

Integrating Managed Accounts into advice software



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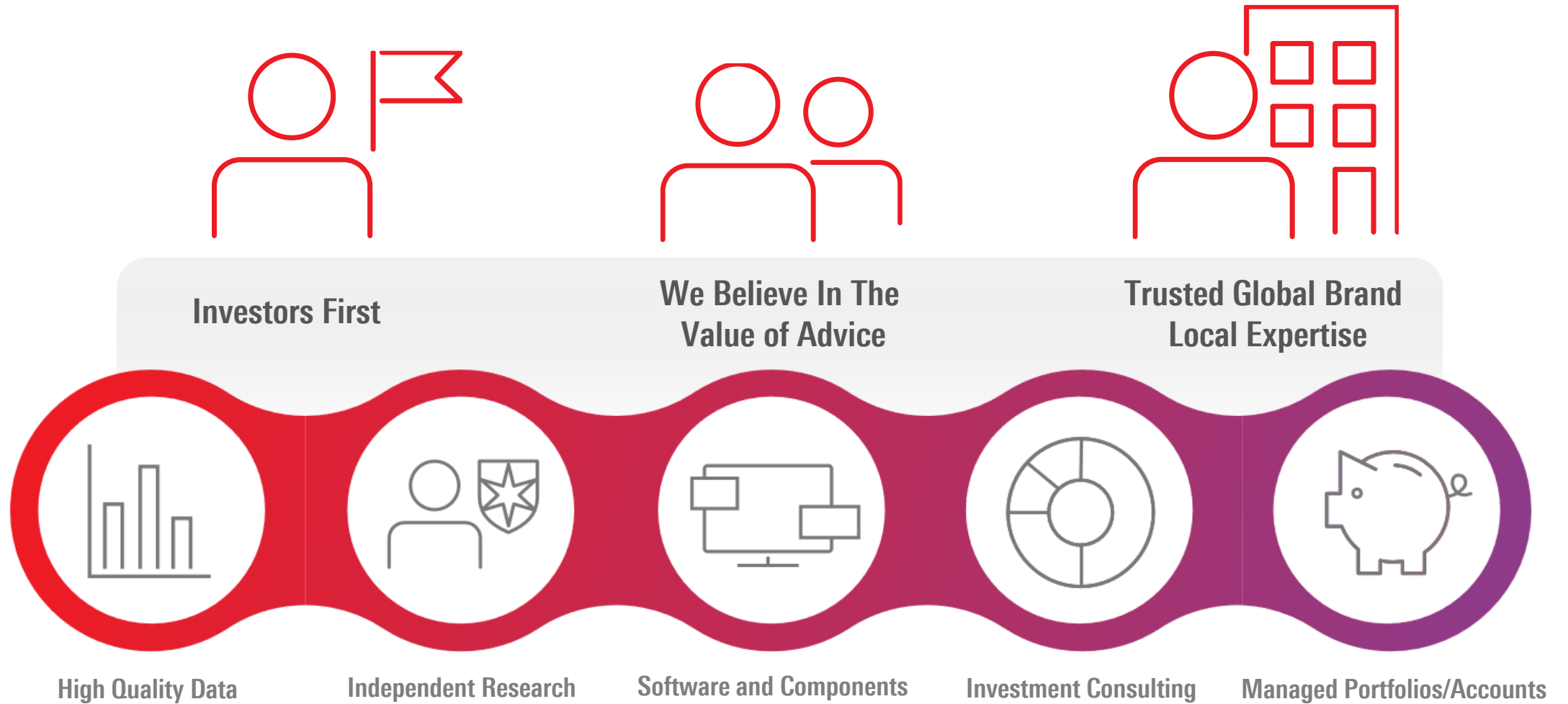
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Morningstar - Empowering Investor & Adviser Success > 35 years



Landscape

- FUM in Managed Accounts – circa \$111bn*
- Uplift in Managed Accounts use from 16% in 2012 to > 44% in 2021~
- Multi-sector portfolio uplift largely being driven by MA use
- MA offerings proliferate APL's - overwhelming choice
- Efficiency & scale challenge
- In-house vs Outsourced MA portfolio management

* Source: iMAP 14 Sept 2021

~Source: Investment Trends May 2021

Challenges in Delivery of MA Advice

Key Advice Issue

1. Research and Selection

Managed account users assign responsibility to a professional, but still have choice to make

2. Level of Detail

Headline SMA vs Underlying Portfolio

3. Investor Preferences

Deviations from Models – ESG, exclusions, large holdings

4. Asset Allocation Variances

Advice SAA vs Manager TAA + Market movement over time

5. Fees

Customised Fee & discount arrangements

6. Compliance

Complying with FASEA Standard 5, 6 & BID

Common Advice Questions

How can I view research on the managed accounts on offer and choose the right one(s) for my clients?

How do I differentiate, select and blend MA's in portfolios?

How can I see the account at a sleeve level (as a default) but also view at the detailed level (as needed)?

How do I view holdings where there may be crossover with clients 'unadvised or non-MA holdings'?

How can I analyse the holdings and execute exceptions/preferences?

How can I show the client where the SAA differs from the TAA?

How do I manage fees on a per platform per account basis?

How do I prove that I've aligned my advice to BID and comply with the standards?

Empowering Investor Success = Client Best Interest

Know Your Client (KYC)

- CRM & Fact Find
- Client Portal
- Portfolio & Insurance Data Feeds
- Risk Profiling
- Behavioural Finance
- Advice Generation & engagement

Know Your Business (KYB)

- Adviser Dashboards
- Business & Client Reporting
- Adviser Onboarding & Oversight
- Revenue Management



Know Your Product (KYP)

- Investment Data
- Product Fees & Features Research
- Investment Research & Ratings
- Portfolio Analysis

Know Your Obligations (KYO)

- Record Keeping
- Compliance Document Generation
- Advice Templates
- Compliance Dashboards

A suite of integrated solutions for advisers and licensees

AFSL Oversight & Revenue Management



AFSL Dashboards allow you to monitor business metrics & network risk. **PayLogic** helps manage revenue and payments to advisers & third parties.

APL Monitoring & Portfolio Reporting



With **Morningstar Direct** you can build portfolios, analyse investments and produce tailored reporting for advisers and investment committees.

AFSL APL & Portfolio Construction Support



Our **Manager Selection** team supports APL, model portfolio & managed account construction & reporting, as an integral part of your Investment Committee.

Independent Research & Data



Adviser Research Centre provides easy access to Morningstar's renowned independent research and data – across equities, funds, ETFs and more.

Financial Planning Software



AdviserLogic is an easy-to-use software platform that empowers advisers to run an efficient business, deliver great advice and engage with clients.

Risk Profiling



FinaMetrica helps create lifetime partnerships by specifically matching client's risk tolerance to tailored investment solutions.

The advice workflow – AdviserLogic end to end capability

Easy to Use **CRM** and **Fact Find** enables seamless capture and update of your clients' full position and communication.

Full electronic office capability with actionable insights through **Dashboards, Segmentation** reporting and **Compliance** tracking.

Research analysis, reporting and **Cashflow** modelling to Demonstrate Value of your Advice.

Portfolio Review reporting and benchmarking and **Fee Disclosure** capability to manage ongoing service agreements.



A more seamless research & financial planning experience

Existing Assets

Category	Type	Code	Description	Units	Unit Price	Amount	Asset %	Platform	Entity	Asset Report
Australian Shares	Australian Shares	ASIA	Betashares Asia Technology Tigers ...	1,715.0000	\$9.99	\$17,132.85	0.85%	HUB24 Investment	Mr Christopher Smith	Asset Report
Australian Shares	Australian Shares	ROBO	Etf's Robo Global Robotics And Auto...	240.0000	\$90.39	\$21,693.60	1.07%	HUB24 Investment	Mr Christopher Smith	Asset Report
Australian Shares	Australian Shares	HACK	Betashares Global Cybersecurity Etf	2,432.0000	\$10.93	\$26,581.76	1.32%	HUB24 Investment	Mr Christopher Smith	Asset Report

Portfolio Analysis

Portfolio 1: Christopher Smith HUB24 Investment 24074295

Model Portfolio: Balanced Model Portfolio

Portfolio Compare

Asset Allocation

Asset Class	Net %
AU Equity	53.24
INTL Equity	23.43
AU Fixed Income	0.14
INTL Fixed Income	7.90
AU Listed Prop	11.02
INTL Listed Prop	0.00
Unlisted Property	0.00
Cash	2.10
Other	0.00
Not Classified	2.21

Stock Regions

Region	Weight %	Mark %
Americas	17.52	-
North America	17.44	-
Latin America	0.08	-
Not Classified	0.00	-

Performance Graph

Portfolio 1: 23.35, Model Portfolio: 15.27

Commonwealth Bank of Australia (CBA) Analysis

CBA Analysis: Price vs. Fair Value, Trailing Returns, Financials, Valuation, Operating Performance, Dividends, Ownership, Executive, Profile

Commonwealth Bank Posts Another Good Quarter but Remains Overvalued

Analyst Note: Commonwealth Bank's third-quarter 2021 cash NPAT of AUD 2.4 billion increased 24% on the first-half fiscal 2021 quarterly average with growth driven by a loan impairment reversal. We estimate earnings before loan impairments were flat. A 2% increase in revenue was offset by cost growth, but we expect growing loan balances to translate into better earnings in the near term. Longer-term, Commonwealth Bank's growing market share leaves it best placed as cash rates likely rise and the bank reinvests loans.

Valuation

CBA is Overvalued at a 27% Premium.

Last Close: 97.79, Fair Value: 77.00, Uncertainty: High

1-Star Price: > 119.35, Economic Moat: Wide, Trend: Stable

5-Star Price: < 46.20, Stewardship: Standard

Enhanced product research to support more informed recommendations

Advice Tools

SUPER

Super Research
Compare Super Fund Features

NON-SUPER

Platform Research
Compare Platform Features

SUPER

Super Fees
Compare Super Fund Fees

NON-SUPER

Platform Fees
Compare Platform Fees

INSURANCE

Needs Analysis

INSURANCE

Quoting & Research

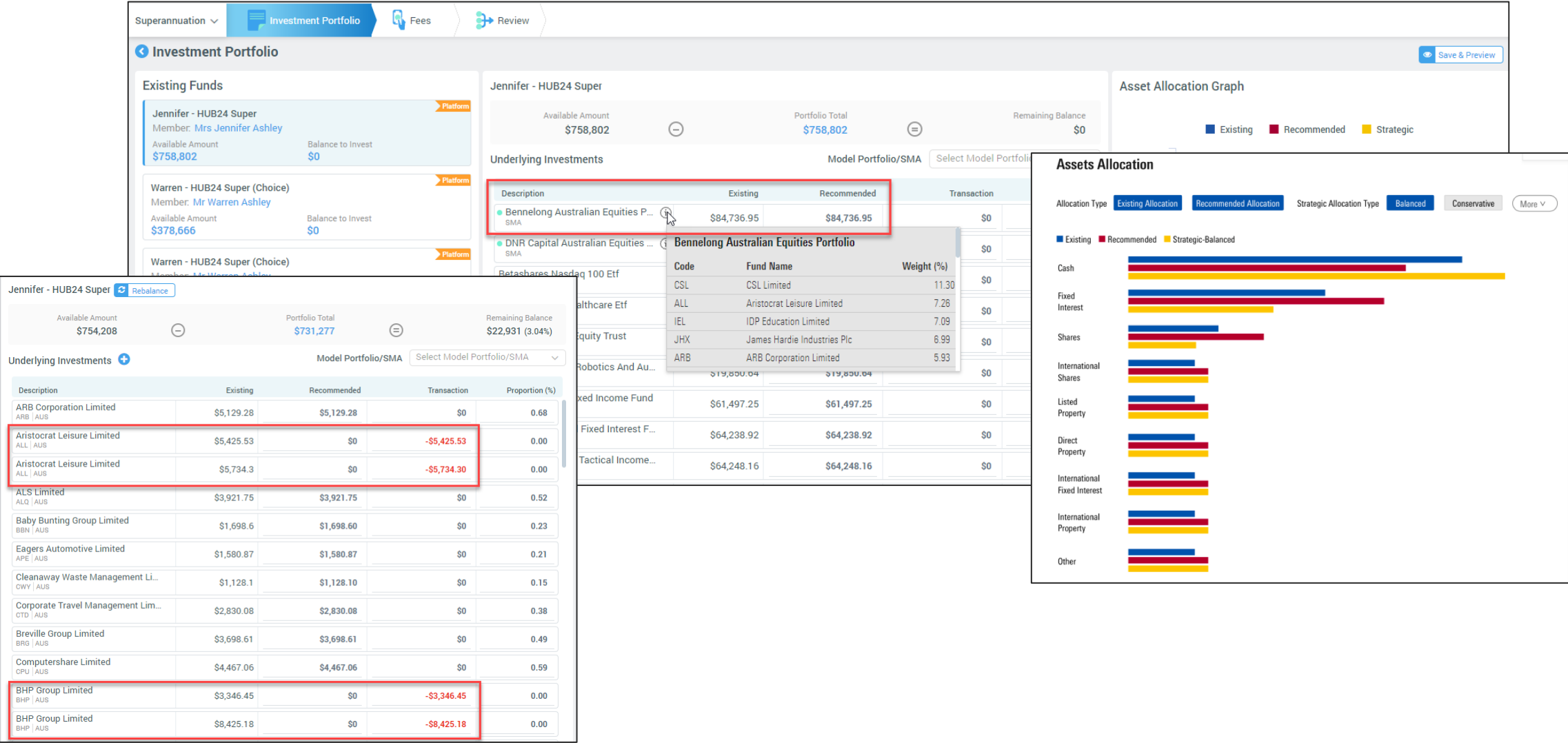
Recently Saved Research Parameters ⓘ

Name	Module
Advice Tools Scenario	Needs Analysis

Investment Fees & Costs Details: HUB24 Investment

Description	Proportion	Investment Fees & Costs	Investment Fees & Costs Amount		
Hearts and Minds Investments Ltd	2.02%	0%	\$0		
Betashares Asia Technology Tigers Etf	1.52%	0.67%	\$114.75		
Etf's Robo Global Robotics And Automation Etf	1.93%	0.69%	\$149.65		
Betashares Global Cybersecurity Etf	2.36%	0.67%	\$178.17		
Magellan Infrastructure Fund	4.5%	1.21%	\$613.36		
Ishares Global 100 Aud Hedged Etf	4.6%	0.43%	\$222.61		
Ishares Edge Msci World Multifactor Etf	5.18%	0.35%	\$204.24		
Vanguard Australian Property Securities Index Etf	9.79%	0.23%	\$253.71		
Vanguard International Fixed Interest Index (Hedged) Etf - ...	8.04%	0.2%	\$181.13		
Russell Invest Aust Responsible Inv Etf - Russell Investme...	4.71%	0.45%	\$238.51		
Vaneck Global Clean Energy Etf		0.65%	\$161.06		
Betashares Climate Change Innovation Etf		0.65%	\$168.28		
● Bennelong Australian Equities Portfolio ⓘ	JHX	James Hardie Industries Plc	7.54	0.699%	\$1,083.51
● DNR Capital Australian Equities Socially Res	IEL	IDP Education Limited	7.04		
	ALL	Aristocrat Leisure Limited	6.65		
	ARB	ARB Corporation Limited	6.54		
	DMP	Domino's Pizza Enterprises Limited	5.89	0.56%	\$889.65

Holding analysis, selection and exceptions



Streamlined & compliant advice delivery

The screenshot displays the Morningstar Digital Advice interface, which is designed for streamlined and compliant advice delivery. The interface is divided into several sections:

- Top Navigation Bar:** Includes the Morningstar logo, user profile (Benjamin Crows), and various tool icons (search, help, etc.).
- Client Home Section:** Features a navigation menu with options like Client Home, Fact Finder, Assets/Liabilities, Cash Flow, Portfolio, Tasks, File Notes, Document Vault, Reports, Digital Advice, myDataLogic, and Compliance. Below this is a sub-menu with Superannuation, Rollover, Investment Portfolio (highlighted), Research, Fees, Superannuation Re-contribut..., Transition to Retirement Pen..., Retirement Planning, and Review.
- Investment Portfolio Section:** Displays existing funds for Benjamin - BT Super. A sidebar on the left shows the available amount of \$796,855. The main content area lists four goals/strategies, each with a description, amount, priority, time frame, target date, and term. The goals are: 1. Review Non-Superannuation investment portfolio to achieve cost efficiency, appropriateness and quality of underlying investments while being simple and easy to deal with. 2. Meet Income (Cashflow) requirement of \$3,000 per month with ability to draw more if the need arises. 3. Review Superannuation Fund to achieve cost efficiency, appropriateness and quality of underlying investments while being simple and easy to deal with. 4. Examine long term cashflow requirements and the capacity of your accumulated financial resources to meet those needs over time.
- Retirement Recommendation Section:** Shows a progress bar at 20% and a 'Resume working on Superannuation' button. Below this are buttons for Preview, Download (highlighted), Add Strategy, and Delete. A 'Download' dropdown menu is open, showing options for Advice document, Morningstar Research, TMD documents, and PDS documents. A note below the dropdown states: 'Please contact the product providers directly if the TMD documents are not available. To know more about the TMDs, Click here'.

Review management & reporting

Review Meeting Management

30 days ▼
1/3 advisers selected ▼

Client Name	Review Due By	Status
Ms Samantha Star	18/02/2021 Scheduled today	SCHEDULED ▼
Morningstar Consulting Services	01/05/2021 215 days since overdue	PENDING ▼
		INVITED ▼
		PENDING ▼

Your Portfolio | Valuation

Both the overall balance of your account(s) and the amount of each underlying investment which form the account, is reflected below.

Chris

	Code	Units	Un
HUB24 Investment			
ALS Limited		492.00	
Ancor Plc - Cdi 1:1 Foreign Exempt Nyse		302.00	
ARB Corporation Limited		196.00	
Aristocrat Leisure Limited		230.00	
Aussie Broadband Limited		942.00	
Baby Bunting Group Limited		576.00	
Betashares Asia Technology Tigers Etf		1,715.00	
Betashares Climate Change Innovation Etf		1,726.00	
Betashares Global Cybersecurity Etf		2,432.00	
BHP Group Limited		350.00	
BHP Group Limited		168.00	
Breville Group Limited		98.00	
Breville Group Limited		205.00	
Cap Note 3-Bbsw+2.80% Perp Non-Cum Red T-12-22		600.00	
Cap Note 3-Bbsw+3.20% Perp Non-Cum Red T-09-25		600.00	
Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-04-		600.00	

Your Portfolio | Performance

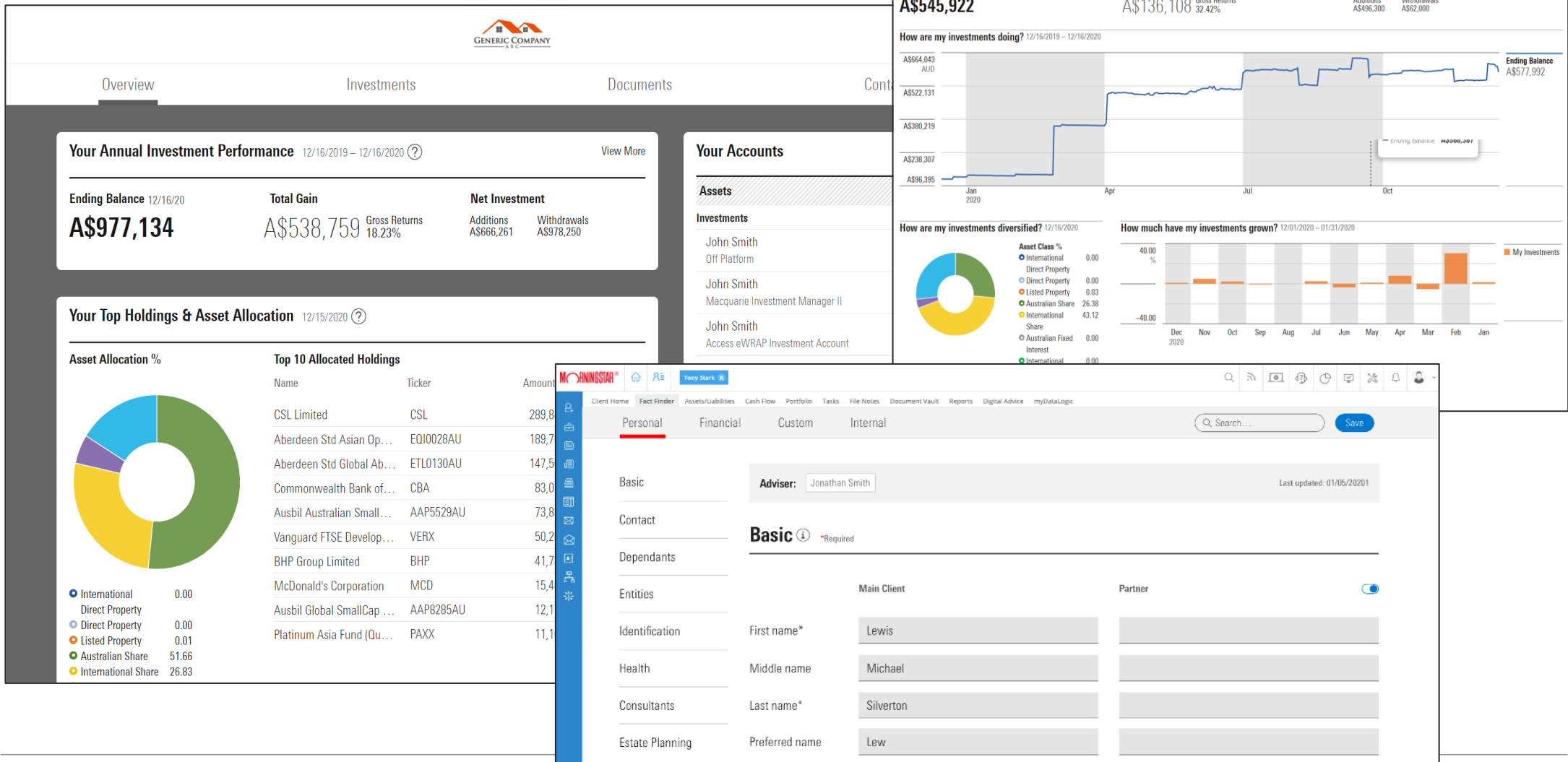
Detailed Performance - 29 November 2020 to 28 November 2021

Performance - Chris

Investments	Market Value at Start	Market Value at End	Income	Income and Growth	Return
HUB24 Investment					
Betashares Climate Change Innovation Etf	-	\$25,890	\$0	\$3,859	17.52%
Betashares Global Cybersecurity Etf	-	\$26,582	\$0	\$6,609	33.09%
Etf's Robo Global Robotics And Automation Etf	-	\$21,694	\$0	\$1,828	9.20%
Ishares Edge Msci World Multifactor Etf	-	\$58,354	\$247	\$7,944	15.68%
Ishares Global 100 Aud Hedged Etf	-	\$51,813	\$0	\$2,389	4.83%
REA Group Ltd	-	\$4,376	\$18	\$724	13.25%
REA Group Ltd	-	\$1,621	\$6	\$196	12.41%

- Dashboard notifications
- Practice workflow management and segmentation
- Comprehensive investment reporting

Enhancing the adviser-client experience



Licensee and Adviser solutions

KEY PROCESSES

Licensee Management,
Analytics & Compliance

SOLUTIONS FOR LICENSEES

Adviser
Management

Dashboards

Revenue
Management

SOLUTIONS FOR ADVISERS

Engage & Discover

CRM & Workflows

Client Wealth Portal

Digital Fact Find

Analyse & Develop

Risk Profiling

Cash Flow
Modelling

Scenario
Comparison

Advice Delivery

Product Research &
Comparison

Advice Document
Generation

Investment
Reporting

Ongoing Review &
Management

Secure Record
Keeping

Practice Insights

Compliance &
Disclosure

Practice Management &
Compliance

Integrations

Data Feeds
Investment &
Insurance data feeds
from over 30 providers

Direct Integrations
with Xepxo,
myProsperity,
MailChimp

Zapier Connectivity
with 3000+ apps –
Office 365, Outlook,
Google, Salesforce,
Calendly...

Questions?