

Mayfair 101

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Mayfair Platinum Insights: How Mayfair Platinum creates an alignment of interests with its investors

Mayfair 101 Group launched its investor-facing brand Mayfair Platinum in June 2019 to cater to yield-hungry investors seeking better rates of return on idle money.

Since the family-owned investment conglomerate launched the brand, it has grown considerably both in terms of funds under management and public awareness, raising in excess of \$100 million from wholesale investors within its first six months of operation.

With customer security in mind, Mayfair Platinum took an innovative approach to the development of its financial products M+ Fixed Income and M Core Fixed Income and believes that these products allow for a far greater alignment of interests with its investors than traditional alternatives.



Mayfair 101 Group's managing director James Mawhinney.

Many traditional financial product structures have inbuilt fee structures meaning the broker, financial adviser or growth fund manager often collects a fixed percentage regardless of the performance of the investment.

This is a common criticism in the financial services industry and was a hot topic at the Banking Royal Commission, which Mayfair Platinum sought to address.

Traditional model "broken"

Mayfair 101 Group's managing director James Mawhinney said: "The

Share Information

Code: MAYF

Listing: PRIVATE-UK

Sector: Financial Services

Website: www.mayfair101.com

Company Synopsis:

An International Investment & Corporate Advisory Group

Mayfair 101 is an international, privately owned investment and corporate advisory group that thrives on helping companies reach their full potential whilst providing consistent investor returns.

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traditional model in our eyes is broken as it simply protects those who derive an income from the industry via pre-determined fee structures, rather than putting the onus on the Investment Manager to perform to earn their keep."

One of the fundamental outcomes Mayfair Platinum wanted to achieve when structuring its products was to ensure that the Mayfair 101 Group balance sheet absorbs any losses first rather than its investors.

In most cases, Mayfair 101 Group assets are used to co-invest in opportunities together with investor assets. In the unlikely event that an investment wasn't to perform as expected, regardless of whether it is co-investing or not, any loss associated with this would impact Mayfair's bottom line and balance sheet first.

Like any other company that issues a fixed income product, the Mayfair 101 Group is obligated to pay its investors their principle and interest regardless of investment performance. This is an obligation that the Group has successfully met since inception.

A potential criticism of this structure is that Mayfair 101 benefits from all the upside once its investors have been paid. However, this is no different to other Australian companies that issue notes of which there are many including Commbank, Virgin Australia, Fortescue and many others.

The Group's balance sheet has grown significantly over recent years, through the careful construction of a diversified investment portfolio that now spans 10 countries and includes real estate, financial services, business credit and emerging markets.

Furthermore, the M Core Fixed Income product offered by Mayfair Platinum is secured against a pool of assets owned by the Mayfair 101 Group and that security is held for the benefit of its investors.

Competitive fixed interest rates

Considering this first loss structure and the embedded security measures, the fixed interest rates that the Mayfair Platinum products pay are certainly competitive.

Mayfair Platinum has pioneered with its business model and has been successful in creating a strong alignment of interests and an additional level of protection for investors that is otherwise not found in many financial products available on the market today.

As well as being innovative, this demonstrates the thought put into the Group's desires to deliver on its key value of creating 'win-win' outcomes for its investors. This is perhaps why it has raised well in excess of \$100 million since launching.

It appears Mayfair Platinum has built a solid business which is filling a very evident gap in the financial services industry.

Importantly, they focus on investing in initiatives that have strong social impact, such as their rejuvenation of the Mission Beach community and investments in technology to facilitate trade for small businesses in emerging markets.

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