

## **INVESTMENT MANAGERS**

### **Public Warning Notice**

## **ASIC warns investors about Mayfair 101, Mayfair Platinum & IPO Wealth**

ASIC warns the public that some financial products offered by the Mayfair 101 group of companies and its founder, James Peter Mawhinney, are high risk investment products being marketed as low risk products.

The products of concern are debt notes called the *M+ Fixed Income* product and the *M Core Fixed Income* product, and units in the IPO Wealth Fund. These products are marketed by Mayfair 101 (the trading name of Online Investments Pty Ltd), Mayfair Platinum (the trading name of Mayfair Wealth Partners Pty Ltd), and IPO Wealth Pty Ltd, which are controlled by Mr Mawhinney as well as Mayfair 101 Ltd of the UK, of which Mr Mawhinney is a director.

ASIC reasonably suspects that the Mayfair 101 group marketing may mislead the public that these products have a level of risk similar to bank term deposits. Bank term deposits are low risk products. Not only are bank term deposits protected by the Commonwealth Government's Financial Claims Scheme (the first \$250,000 invested per depositor, per bank), a bank's ability to honour their commitments to depositors are supervised by the Australian Prudential Regulation Authority (APRA). APRA does not supervise the issuers of the Mayfair 101 products.

ASIC also reasonably suspects the statement that the Mayfair 101 group products "have been specifically designed to cater to investors seeking certainty and confidence in their investments" may be misleading and deceptive. Repayment of investors' principal may be delayed for an indefinite time by the issuers of these products if they consider they do not have sufficient cash available at the time.

ASIC is also concerned that the types of investments made by the Mayfair 101 group may not be aligned with the group's promises to investors of monthly distributions, investments terms as short as three months and the prospect of on-demand redemptions. Money raised is invested through other Mayfair 101 group companies in 'growth stage' companies and undeveloped resorts in Australia and Italy. Investors' money is also being used to meet the Mayfair 101 group's ongoing expenses.

As these investments are not listed on a market, they may be hard to sell quickly at the value the Mayfair 101 group believes they are worth to satisfy investor's monthly distributions and redemptions should the need arise.

ASIC has reasonable grounds to suspect the marketing referred to may constitute misleading and deceptive conduct in breach of s12DA of *Australian Securities and Investments Commission Act 2001* (ASIC Act) and considers that one or more investors are likely to suffer detriment as a result.

ASIC considers it is in the public interest to warn investors about the high risk of investing in these products. Investors should be wary of products that claim to be an alternative to a term deposit. If an investment provides higher returns than a term deposit, it is likely to be higher risk.

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ASIC's inquiries into the marketing of these products and the use of the proceeds raised by the Mayfair 101 group are ongoing.

This media release is a notice issued under subsection 12GLC (1) of the ASIC Act.

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