



Successful adoption of
managed accounts in wealth
management firms

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OVERVIEW



The forces shaping our industry - **convergence**



Connecting **equities businesses/brokers** with new ways



A case study of **Euroz/Entrust**



Three priorities of an effective solution

THE FORCES SHAPING OUR INDUSTRY

Rise of the new technology platforms



- New technology platforms 3.9% market share with 36.3% of netflows¹
- Top 3 platforms in terms of functionality are now non-institutional⁴

Advisers are voting with their feet



- 1 in 10 advisers changed their licensee during 2016-2017²

Managed accounts are becoming mainstream



- 51% of advisers either using managed accounts or intending to in the future³

Traditional financial services segments are converging



- Stockbrokers embracing annuity based income models to better service clients (e.g. financial advice using platforms & managed accounts)

1. Source: Strategic Insights. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2017. New technology platforms include netwealth, HUB24, OneVue, Praemium, and managedaccounts. Institutional platforms include major banks, AMP, Macquarie, IOOF
2. Rainmaker Advantage Report 2018
3. Investment Trends April 2017 Planner Direct Equities & Managed Accounts Report
4. Investment trends 2017 Platform Competitive Analysis and Benchmarking Report

INTRODUCING EUROZ – A CASE STUDY

The logo for EUROZ, featuring the word "EUROZ" in a white, sans-serif font with a stylized circular symbol between the 'O' and 'Z', set against a dark teal rectangular background.

- A listed **Diversified Wealth Management Business** (Market Cap circa \$190 mil)
 - Stockbroking and Corporate Finance Strong research capability
 - Funds Management (Prodigy and WestOZ)
 - Wealth Management (Entrust and Euroz Advisers)
- Brokers and Advisers – 35 plus
- Existing internal Platforms - HIN Sponsored Equities and Managed Funds
- Combination POA and ROA advice offering

INTRODUCING EUROZ – A CASE STUDY

Priority Needs of Euroz:



Grow our business



Service our clients



Optimise our backoffice

EUROZ – A CASE STUDY

1

Grow our business

In addition to traditional broking services there was an opportunity to:

- Grow revenue through **an expanded advice footprint**
- Grow revenue diversity through **new annuity streams** for advisers via wealth management and broking
- Grow **Euroz business revenue** through increased share of wallet

EUROZ – A CASE STUDY

2

Service our clients

- A **single sign-on** of Managed Account solution
 - Reduced replication of paperwork and account details
 - Avoid client data input replication “You already know me and have my details”
- A broader **range of investment solutions**
 - Euroz research accessed via traditional broker solution
 - Euroz research accessed via Managed Portfolios
 - Euroz Managed Portfolios extending into new sectors via Euroz Investment partners



Accounts

Transact

Investments

Insurance

Business

Settings

Products & Forms

SupportHUB

Account Search

Search...



Items per page

Reporting group

Expand all

Collapse all

Not Set 9941

\$1,600,509,131.40

View

Accountant: Mr Smith 3

\$835,233.78

View

ID	Name	Product	(\$) Value	(\$) Cash	Cash %
INRAKJNESJ	Abel Stewart	RETAIL	\$608,608.06	\$363,168.35	59.67%
LY8ROM5OQX	Abigail Johnson	ORD	\$25,949.47	-\$59,250.39	-228.33%
TUMLCIKNVT	Abigail Pennington	INSTO	\$200,676.25	\$122,933.30	61.26%

Machin SMSF 5

\$2,282,260.08

View

ID	Name	Product	(\$) Value	(\$) Cash	Cash %
50A2U35U74	Abel Walton	RETAIL	\$288,612.92	\$106,468.02	36.89%
24013246	Blaze Brock	HUB24 Super	\$113,270.19	\$20,140.08	17.78%
24011002	Channing Whitney's Superfund with Corp Trustee	HUB24 Invest	\$1,685,544.14	\$26,014.31	1.54%
24011002SH	Channing Whitney's Superfund with Corp Trustee - separately held	Separately Held	\$12,000.00	\$0.00	0.00%
24007150	Kevin Whitehead	HUB24 Super (Pension)	\$182,832.83	\$37,287.07	20.39%

EUROZ – A CASE STUDY

2

Service our clients cont..

- A single integrated client view for all account holdings (Mobile)
 - Integrated view with HIN sponsored accounts
 - Integrated view with EPMS/EAS holdings (internal platform accounts)
 - Integrated view with Managed Portfolios (detailed tax reporting and optimisation of Managed Portfolios via HUB24 and investment partners)
 - Integrated view with new Superannuation offering

✓ 24007150 Kevin Whitehead	HUB24 Super (Pension)	\$182,832.83
✓ 24011002 Channing Whitney's Superfund with Corp Trustee	HUB24 Invest	\$1,685,544.14
✓ 24013246 Blaze Brock	HUB24 Super	\$113,270.19
✓ 24011002SH Channing Whitney's Superfund with Corp Trustee - separately held	Separately Held	\$12,000.00
✓ 50A2U35U74 Abel Walton	RETAIL	\$288,612.92

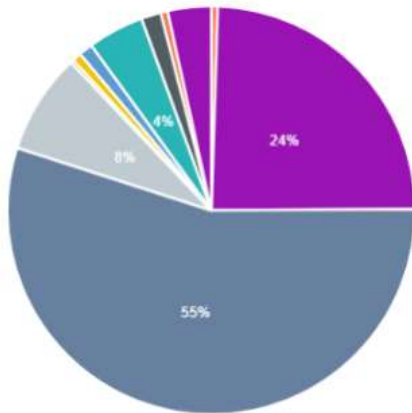
PORTFOLIO

TRANSACTIONS

POSITIONS

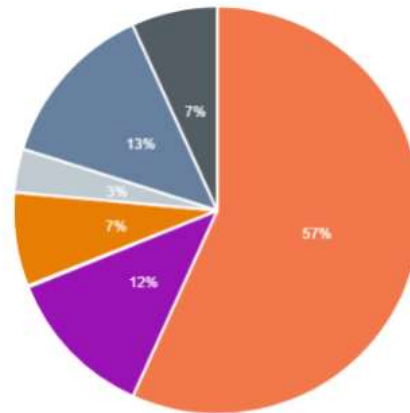
REPORTS

Overall Position



■ Separately Held Assets (0.5%)
■ Australian Listed Securities (24.4%)
■ Managed Funds (55.1%)
■ Cash (20.0%)

Asset Allocations



■ Shares - Australian (56.8%)
■ Shares - International (12.1%)
■ Property Listed - Australian (0.1%)
■ Cash (31.0%)

EUROZ – A CASE STUDY

3 Optimise the Back Office

- A single sign-on Managed Account solution
 - Just as easy to open a broker account as a Managed Portfolio (Agility Connect)
 - Access to Managed Portfolios via broker and adviser interface (1 click away)
 - Application pre-population (utilising existing external tools)
 - Investment programs delivered via POA and Managed Portfolios
 - Two way exchange of data to internal Portfolio Management solution
 - Multi-broker enabled

EUROZ – A CASE STUDY

Key Insights:



Convergence of the broker market with traditional the traditional adviser market continues



Full integration of back office and front office is the minimum standard



Leveraging existing broker investment and reporting expertise is essential



Managed Portfolios introduce new expertise that compliments brokers