Making a Success of Introducing a Managed Account Program - Lessons from Experience

How to ask a Question

Upcoming IMAP Events

Webinar: Making a Success of Introducing a Managed Account Program – Lessons from Experience

Moderated by Jaime Johns

Monday 27th November
Managed Account Fundamentals
Philo Capital Advisers & Clime Asset Management

Wednesday 29th November
Managed Account: Platform and Administration
North, Findex & Quest Asset Partners

Friday 1st December
Managed Account Portfolio Management
Elston, Lonsec & Milliman

Upcoming IMAP Events

Portfolio Management Conference 2024
18th March – Melbourne
21st March – Sydney

Advice in Action Conference 2024
23rd July – Melbourne
25th July – Sydney

Managed Account Awards
Submissions open April 2024

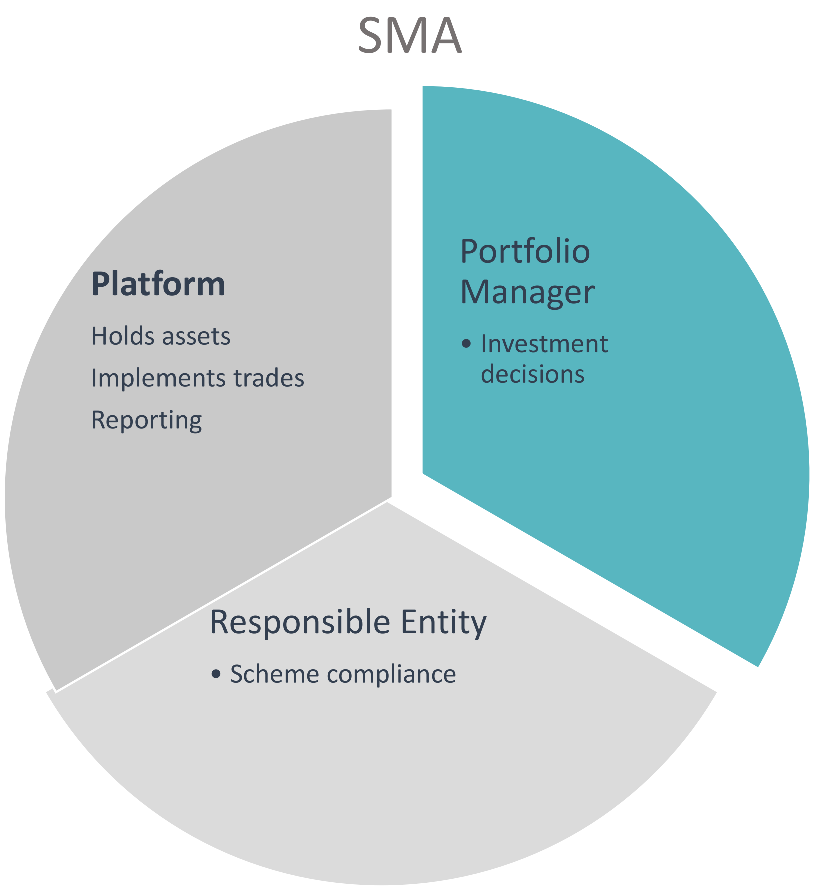
Jaime Johns

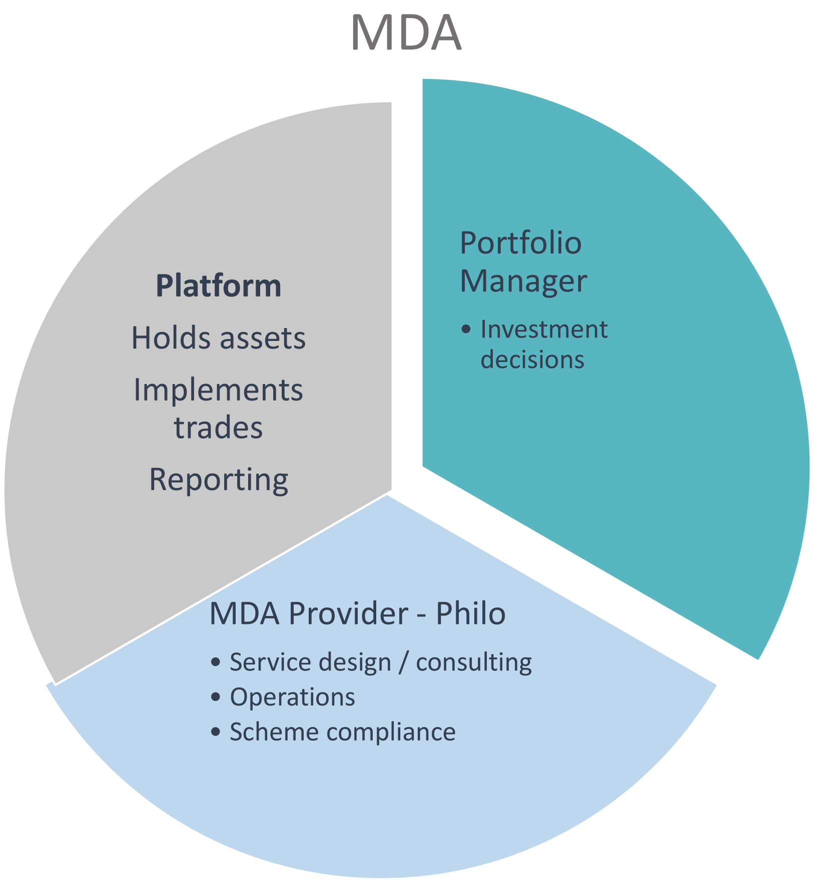

Brett Sanders
Philo Capital Advisers

Disclaimer

This document has been prepared by Philo Capital Advisers Pty Ltd ABN 70 119 185 974 AFSL 301808 (Philo) for the recipient as part of a confidential presentation and must not be copied, either in whole or in part, or distributed to any other person. The information in this document does not take account of your objectives, financial situation or needs or those of your client. Before acting on this information recipients should consider whether it is appropriate to their situation. We recommend obtaining financial, legal and taxation advice before making any financial investment decision. To the extent permitted by law, neither Philo nor any of its related entities accepts any responsibility for errors or misstatements of any nature, irrespective of how these may arise, nor will it be liable for any loss or damage suffered as a result of any reliance on the information included in this document. This document may include information that has been obtained from sources believed to be reliable but we do not make any representations or warrant that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice.

SMAs vs MDAs





MDA provider's role is similar to that of a RE, but is broader and assists more directly with tailoring, implementation and operations

PHILO CAPITAL ADVISERS

Role of parties to managed accounts

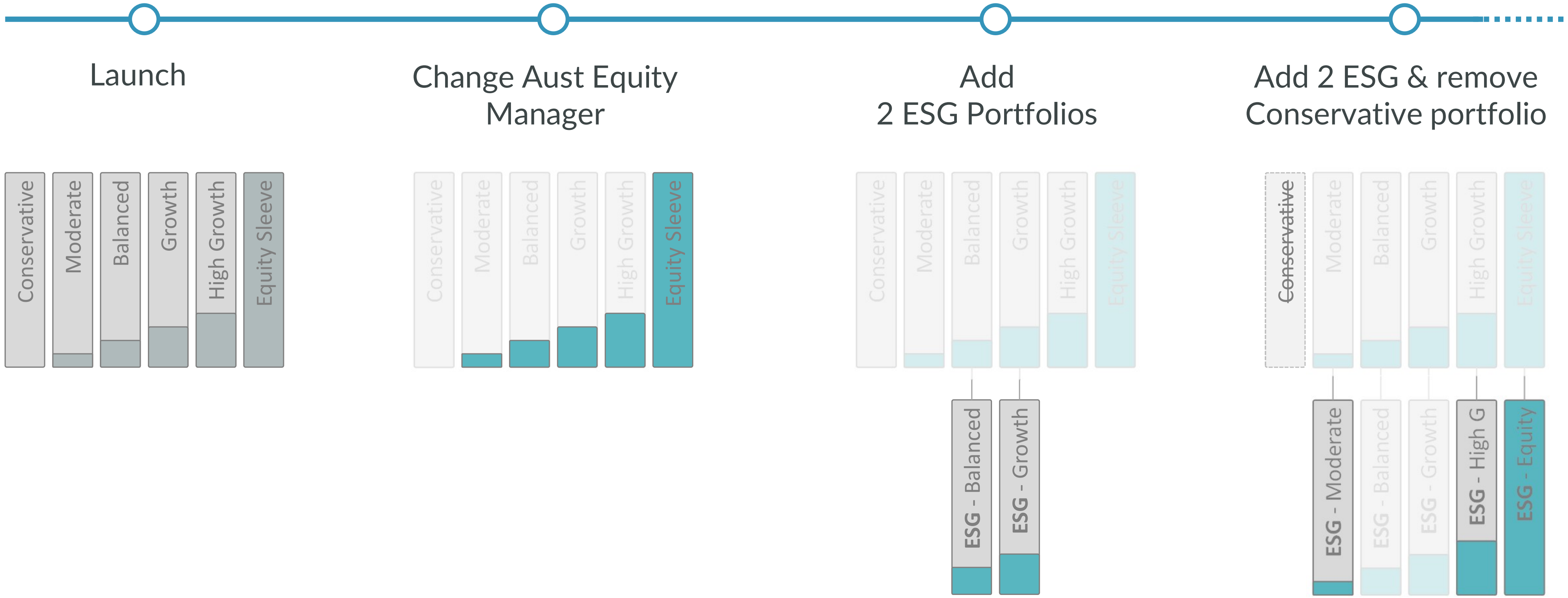
Advice Firm
- Understands investor needs
- Provides personal advice tailored to investor
- Recommends SMA or MDA
- Considers recommendations of Portfolio Manager
- Reviews appropriateness of SMA / MDA service periodically

Portfolio Manager/s
- Asset allocation recommendations
- Recommends funds and securities
- Blends funds and securities into portfolios
- Monitors markets and investments and adjusts portfolios over time
- Provides input to Advice firm's client communications and adviser support.

Responsible Entity / MDA Provider
- Legal issuer of managed account
- Designs customised service
- Provides MDA licensing as required
- Monitors portfolio manager/s
- Provides MA operations including portfolio rebalancing
- Collects fees and pays portfolio manager
- Provides ongoing advice & support to Advice AFSL and advisers

Approved Platform
- Holds investments in safe keeping
- Allocates income
- Public offer superannuation administration
- Provides portfolio modelling tools
- Implements portfolio transactions including applications and redemptions
- Provides reporting and online access
- Collects fees

Solution Design | Flexible through time



Changes are fast with no disruption

Will Riggall
Clime Asset Management

Making a Success of Introducing a Managed Account Program

Lessons from Experience

Will Riggall – Chief Investment Officer

Disclaimer

The information contained in this presentation is published **Clime Asset Management Pty Ltd** AFSL **221146** ABN **72 098 420 770** (Clime).

The information in this presentation is general advice only. The author has prepared the presentation without taking into account your objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice having regard to your objectives, financial situation and needs. Before making a decision about whether to acquire a financial product, you should obtain and consider the Product Disclosure Statement (or other disclosure document). We encourage you to obtain professional advice before deciding to invest in a financial product.

Information contained in this presentation is current at the time of presentation. To the maximum extent permitted by law, none of the Clime or any of its related parties, officers, directors, advisers or associates provides any representations or warranties in relation to this presentation and they disclaim all responsibility in relation to this presentation.

Information, opinions, historical performance, calculations or assessments of performance of financial products or markets rely on assumptions about tax, reinvestment, market performance, liquidity and other factors that may prove to be inaccurate over time. Any market prices or data, unless specifically verified and identified as such, are not warranted as to completeness or accuracy.

Investment in securities and other financial products involves risk. An investment in a financial product may have the potential for capital growth and income but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor. Investors risk losing some or all of their capital invested. Past performance of financial products is not a reliable indicator of future performance or returns.

Nothing in this presentation is intended as an offer or solicitation for the purchase or sale of a financial product in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. This presentation may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever and forwarding, distribution and reproduction is not authorised.

The evolution of managed accounts

Asset composition
- 4% Cash
- 22% ASX listed
- 35% ETF
- 39% Managed Funds

Source: Netwealth managed accounts data as at 31 October 2023

ASX listed securities

+ international securities

+ Managed funds

+Listed fixed interest, wholesale investments

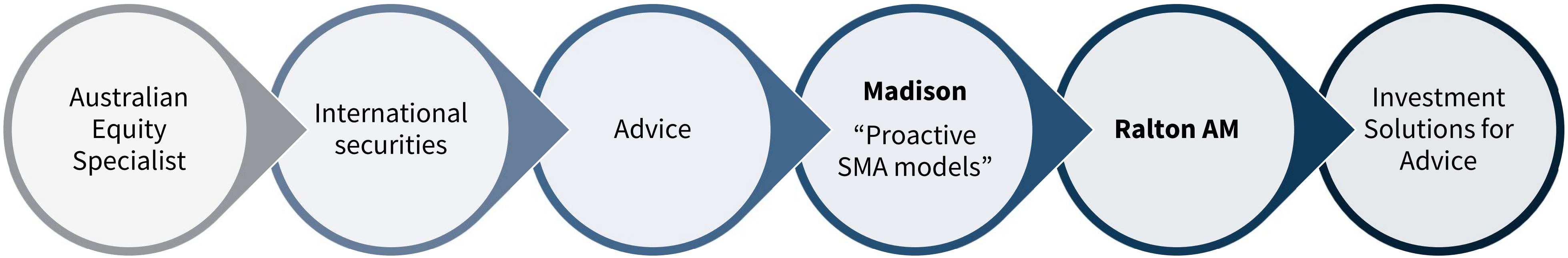
Model of models

Private label managed accounts

Evolution →

Source: Clime, Netwealth

Clime’s managed account journey



Source: Clime

Role of managed account in advice solution

An investment solution designed in collaboration with the adviser and client will deliver better outcomes over the long term.

Adviser/client discovery

- Goals & objectives
- Financial position
- Target risk profile

Portfolio design & construction

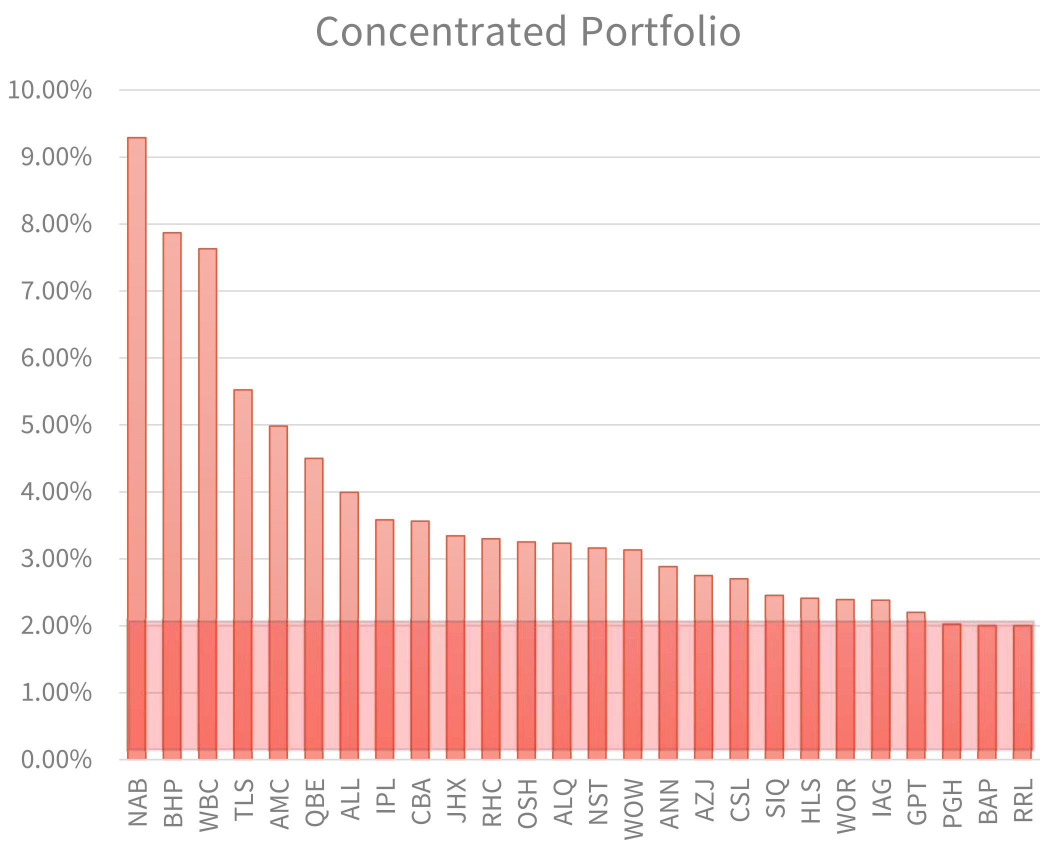
- Portfolio objectives
- Asset mix
  Returns/volatility
- Global opportunity set
- Direct exposure AU equity

Portfolio reporting and review

- Education and transparency
- Reporting
- Review
  objectives/investment outcomes

Source: Clime House View November 2023

Delivering benefits – cost and transparency



- **Minimum starting position 2%**
- **Concentrated** portfolio construction
- All clients have aligned positions across **risk profiles**
- Ensures adviser and client **achieve benefits** of managed acocunt structure

Source: Ralton Concentrated Equity - 31 December 2022

Delivering benefits – equitable outcomes, lost alpha

Day stock decision made

Start of month

End of month

T+0 T+1 T+2 T=3 T+4 T+5 T+6…

When does trade occur?

When are Advisers/investors notified?

Best for your client

Trade size – 1.00%

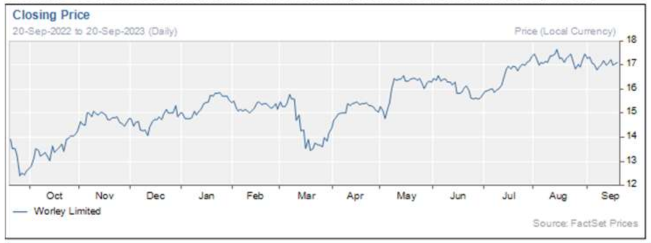
clime

Trade Notice

ASX Code	WOR-AU	Action	SELL - REDUCE POSITION
Company Name	Worley Limited		
Sector	-		
Last Close Price	$ 17.14	**Price Target**	$ 19.00

Trade Commentary

We see WOR as one of the most attractive stocks exposed to decarbonisation, a structural growth theme that will play out over multiple decades. The dual tailwinds of commodity price driven capital expenditure and energy transition investment which will provide LT growth well beyond this decade. Post a strong result where the company reiterated that all of its business activities are on track, the share price has increased materially. As we move close to our view of intrinsic value we trim the position and re-invest across the portfolio.



Company Description

Worley Ltd. engages in the provision of services to the resources, energy, and industrial sectors. It operates through the following segments: Energy and Chemical Services, Mining, Minerals and Metal Services, Major Projects and Integrated Solutions and Advisian. The Energy and Chemical Services segment includes engineering, procurement, project management, program management, and operations. The Mining, Minerals and Metals Services segment line of business combines extensive local experience and innovative, integrated solutions with technically-led centers of excellence to explore process improvements, develop fit-for-purpose

Market Capitalisation	$m	9031
ROE	FY2	8.7%
P/E Multiple	NTM	20.11
EPS Growth	FY2	21.45%
Forecast Dividend Yield	NTM	3.10%

Source: Clime

Invest in people, who invest in you.


Questions