



**01:**  
**Deborah Barr**  
head of product  
Allan Gray Australia

# An alternative solution

Investor's expectations and needs have evolved – and so has Allan Gray.

Allan Gray has a history of doing things differently. As contrarian investors, the company thrives by not following the crowd. In 2005 the fund manager landed on Australian shores and launched its first Australian equity strategy.

What followed is close to 16 years of strong investment performance, ensuring Allan Gray's funds are a staple of some investors' portfolios.

Allan Gray is a fund manager first and foremost, but as the world battles uncertainty and the importance of growing and protecting Australians' retirement savings grows, the team at Allan Gray saw an opportunity.

"As a contrarian investor, we manage money with a long-term focus and this aligns naturally with superannuation being a person's whole of life investment," Allan Gray Australia head of product Deborah Barr says.

Allan Gray wanted to provide access to its funds in the retail super environment but at a fair price point.

"We view platforms as a commodity, as a technology solution that sits between the advice provided and the investments held," Barr explains.

"As such, while there are products out in the marketplace that sell it as premium, we think it should be priced as low as possible."

In order to create this opportunity, Allan Gray's platform solutions were developed, encompassing Allan Gray Superannuation, Retirement and Investments.

The platform was built with three core values at its foundation: access, control, and equality.

In terms of access, there are no exclusions or limitations on investors, with every investor able to access the platform's full investment menu.

This includes managed funds, ASX-listed securities, exchange-traded funds and listed investment companies, term deposits and more.

On the super side, in Allan Gray Superannuation and Allan Gray Retirement, investors can choose from more than 350 managed funds and, in Investments (the IDPS), over 750 funds. As a sub-plan of OneSuper, clients can also access group insurance underwritten by MLC Limited, including cover for death, total and permanent disability and salary continuance.

Retail insurance cover can also be accessed via the platform, Barr adds.

Touching on control, she says it's important for advisers to be able to determine their clients' investment needs based on their best interests and to have those needs priced accordingly.

As such, Allan Gray doesn't do deals and doesn't negotiate funds under management (FUM) targets; "We don't play favourites."

"We treat everyone the same and think all clients should have the same fee deals and the same access and level of control," Barr says.

Different investments are available at different price points and advisers can easily calculate a client's administration fees using its custom calculator and fee hub, both available on the Allan Gray website and both providing transparency of what a client will pay.

"We also offer competitive fees across all the products, so no matter what phase a client is in, the product construct allows a person to move across the stages of life and the fees will remain competitive," Barr says.

"Effectively, what we say to an adviser is that we price the client, not the book. That means that an adviser can know that every piece of advice is built on their best interests obligations."

In terms of other benefits, the platform itself is powered by Iress, well known for being a leader in financial advice technology. Iress also provides the operational and administrative support services. This includes online transaction and application forms, Record of Advice document capability, and a fully digitised online straight-through processing capability for advisers – no wet signature required.

"In terms of functionality, there are many things that you'd expect a platform to do, and our platform does all of those. For example, when it comes to advice fee consent, we can take an adviser's own consent form and upload it or there is a template available for advisers to use," Barr explains.

There is also a model portfolio structure template and managed accounts service available to advisers because it's no secret that managed accounts are gaining traction within Australia's advice community.

In fact, research from Rainmaker Information earlier this year found the managed account share of the wrap platform segment ballooned five-fold in the three years to 31 December 2020, growing from 10% to more than 50%.

The research also shows that separately managed accounts (SMAs) hold almost half the market, followed by managed discretionary accounts (MDAs) at 30%. And SMAs are expected to continue to dominate, with an expected growth rate that is almost 10 times faster than that of MDAs at 38%.

Underscoring this expected growth further is the fact that in the six months to June end, managed account FUM grew by \$15.8 billion to hit \$111 billion, according to the Institute of Managed Account Professionals. If that growth rate continues, the segment is esti-

mated to represent \$200 billion of the advice market, IMAP says.

As such, Allan Gray offers model portfolios from investment managers across different investment styles and asset classes. Alternatively, advisers can take even greater control and design their own.

"For groups who meet the due diligence requirements, we have the ability to create a private label SMA for their business. That might be a model portfolio of managed funds, a model of listed securities or a model of international securities," Barr says.

"And, unlike many other providers, we have a slightly different proposition when it comes to fees."

What Barr means by this is that Allan Gray doesn't charge a model portfolio establishment fee, and it also doesn't charge an additional RE fee.

"Aligned with the competitive fees we offer across the platform; we think it's important to bold the fine print and it's important for us to understand where the value comes from," she says.

And if advisers are concerned that this evolution might mean less time for them, or a change in the way they interact with the fund manager, they need not worry.

The services are all managed by the Sydney-based Allan Gray client service team; the same team advisers already deal with when it comes to the group's investment funds.

"We work hard to build deep connections with the advisers and their teams because we want to understand their businesses and we want to understand how we can best service their needs and make life more efficient and effective for them," Barr says.

"As an independent and privately owned business, we believe this platform offers an alternative for advisers and a compelling reason for them to consider using us for their next client." **FS**

OneVue Wealth Services Limited ABN 70 120 380 627, AFSL 308868 is the Responsible Entity and Operator of the IDPS which includes Allan Gray Investments. Diversa Trustees Limited ABN 49 006 421 638, RSE Licence L0000635 is the trustee of Allan Gray Superannuation and Retirement, superannuation products within OneSuper ABN 43 905 581 638, RSE R1001341. Allan Gray Investments and Allan Gray Superannuation and Retirement are promoted by Allan Gray Australia Pty Limited ABN 48 112 316 168, AFSL 298487.



## The quote

*We price the client, not the book.*



Watch the video  
on [www.fsitv.com](http://www.fsitv.com)

Brought to you by

**ALLAN GRAY**  
CONTRARIAN INVESTING