



AIOFP CONFERENCE OVERVIEW - MUMBAI 2004

This information is for all conference participants and AIOFP Members who could not attend. It is of a generic nature giving an overview of the program and some social activities that occurred over the 5 days in Mumbai. A more detailed report on AIOFP strategy and resolutions will be forwarded shortly to AIOFP Members only.

Please contact our office if you either wish to have further information on the guest speaker topics or contact details for each group.

GENERAL COMMENT

India and in particular Mumbai as a destination was well received by just about everyone. As one participant stated, "*India is a hard place so you must expect hard things to happen from time to time*". Everyone agreed that the Taj Mahal Palace & Tower was magnificent. Having Boris Becker, Elizabeth Hurley and the Australian Cricket side also staying there added to the ambience. However, once you left the sanctity of the hotel the harsh reality of a third world country confronted you.

Although the boat trip to the Elephanta Island and caves was not as picturesque as Vietnam's Halong Bay last year, the history of the caves was fascinating if you survived the one kilometre walk uphill in searing heat! Of course some did not walk. The picture below shows Norton Capital's Peter Wood had paid some of the locals to parade him up the hill. We are bracing ourselves for some PI claims from the 50 kg "slaves" who also carried Telstra's 130 kg Brian Stapleton up the hill.



The only other downside was leaving AIOFP Office Manager Susan Whittington, NewsCorp's Geoff Easdown and AIOFP Member Mark and Sharon Euvrard from The Salisbury Group on the island.

There is no truth in the rumour that this photo of me holding a plastic bag full of money on the boat was my incentive to leave Susan there!

No, the bag was not part of the local financial planning culture; it was a tip for the attendants on the boat.



The extension to Nagpur for the cricket then on to Delhi/Agra to see the Taj Mahal was an experience many enjoyed. Going from one of the world's best hotels to one of the world's worst is best described as "*character building*".

Although we ate in the hotel and three leading Mumbai restaurants (Tendulkars, Khybers and Bill Clinton's favourite Royal Café) there were only a few cases of "Bombay Belly", not bad for India. Unfortunately the visitors to Nagpur/Delhi/Agra were not so lucky. It seems those who ate the salad on the Qantas flight home which had been washed and prepared in Mumbai frequented the toilets more than their seats on the way home. In fact one Member from Victoria was actually stretchered off the plane in Sydney. We are a little suspicious however as his wife reported that he only did it to get through Customs!!

Bloke magnet Director Sally (Honey Pot) Jobling from Keibel Investment Bank certainly was very popular with the "bees around the bar" but managed to keep them all at bay much to some very disappointed admirers.

The "dork of the trip" award goes to a particular person from Norton Capital who jumped in a taxicab outside the front of the hotel in Mumbai and asked to be taken to the "Gateway of India" monument.

The taxi driver merely pointed across the road, it is literally next door to the hotel and of some considerable size. (see below)



Seaview of Taj Mahal Palace & Tower Hotel and The Gateway of India

Secondly he went to the cricket and asked the hotel chef for 10 hard boiled eggs to eat throughout the day. The chef dutifully gave him the eggs and they were placed in the generous pockets of the "dork's" shorts. When he finally sat down at the cricket the "boiled eggs" shattered in his pockets. Apparently the chef had missed the word "boiled" in the conversation.

An essential part of our conference culture is to work hard during the day and network and socialise at night. The hotel provided the perfect medium for both of these objectives although the bar prices were very upmarket but served by third world paid employees. I guess someone needs to pay for the renovations!

HIGHLIGHTS

- We were able to get Australia's most popular Premier from Australia's best State to open the conference! South Australia's Mike Rann happened to be staying at the hotel during a trade delegation and officially opened proceedings on the Friday evening.
- Each year it has been our intention to raise money for a local charity in the country we visit. Last year we supported the Vietnam Children's Fund and this year the "Compassion for India" (CID) orphanages received 87,000 Rp (\$AUD2700 approx) from the AIOFP, its Members and conference participants. A portion of the money was raised from badly behaved AIOFP Members who did not attend some sessions! AIOFP Members Mike/Chris Taylor and Neil/Helen McMillan from Prime Time in Victoria delivered the cash and also some budget and finance counselling to the CID staff in Northern India.

- **ASIC's** Ian Johnston again delivered a relevant and user friendly approach to the FSR and ASIC. The good news is that he is prepared to speak with Treasury about granting the same SOA exemption that stockbrokers enjoy with advice to existing clients. In the past the ALP and Democrats wanted to give financial planners a hard time with FSR Legislation. Now that the government have control of the Senate there is a real possibility this may eventuate.
- **Kebbel Investment Bank**, Executive Chairman Richard Beck gave an inspiring speech on property opportunities the group offers to the public via financial planners. His comments on the Melbourne versus Sydney scenario encouraged News Corp's Geoff Easdown to write an article on the subject. See attached.
- **Timbercorp Securities** was another success story of the conference for the non mainstream product offerings. Most Members were unaware of their diversification, wrap account equivalent and successful track record over the past 5 years or so.
- **Palandri's** Stuart Hillier clearly demonstrated that their company has matured as an investment opportunity. Strong interest was also evident in their premium red wine Stue brought along!
- **Perpetual's** Sarah Anderson presented a strong case for incorporating larger fund managers in a client's portfolio and also highlighted Perpetual's strong historical returns over the long term.
- **Colonial First State's** Frank Casarotti also backed up Sarah's argument for a larger fund manager inclusion in a client portfolio with a very professional presentation on their product range and track record.
- **Hedge Fund of Australia's** Oscar Martinez certainly put a "cat amongst the pigeons" with his justification of incorporating HFA products in a client's portfolio. In fact I did not see any mainstream fund managers buying him a drink at all!
- **Challenger's** Di Ranger presented the advantaged of their relationship with boutique fund manager ORION and its benefits for clients over the medium to long term.
- **IOOF/Perennial's** Andy Stewart added further weight to the boutique manager argument with Perennial's impressive returns over the last 5 years. Andy was also one of the last to leave every party every night!
- **Invesco's** John Ryan took an entertaining direction with strategies to streamline a financial planners practice operations. John also highlighted the global strength and experience of the Invesco team.
- **Colonial First State's** Richard Nunn clearly outlined the direction the platform market is heading with even lower MER's and client focused functionality. He also predicted that the market will almost certainly need to follow the mandate concept to lower funds management costs in the MER equation.

- **Zurich's** Graham Burnard presented a new training module where advisers will be taught how to sell themselves and products/strategies to clients. It seems most of the "new age" planners are technically efficient however lack sales skills. A heavily discounted package is available for AIOFP Members who need assistance in this area.
- AIOFP Member Ian "*stretched*" Bristow of Melbourne based **Money Matters** demonstrated his self developed software system to implement salary sacrifice services to corporate clients. Members were so impressed that we are organising an exclusive national arrangement for AIOFP Members who wish to pursue this direction.
- AIOFP Member Keith Powell of Sydney based **Powell Capel** gave a demonstration on an online legal service to minimise legal documentation costs inside your practice.
- **Acclipse** Rob Cameron presentation on creating a "paperless office" was strongly backed up by AIOFP Members Peter and Anne-Marie Seagrim (**Seagrims**, regional South Australia) who has implemented Rob's service. His presentation created a great deal of interest from Members and has a discounted service package for AIOFP Members.
- **Count's** Marianne Perkovic's software presentation highlighted its low cost and practical relevance to a practice. Count has formulated a heavily discounted package for AIOFP Members who wish to utilise their services.
- **Norton Capital's** Peter Wood (besides for winning an award on the trip!) clearly demonstrated their group's value in the research process. Norton essentially operate as a "final filter" to ensure investment projects are commercially viable.
- There is no truth in the rumour that **Fiducian's** Indy Singh only came on the conference to claim the tax deduction to see his mother! He actually gave an intriguing insight into Fiducian's "Manage the Manager" style and exceptional returns.
- **AXA's** Alan McKay and **CBA's** Kim White gave closed door presentations to Members on their respective groups' approach to purchasing financial planning practices.
- Unfortunately **PR Specialist** Peter Wilms could not make the conference due to a short term health problem. **News Corp's** Geoff Easdown covered Peter's presentation material about promoting the AIOFP directly to the public. Attached are some articles that appeared in the local papers while we were away.
- Corporate and Union guests Brian Stapleton (Telstra) Brad McMahon (One Steel) Mike Gilhorne (ACI), Paul Noack (Vehicle Industry), Cesar Melhem (AWU) gave entertaining views on their respective industries.

As previously indicated a more detailed report will be sent to Members shortly which will also include a feedback sheet on the Mumbai Conference and suggestions for next

year's destination. The leading contenders appear to be Shanghai, Beijing, Hong Kong cruise and a 5 star resort at Phuket.

In case I do not see you before Christmas, best wishes for the Festive Season.

Regards

Peter Johnston

CEO - AIOFP

November 2004