MLC
ASSET MANAGEMENT

Managed Accounts

Have we (the industry) delivered on the hype?

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Today's agenda

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Session opening
Scene setting and panellist introductions

Expectations and outcomes 2
A scorecard approach - MLC

Scorecard review 3
Stakeholder discussion & debate – The panel

Outcomes and conclusions 4
Where to from here? – The panel

Audience Q&A 5

Expectations and outcomes

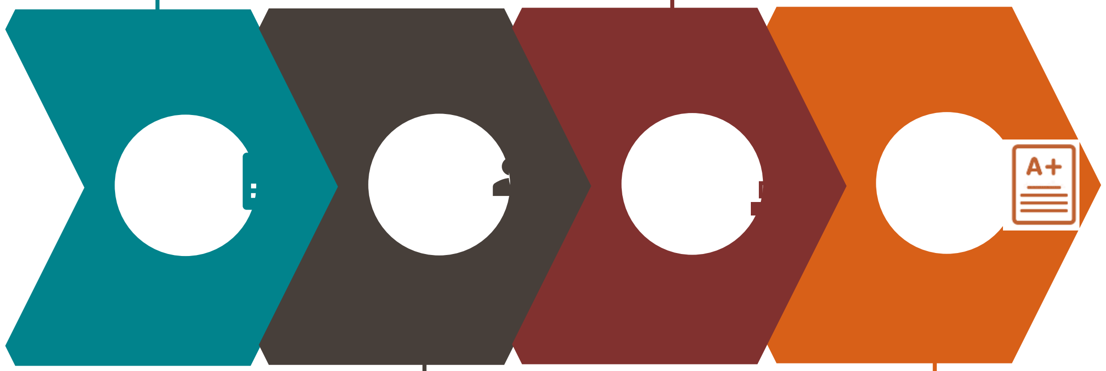
A scorecard approach

Identify core expectations

Marketing, white papers & industry surveys

Define as tangible outcomes

What is really meant by ‘efficiency’ & ‘transparency’?



Segment by stakeholders

Assess and score the outcomes

Delivering or not delivering?

From the viewpoint of each stakeholder

Expectations and outcomes

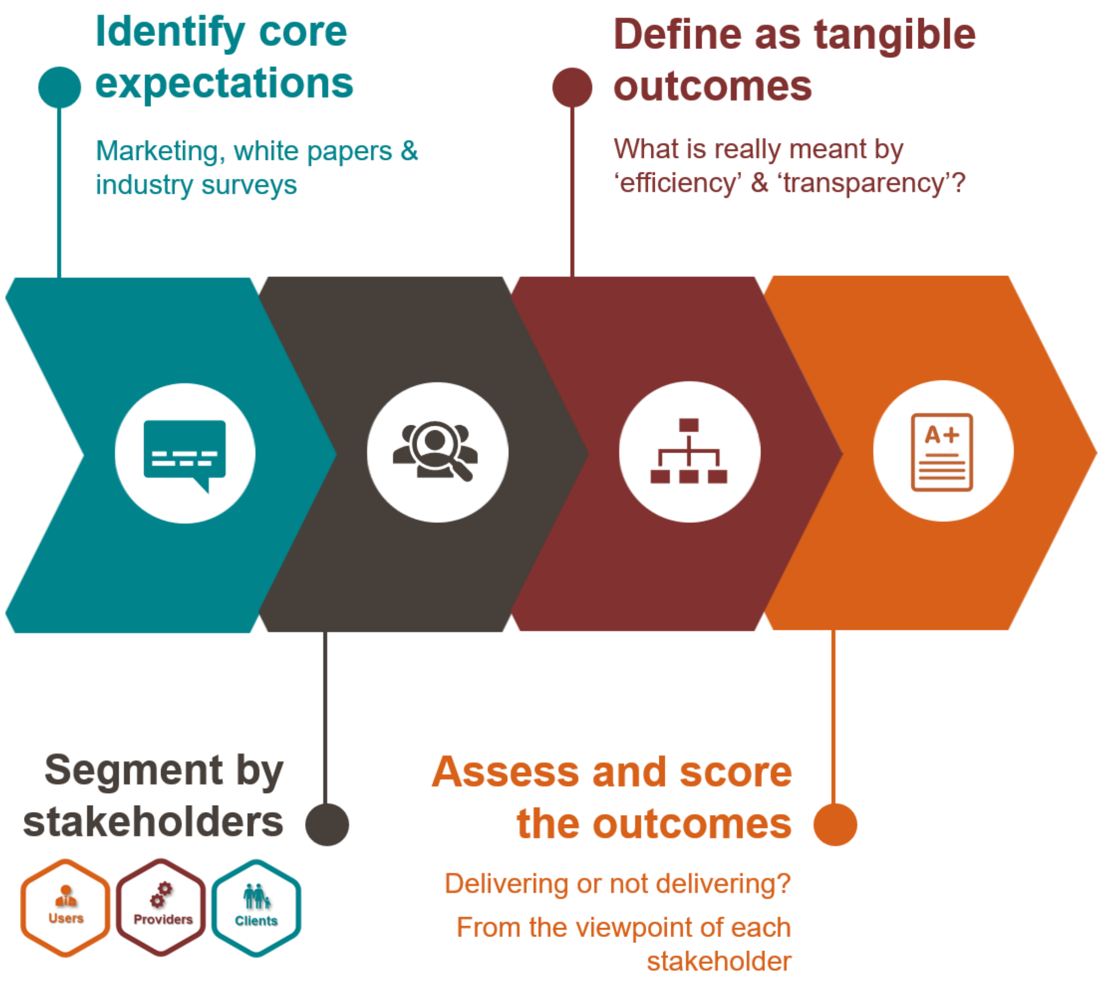
A scorecard approach

Defining the ground rules

- ✓ **"Managed Account"** a broad definition:

  A investment program where research, management & execution is centralised and systemised and delivered via an SMA or MDA
- ✓ **Areas of discussion:** deliberately high level
- ✓ **Scoring:** a qualitative, subjective assessment
- ✓ **Intent**: encourage open discussion and reflection

- × **Implications:** the discussions, conclusions and scoring are generalised at an industry level, they do not reflect a view on any specific provider, provider or end users
- × **Opinions only:** Opinions shared represent the knowledge and experience of the panellists and not necessarily the formal position of their respective organisations



Score Card Review

		Panellist Scores		
		The Licensee	The Platform	The Consultant
Users (Advisers, practices & licensees)				
Efficiency	• Has implementation time & consistency improved? • Has advice documentation & admin reduced? • Improved costs to serve?	On the fence	Delivering	Delivering
Investment quality	• Improved investment and research process • Access to expert advice and solutions	Delivering	Delivering	On the fence
Compliance	• Have advisers reduced their compliance burden? • Have licensee's seen compliance improvements?	Delivering	Delivering	Delivering
Transparency	• Improved vs managed funds and models? • Transparency beyond holdings?	Delivering	Delivering	Not Delivering
Value proposition (VP)	• Retain investment VP or shift to strategic advice VP • Impact on adoption?	Delivering	On the fence	Delivering
Range & access	• Spectrum of solutions, providers and styles • Platform, RE, manager & consultant minimums	Delivering	Delivering	Delivering
Providers (Platforms, managers & consultants)				
FUA / FUM	• Growing as predicted?	Delivering	Delivering	Delivering
Sustainability	• Resourcing, scale, profitability & commitment	On the fence	Delivering	On the fence
Clients				
Fee outcomes	• Have fees fallen? • Are they competitive?	Delivering	On the fence	Delivering
Tax efficiency	• Is it being delivered? • Has technology kept up?	Delivering	Delivering	On the fence
Net performance	• Is it being delivered?	On the fence	Delivering	On the fence
Client experience	• Communication quality • Engagement & satisfaction	Delivering	Delivering	Delivering

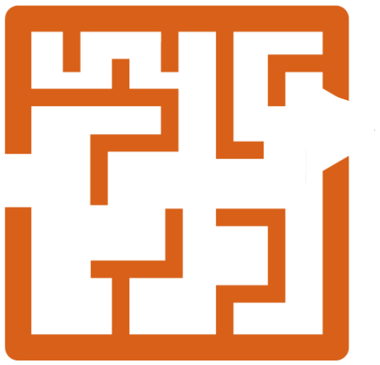
Delivering

On the fence

Not Delivering

Final thoughts from the panel

Q: Key area that needs to be addressed as a priority?



Q: Key area of opportunity looking forward 2-3 years?

Q & A

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Thank you