



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

Investment Forum

Executive Summary

**Meeting held on 13th May 2010 at
Royal Institute of British Architects, 66 Portland Place, London, W1B 1AD**

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Competition Act reminder

- The role of this Forum is to facilitate business efficiencies in the personal finance sector for the benefit of advisers, providers and most importantly consumers.
- All present are reminded of the requirements of the Competition Act and members' attention is drawn to the guidelines, which are available.
- In essence, all Members shall refrain from any conduct or participation in any activities which could lead to a restriction of competition between the Members or any third party who is a competitor of a Member or Product Provider or which could in any other way lead to an infringement of UK and/or EC rules on competition law.
- Output of the meeting must be complete, we will pause before each new section to agree and summarise the issues covered.
- Role of the chairman is to steer the group clear of conversations that may impinge on the act.
- If the chairman fails to do this, delegates should point this out in the meeting and if the situation does not change should leave the meeting.

Agenda

- This pack contains the slides presented at the Investment Forum meeting held on 13th May 2010.
- Slides with **purple banner** represent the meeting presentation; slides with **gold banner** represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in **purple text**.

<i>Agenda</i>	<i>Page</i>
• Competition Act Reminder	2
• Agenda	3
• Attendees	4
• Apologies	5
• Executive Summary	6-7
• Objectives	8
• Actions	9
• New Actions	10
• 2010 Dates	11

Attendees

Adviser Firm Attendees & Trade Bodies

IMA	Sesame Bankhall Group
Towergate	Sesame Bankhall Group
2plan	Sesame Bankhall Group
Lighthouse Group	Simply Biz
Origen	threesixty services
Positive Solutions	True Potential
Positive Solutions	True Potential

Product Providers, Platforms and FM Groups

7IM	Fidelity Funds Network
Artemis	IFDS
Aviva	Metlife
Aviva Wrap	Prudential
Axa	Scottish Life
Canada Life	Scottish Widows
Cofunds	Standard Life
EMXco	Zurich

FSA

Steve Tully

F&TRC

Poppy Morgan, Ian McKenna, Nicky Jordan & Pete Bainbridge

Apologies

APOLOGIES

Royal Bank of Scotland	Clairville York	AEGON	Bluefin Group
Skipton FS	Legal & General	Invesco Perpetual	AIFA
National Australia Bank	James Hay	Ascentric	

Executive summary

<p><i>Lifestyle Products</i></p>	<ul style="list-style-type: none">• Meeting recognised that given the large amounts of lifestyle products being sold, particularly products with underlying assets which may change over time, there is the need to understand how back office, asset allocation and other systems will be able to provide the data to support the adviser and client.• Meeting has confirmed an action to contact tool vendors to establish what processes they have put in place to support lifestyling products.
<p><i>Supporting Adviser Investment Strategies</i></p>	<ul style="list-style-type: none">• A number of drivers that are causing advisers to create their own investment solutions, wanting to deliver consistent and compliant processes and advice is just one.• This will require advisers ‘plugging in’ investment solutions from their systems into the Life Company or Platform an adviser wishes to do business with.• Providers confirmed that some of the building blocks to ‘quote, apply and buy’ already existed.• However, there is a need to ‘look under the bonnet and get down to the detail’ to fully understand what is available and how it can integrate with business systems.• A small working group has been set up to investigate adviser business requirements and identify what ‘building blocks’ already exist to support this and what else is needed.

Executive summary

Projection Rates Project	<ul style="list-style-type: none">• Meeting recognised that cost comparisons can only be done on standard rates between product providers.• Current state assessment conducted by Adviser Forum demonstrated that would be difficult to do in future given the range of different approaches Providers and Platforms were taking/planning to take.• F&TRC would also like to refer all meeting attendees to the full set of meeting notes within the main document as it contains information that seeks to clarify some of the conflicting points raised during the meeting.
B2B2C e-Valuation Services	<ul style="list-style-type: none">• Due to the meeting agenda running over time, the discussion on client portal was limited to Contract Enquiry Legal Framework.• Legal framework is a document that defines how Contract Enquiry services will operate and the agreement currently only extends to product providers, client management systems and advisers.• A number of providers stated that <u>it was important to engage advisers in discussions concerning Contract Enquiry Legal Framework</u> as there were implications and changes that they must be aware of. F&TRC agreed to facilitate dialogue between providers and advisers.
FSA session on DP 10/2	<ul style="list-style-type: none">• Steve Tully from the FSA joined the meeting for a two-way general discussion surrounding FSA DP 10/2. The meeting was conducted under Chatham house rules and therefore no minutes/notes were taken.

Objectives

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Agree proposed next steps to take forward adviser requirements to support their model portfolios.



Review the range of options being taken to support changes to growth rates and Reduction in Yield (RIY) calculations on illustration and agree next steps.



Discuss key challenges/developments that firms need to address to ensure B2B2C services are successful e.g. ability to value client policies, availability of provider services, data accuracy, legal framework etc.

Partial discussion held due to time constraints. Further discussion on subject will take place at next meeting.

Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
25th February 2010	10	F&TRC to approach Forum member adviser firms to clarify their business requirements concerning use of their model portfolios with: Portals, Platforms, and Providers direct. Requirements will be benchmarked in relevant F&TRC e-Excellence Surveys. Survey responses to be presented back to advisers to assist their understanding as to which Product Providers/Platforms are best able to support their model portfolio requirements	F&TRC	12th May	Complete.
25th February 2010	11	Current version of project document to be distributed to all Forum members for review and feedback within 10 working days	F&TRC	13th May	Complete.
25th February 2010	12	F&TRC to obtain an update from the ABI Working Group looking at projected growth rates	F&TRC	13th May	Email received from ABI following a request from F&TRC to arrange a meeting stating they were unavailable for a meeting at this time.
25th February 2010	13	F&TRC to approach a wider group of IFA firms with B2B2C considerations and ask them to consider and feedback their requirements.	F&TRC	13th May	Complete.
25th February 2010	14	Scottish Widows to feedback progress on Legal Framework recommendations being made by Origo	Scottish Widows	30th April	F&TRC have asked Scottish Widows to bring this information to the meeting.
25th February 2010	15	Scottish Life and Aegon to provide an outline of the potential issues in this area for F&TRC to take to adviser firms for discussion.	Scottish Life, Aegon and F&TRC	25th May	Complete.

New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
13th May 2010	30	Scottish Widows, Scottish Life, Aviva Wrap and threesixty services have agreed to participate in a teleconference to design a short list of questions that can be put to a range of tool vendors about how they support lifestyling products.	Scottish Widows, Scottish Life, Aviva Wrap, threesixty services & F&TRC	30/06/2010	
13th May 2010	31	F&TRC will invite a range of tool vendors to respond to the questions created by the Forum Group concerning how they support lifestyling products, information will be collated and distributed to Forum members for review.	F&TRC	30/07/2010	
13th May 2010	32	Host an initial teleconference between interested providers, platforms and advisers to discuss what is needed to support adviser investment strategies. Standard Life, Aviva Wrap & Elevate have already confirmed their participation in this activity	Standard Life, Aviva Wrap, Elevate & F&TRC	25/06/2010	F&TRC will issue a note inviting a wider range of firms to participate in this activity.
13th May 2010	33	F&TRC to document additional requirements concerning supporting adviser investment strategies from the call and distribute to all Forum members.	F&TRC	09/07/2010	
13th May 2010	34	F&TRC to host a second call with providers, platforms (and advisers though this may be optional) to determine what 'building blocks' exist to support adviser investment strategies (e.g. Quote, Switch & Apply, licences, integration, e-Applications) and what	Standard Life, Aviva Wrap, Elevate & F&TRC	20/08/2010	
13th May 2010	35	F&TRC to forward details of COB requirements concerning KFD illustrations supplied by the IMA to all providers and platforms at the meeting	F&TRC	20/05/2010	
13th May 2010	36	F&TRC to contact Prudential, Standard Life, Scottish Life and Scottish Widows to establish the best way of achieving adviser engagement in Contract Enquiry Legal Framework discussions.	Prudential, Standard Life, Scottish Life & F&TRC	18/06/2010	

2010 dates

- Investment Meeting dates
 - 16th September
 - 25th November

Adviser Forum Meeting Calendar 2010

Key	Meeting Type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Platforms, Fund Management Groups
	Corporate Forum	Adviser Firms, Product Providers, Employee/Flexible Benefits Providers
	Protection Forum	Advisers and Product Providers
	E-services Forum	Technology vendors, Product Providers, Platforms

2010

