IMAP Webinar Series

How to make a success of your Managed Account program

The Investment Management Issues

Dale Pereira, Pendal
Daniel Micallef, Aoris
Kieran Canavan, Centric
Robert Talevski, Activam
Moderated by
Toby Potter, IMAP

Institute of Managed Account Professionals

Upcoming events

Webinar: How to make a success of your managed account program
27th February - Managing the Program

IMAP Australia's Best – Managed Account Showcase
26th February – Sydney

Portfolio Management Conference 2025
11th March – Sydney
18th March – Melbourne

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How to ask a Question

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Dale Pereira
Pendal

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Building a Sustainable Managed Account Portfolio

Pendal Group

Dale Pereira Head of Client Solutions

February 2025

Signatory of:

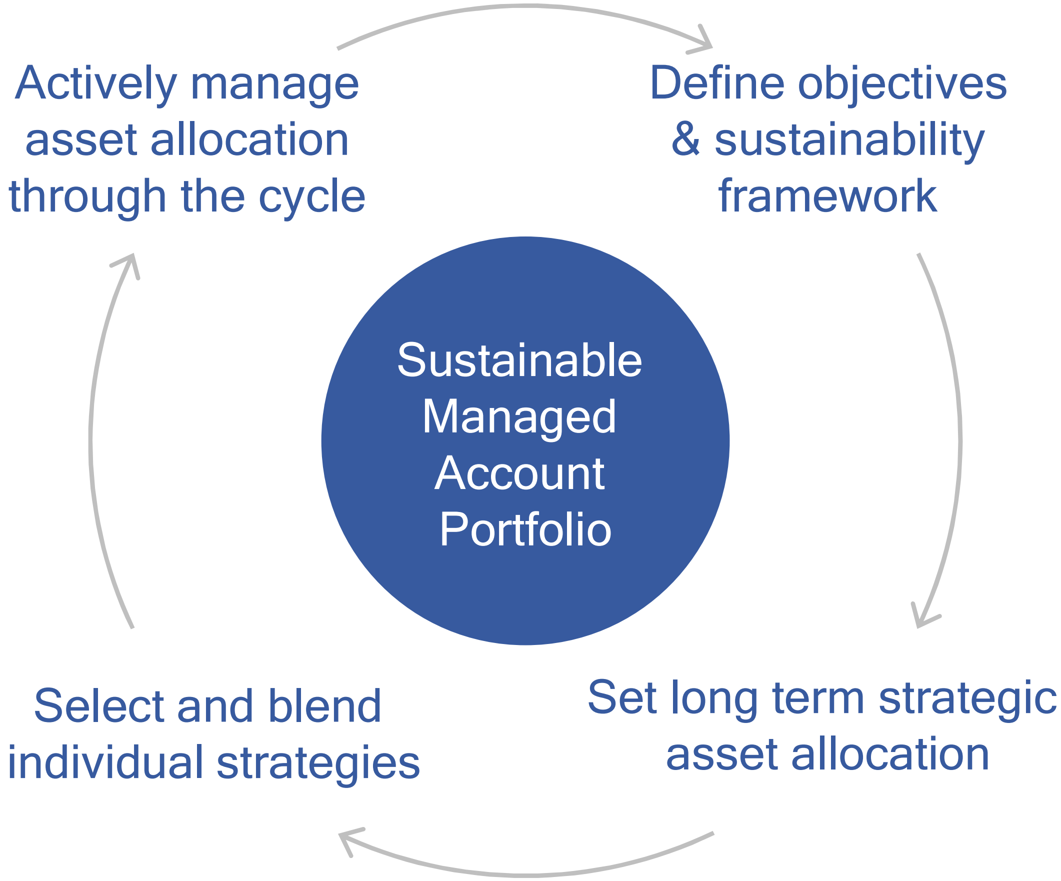
PRI Principles for Responsible Investment

PENDAL

Building a Sustainable Managed Account Portfolio

Challenges to overcome:

- Maintaining consistency of ESG approach
- Managing style biases
- Product availability in some asset classes
- Balance “making a positive difference” and risk/return efficiency
- Keeping costs down without sacrificing net returns



PENDAL

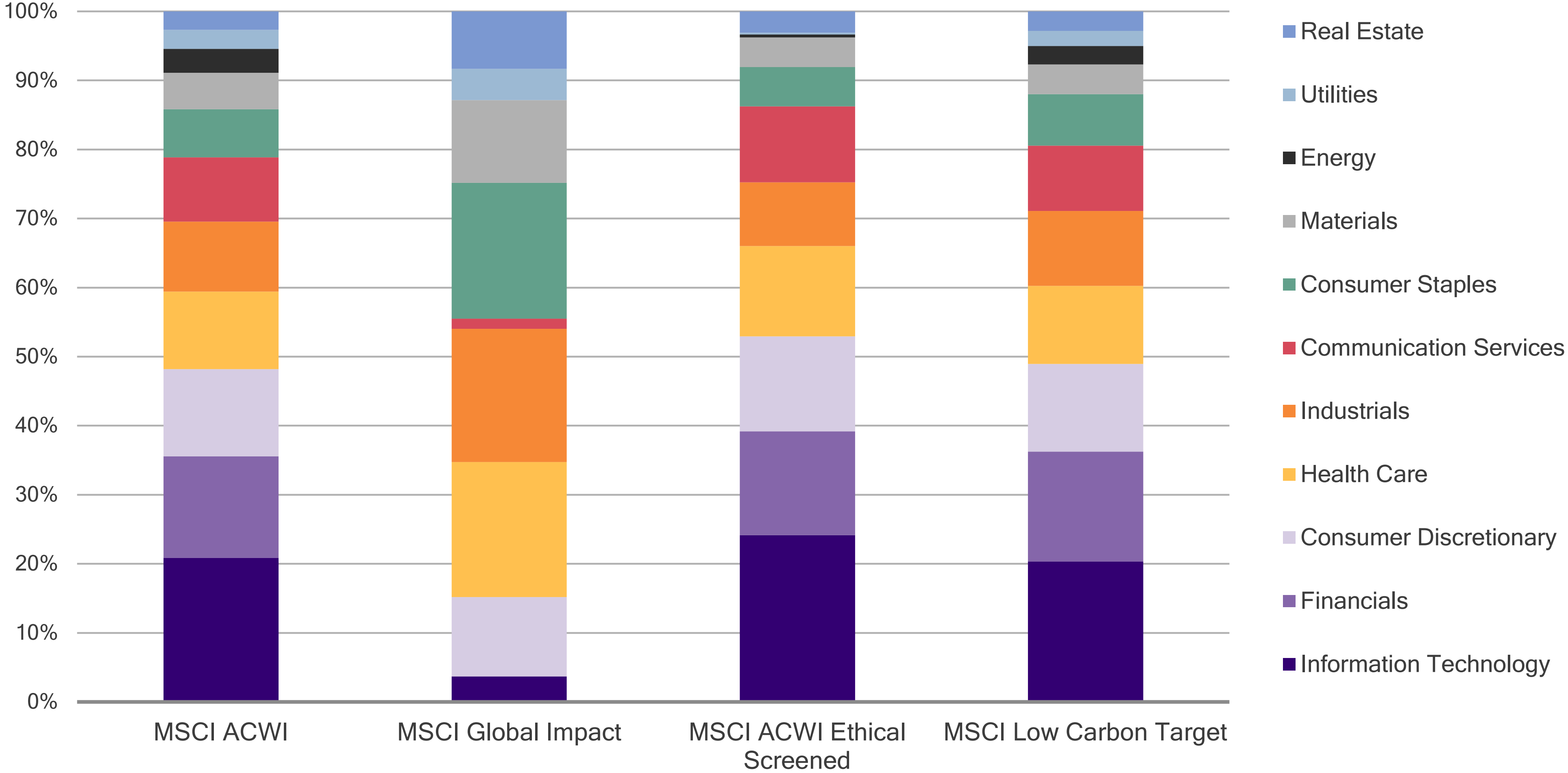
Passive, Quant, Fundamental and Impact

Ethical screening is cheap / relatively easy - passive naturally carries lower cost

Engagement / positive tilts are harder to achieve with simple quant or index approaches

Nuances in global equities benchmarks
Low carbon, ethical, impact

Index Sector Weighting



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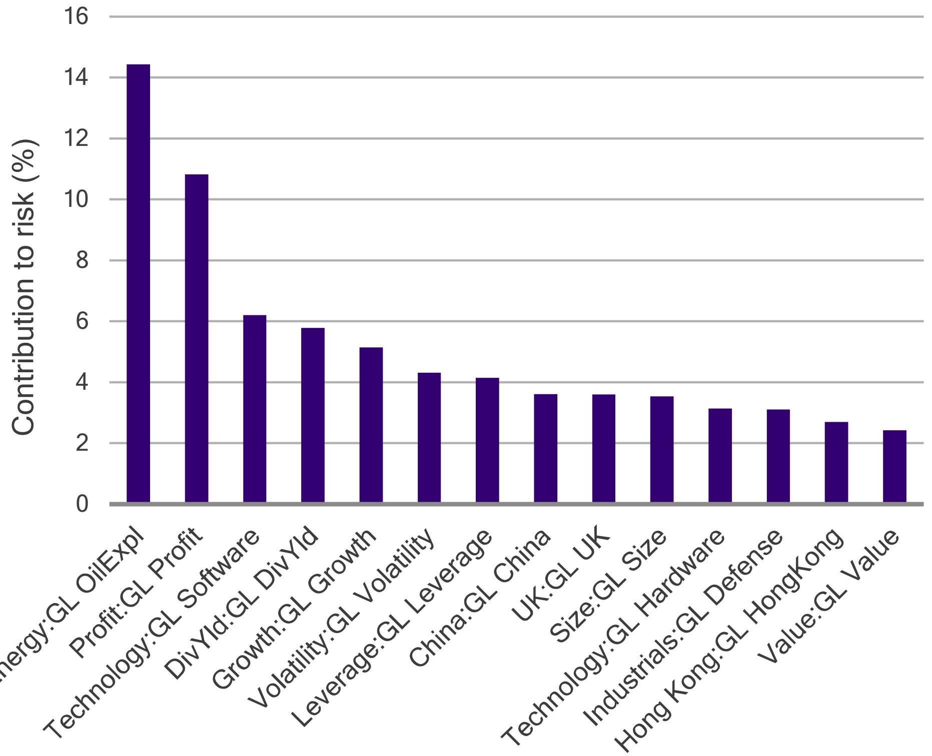
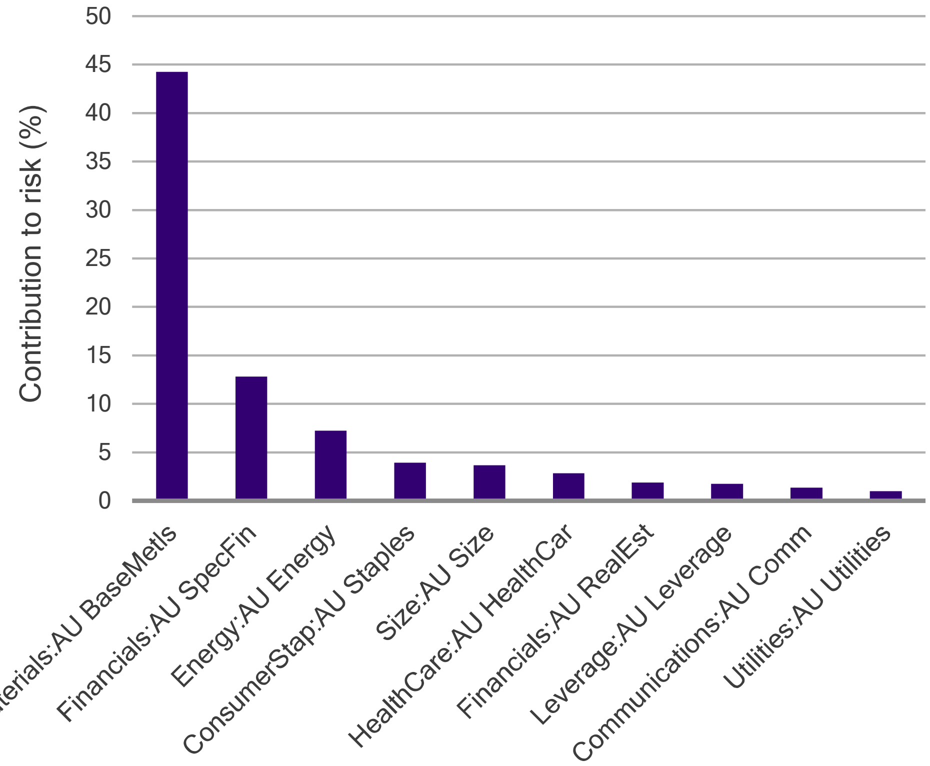
Certain inevitable biases in equity portfolios

Proportionate contributions to tracking error – Global equities



Proportionate contribution to tracking error – Australian equities



- Biggest single bias tends to be “ex-energy”
- Often also see mid/small cap and growth biases
- Can be harder to solve for *within* equities – look to balance *outside* equities

PENDAL

Meeting the needs of different clients

Tailored strategy for Clients

Pendal Sustainable Future SMA

+

Additional faith-based standards

Industry level criteria

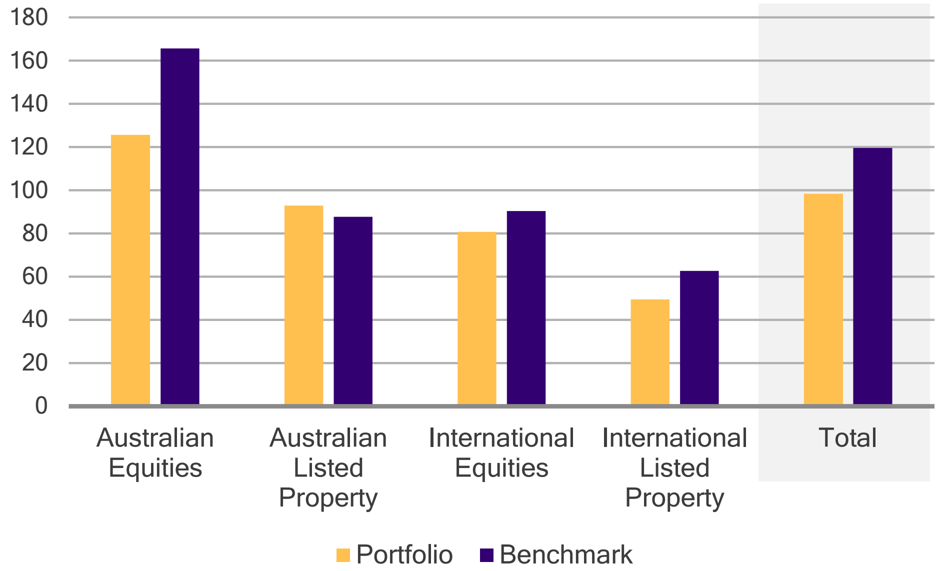
(0% revenue from service provision/production)

- Abortion-related products & services
- Contraception products
- Stem cell research (embryonic)
- Violence, pornography, tobacco

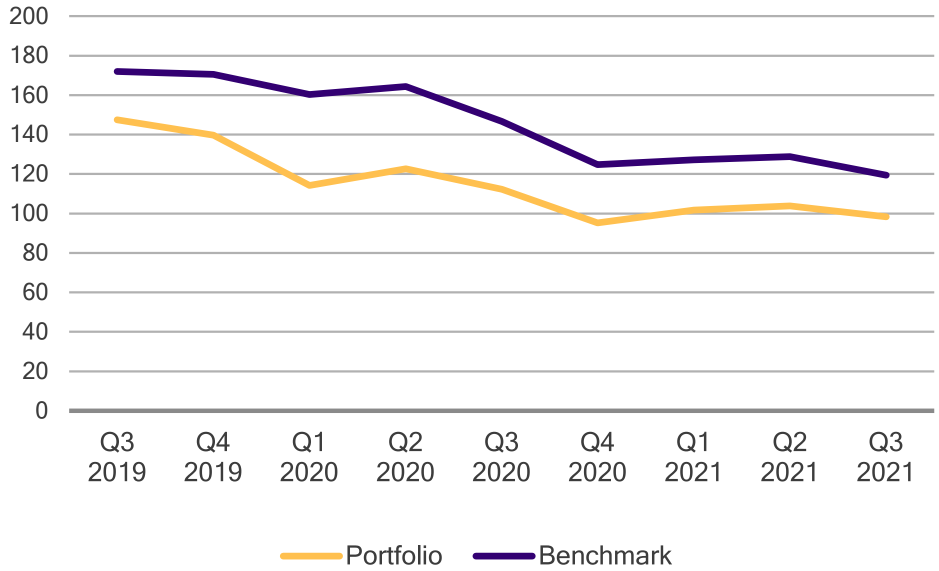
One example: carbon reporting

Weighted Average Carbon Intensity: tCO_2e/Mio AUD Revenue

WACI by asset class



WACI through time



Source: Pendal Group, ISS

The estimated weighted average carbon intensity (WACI) of each of the equity unit trusts and futures and listed property unit trusts in the Strategic Asset Allocation of the portfolio, using greenhouse gas emissions (scope 1 and 2[1]) data supplied by ISS and weighted by the size of our holding in each company, is shown in the charts above. In other words, this provides an indication of a portfolio's exposure to carbon intensive companies. We also compare this to the weighted average emissions for the companies in the benchmarks for each strategy. The total portfolio and benchmark measures are grossed up in order to facilitate comparison with individual asset classes and could be considered a conservative measure of the true carbon intensity of the portfolio in that it likely overstates the true value when the remaining asset classes in the total portfolio are taken into account.

We caution that there are limitations of using carbon metrics as an indicator of a portfolio's overall exposure to climate-related risks. For example, not all companies report their emissions data and hence some of the below analysis includes estimates. Also, it does not include scope 3 emissions. Further, portfolio carbon analysis does not capture exposure to physical climate-related risks, or the unique transition risks some companies within the portfolio face. Nevertheless, the WACI metric is recommended by the Task Force on Climate-related Financial Disclosures (TCFD)[2] , noting it supports greater comparability of investor reporting.

[1] Scope 1 emissions result from sources directly owned or controlled by the company. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Scope 3 emissions result from activities not directly owned or controlled by the company but are associated with its operation such as business travel, waste management, commuting, and the use of sold products and services. https://ghgprotocol.org/sites/default/files/standards/ghgprotocol-revised.pdf

[2] *Recommendations of the Task Force on Climate-Related Financial Disclosures, June 2017* https://www.fsb-tcfd.org/recommendations/

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Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Performance data (post-fee) assumes reinvestment of distributions and is calculated using exit prices, net of management costs. Performance data (pre-fee) is calculated by adding back management costs to the post-fee performance. Past performance is not a reliable indicator of future performance.

For more information, please call on 1300 346 821 or visit www.pendalgroup.com

Daniel Micallef

Aoris Investment Management

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Portfolio holdings

As of 31st January 2025.

The role we can play in portfolios

Vanguard MSCI Intl' ETF (VGS)	Aoris International Fund
Apple	Amphenol
NVIDIA	Accenture
Microsoft	Cintas
Amazon	Costco
Tesla	CDW Corp
Meta Platforms	L'Oréal
Alphabet Cl A	Tractor Supply
Alphabet Cl C	Halma
Broadcom	Copart
Eli Lilly	MSCI

Top 10 contributors to returns over the last 5 years

Source: Vanguard as of 31st January 2025.

High quality

	Aoris Portfolio	MSCI ACWI
10-year EPS growth p.a. (USD)	**11%**	3%
10-year average Return On Invested Capital	**18%**	7%
Current Net Debt to EBITDA (ex-Financials)	**0.9x**	1.6x

As of 31st December 2024
Source: FactSet, Aoris analysis

Highly resilient

	Aoris Portfolio	MSCI ACWI
Made a loss in at least 1 of last 10yrs	**None**	27%
ROIC <8% in at least 1 of last 10yrs	**7%**	80%
Net Debt to EBITDA > 3x (ex-Financials)	**None**	25%

As of 31st December 2024
Source: FactSet, Aoris analysis

Robert Talevski
Activam

Institute of Managed Account Professionals

ACTIVAM GROUP

We partner with advisors to provide professionally managed investment solutions for their clients.

Activam Group

Reliable Expertise,Proven Results.

Who We Are

Investment Management &
Asset Consulting Firm

Our Solutions

We provide financial advisors and institutional investors with flexible managed accounts, asset management and expert investment consulting.

Our Approach

Tailored, high-touch & consultative. We take the time to understand your specific needs and objectives. We embrace flexibility, nimbleness, and a willingness to adapt to your evolving requirements

$5 B

FUA & FUM

100 + YRS

Combined investment experience

8 YRS

Track record & outperformance

ACTIVAM GROUP

Our Founding Principals

ACTIVAM GROUP

The Team

Robert Talevski
Managing Director
Head of Investments

Alex Crompton
Deputy Portfolio
Manager

Kristina Benkotic
Head of Strategic Growth
& Partnerships

Wiliam Leobis-Arnost
Senior Investment
Analyst

Mark Blair
Compliance & Governance
Consultant

Clara Wang
Actuarial
Investment Analyst

Napoleon Quintos
Marketing &
Communications Manager

Clients

"The Hopkins Group has partnered with Activam since its inception, building a strong relationship with founder Rob Talevski since 2019. Their high-quality research and tailored solutions keep us at the forefront, delivering exceptional client results. Activam's timely insights ensure relevant and impactful communication. Most importantly, their partnership frees up our time, enhancing efficiency and enabling us to focus on growth and new services.

Michael Williams, Managing Director & Authorised Representative
The Hopkins Group , Melbourne VIC

"Partnering with Activam has helped us deliver an extremely high-quality investment offering to our end clients. In working alongside Activam, we have also significantly increased our business efficiencies, which has in turn lowered our cost to serve and allowed us greater time to foster relationships with our clients."

Jarred Page, Director & Financial Planner
Right Advice, Gold Coast QLD

"Since engaging Activam as our investment partner, our confidence in portfolio construction and value creation has been fantastic. Their outstanding performance and meaningful reporting have placed us well ahead in demonstrating proactive management to our clients. Rob's talent as an investment manager has made his team indispensable to us."

Chris Harris, CEO & SMSF Specialist Adviser
Exelsuper, Adelaide SA

Partnership Solutions

Buy

Choose from our selection of pre-constructed, high-performing portfolios, ideal for clients seeking ready made investment solutions with a track record of success.

White-Label

Our portfolios can be fully white-labeled leveraging our expertise and performance history. It allows you to provide your clients with tailored investment strategies without the need to build portfolios from scratch.

Build

Craft completely customised portfolios from scratch or merge your existing investment strategies with Activam's expertise to create a blended approach.

Activam Portfolio Performance

As at 31 December 2024

PORTFOLIO	Month %	Quarter %	6 Months %	1 Year %	2 Years % p.a.	3 Years % p.a.	4 Years % p.a.	5 Years % p.a.	Since Inception (Nov 2017) % p.a.
Activam Core – High Growth	-1.69	2.43	7.30	16.29	16.31	7.32	10.17	11.26	11.58
Morningstar Australia MultiSector Aggressive Category Average	-0.99	2.77	8.20	16.44	15.27	6.50	9.50	7.91	8.04
Activam Core – Balanced	-1.34	1.66	6.62	13.74	13.53	6.40	8.94	9.79	9.84
Morningstar Australia MultiSector Growth Category Average	-0.97	1.55	6.39	12.03	11.44	4.62	6.92	6.11	6.37
Activam Core – Moderate	-1.10	1.06	5.75	11.40	11.13	5.53	7.68	8.28	8.34
Morningstar Australia MultiSector Balanced Category Average	-0.64	1.31	5.55	9.87	9.52	3.95	5.48	4.94	5.19
Activam Core – Conservative	-0.58	0.40	4.75	8.66	8.28	4.53	4.86	5.54	5.74
Morningstar Australia MultiSector Conservative Category Average	-0.02	0.87	3.56	5.76	5.83	1.47	1.60	1.84	2.48

PORTFOLIO	Month %	Quarter %	1 Year %	3 Years % p.a.	Since Inception (Sept-23) % p.a.
Activam Index-Focused – Balanced	-1.57	1.20	13.47	—	13.03
Morningstar Australia MultiSector Growth Average	-0.97	1.55	12.03	4.62	11.15

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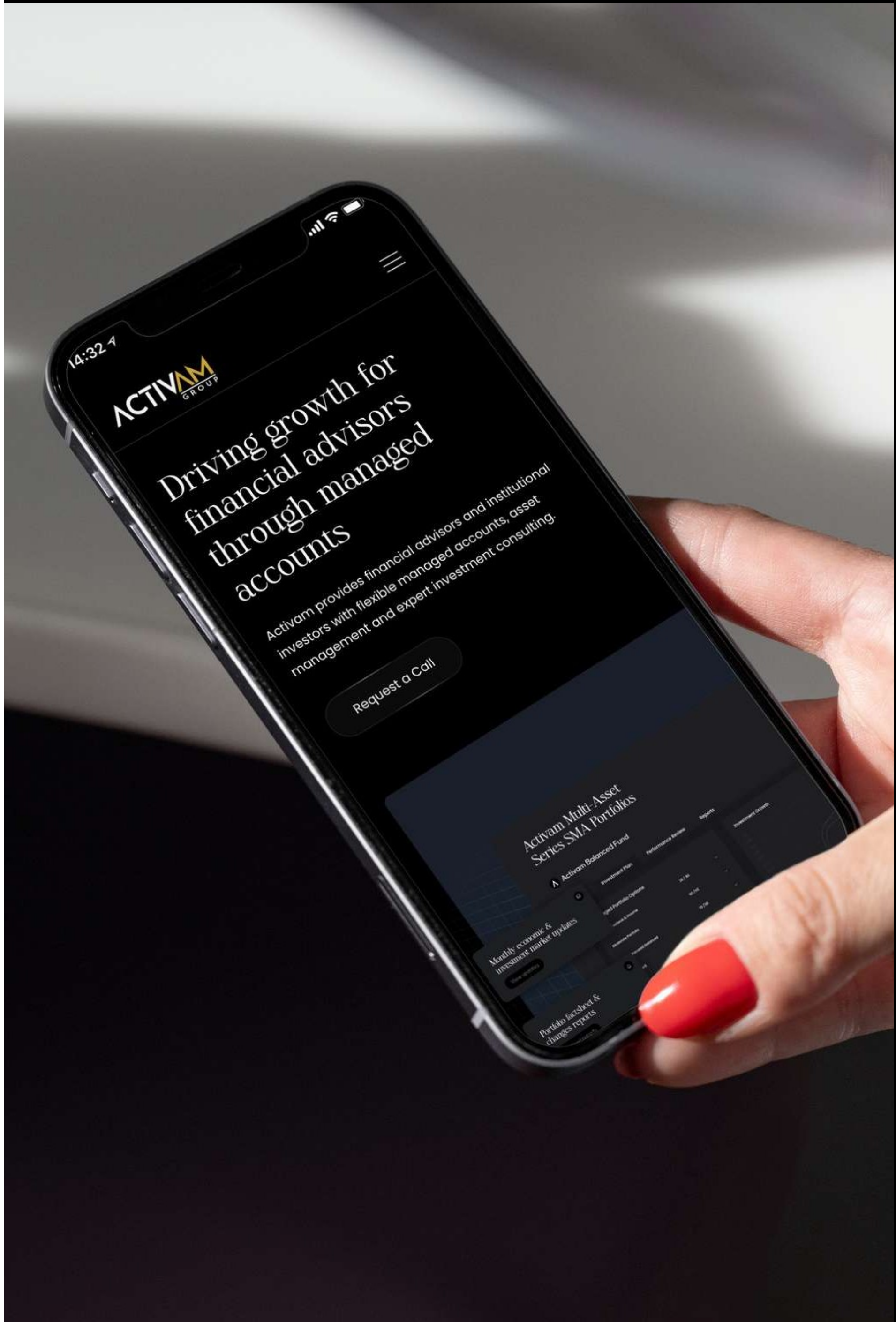

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ACTIVAM GROUP

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Centric

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Making a Success of Your Managed Account Program

February 2025

e support@centricwealth.com.au p 1300 223 687 w centricwealth.com.au

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744)

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Past performance is not a reliable indicator of future performance

Centric

Who is Findex?

250,000+
clients across Australia & New Zealand

$17 BILLION+
in funds under advice

100+
Offices geographically dispersed across Australia & New Zealand

2,700
Staff across Australia and New Zealand

750+
Staff shareholders including over 94% of our Partner/Principal group

$48 MILL
of equity has been issued to staff

As one of the largest, privately-owned providers of integrated financial advisory and accounting services in Australia and New Zealand, at Findex we believe in helping you prepare for the challenges of tomorrow, whilst also solving the problems of today.

Leveraging our strengths in people and technology, as well as our lens across regional and metropolitan Australia and New Zealand, we work with our clients using smart solutions, a one best way approach and an integrated delivery method via our Family Office model.

With a strong and proud heritage, Findex understands what it takes to build a business. We know the hard work it takes to create a legacy. We're with our clients every step of the way, helping them fulfil their dreams and helping them create tomorrow.

30

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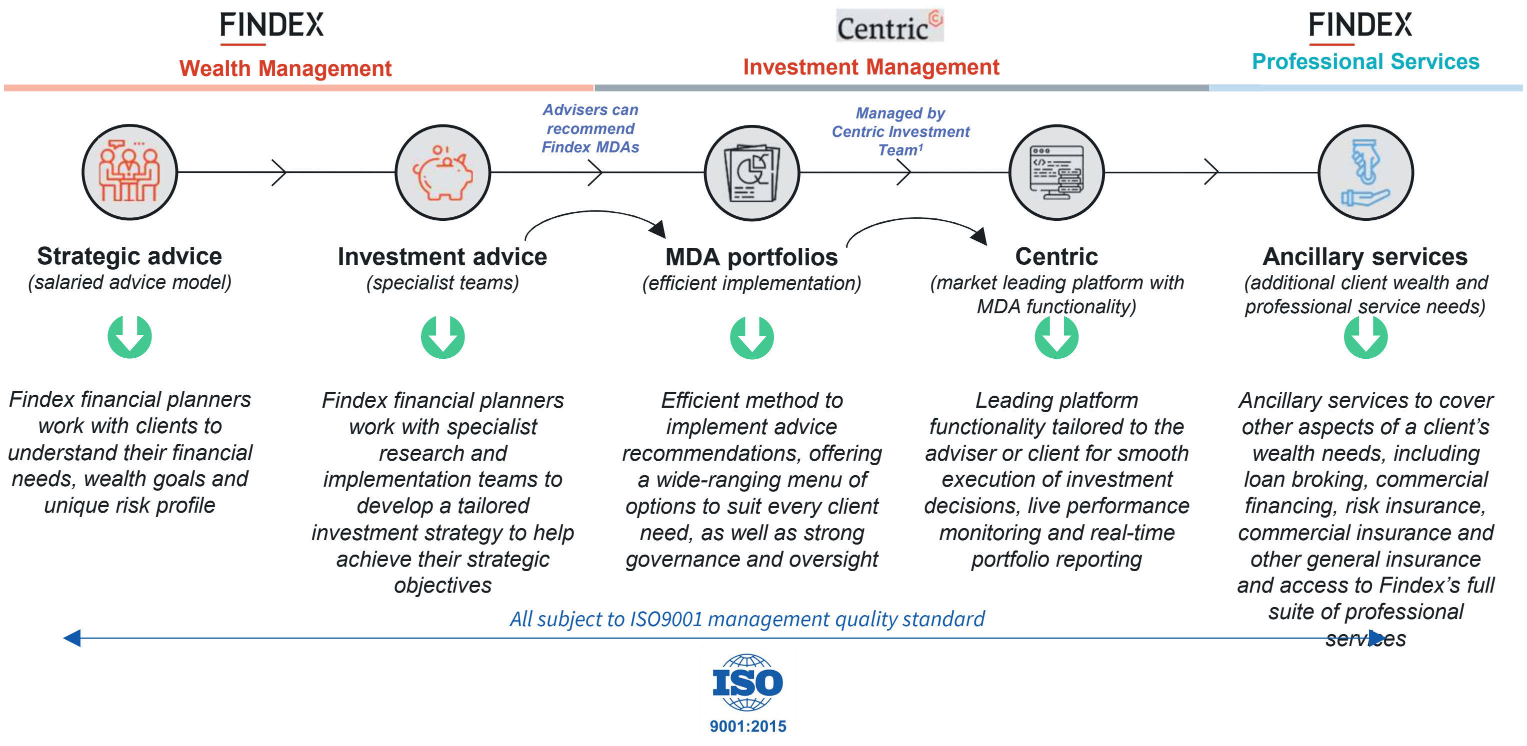
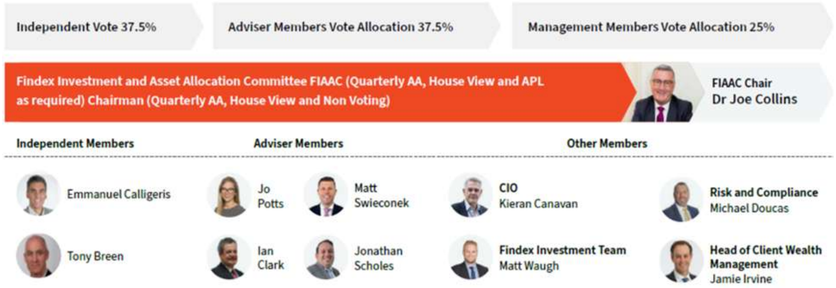
Wealth management value chain

Findex has developed key service offerings covering the entire wealth management value chain, with specialist teams enhancing the client value proposition at every step of a client's wealth journey



MDA Investment Ecosystem

1 Investment committee



2 Asset consultants

Primary Consultant

BCA Research

Secondary / Specialist Consultant

J.P. Morgan Markets

Goldman Sachs Economics Research

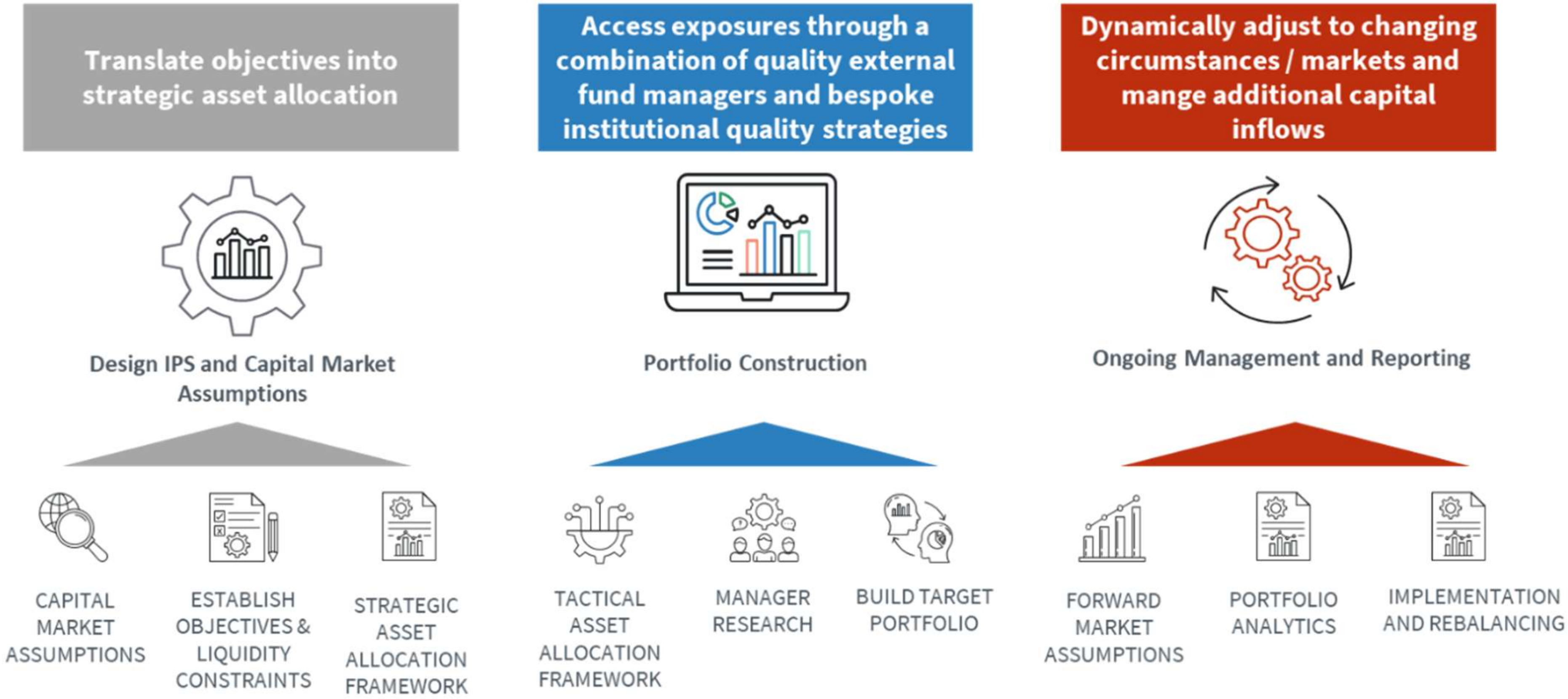
Strategic Asset Allocation

STATE STREET GLOBAL ADVISORS

3 Investment team

Model and Investment Functions				
SAA, TAA - Aus & NZ	MDA Portfolio Construction - Aust & NZ	Investment Reporting, Monitoring, Performance Reporting	Funds Management - research, selection & monitoring - Aus & NZ	Direct Equities Models - Australia
Advice	**Governance and Oversight**			
Findex adviser and client workstream	Governance & IC. NZ, FIAAC and Centric IC.	Policies and procedures	Intra Quarter IC and Rebals	NEW Reg & Compliance - APRA and Trustee Reporting
	Centric APL	**Funds Management Support**		
	IFA on-boarding and IFA funds onboard, reporting	PDS typesetting & coordination including DDC supported by marketing	Product Owner Communications - All funds. Platforms, IC, website docs, disclosure docs	

MDA in operation



Fund manager selection process

Our framework for manager selection follows a long-standing process based on qualitative and quantitative insights.

This is the process we have been using for the Findex MDA which is a set of multi-asset models that have been running for over 10 years.

Universe of funds	**Market screening** • Manager contacts and Fund Databases • Fund Research Houses (Morningstar..) • Initial assessment (quantitative and qualitative)
Long list of candidates (10-30)	**1st round due diligence** • Examine manager documents (PDS, factsheets) • Standard presentation + interview (call/in person) • FSC or similar due diligence questionnaire (& Ops dd) • Analytics provided by manager and Findex Research
Short list of candidates (10-15)	**2nd round due diligence** • Interview (call/in person/on site) • In depth Q&A (teleconference, in person) • In depth assessment (quant. and qualitative)
Final candidate selection	**3rd round due diligence** • Mandate or fund structure considerations • Narrow down the candidate list to top 3 • Final portfolio blending proposal • Fund Manager Report (IC proposal)
Investment Committee Approval	**Final round due diligence** • Strategy merits are debated at IC meeting • IC may request additional analytics or information • Final IC vote

Centric

Thank you

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