Building longevity in advice relationships with technology

Growing with your investor

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Past performance is not a guide of future performance.

Agenda

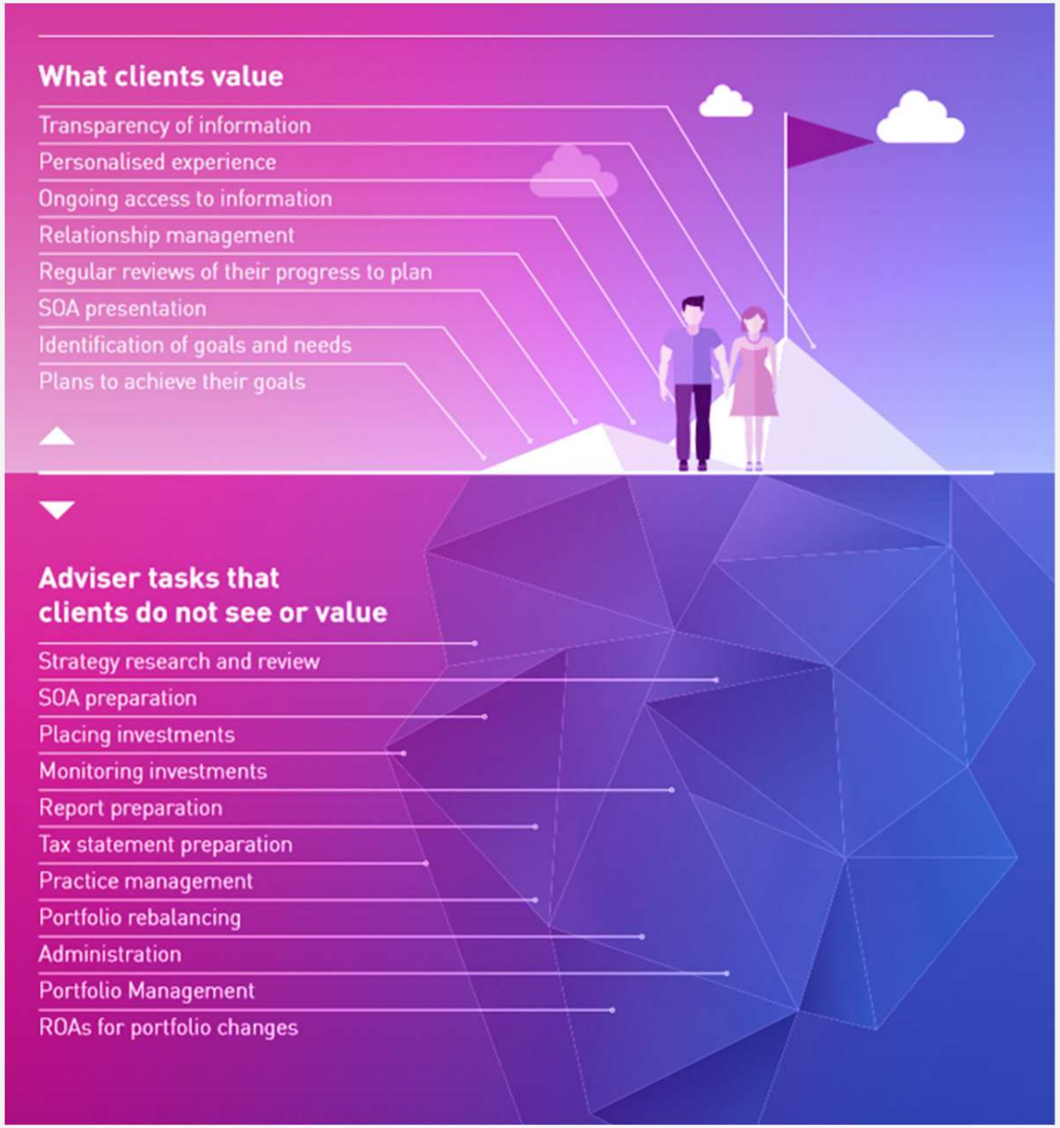
- **Understanding your client**
- **Key factors for building client longevity**
  - Digital engagement creating regular touchpoints
  - Hyperpersonalisation
  - Building digital empathy with big data
  - Aligning strategy with values
  - Single view of wealth
  - Trust

Understanding your client

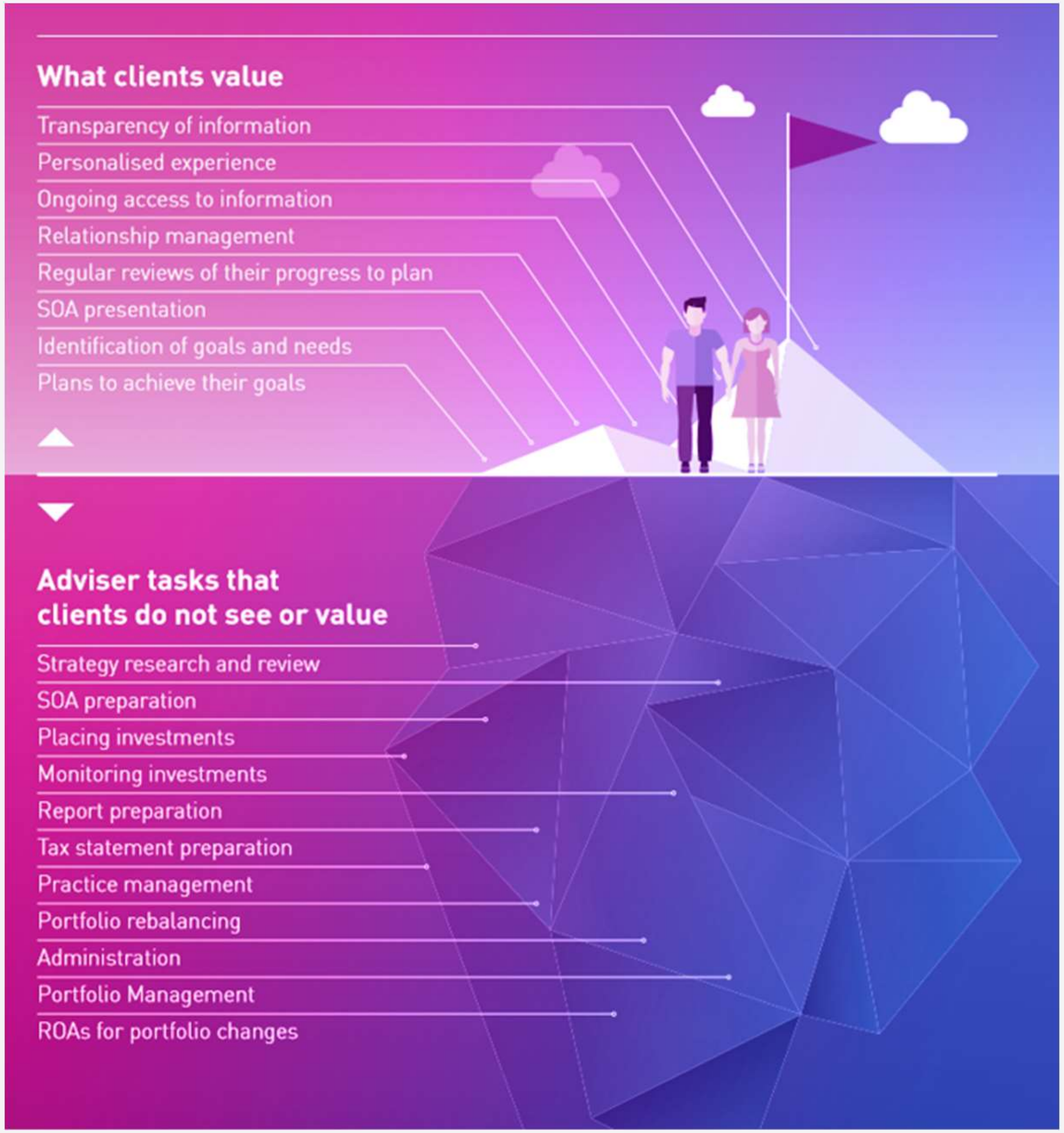
What is important to clients?

- 91% of clients want an adviser who “gets” them
- 71% need shared values and/or political leanings
- 70% want to meet advisers face to face
- Only 17% want a digital only relationship

Accenture: The New State of Advice



Understand Your Customer



- Who are you serving?
- What do they value and need?
- How do you deliver advice efficiently and affordably?
- How do you build a model adaptable to change?

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Digital engagement

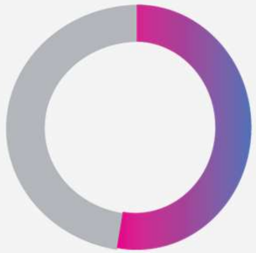
Creating opportunities for regular touchpoints

Digital service expectations

Smart technology has been one of the biggest drivers of changing consumer behaviour over the last decade

40%

of customers today prefer self-service over human contact



50%

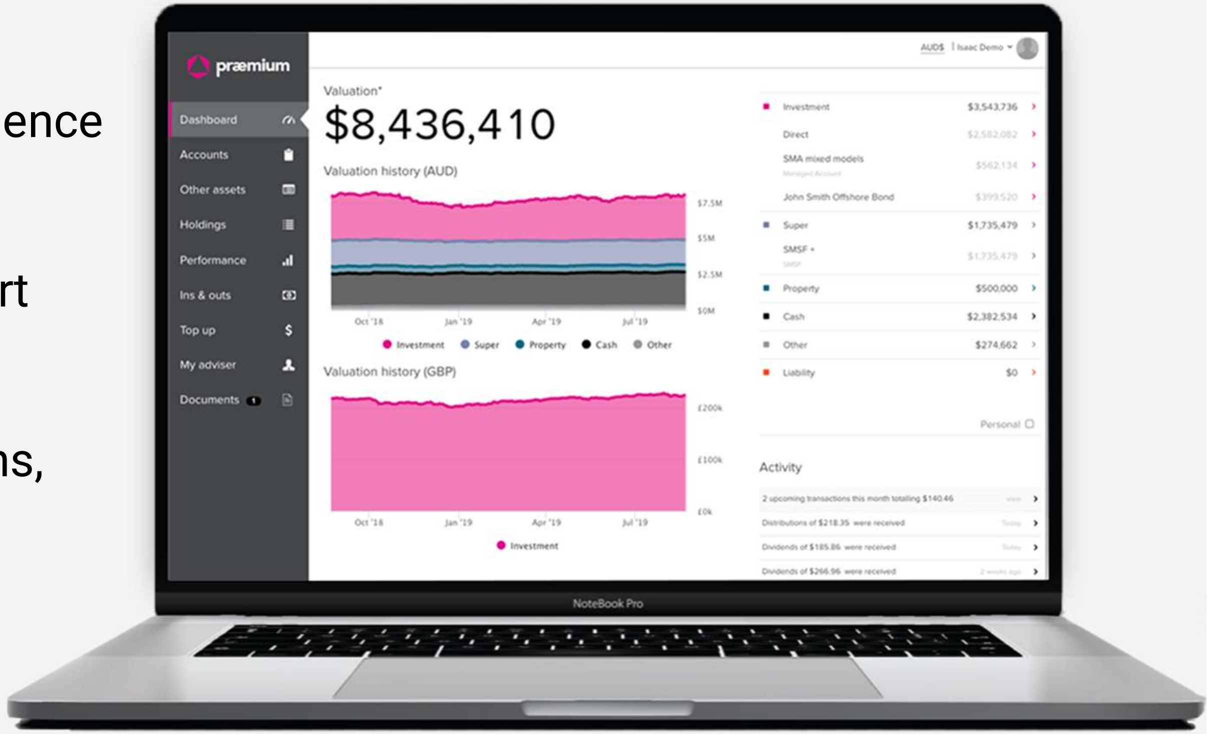
of clients believe their adviser should offer a digital solution

Source: Aspect

Source: Accenture Wealth Management Consumer Report

Investor Portal Experience

- » 24/7 connection to their wealth management service professionally branded by firm
- » Next-generation digital client experience
- » Delivers detailed, and up-to-date portfolio information from any smart device
- » Digital service for online applications, client consent and reporting
- » Allows for high-quality client engagement.
- » Publish documents to investors, from mail-merge reports and meeting minutes to firm newsletters



Hyperpersonalisation

The need for a meaningful and tailored service

Personalised holistic service

The digital evolution has driven an expectation for an increasingly personalised service

34%

would increase their investments if they received a hyper-personalised experience

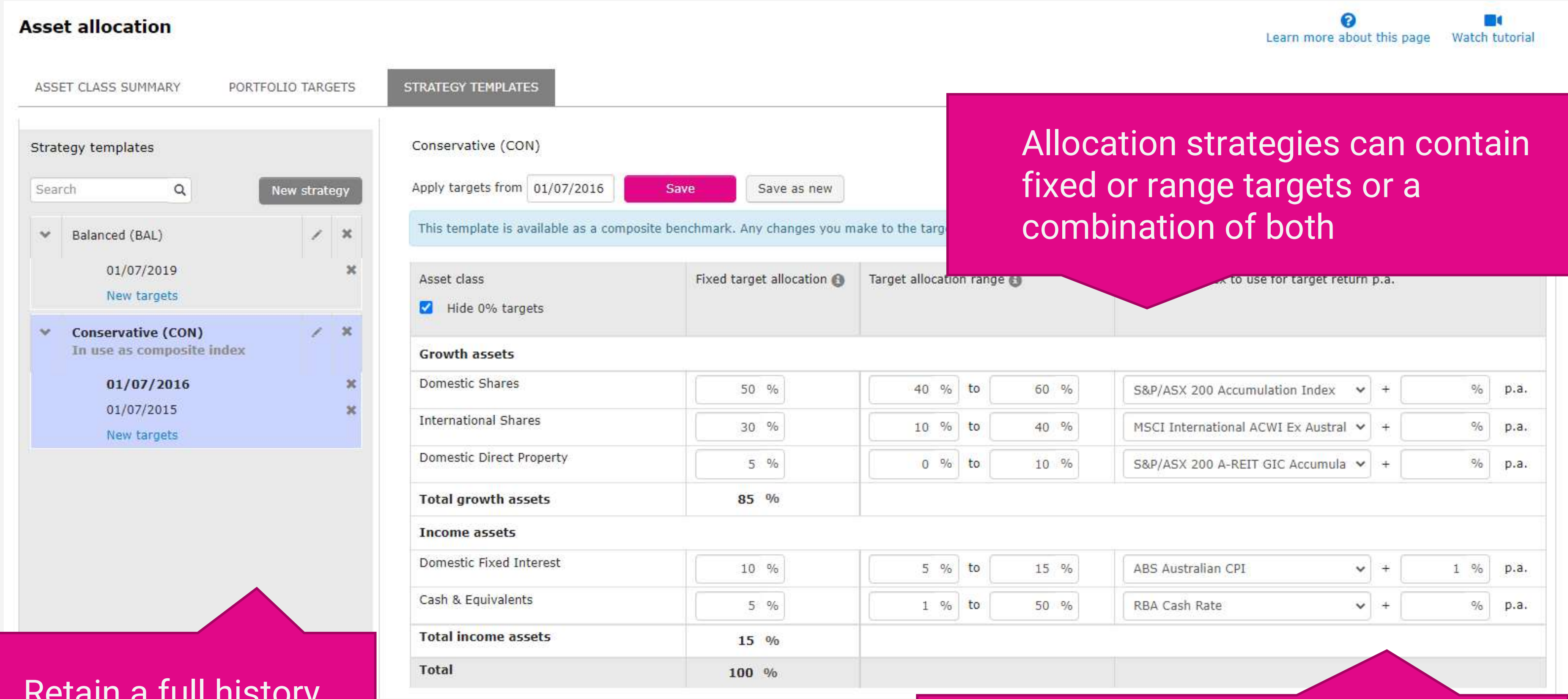
55%

feel the advice they receive is too generic

Source: Accenture Wealth Management Consumer Report

Hyper-personalised strategy - Asset Allocation strategy templates

Define your own asset allocation strategy templates and link them to your portfolios



Allocation strategies can contain fixed or range targets or a combination of both

Retain a full history of asset allocations over time

Choose from a large range of indices to benchmark portfolio returns against

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Goals aligned composite benchmarks

- Generate a composite benchmark index for your portfolios directly from your asset allocation strategies.

Comparison of returns

Asset class	Benchmark	Investments return(a) %	Benchmark return(a) %
Domestic Shares	S&P/ASX 200 Accumulation Index	9.21	0.82
International Shares	MSCI International ACWI Ex Australia Gross Div AUD	-1.64	0.94
International Listed Property		-4.79	NA
Domestic Direct Property	S&P/ASX 200 A-REIT GIC Accumulation Index	0.00	5.61
Domestic Fixed Interest	ABS Australian CPI + 1% p.a.	0.00	0.04
Cash & Equivalents	RBA Cash Rate	0.02	0.00
Composite index return (b)			0.99
Portfolio return before expenses (c)			1.89

- Composite benchmarks use the sum of a range of benchmark index returns, weighted by your target allocations

Asset Class	Target allocation	Benchmark	% return
Domestic Shares	75%	S&P/ASX200	10%
International Shares	25%	Thompson Reuters 500	20%
Composite Benchmark Return	(0.75 x10%) + (0.25 x 20%)		12.5%

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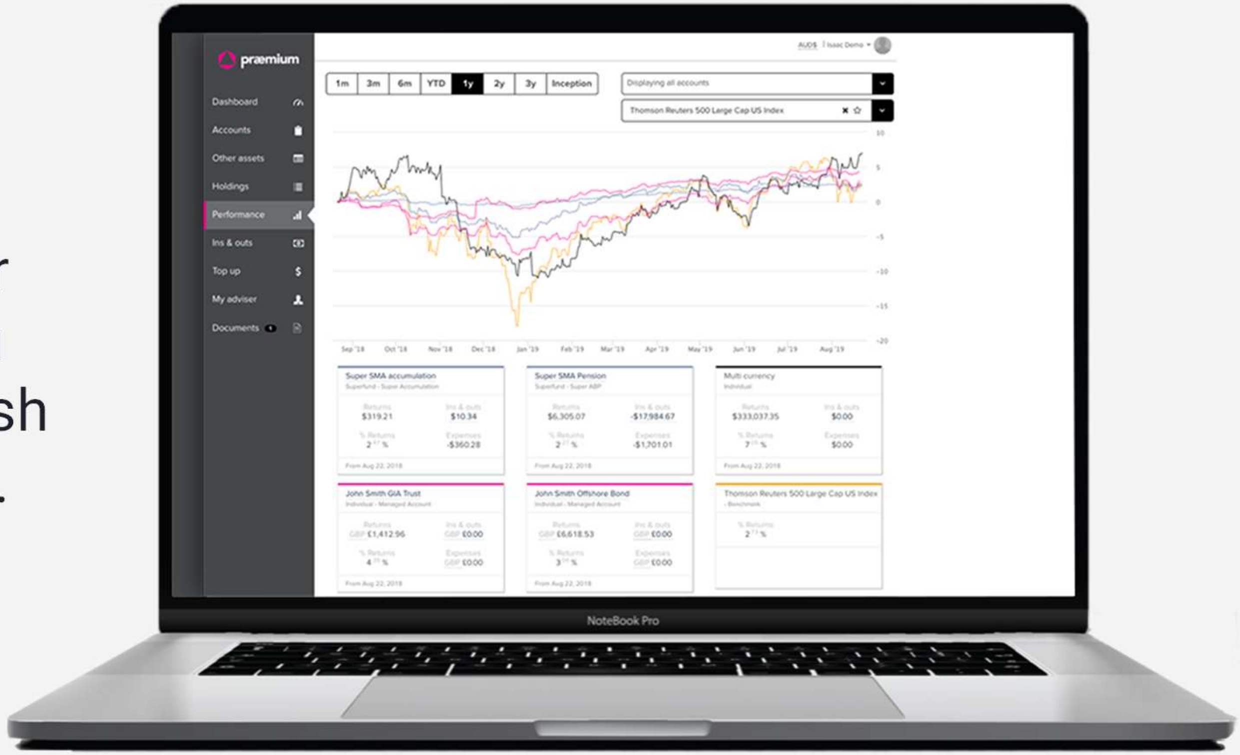
Create custom reports using portfolio data

» By uploading a custom page in Report Builder

» You can easily add your own content, which you can generate and publish as a stand-alone report.

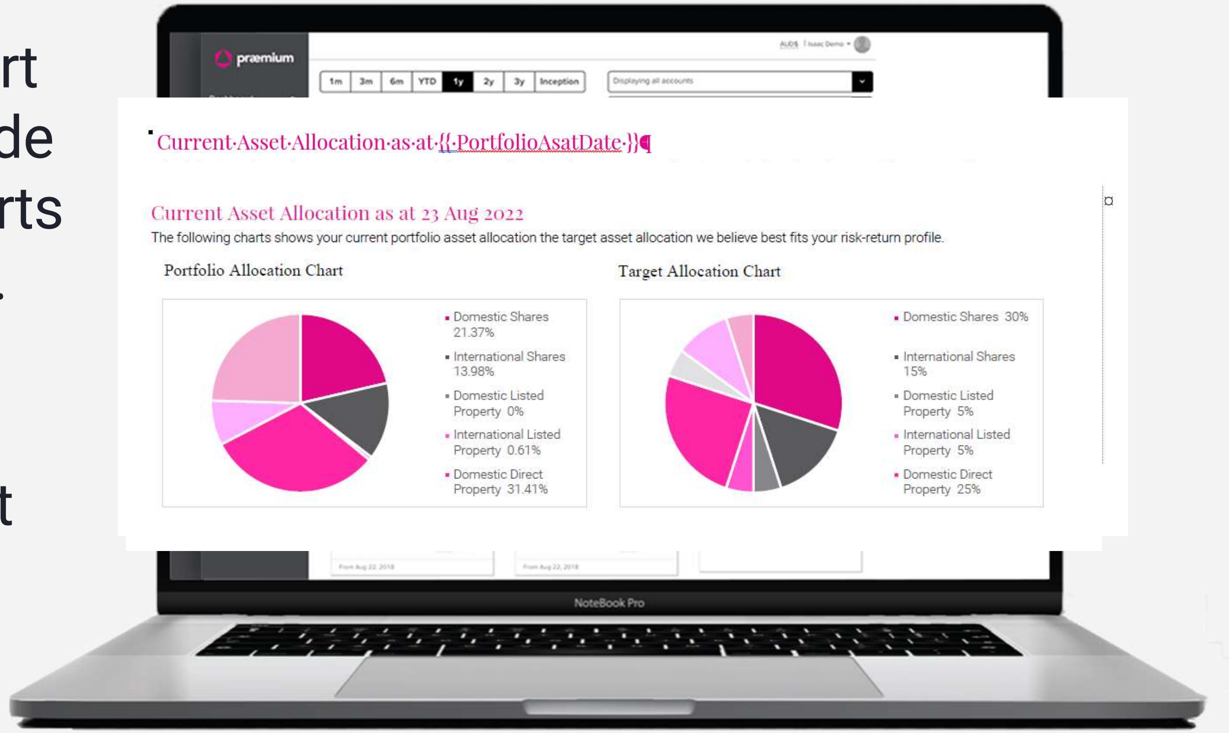


Build your own custom reports

» Using fields from the Report Data Library, you can include performance data and charts in your own custom pages.

» Such as a Word document

» The charts use your brand colours and are easy to resize and format.



Digital empathy

Leveraging data to enhance the human interaction

What is digital empathy?

» Personalisation and digital service are valued but clients want authentic communications

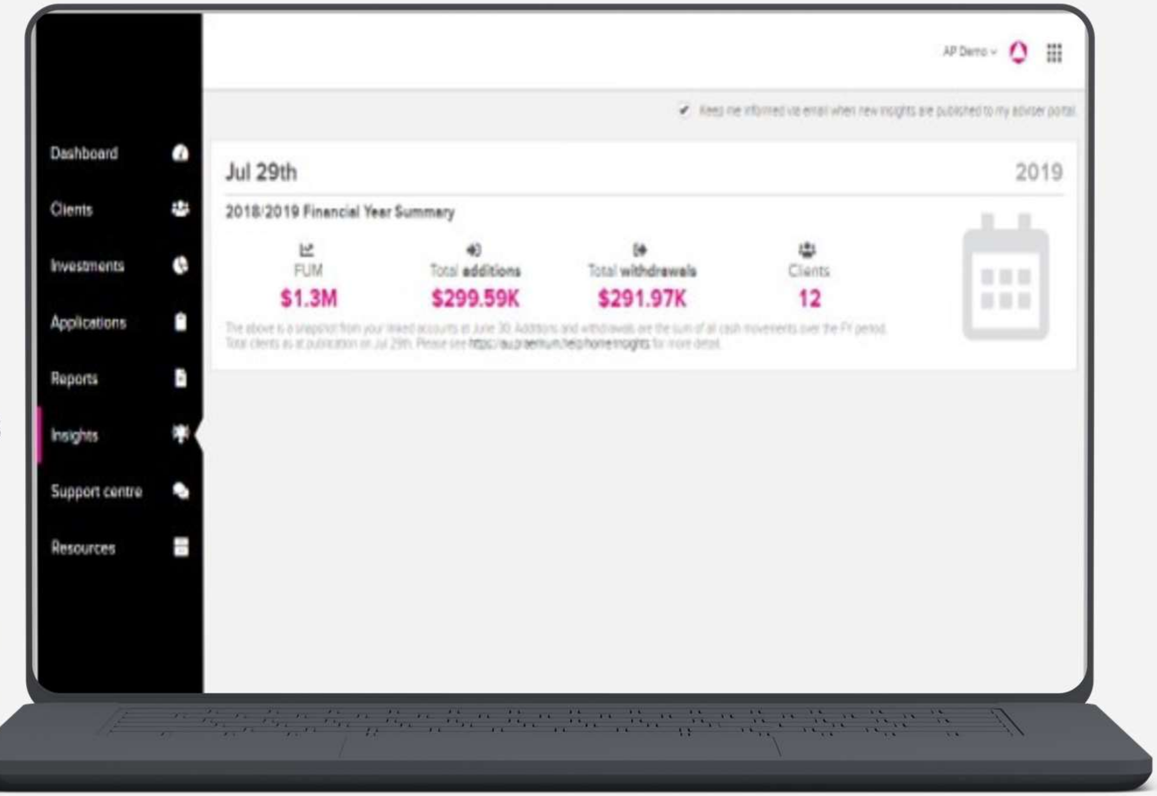
» Digital empathy is about building digital experiences that respond to the feelings of their user through digital engagement, and insights.

» Technology is increasingly leveraging data to deliver digital empathy

How does Praemium support digital empathy?

- Our Artificial Intelligence and Machine Learning Based Insights are designed to identify patterns of behavior that could indicate a need for additional advice or guidance.

- Whether investor behaviour patterns are ultimately driven by investment or market performance, or a change in their personal circumstances, you have the opportunity to engage with your client at a time when they may be in need of financial advice or further guidance.



Alerts & insights

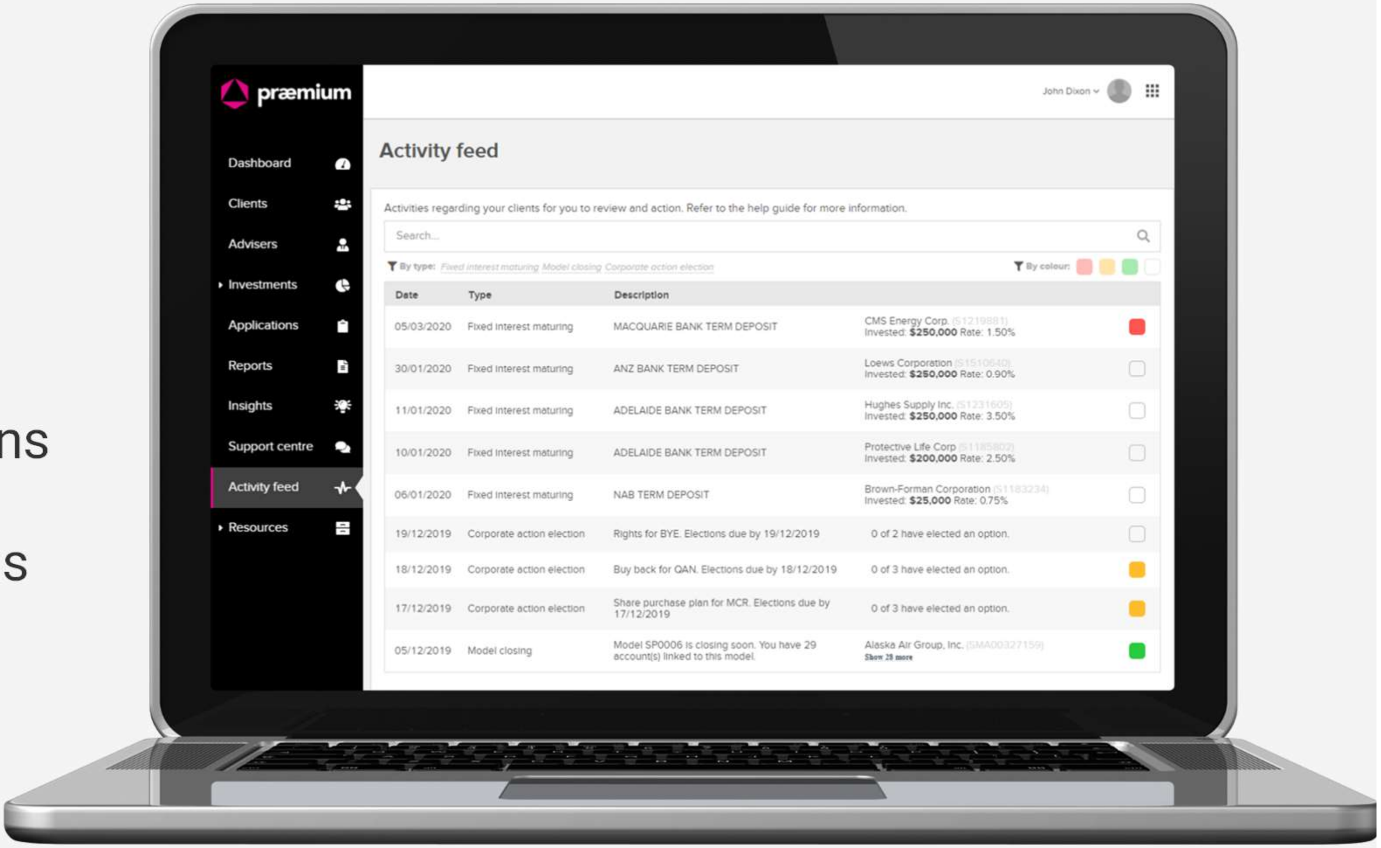
Expanding list of activities

» Term deposits maturing

» Closing models

» Corporate action elections

» Completion/action status tagging shared between authorised users

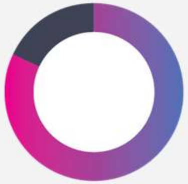


Aligning strategy with values

Creating tailored portfolios

Increasing prioritisation of ESG

Whilst millennials led the charge to ESG investing, interest is increasing across all demographic groups



82%
of retail investors globally say that they are interested in investing in companies that are socially and environmentally responsible.

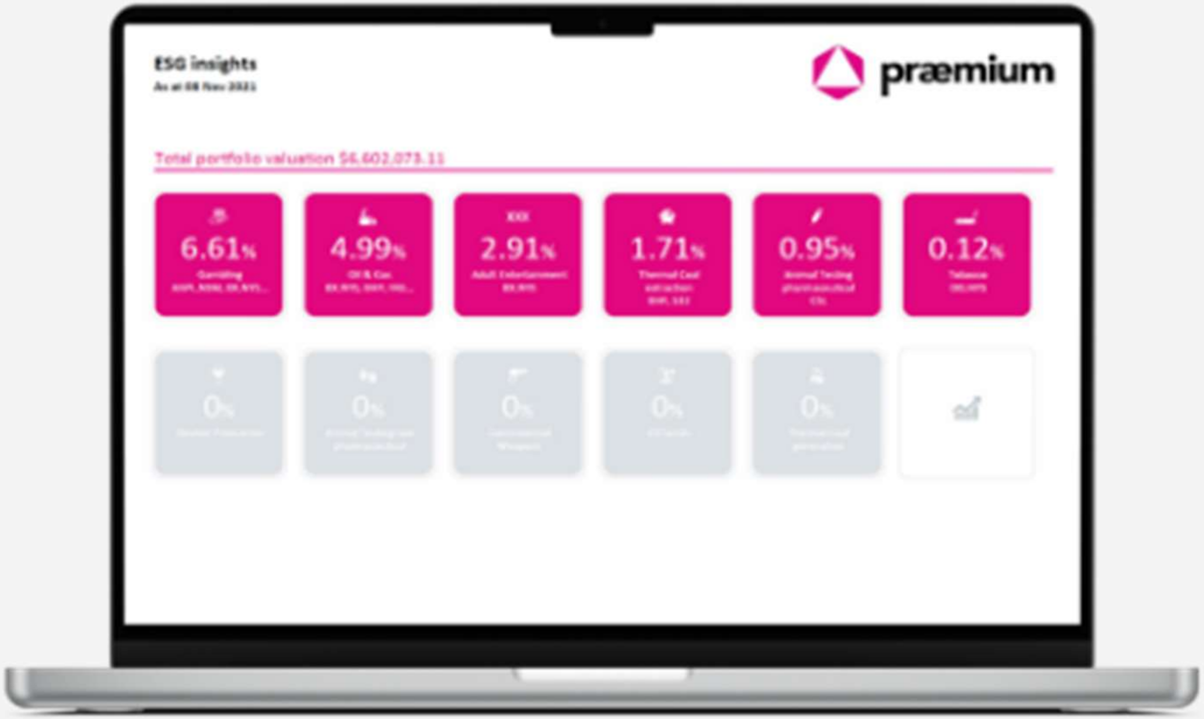
72%
want to avoid any industry that contributes to climate change.

81%
want their investments to match their values.

Source: Natixis Investment Managers 2020 Global Survey of Financial Professionals and 2019 Global Survey of Individual Investors

How screening can help you create a tailored solution

- Praemium has created ESG filters and ESG insights which creates the opportunity for meaningful strategic conversations with your clients about their ethical values
- Using the insights tool allows you to demonstrate how their current portfolio aligns with their ethical considerations
- Praemium has added 9 screening filters to allow you to scalably and efficiently remove stocks that are not aligned with clients’ ethical values.



Single view of wealth

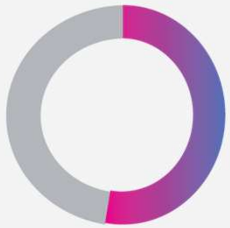
Simplifying the wealth experience

Simplifying the wealth experience

Increasing desire to gain complete picture of total wealth and simplify the wealth management view

44%

of investors state the number one reason they are disatisfied with their service is due to not seeing all their investments in one place



60%

of emerging affluent investors would welcome the ability to access and manage their whole investment portfolio through a single digital experience

Source: Deloitte Wealth and Asset Management 4.0

Source: Investment Trends High Net Worth Report 2021

Platform integration – the future of platforms

- The ability to access the full suite of investment solutions, cost-effectively on a single platform and allow for a holistic wealth management service.
- The provision of a consolidated view of custody and non-custody assets to meet their clients' needs.
- Complete outsourcing of administration services to allow for greater focus on advice provision.
- Integrated technology solutions with data feeds from various providers to create a single source of data.

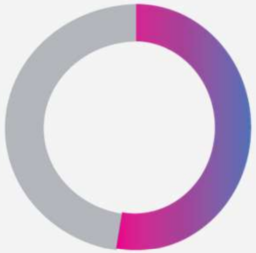
Trust

The expectation of data privacy and security

Trust is the foundation of a long-term successful advice relationship

42%

of retail investors trust their adviser



50%

of investors say technology increases their trust in advisers due to more transparency, simplified access to products and personalisation

Enhancing Investors' Trust – the 2022 CFA Institute Investor Trust Study

Data protection is a key element of trust and in meeting your ethical obligations

Recent case identified that a failure to manage risks – particularly ones that put client data in jeopardy – potentially breaches the following standards:

S2

The failure to manage cyber risk was not acting in the best interest of the clients.

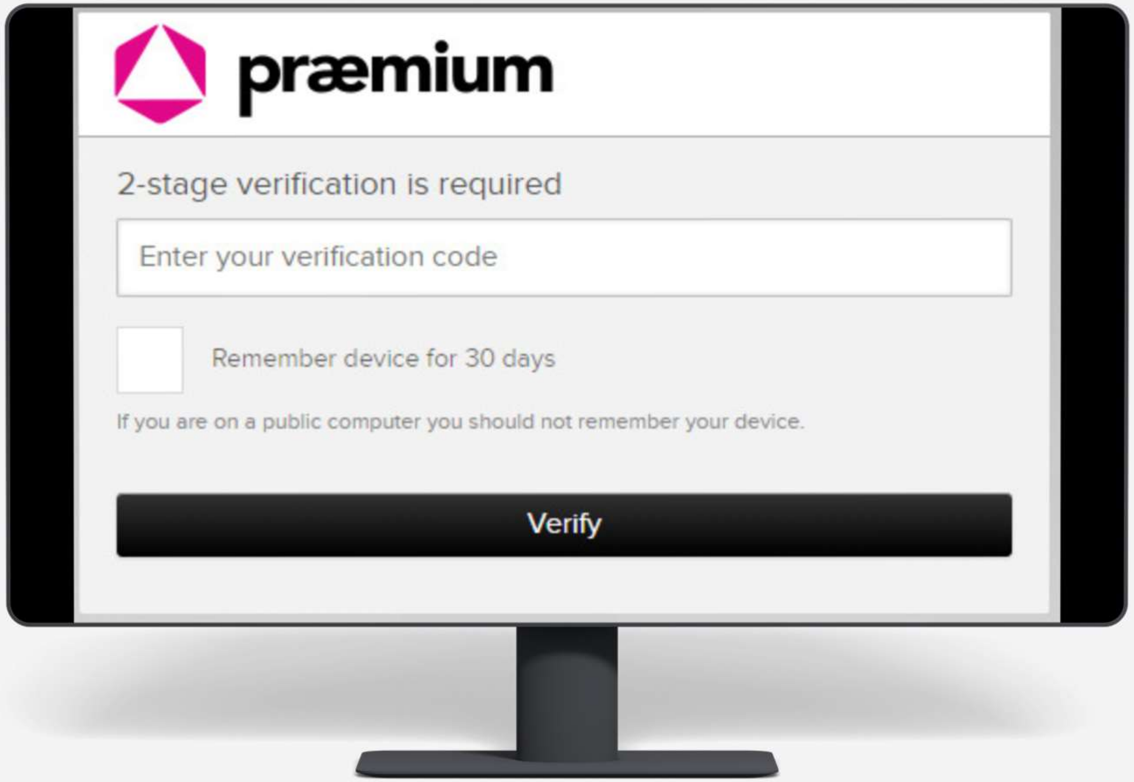
S12

failure to protect the client's data could be harmful to the profession's reputation.

Based on case studies from ASIC and the Australian Financial Complaints Authority (AFCA)

Protecting your clients

- Data privacy and data protection are increasingly important in the wake of recent high profile cyber attacks
- Using digital portals to communicate and send personal information is more secure than email
- Multi-factor authentication on the Praemium platform provides further security for clients using the portal.



Concluding thoughts

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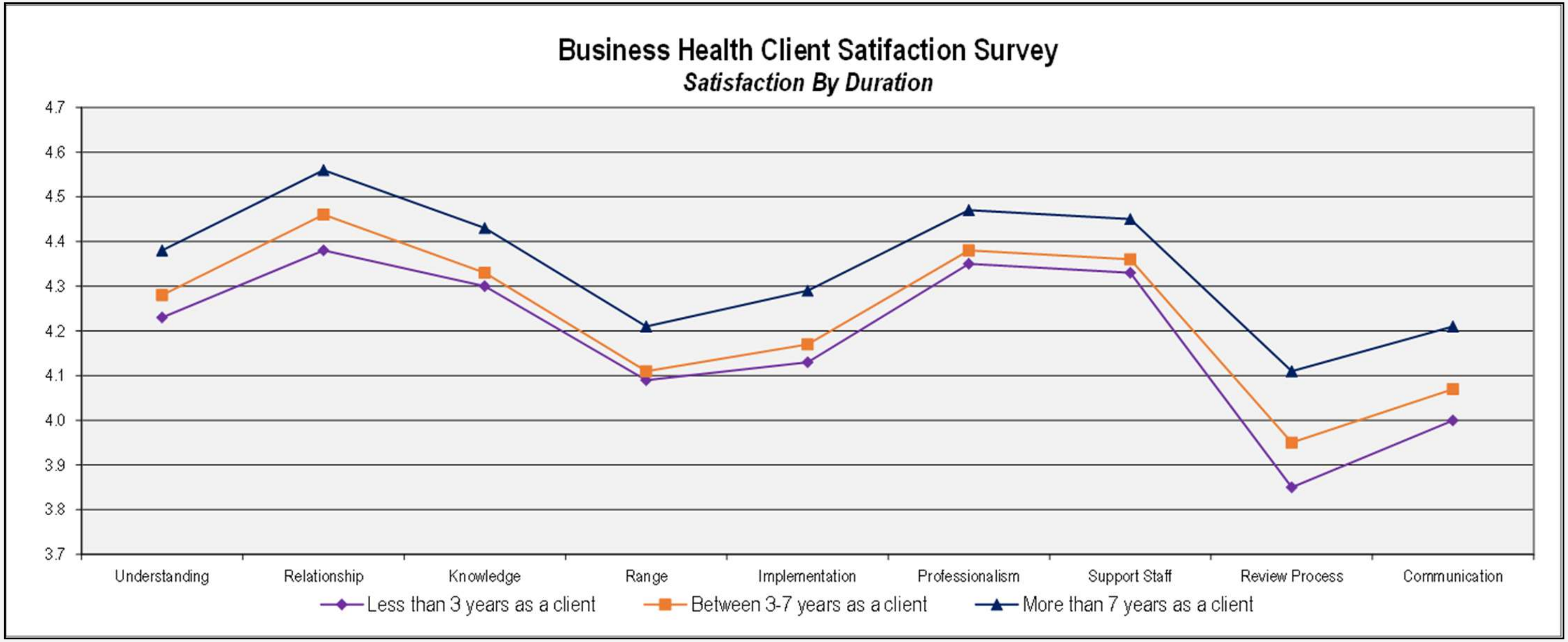
Building longevity

- Successful relationships are built through a solid understanding of client needs and aligning advice proposition to meet them

- Digital advice experience is essential and will help sustain relationships to encourage regular touchpoints complemented by personal face to face interactions.

- Trust is built through personalisation and a feeling that their adviser understands them. Security of information is expected.

Over time client satisfaction increases



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