WATERSHED
Funds Management

Financial Standard:
Managed Accounts Forum 2017

The Watershed Group

Based in Collins Street Melbourne, Watershed comprises:

Watershed Dealer Services Pty Ltd – provides traditional Dealer Services on a ‘user pays’ pricing model, and

Watershed Funds Management Pty Ltd – constructs Managed Accounts for IFAs via MDA, SMA & white label solutions

In an environment where smaller independent dealer groups are rapidly being absorbed, Watershed presents a non-aligned licensee and portfolio management service to independently minded practices striving for excellence and a point of difference in their advice.

Disclaimer

This document is for the intended recipient only and is provided on the condition that you keep it confidential and do not copy or circulate it in whole or in part.

No part of this document may be reproduced without the permission of Watershed Funds Management Pty Ltd. Copyright in this document is owned by Watershed Funds Management Pty Ltd.

© Watershed Funds Management Pty Ltd ABN 11 166 324 858 AFSL 436357. All rights reserved.

This information has been provided for use by Business and Professional Investors only and is not for distribution to the general public.

This presentation provides general information only and does not take into account the investment objectives, financial circumstances or needs of any person. To the maximum extent permitted by law, Watershed Funds Management Pty Ltd, its director and employees accept no liability for any loss or damage incurred as a result of any action taken or not taken on the basis of the information contained in the report or any omissions or errors within it. Before making an investment decision you should consider the latest Product Disclosure Statement or Financial Services Guide and assess whether the product and / or services is appropriate for you. It is advisable that you obtain professional independent financial, legal and taxation advice before making any financial investment decision. Watershed Funds Management does not guarantee the repayment of capital, the payment of income, or the performance of its investments. Performance of the Watershed Funds Management SMA's is based on theoretical portfolio tracking of the model portfolio and is gross of investment management & administration fees, but net of transaction costs. Quoted performance is annualised for periods of 1 year or greater.

Are Managed Accounts just another product?

Or

Can a Managed Account Solution deliver better outcomes for Your Clients and Your Practice?

That Depends on the Solution

Start with a Blank Piece of Paper

What are you trying to achieve?

More efficient management of direct assets (shares)

Ability to manage fund / investment exposure more efficiently

Ability to deliver more active or tactical asset allocation

Consistency across client portfolios, performance and communication

Or simply to drive down cost

Our goal is to provide a Tailored, Transparent, Efficient & Scalable Portfolio Management Solutions to Planners

The Holy Grail

The Managed Accounts technology revolution

IMAs

SMAs

Model of Models

Solution: MDA or IDPS

Either MDA structure across the whole portfolio or IDPS solution with appointed Investment Manager

Watershed **MDA AFSL** Agreement or **IDPS**

Administration **Platform**

Advisor service fee

Non Model Holdings
Cash
Deposits
Direct Property
Other

Model Portfolios
SMAs
Funds
Adviser Model
Other

The process

Work out what you want to deliver

Work out what you do well and where to bring in expertise

Choose the right technology partner

Build a structure that can evolve over time

Product or service…

Thank you for your time today, and feel free to call or connect with us.

watershedgroup.com.au
+61 (03) 9614 8899
contact@watershedgroup.com.au

How to Choose the Right Managed Account Solutions for your Advice Business

TIM TOWNSEND - PARTNER & PRIVATE WEALTH ADVISER

TOWNSENDCOBAIN - PRIVATE WEALTH PARTNERS

Determining Your Process

"If you fail to plan, you are planning to fail!"

– Benjamin Franklin

- Articulating your Investment Philosophy
  - Current - Reconfirm or refresh
  - If you don't have one? - Develop and document
- Establishing your service requirements
  - **If you don't know what you want you'll probably get sold what you don't need**.
- Selecting an Administration Platform
  - Simplified process due to understanding of needs

Why?

- Embracing modern efficiencies
- Maximising cost controls
- Adjusting revenue sharing
- Are you spending your days working on the "right" things?
- Understand your service offer
- **Understanding what your seeking/need helps to avoid ending up in the wrong place.**

Private Wealth Partners

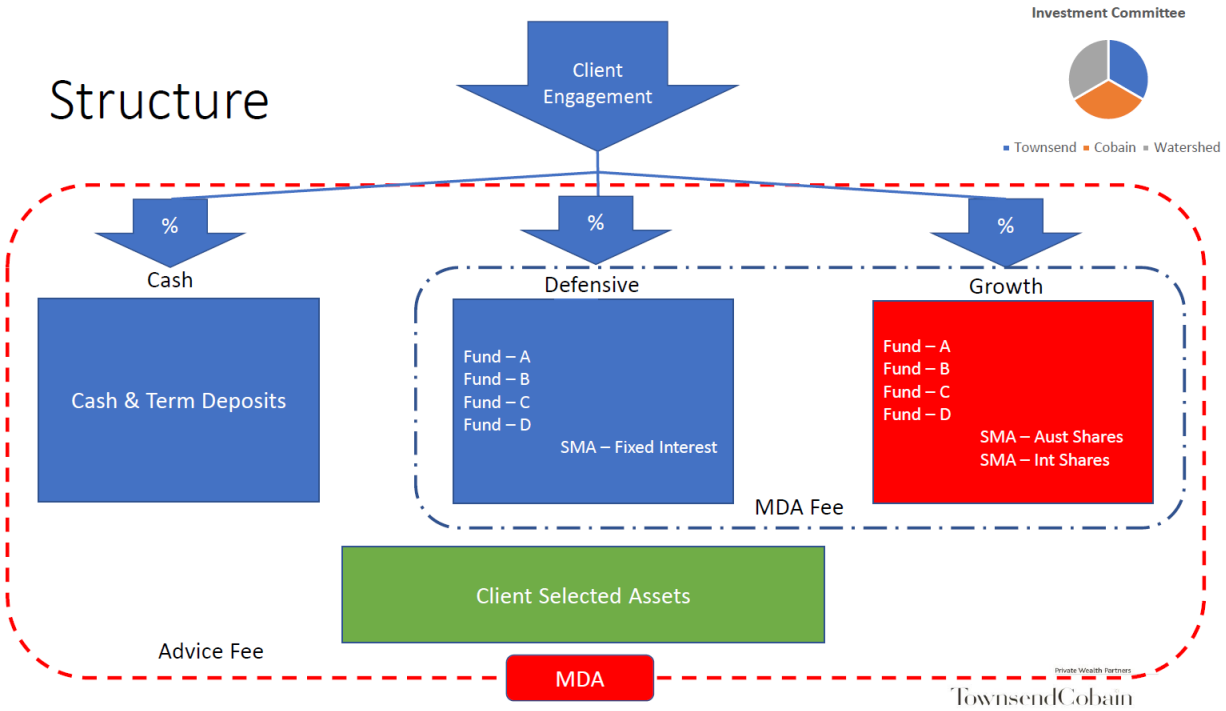
TownsendCobain

The Options?

- Investigation & Research
- Identify potential partners
  - MDA Operator
  - SMA Management
  - Investment Committee
  - Research
- The Importance of your **Philosophy**
  - You probably have one even if you've never written it down
- Evolution not Revolution
  - We are always learning and should be evolving to reflect this.
  - Clients want to see us developing & progressing.

Where We Settled & Why?

- MDA not SMA
  - Service not product
- How to be direct but not.
  - Separately Managed Accounts (SMA)
- Choosing a Platform Solution
  - **What do you want administered?**
  - Develop a detailed summary
  - Select potential providers
  - Forward Detailed Summary
  - Arrange discussion & negotiation meetings.



Our Solution

- Found a Suitable Investment Partner
  - Watershed
  - Zenith
- Found a Suitable MDA Licence holder & SMA Provider
  - Watershed
- Finding a Suitable Administration Platform
  - **ONE** of Three
- TownsendCobain maintains control – **THAT'S OUR JOB**.
  - TownsendCobain represents the client
  - All parties will be removable
  - Client has flexibility
  - Plan the exit