

CORE | DATA

A decorative graphic consisting of multiple thin, wavy lines in shades of blue and grey, flowing across the page.

Greener Pastures AFSL Index

Product Overview
July 2011

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BACKGROUND

CoreData is a specialist financial services research and strategy consultancy based out of Sydney, Australia.

The firm has operations in Australia, the United Kingdom, China and the Philippines.



CORE|DATA

Offices in London, New York, Manila and Sydney. Focuses on creating fast turnaround, high quality, consumer and distribution research. Core Data's goal is to allow clients to gain a very clear picture of how their clients and distribution channels are performing in a timely and cost-efficient manner.

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Beijing-based market research and market intelligence business. Primary relationships with China Net Com and EOL give us access to a database of more than 100 million mass affluent Chinese consumers.

With a primary focus on financial services CoreData provides clients with both bespoke and syndicated research services through a variety of data collection strategies and methodologies.

Clients benefit from a dual offering of business-to-business and business-to-consumer research and consulting services.

The group provides clients with market intelligence, guidance on strategic positioning, methods for developing new business, advice on operational marketing and other consulting services.

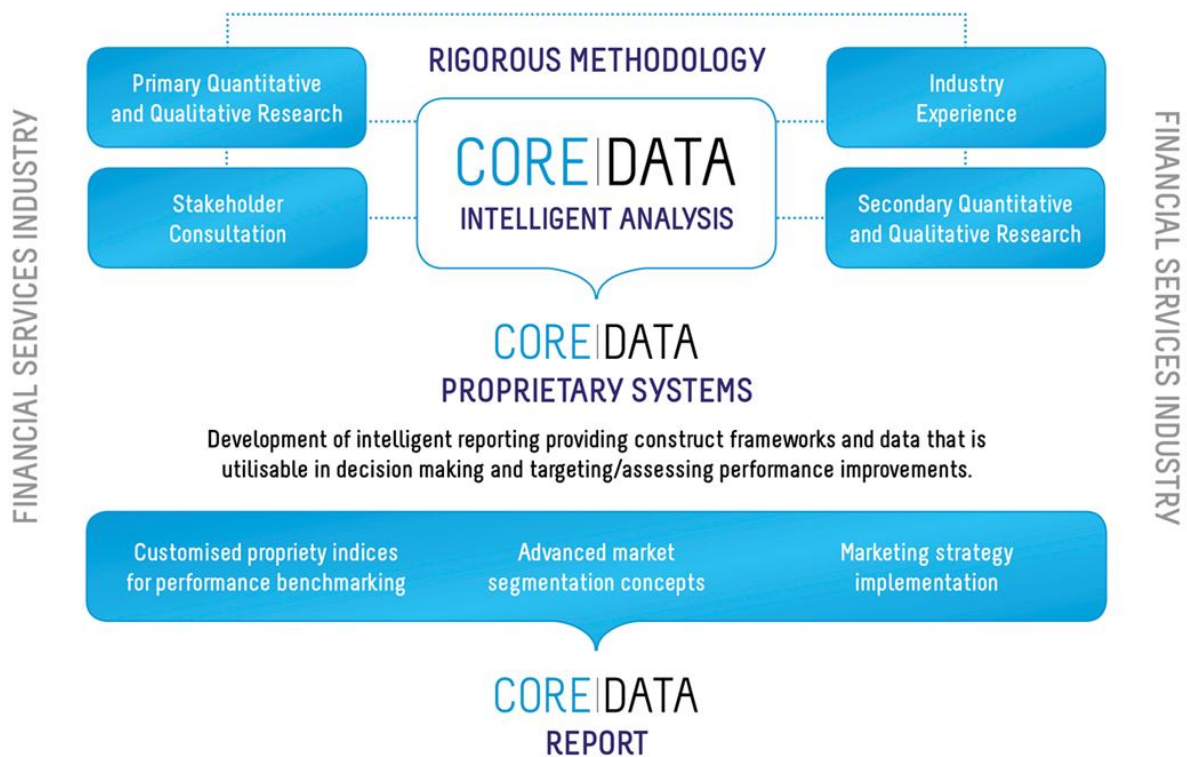
CoreData prides itself in identifying market trends at the earliest opportunity and formulating insightful quantifiable research that clients can use to help them stay ahead of the market and better meet the day-to-day challenges facing their businesses.

Our focus is on bringing deep market knowledge to research and strategy development.

The group's research is not just about information and data but at providing insight so clients can develop strategies that work.

The team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

CoreData has a number of syndicated benchmark proprietary indexes across a broad range of business areas within the financial services industry.

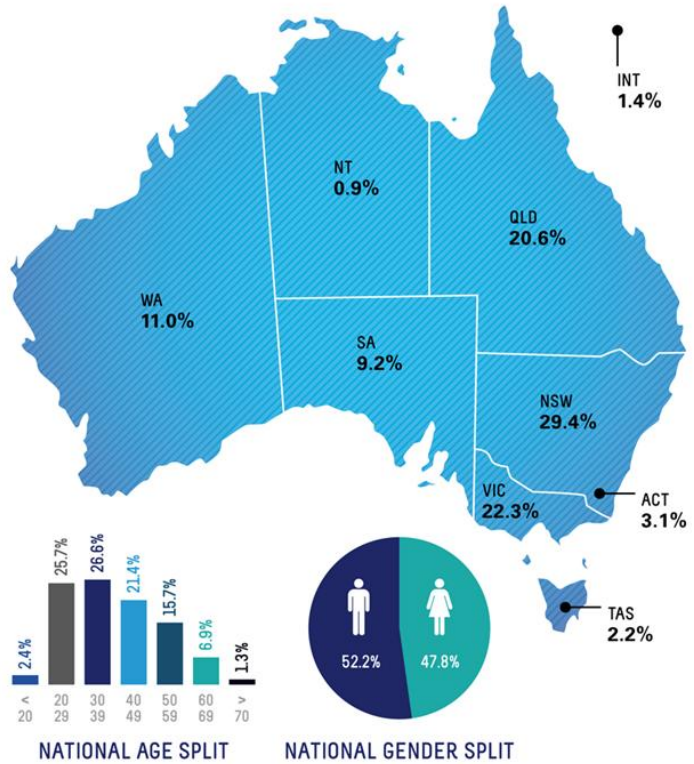


For this study CoreData will leverage its extensive proprietary nationwide database of 80,000 Australians to recruit participant respondents.

Ability to leverage its extensive proprietary nationwide database of 105,000 Australians to recruit participant respondents.

AGE - STATE CROSSTABULATION (%)

	< 20	20 29	30 39	40 49	50 59	60 69	> 70
NSW	2.7	26.3	28.9	21.2	14.1	6.0	1.0
VIC	2.0	23.6	27.3	22.6	16.0	7.3	1.2
QLD	2.5	26.7	25.2	20.6	15.8	7.5	1.7
WA	2.0	26.2	24.7	20.9	16.8	8.1	1.3
SA	2.0	22.5	23.4	23.6	19.4	7.5	1.6
ACT	1.6	33.2	28.3	18.8	11.7	5.3	1.1
TAS	2.3	26.8	23.9	20.8	17.9	6.8	1.5
NT	2.9	21.1	26.5	27.4	15.8	4.6	1.7
INT	1.3	22.1	26.5	18.4	18.5	11.3	1.9
TOTAL	2.3	25.5	26.6	21.5	15.7	7.0	1.3



INTRODUCTION

One of the biggest risks facing Australia's major licensees is the threat of advisers leaving to set up their own Australian Financial Services Licence (AFSL).

Past research by CoreData has shown that around one third of those advisers considering switching licensee in both the short and long term are considering going out on their own.

Typically, when advisers are asked to rank the 'top five' dealer groups to work for, having their own ASFL trumps all other offers, deemed three times more attractive than the most attractive licensee offer.

With this in mind CoreData has produced a report benchmarking the relative attractiveness of owning an AFSL versus joining a licensee.

The AFSL Index provides a 360° view of both internal and external perceptions of owning an AFSL to provide a robust and informative benchmarking tool.

This survey, with an associated benchmarking tool, serves the dual purpose of:

- Deepening understanding of why advisers may set up their own AFSL and the comparative advantages of joining a Licensee
- Keeping a finger on the pulse of adviser sentiment towards setting up their own AFSL providing a useful tracking tool with strong implications for the licensee market.

Although advisers strongly indicate a preference for branching out alone, many advisers fail to take the leap and leave their licensee.

CoreData's new report titled *The Grass Is Greener*, explores the attractiveness of having an AFSL from the point of view of both advisers who own one, and those who are authorised through a licensee.

It aims to discover the drivers and barriers for establishment, the gap between prior expectations and experience of those who have their own AFSL and intention to return to a licensee offer.

OBJECTIVES

The key objective of the research is to benchmark the relative attractiveness of owning an AFSL versus joining a licensee.

The report is constructed around an AFSL Index, which measures both the internal view (of advisers who have established an AFSL) and the external view (of advisers who are authorised through a licensee).

AFSL Index

Benchmarking the relative attractiveness of owning an AFSL vs. joining a Licensee

External View	Attractiveness	(Attractiveness of AFSL to those with a Licensee)
	Future intent	(Intention to setup own AFSL)
<hr style="border-top: 1px dashed #00a0e3;"/>		
Internal View	Satisfaction	(Satisfaction/expectations met of those with own AFSL)
	Licensee return	(Likelihood of rejoining a Licensee)

The Index will allow licensees to not only closely track adviser sentiment but also provides constructive insights into developing strategies to counter this threat.

The study will target two financial adviser segments:

- Advisers with their own AFSL
- Advisers authorised through a licensee

The study also provides insights on

- The proportion of ‘at risk’ advisers
- Profiling ‘at risk’ advisers
- Profiling typical AFSL holders
- Trigger points and barriers to establishment
- Satisfaction levels with having own AFSL
- Problems with having own AFSL
- External providers used to assist with AFSL establishment/management
- Expectations vs. experience of having own AFSL
- Perceived benefits of having own AFSL
- Intention to rejoin a licensee/maintain AFSL

RESEARCH DELIVERABLES

A draft online quantitative survey of around 30 questions has been developed and hosted by CoreData.

The survey was sent to CoreData's proprietary adviser database of more than 16,000 financial advisers.

Relevant demographic and industry information was collected, to examine any potential variances that may exist between geographies/state/wealth/gender/ age etc.

The final deliverables from the research will be:

- 1 x Powerpoint report with analysis findings and strategic insight

The quantitative data from the online survey will be presented with appropriate strategic insight and illustrative charting.

PRICING & TIMING

The total cost is **\$10,000 ex GST**.

This includes:

- Administration set up and project management
- Programming and testing the survey and all links
- Hosting the survey on the CoreData survey engine
- Use of the CoreData panel of advisers
- Full written report with charts and strategic insight

The report will be available to purchase in August, 2011.

CD ANALYSIS METHODOLOGY

Analysis measures

The following are the common types of analysis we would be likely to perform on data sets used in this study:-

Bivariate analysis:

Chi-square

Correlation

ANOVA

Multivariate Analysis:

Regression Analysis

Our analysis is later overlaid in the reporting stage with a separate strategic insight component. This involves contextualising the findings for clients, and providing strategic suggestions relating to the implications of the research.

Major themes in the data will be summarised and presented with illustrative verbatims.

KEY PERSONNEL

CoreData's focus is on bringing deep market knowledge to research and strategy development.

Our team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

We are passionate about making a difference to our clients. Our success and research is not just about information and data but about developing actionable strategies that allow clients to improve their performance relative to competitors.

ANDREW INWOOD B.Ec. (Syd) A.S.I.A.

Andrew Inwood is the principal of CoreData and has more than 18 years' experience in the Australian financial services industry.

He worked for Rothschild Australia Asset Management where he headed the marketing team for four years before moving to AMP Investments where he spent more than a decade as head of marketing, before being seconded to Virgin Direct in the UK to establish the finance and investment arm of the group.

KRISTEN TUNRBULL BA Journalism, MBA currently studying

Kristen is head of Advice, Wealth Management and Superannuation based in the Sydney head office. She is responsible for writing of a range of syndicated market intelligence reports and bespoke research projects for advice and superannuation fund clients.

Before joining CoreData Kristen was a financial journalist for seven years, including four years in London where she wrote for a range of institutional and retail finance publications. Upon returning to Australia she worked for media publishing house Conexus Financial as a Senior Journalist on Professional Planner and then as Production Editor for Investment & Technology.

MARCIA GRAND ORTEGA BPsych, BSocSci (Soc), MPH (IHD) currently studying

Marcia is involved in surveys development and data analysis at CoreData.

Marcia's core skills are in managing the field work and analysis teams on a day to day basis, marketing, sales and research design. She has 3 years' experience in running research operations and is the core point of contact for most projects. She obtained a Psychology degree in Argentina, came to Australia to pursue post graduate qualifications and to build her research career. Before joining CoreData, Marcia worked for 3 years at American Express as a Marketing Executive.

CYRIELLE CHIRON BBA (IBGM), Masters (Hons) (MIMC)

Cyrielle is CoreData's research manager.

She holds a Masters with honours in International Marketing and Communication. She has market research knowledge in both quantitative and qualitative methodologies from 5 years' experience gained in different industries and various countries. Before joining CoreData she was a Research Consultant at OMD Dubai. This role enhanced her marketing strategy and insights skills.

TAI ROTEM BSocSci (Psych) Masters (by Research Thesis)

Tai Rotem is CoreData's research specialist. He has been developing and implementing market research for over 10 years. Tai has taught statistical methods at the UNSW for 4 years.

Tai develops and maintains CoreData's proprietary research and question banks and he is involved in the analysis and interpretation of our research.

EMMA FITZGERALD BA (Hons), PGCE, MSc (App Stat) currently studying

Emma is key member of the CoreData data analysis and insights team.

Emma has an honours degree in Mathematics and Accounting and a Postgraduate Certificate in Education both gained in the UK from where she relocated in 2004. Emma successfully taught Mathematics, Statistics and Applied Mathematics for over 10 years and has spent the last couple of years working in the corporate world. She is currently studying towards a Master of Science in Applied Statistics part time.

KYM DOSSETOR BComm(Acc)/BSci(Psych),

Kym is a Financial Services Research Writer at CoreData.

Prior to joining CoreData, Kym worked as a Research Officer at the Australian Institute of Criminology in the Modelling and Forecasting team and the Crime Reduction and Review team. Initially working in audit and tax at KPMG, she worked on a number of external and internal audits for both Government agencies as well as private companies. Kym has authored a number of published reports, has presented at the ANZSOC conference and spoken on the radio about research findings.

STAN TSIGOS BBus(Acc)/BBus(Bank & Fin), B.Bus(Hons)

Stan is a Financial Services Research Writer at CoreData.

He holds an Honours degree in Banking and Finance from Monash University. Prior to joining CoreData, Stan held numerous positions in industry and academia. Initially working at Amcor, Stan then went into financial services joining NAB in 2007 in their Trust Services.

Subsequently, Stan became a Research Assistant and Assistant Lecturer at Monash University where he taught Investments and Portfolio Management and Financial Management. He has been published in refereed journals and conferences.