the advisers or clients seeking their independent professional assessment.

### COST EFFECTIVE SERVICE

FRC's primary objective is to deliver a professional conflict free facility where profits are reinvested back into the service to lower subscription costs and enhance services on an ongoing basis. FRC pricing has been structured on a wholesale basis without affecting quality or delivery of services.

### COMPREHENSIVE SERVICE

FRC has facilitated the resources of well known global and local Institutions to deliver professional services to the independent advisory industry. For Research and Investment consulting, few can equal Mercer and McGregor. Stock Broking advice is provided by global player **Morgan Stanley Smith Barney** with local identity **JB Were** rounding out the service. FRC's local and global approach is unique to the Australian landscape and available at your finger tips.

#### ASSET CONSULTING

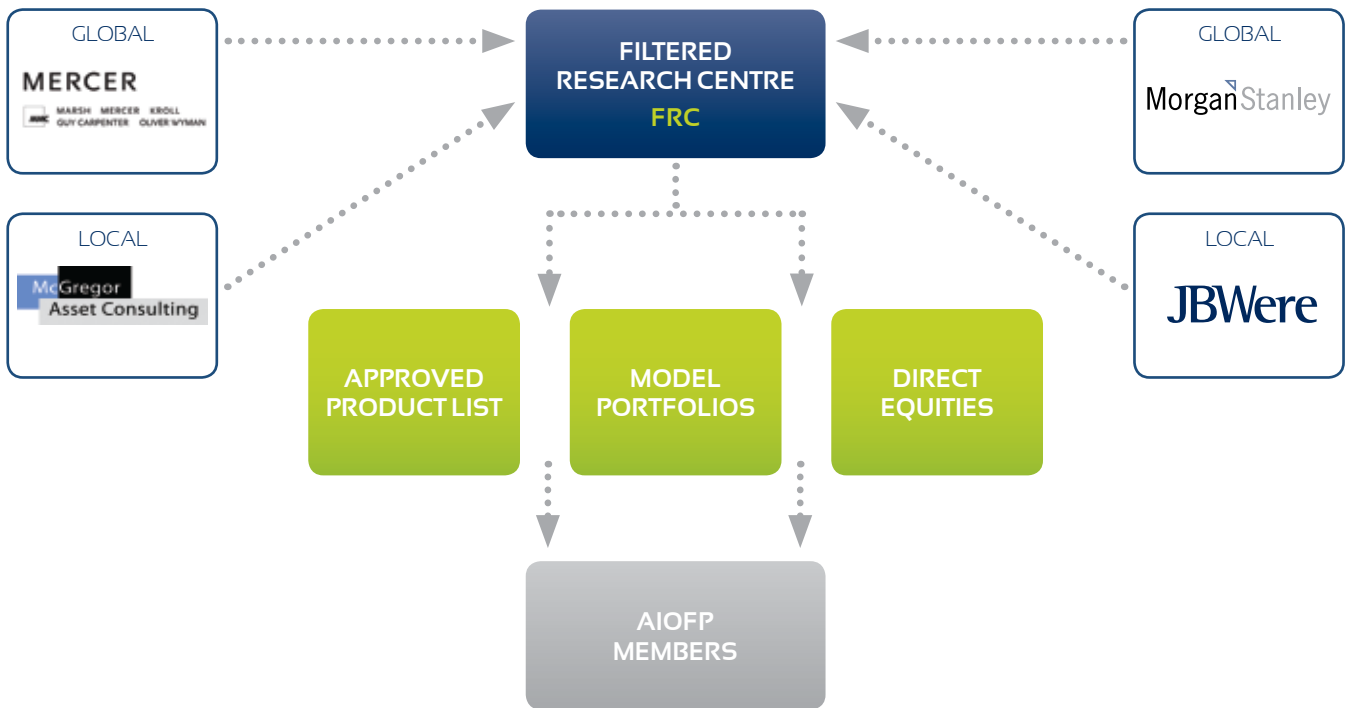
McGregor's local experience delivers all aspects of model portfolios and tailored solutions to meet your every need.

#### DIRECT EQUITIES

FRC direct equities panel caters for all your needs. Model portfolios, tailored advice and execution are available at your finger tips.

#### INVESTMENT RESEARCH

Mercer and McGregor provides research on managed funds, structured products, property, alternatives, infrastructure or equities.



### FRC STRUCTURE AND PHILOSOPHY

FRC has successfully facilitated the resources and experience of 4 respected institutions to deliver a multi faceted service to independent advisers. Each of the 4 institutions are separately responsible for their advice to subscribers. FRC’s advisory board is chaired by the highly experienced Rob McGregor with 3 AIOFP members to give market feedback and trends from practitioners at the coal face. Mercer acts in an input capacity delivering a portfolio of highly recommended and monitored managed funds that you can rely upon.

Mercer’s global network of 46 offices, 1650 employees, over 2,700 clients and \$US3.5 Trillion of assets under advice is the largest global network and easily the most comprehensive resource available today in Australia. Mercer’s major clients include local and global Private Banks, major Corporate Superannuation funds, Industry Funds and mega wealthy global families. McGregor Asset Consulting is a Sydney based boutique operation that specialises in advice to independent advisers and corporate Superannuation funds.

FRC’s unique service offering is complimented by the availability of Mercer IS research software system that has been specifically designed for financial advisers. Content includes model portfolios, manager ratings, market commentary and strategic research papers. Other options include Mercer Quant analytics and Super Fund comparator [additional cost].

JB Were and MSSB role is to provide transaction, advice and research on the ASX product universe.



## Reliability and integrity attaining peace of mind

Failed research and product failure can destroy your practice and severely disrupt your life. The source of research has to be the most important aspect of a practice. Regardless of an advisers qualifications or office environment, if the APL is flawed, disaster is looming around the corner. Recent events have clearly demonstrated that advisers rarely win in the courts and are often targeted by the media, FOS, ASIC and lawyers regardless of the circumstances. Ironically however, ASIC gives little weight to research information when assessing the reasons why advisers have used a particular failed product or strategy. This conundrum was the fundamental reason why AIOFP developed the FRC service. The FRC committee identified 3 major flaws in the research industry that provided the central theme to FRC's construction.

- 1 Product manufacturers paying Research Houses for ratings.
- 2 Products not being under constant surveillance.
- 3 Practices determining APL's in house.

The stand out contributing factor to flawed products getting favourable ratings is the product manufacturer paying the research house to be rated. Unfortunately for many advisers and their clients over the past 25 years, this practice is wrongly engrained in our industry culture. Due to the dynamic nature of the financial markets, products and strategies must be under constant surveillance to protect the client's and adviser's position. Recent product failures have clearly demonstrated that some practices have made decisions based on what is best for the practice's cash flow needs. FRC's professional culture and decision making process is based on the following principles:

- 1 The Research and Investment organisations must be funded by the advisers or professional clients.
- 2 Products and services are under constant surveillance.
- 3 It is best practice to have an independent third party constructing the APL to avoid conflicts.

**FRC unique service has orchestrated and calibrated the very best from the industry to give you and your client's peace of mind.**

For more information  
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[www.aiofp.net.au](http://www.aiofp.net.au)

