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Overseas Fund Forum keen on Australia Fund managers want to access local market

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An Australian delegation at the 2011 Fund Forum International in Monaco has experienced strong interest from international fund managers wanting to enter the local retail market.

Fund managers were particularly interested in the requirements for getting their funds in the sight of financial planners.

"The questions that were being asked one-on-one were specifically about their organisations coming into the Australian market and they were saying things along the line of: 'If I have a global consultant rating, will that help me get into the Australian market for mandates?'," Freshwater Financial Marketing principal Julie Rigoni said.

"I think they find it still difficult to understand that it is important to have a presence here. [But] that could be through a third-party mechanism.

"In the early days, it might not be necessary to have an office here, providing you have a good partner and distribution access."

The main interest came from European and United Kingdom asset managers, which were looking to access some of the faster-growing economies, as well as a few Asian fund managers.

"The research raised a few more questions than I thought it would, but I suppose they all understand the institutional market," Rigoni said.

The delegation presented for the first time at the forum, which was held earlier this month.

About 100 delegates attended the presentation and the panel has already been asked to present again next year.

Challenger institutional business and strategic alliances general manager Matt Gaden said the Future of Financial Advice (FOFA) reforms sparked many questions.

"We had a lot of questions about how the retail market was changing," Gaden said.

"Some delegates were aware that Australia was going through a bit of a revolution in the retail market with FOFA. They asked how could the planning market react and whether the reforms created opportunities to go direct [to retail investors].

"We told them that there was limited scope to go direct and that planners were coming to grips with FOFA quite quickly."

Asked whether he was approached by any fund managers interested in Challenger's boutique model, he said: "We've had a couple of people showing interest."