Using Portfolio Management to differentiate your wealth offer

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Your firm’s wealth beliefs

Developing and articulating your wealth philosophy

If you don’t have one – it's time.

Clients want to know your firms views and philosophy on wealth management.

In the absence of their own, they will be looking for guidance and anchoring to yours.

Consistent well-articulated messaging inspires confidence in the firm not just the individual adviser.

It doesn’t stifle individuality, nor does it get in the way of catering to client preferences and values.

There is no right or wrong position – just have one.

Our wealth philosophy

- Defining your best possible life
- Risk and return
- Transparency
- The power of high-quality research and insights
- Portfolio construction
- Ongoing support and guidance

Who are you serving?

Tailored wealth solutions to solve for advice driven needs for your client markets – not the other way around.

Some examples:

- Accumulators – Multi Asset – 120+% growth
- Retirees with sequencing risk - Time Horizon or Buckets
- Upper mass affluent – HNW – Private asset solutions

Getting started

Your size, scale and how you want to position your offer – helps you land on what your offer and partners might look like:

Which leads you to start working on either :

- **Define, Align and Partner** (Off the shelf and White labelling)

OR

- **Design, Construct and Manage** (High touch white labelling / Co-design and build)

D

Define

Visions, beliefs, goals, business and client needs, target markets, adoption (slow burn or quick transition), **what does success look like for you?**

Build a term sheet. Be go to market, (RFP), ready.

A

Align

Now you are clear – hear comes the fun(d) part.

Finding a partner. The better you have defined - the better you can align.

Take your time, don't be swayed by the obvious attractions like recent pop chart performance. Find a long-term partner. This isn't a one-night stand. Breaking up is painful.

P

Partner

You are in this together.

Set clear expectations and deliverables.

Have a balanced scorecard of qualitative and quantitative measures to judge success. Take a medium to long term view. Look for mutual benefit. Have regular deep engagement and work with someone who understands you and is responsive to your needs.

D

Design

All the same issues as DEFINE – just with an added complexity or layers. You are getting your hands dirty in the design process.

There is an element of customization and tailoring to meet your unique requirements and a greater element of ownership if you are branding or positioning this as an extension of your business offer.

C

Construct

Similar themes to ALIGN – again with more involvement.

Making sure your solution is true to label and can solve for what you are trying to achieve.

Building a solution that is designed to deliver enduring advantages to your stakeholders.

M

Manage

All of the same issues as Partner – but given you have attached your business more closely to this wealth offer -

You have more skin in the game.

How are you working together with your partner? Is it enabling or disabling? Where do you need to adapt and evolve? When do you get more actively involved on issues and challenges?

Our journey into managed accounts

In 2018, we were running along nicely as a business at scale, running managed fund model portfolios through a retail MDA.

Then one day after ASIC's review into retail MDA's our licensee lost the ability to offer themq.

The BIG problem - Running active model portfolios and now needing to issue RoA's en-masse each time we wanted to modify them. We didn't have the infrastructure or systems to manage this well and we knew there was a better way.

The solution - Look to partner with a provider capable of meeting our managed portfolio needs and developing a partnership we could grow into as our business was rapidly expanding both organically and via M&A.

Russell Investments were that partner of choice and the "Cornerstone" multi asset portfolios were born.


cornerstone

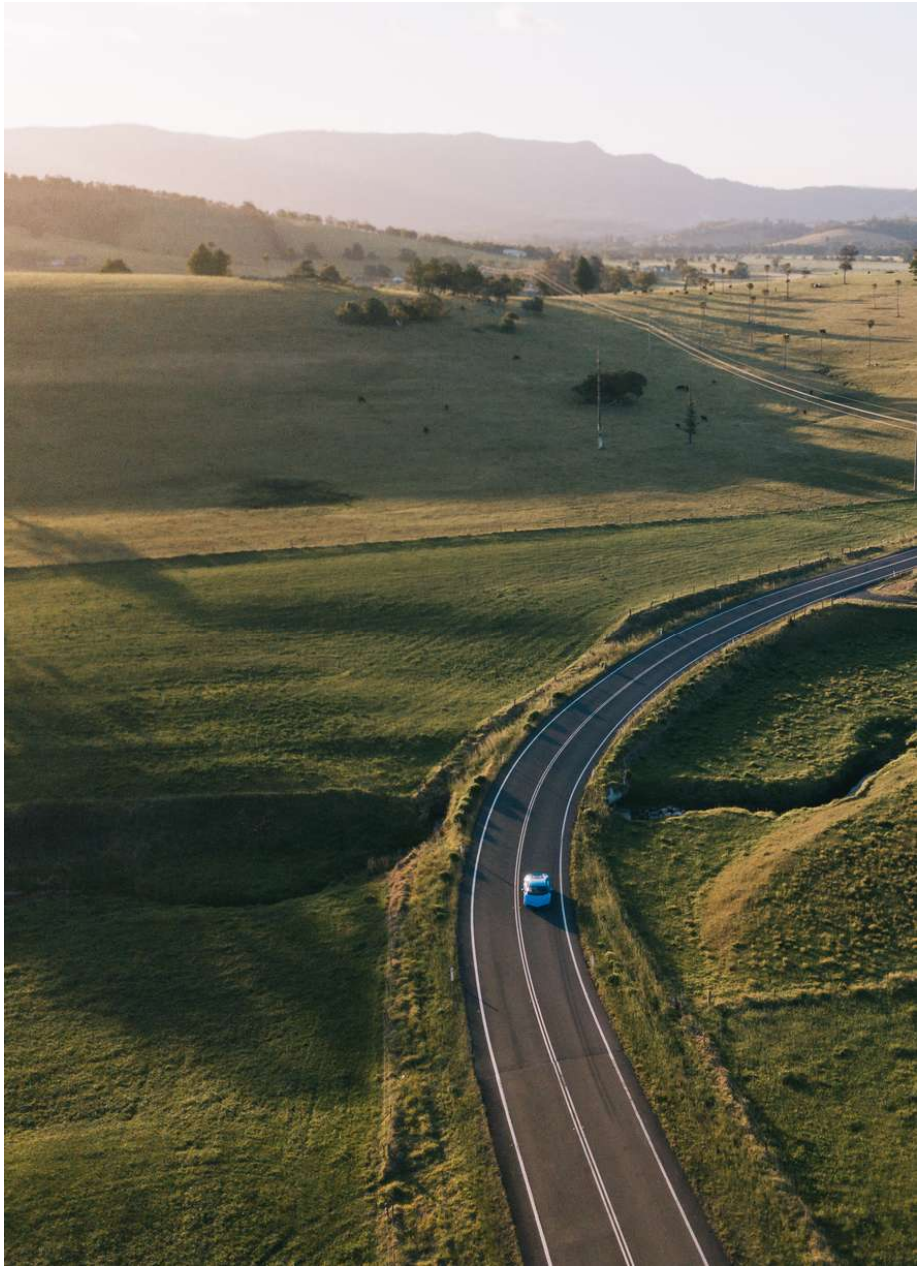
Our journey (continued)

From late 2019 to now we have built up **$2.88bn** in this suite of offers, across 3 leading platforms.

We have strong B2B ties leading to our advisers, and most importantly our clients being the beneficiary of our:

- Scale
- Commitment to innovation and improvement
- Transparency - Communication and reporting (Web, Intranet, Updates, Quarterly Newsletters, Fact Sheets, Trade Notes)

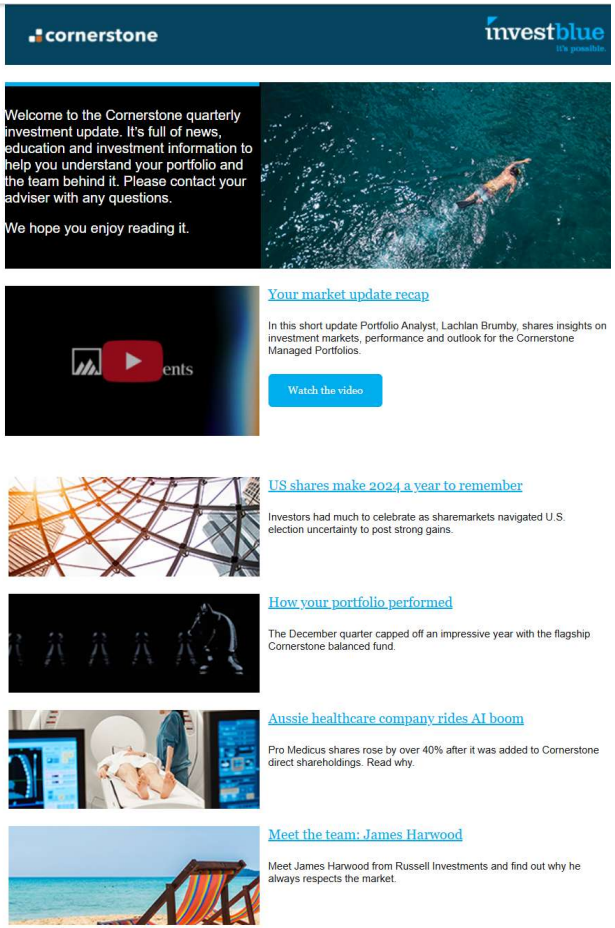
Importantly our SMA offerings remain fully aligned to our wealth philosophy and beliefs.

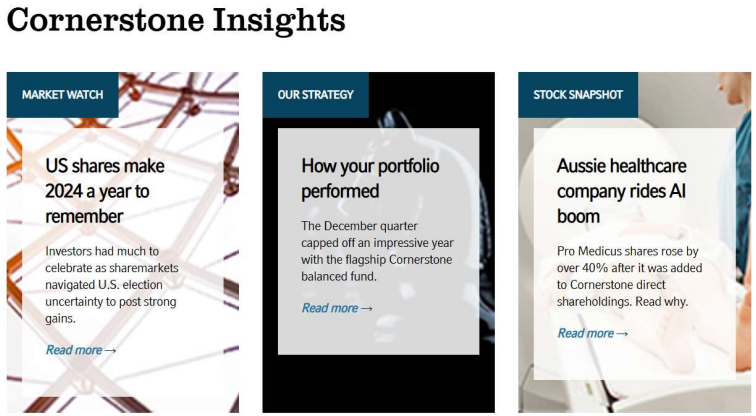


cornerstone

	Multi-Asset	Sustainable	Strategic Index	Retirement Models
Overview	The portfolios aim to provide investors with capital growth and income through exposure to a range of asset classes and investment styles	Provide investors exposure to predominantly sustainable managers and strategies that seek to have positive sustainable outcomes.	Lower-cost portfolios that provide exposure to a diversified range of asset classes, using both index and factor-based strategies across various investment managers.	Prepares investors for through-retirement investing used in conjunction with other managed portfolios or other assets as part of a retirement strategy.
Direct share ownership				
Dynamic real return strategies				
Material allocation to active strategies				
Material allocation to passive strategies				

Cornerstone - in action





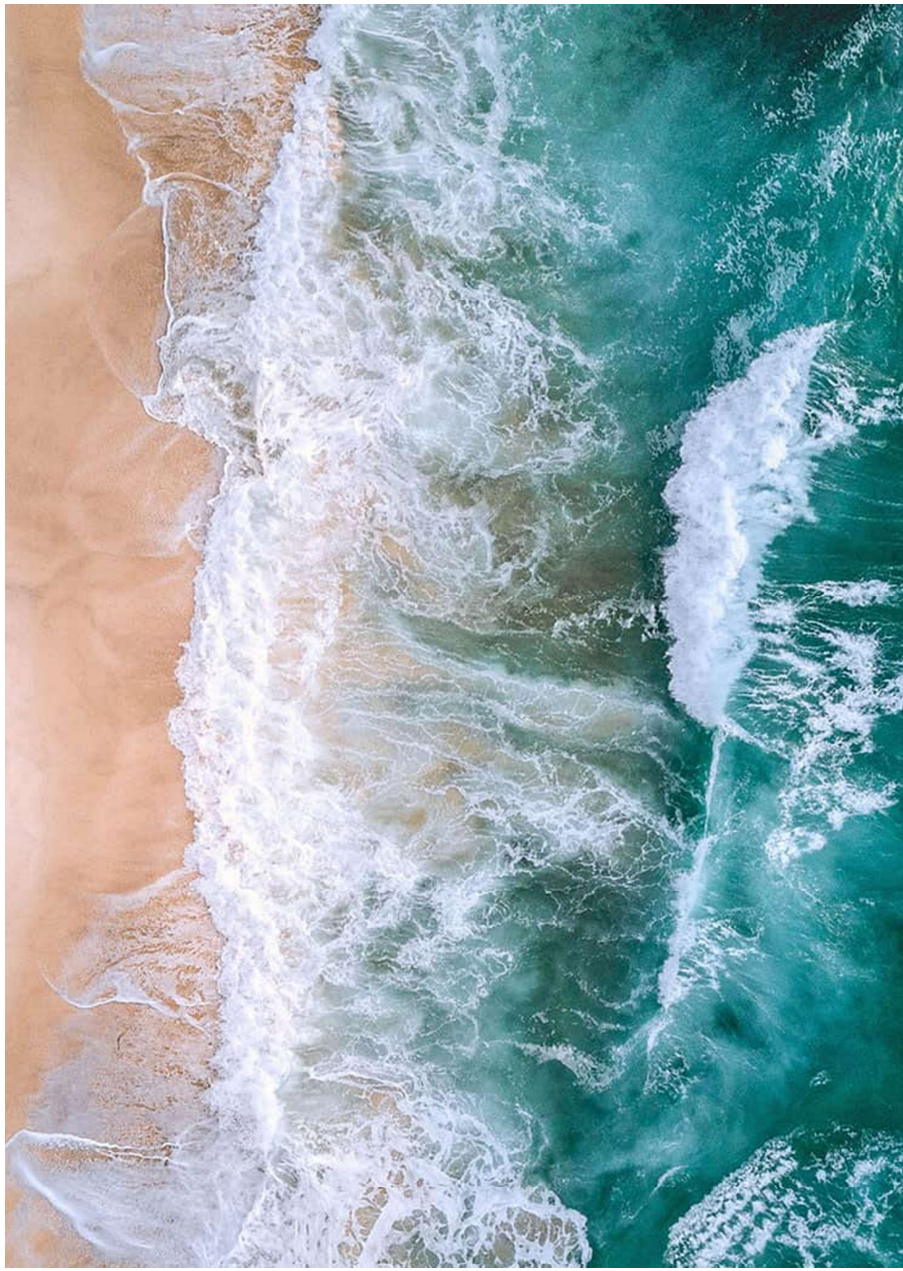
Our journey (continued)

In 2023 – we embarked on phase 2 of our SMA journey

Our Russell / Cornerstone relationship remained very strong, but we needed to “see other people”.

Why?

- Reduce key manager risk
- Provide broader choice.
- Diversify investment styles
- Provide healthy competition
- Opportunities to complement and blend offers.



partners

PORTFOLIOS

Partners portfolio - in action

partners PORTFOLIOS

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Quarterly Investment Update

Welcome to the latest edition of your **Partner's Portfolio** quarterly investment update. Each quarter, you will receive this email containing your quarterly report, portfolio insights and more to help you better understand your investments and how they are managed.

We hope you enjoy the read.

quarterly insights

Market Review
How are markets performing?

read more

Market Insight
Down under & out

read more

February 2025

partners PORTFOLIOS

Portfolio Changes Update

Implemented Portfolio Changes

Partners Short Term Portfolio

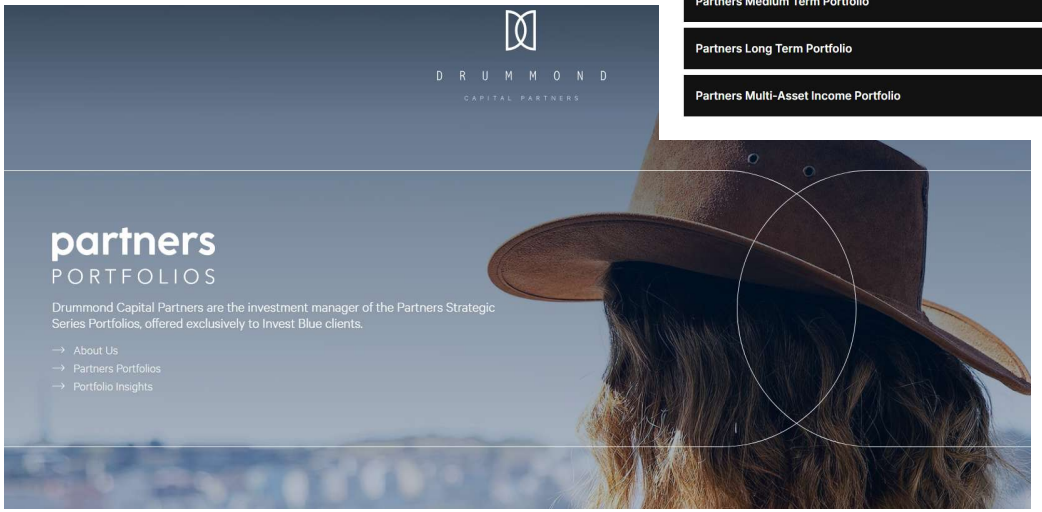
Several enhancements were made to help the portfolio deliver its RBA Cash Rate plus 1% investment objective with less volatility and without an over-reliance on significant underlying manager outperformance (alpha). These enhancements included exiting **Franklin Australian Absolute Return Bond**, reducing **Yarra Enhanced Income**, and increasing the allocation to **Daintree Income Trust**. Daintree Income Trust invests in Australian high-quality investment-grade credit (corporate bonds) and cash-like securities and seeks to outperform the RBA Cash Rate by 1.5-2.0% with low volatility.

Partners Medium Term Portfolio

At ~62c, the AUD appears undervalued against the USD, presenting an opportunity to increase AUD hedging. In the near term, stronger growth prospects and rising interest rate expectations in the US create headwinds for the AUD. Consequently, we modestly increased hedging to a mild overweight position, with the flexibility to raise it further if Australia's relative growth outlook improves. Within the international shares component of the portfolio, **GQG Partners Global Equity**, **Aoris International** and **Fiera Atlas Global Companies** were trimmed, with the proceeds reallocated to **iShares Hedged International Equity Index**.

To neutralise a mild overweight to *value* strategies within international shares and increase the portfolio's exposure to the diversified and higher yield offered by Australian credit, **Pzena Global Focused Value** was exited and replaced with an increased allocation to **Realm Short Term Income**.

- Partners Short Term Portfolio +
- Partners Medium Term Portfolio +
- Partners Long Term Portfolio +
- Partners Multi-Asset Income Portfolio +



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Our newsletter performance

Objective: Provide timely and insightful investment updates to clients

What we measure	How it's going	Key insights
Open Rate	60.3% (industry av 25-30%)	Significantly above industry average, showing strong audience interest.
Click-Through Rate (CTR)	12.2% (industry av 2-5%)	Readers are highly engaged.
Unsubscribe Rate	0.07% (industry av 0.5%)	Minimal drop-off from audience, indicating strong content relevance.
Most Engaging Topic	Portfolio performance, Market trends	Indicates audience preference for timely, educational content.
**average across 2024 year sends.*		

Our lessons learned

- Strong client engagement reinforces trust in our investment insights
- Well-timed & relevant content drives ongoing client education

Future focus:

Enhancing personalisation & segmentation for deeper engagement with a continued commitment to delivering high-value content to clients

Key takeaways

- Champion a **well-articulated wealth philosophy** consistently across your firm.
- Aim to **educate, capture and seek client engagement** on wealth preferences and values.
- Align wealth recommendations to **client values** and **preferences** wherever possible.

Our results:

- We have a variety of high quality SMA's now across the majority of our key retail client segments.
- Our Managed Portfolio offers are uniquely for the benefit of Invest Blue advisers and their clients.
- Across the full range of our managed portfolio's, we are approaching **$4bn FUA.**
- These solutions have delivered **outstanding outcomes** to our clients, to our people, to our partners and to our shareholders.
- Our **clients are engaged and connected** because we are proactive in communicating – especially during times of stress or market events.
- We let the managers do what they do best, within our defined mandate.
- We have constructive open dialogue with our partners and **measure success regularly** across a balanced scorecard
- We are true to label – there is **alignment between beliefs and our offers**

Q&A