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#InvestTech
IMAP 2021

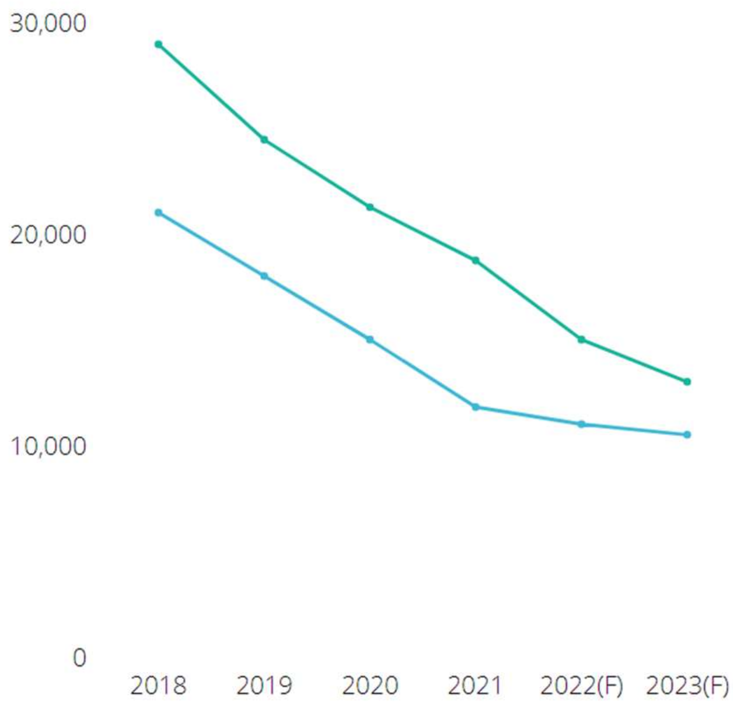
WE ARE ON THE CUSP OF A MAJOR SHIFT IN ADVICE TECHNOLGOY

SHRINKING ADVISER NUMBERS CHANGES THE BUSINESS MODEL FOR WEALTH TECH PROVIDERS

Small TAM for Advice Software in Australia.

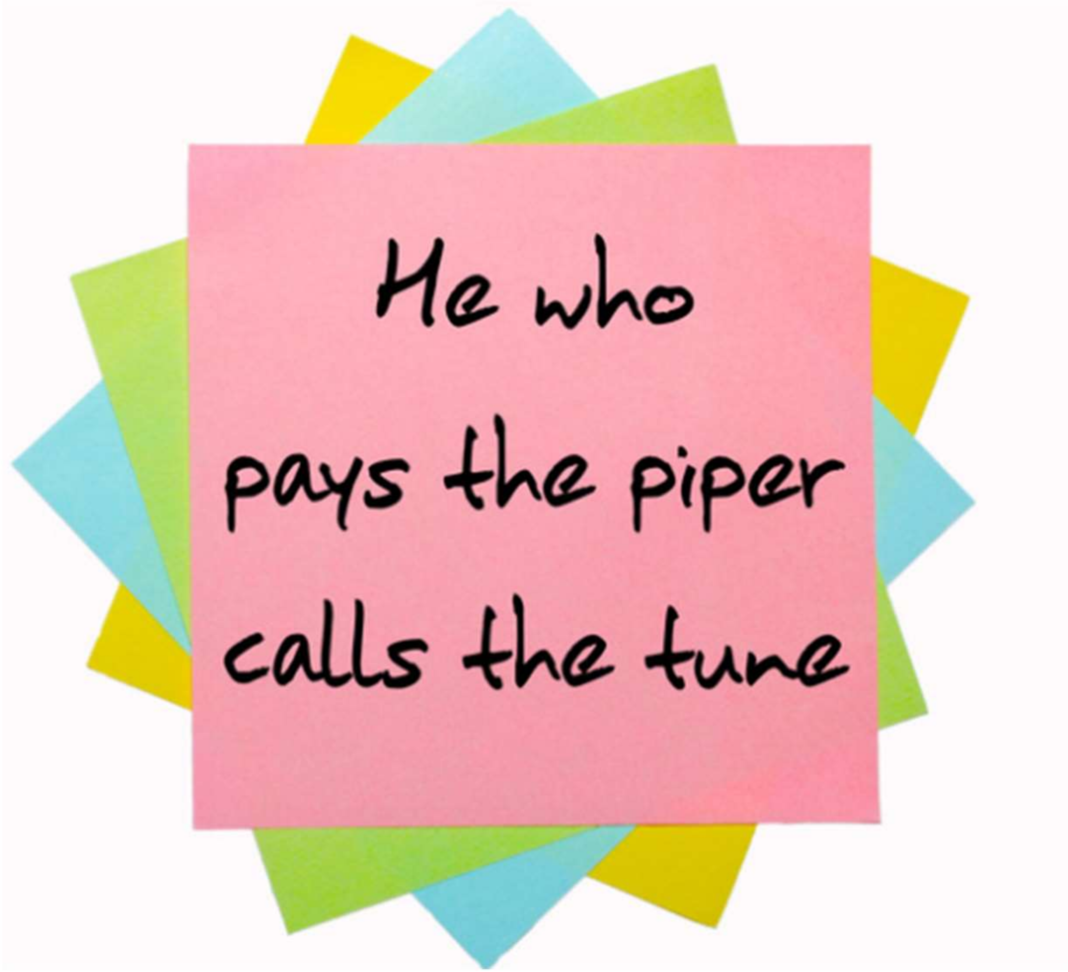
Source: XERO FY21 Annual Report
Finura Estimates of IRESS XPLAN Revenue

Full ARs dropping at similar pace to others



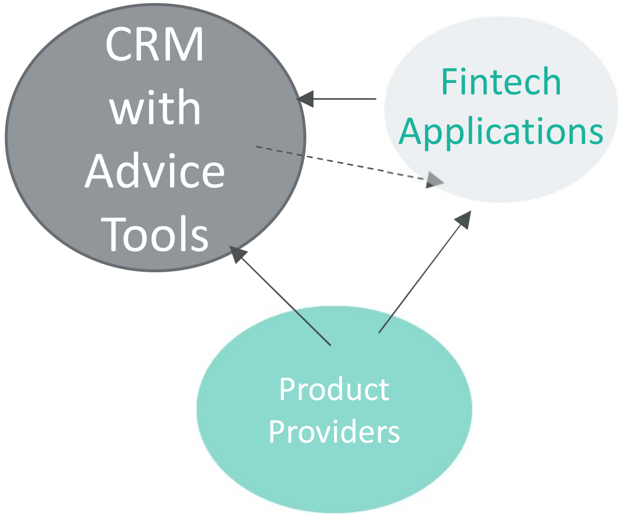
THE MODEL FOR HOW WE CHARGE FOR TECHNOLOGY MAY NEED TO CHANGE

- ↓ Platform Margins
- ↓ Licensee Balance Sheets
- ↓ Adviser Numbers
- ↑ Compliance Costs
- ↑ Demand for Advice
- ↑ Fintech Capital Investment



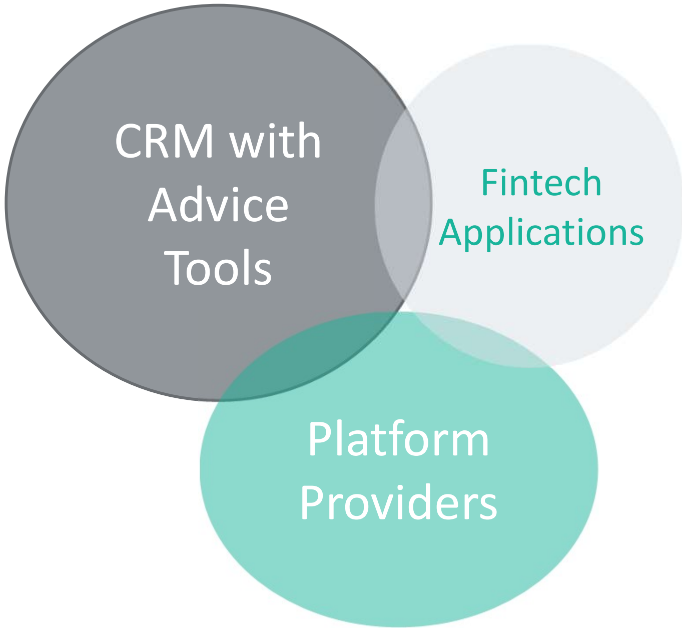
THIRD GENERATION OF ADVICE TECH SOLUTIONS UPON US

Software or Platform Tech



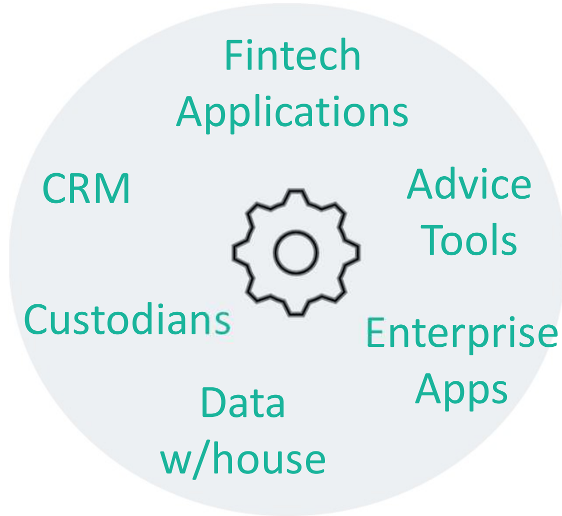
Standard & Custom APIs

Centralised Marketplace



Standard APIs, Developer Portals, Marketplace controlled by CRM

Decentralised



Marketplace controlled by IFA

MAJOR GLOBAL CLOUD PLAYERS ARE ENTERING WEALTH

TECH STACKS ARE DRIFTING TOWARDS ENTERPRISE

Current end-to-end systems

iress
adviserlogic
a Morningstar company
PLUTOSOFT
midwinter
advice intelligence
intelliflo office

- Only as strong as weakest link.
- Not suited to multi-disciplinary firms.
- Typically poor CRM capability.
- Cost duplications in existing stack.
- Licensees struggle to support multiple offers.

Applications will integrate differently

Other Technology Areas
Data aggregation
Cashflow & Budgeting
Digital scaled advice
Client Portals
Investment Platforms
Revenue Management
Regtech & Audit solutions
Research & Modelling Tools
Risk profiling

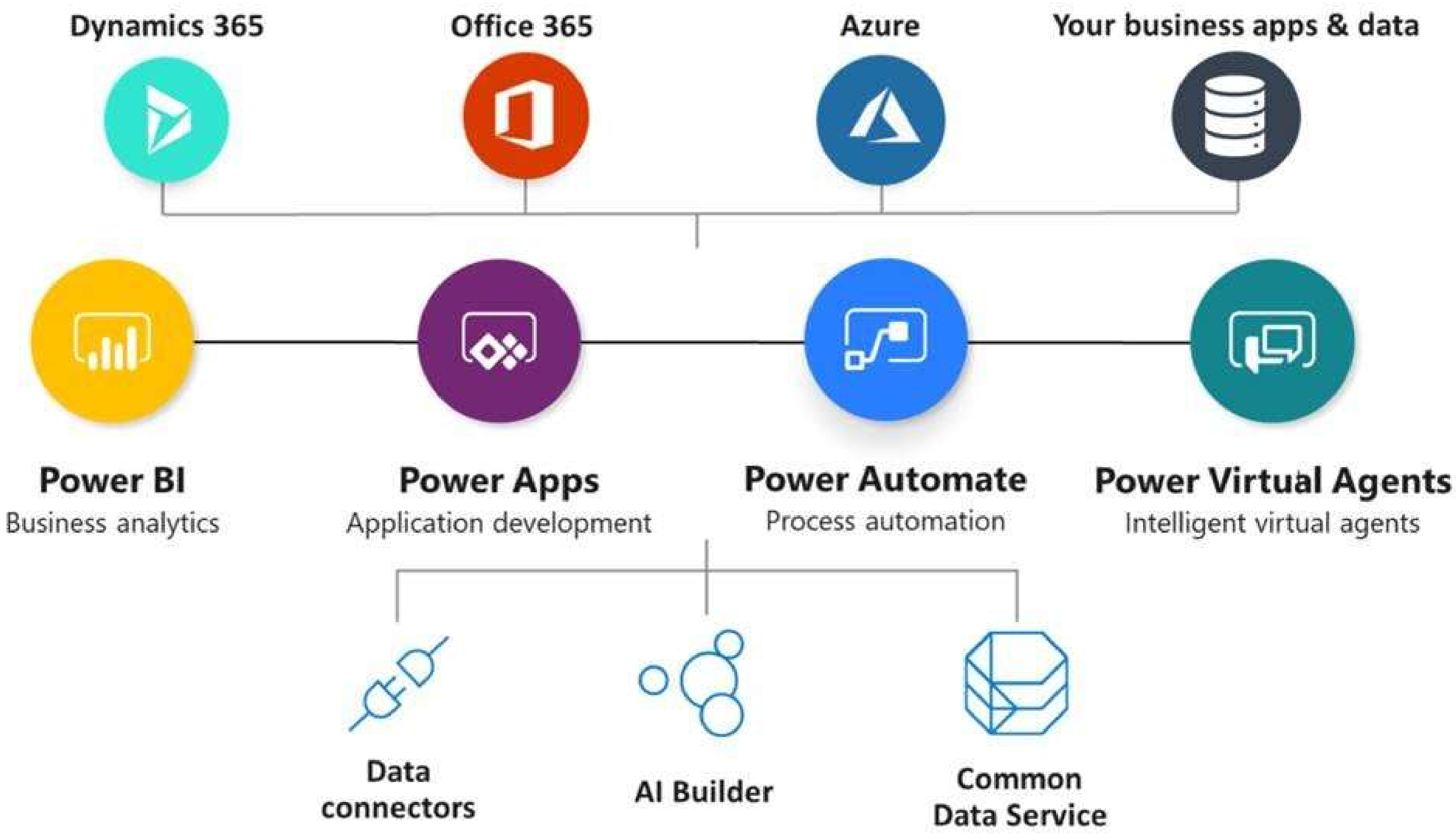
Advice Firms will drift towards enterprise cloud.

salesforce
financial services cloud

Microsoft 365

- Market leading CRMs and BI.
- Suited to multi-disciplinary
- Productivity tools imbedded.
- Comprehensive integrations & cloud data storage.
- Significant advances coming in AI & WFH capability.

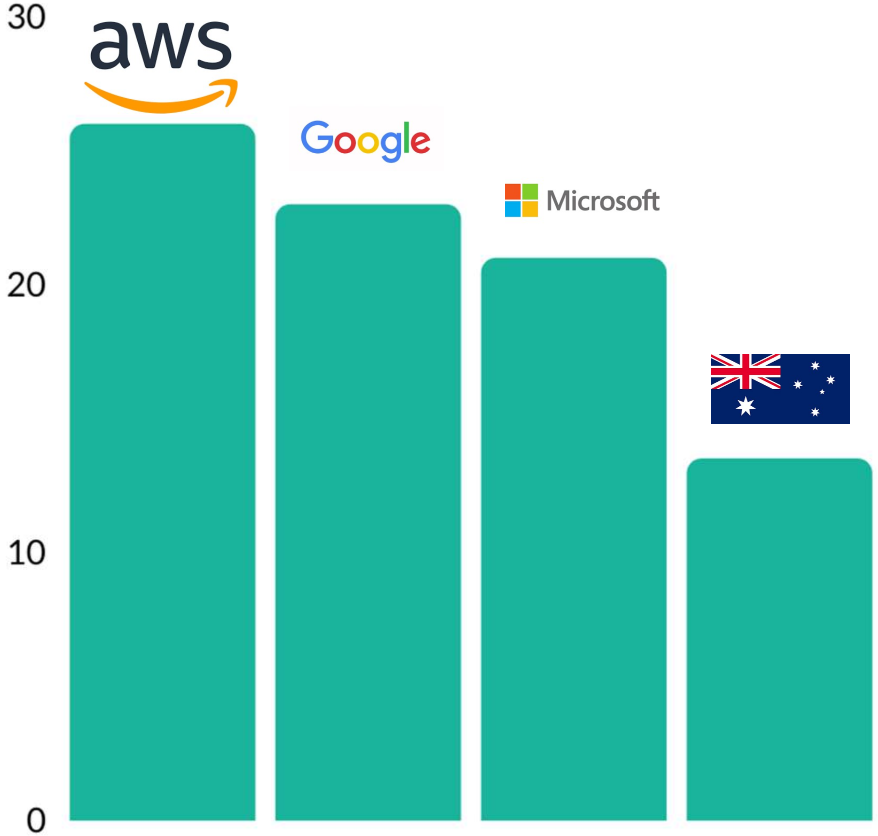
MICROSOFT IS THE EMERGING PLAYER THAT WAS ALWAYS THERE



MICROSOFT/GOOGLE/AMAZON ALL SEE A ROLE IN FINANCIAL SERVICES

Annual R&D Spend

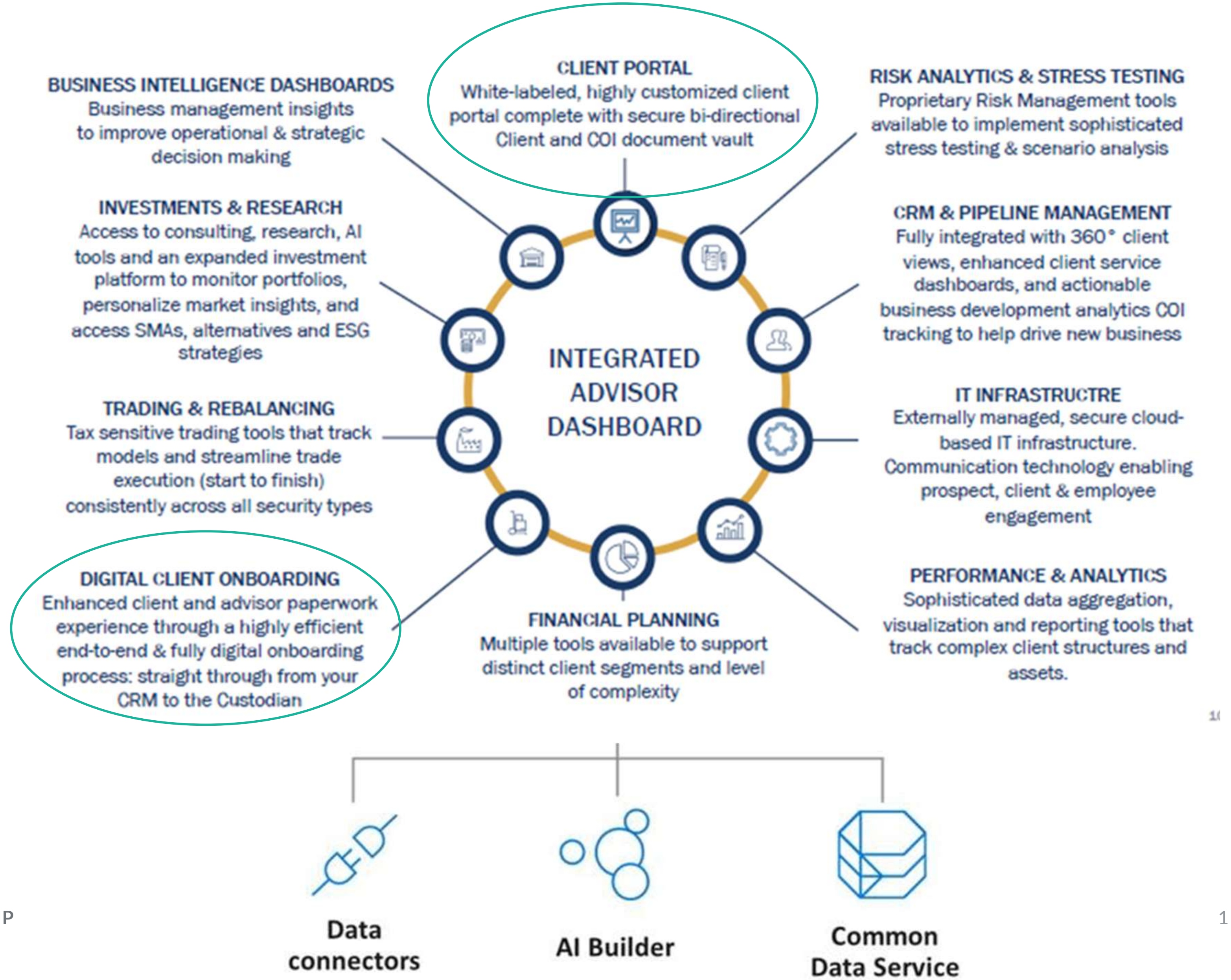
$USD Billions



Source: www.statista.com

OUR FIRMS WILL LOOK DIFFERENT IN THE FUTURE

HOW LEADING ADVICE FIRMS ARE THINKING ABOUT TECH



WE NEED NEW SKILL SETS IN OUR FIRMS

2021

Front Office

Advisers
Associates
Concierge

Middle Office

Paraplanners
Compliance
AFSL Services

Back Office

Operations
Finance
Technology

2030

Front Office

Advisers
Digital Platforms

Middle Office

Parplanning Marketplace
Enterprise Tech Manager
Data/Insights Managers
CX Manager

Back Office

Fully outsourced business operations

KEY TAKEAWAYS

1. The decentralisation of advice & technology will how we build and use software to deliver financial advice.

2. Advisers face choices between a more vertical technology model and an open ecosystem.

3. Major Cloud Companies are entering wealth management which will create new approaches to data management and integrations – ‘data-verse’

4. Greater focus on technology strategy, execution and capability will be needed by IFA businesses.

-Q&A-

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