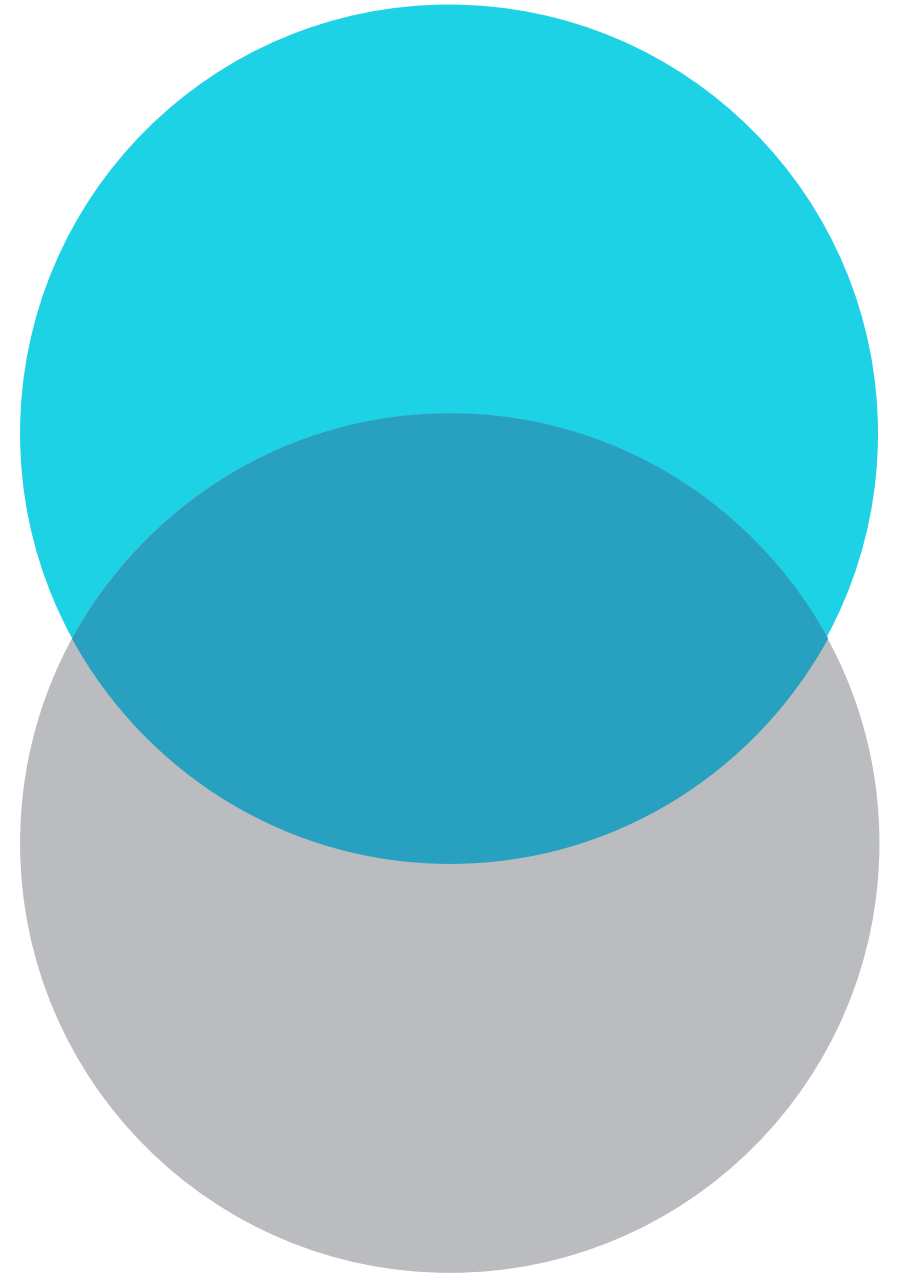
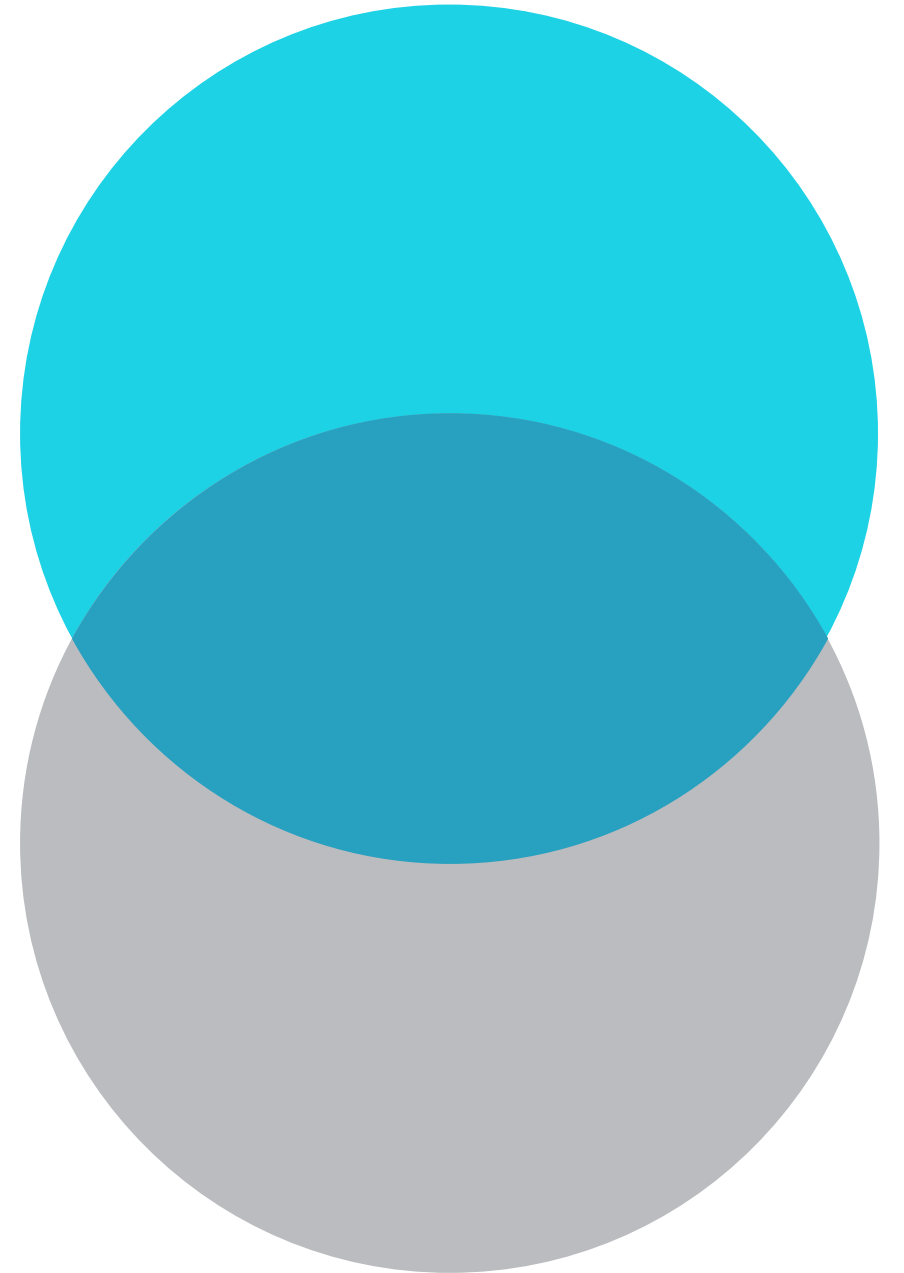


REGIONAL MANAGER SESSIONS



- 1. WHAT IF WORKSHOP?**
- 2. 10 STEPS TO M&A**



CENTREPOINT
ALLIANCE

WHAT IF?

Dave Reynolds

20th March















Setting the scene

Workshop conversation

Feedback to the room

Centrepoint has performed strongly over the last two years relative to peers and is now the number 3 licensee in the market based on adviser rankings

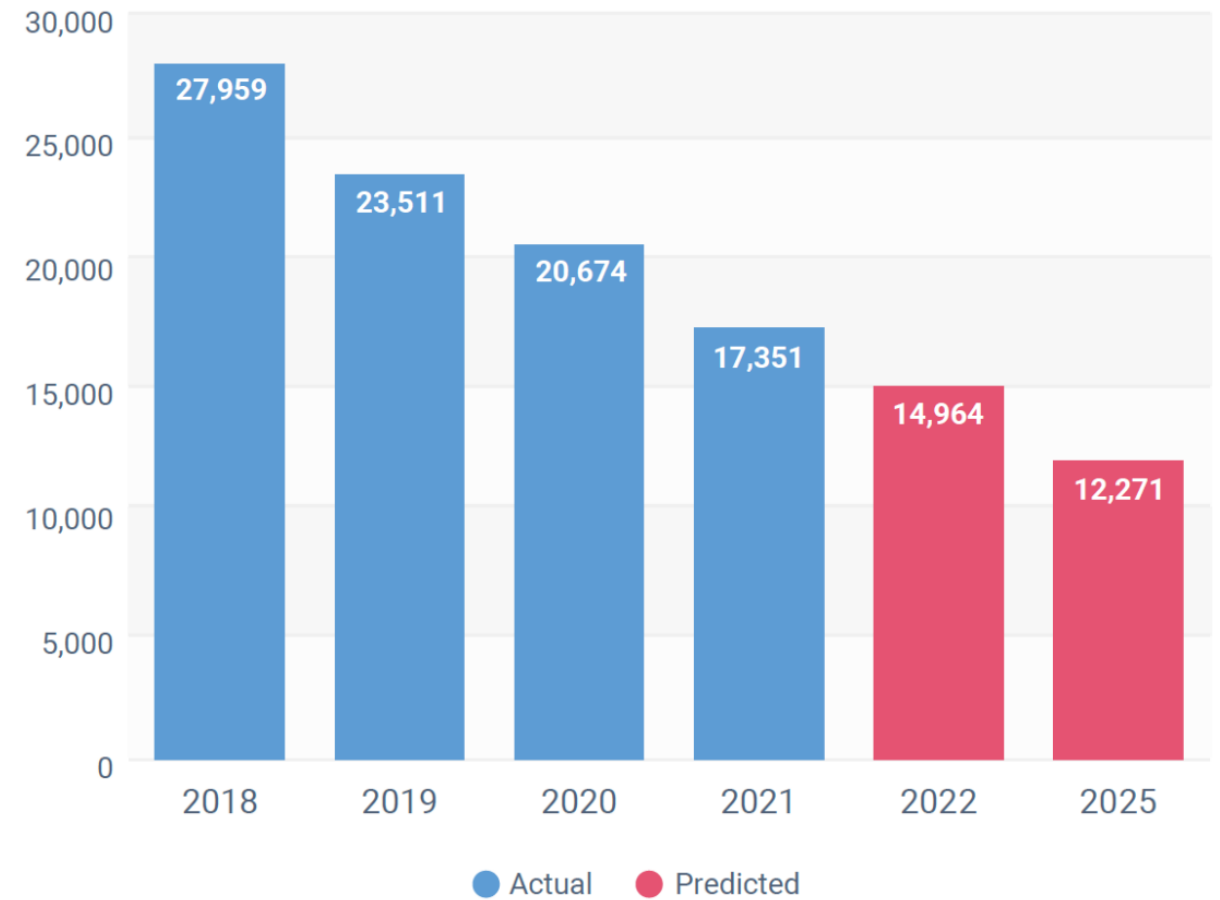
Changes in advisers numbers by Licensee 1/1/2021 to 31/12/2022

Rank	Licensee Group	Number of ARs*	Appointments	Resignations	Net change
1	 Insignia Financial	1,073	198	941	-743
2	 AMP	931	148	722	-574
3	 CENTREPOINT ALLIANCE	514	199	183	16
4	 wealthtoday	468	103	377	-274
5	 diverger	402	85	335	-250
6	 sequoia	317	103	175	-72
7	 CountPlus	280	148	107	41
8	 Lifespan	257	91	102	-11
9	 Capstone	257	77	81	-4
10	 FORTNUM	223	82	77	5

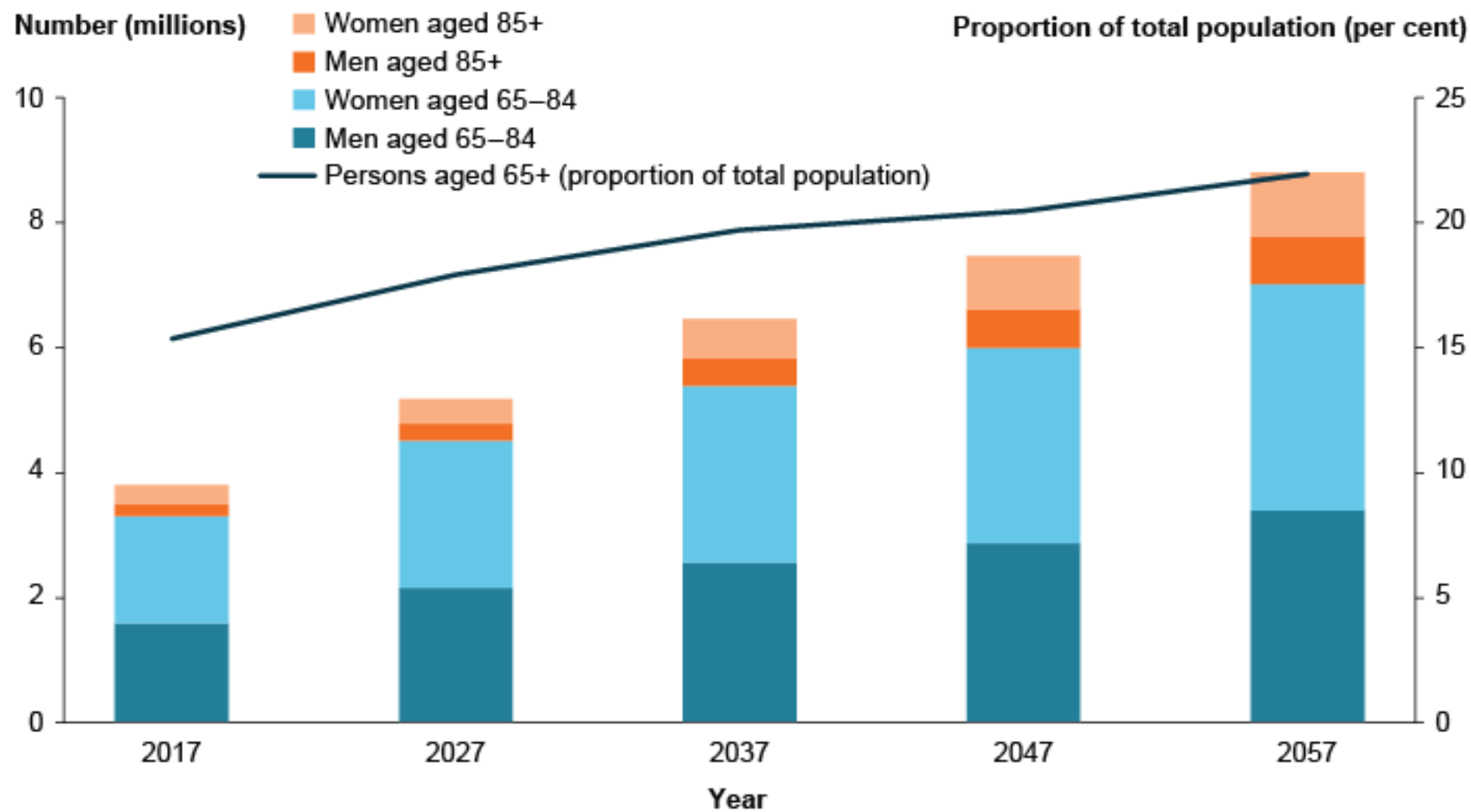
* Authorised Representatives

Source: Wealthdata. Note appointments and resignations of ARs of entities purchased by the Licensee Group during the period are included in the statistics.

Forecast adviser numbers



Number and proportion of the population aged 65 and over, by age group and sex, 30 June 2017, 2027, 2037, 2047 and 2057



The average Australian adviser

Demographics

51 YEAR-OLD MALE FROM INNER MELBOURNE



\$135,000
ANNUAL SALARY



My Practice

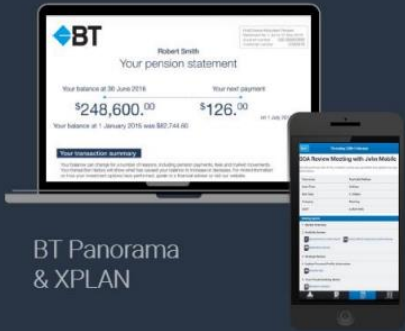


<10 ADVISERS

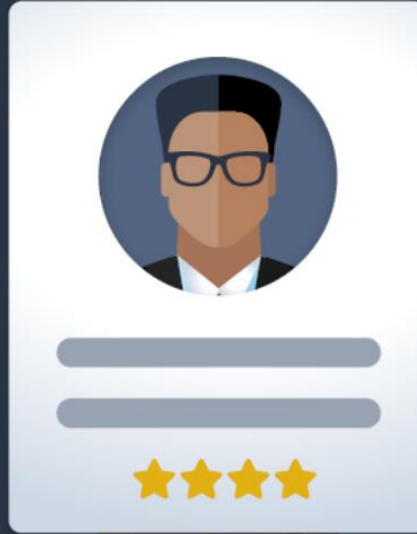
PRIVATELY OWNED
LICENSEE

\$200M FUA
PRACTICE SIZE

Software & Platforms



BT Panorama
& XPLAN



Client Base



27 ONCE-OFF CLIENTS
88 RECURRING CLIENTS

INSURED BY **TAL**

Client Type



60
AVERAGE AGE
\$4,000
ANNUAL FEE

Research & Investment

I MOSTLY USE MODEL PORTFOLIOS AND LISTED INVESTMENTS

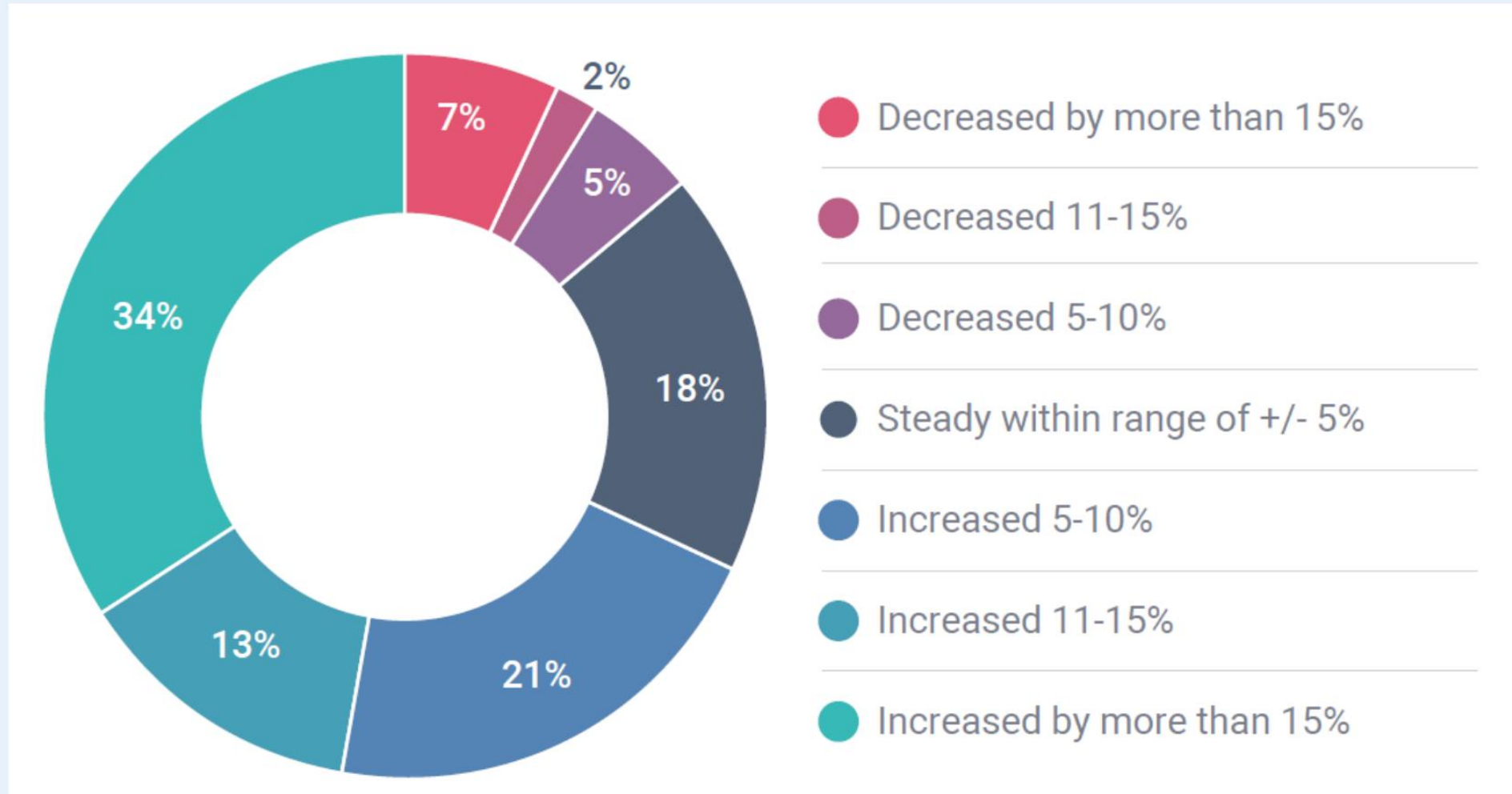


Lonsec INVESTMENT CONSULTANT

Source: ARdata

Adviser Ratings: Australian Financial Adviser Landscape Report 2022

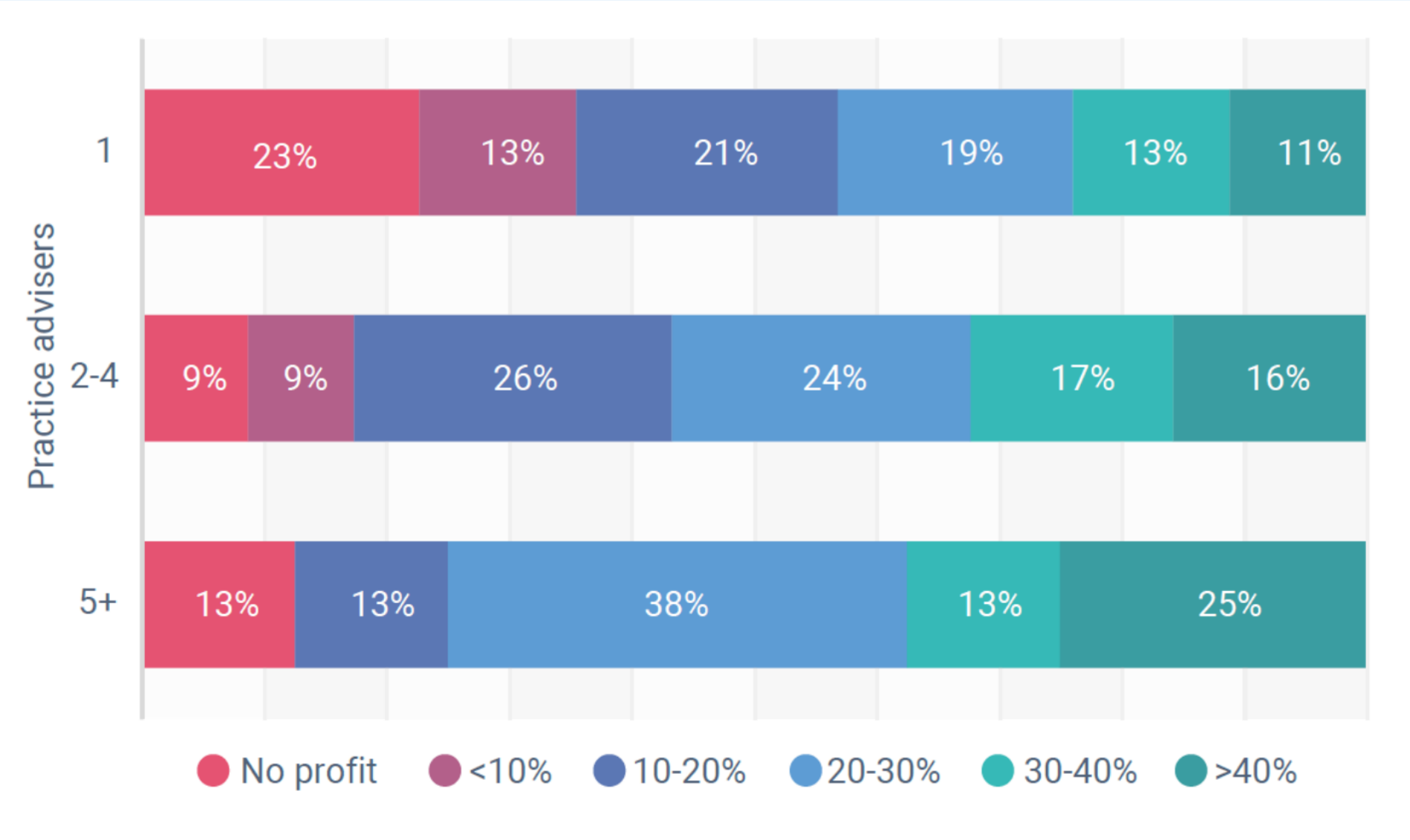
Business revenue change – last 12 months



Average number of clients per adviser



Profitability based on number of advisers



SO WHAT DOES THIS MEAN

1. Decrease in adviser numbers continuing
2. Need for advice will continue to increase
3. The traditional advice shops (Big 4 and AMP) are gone

Feedback from Peer groups are telling us

1. Practices have good opportunities for growth, albeit against increasing operating costs and complexity
2. Firms are having difficulty sourcing roles due to low unemployment and changed employee working patterns
3. The need for good technology has never been stronger

WORKSHOP ACTIVITY

The activity;

A table discussion on how you are navigating the following the challenges, focussing on what you have learnt, what you would do differently and where you have had a win.

The topics;

Growth

Resourcing vs. Outsourcing

Technology

Please select a scribe and a spokesperson, discuss on your tables and prepare to feedback to the room your top three takeouts.

GROWTH

What are you doing to manage growth in your practice?

What opportunities do you see?

How are you managing new business versus servicing?

With increasing running costs, what alternative revenue sources have you considered, such as lending?

What tools/technology/process improvements have you need to make?

Have you bought a business recently , what have you learnt? How have you integrated this?

Is your business clear on the clients they want, the value proposition and the fee structure?

How far do you need to refine your client base?

What changes have you seen in the product space and what benefit have you felt in your business?

RESOURCING VS OUTSOURCING

Are you recruiting, and if so what challenges have you faced, and have you overcome them?

What are the key ingredients to retaining staff?

How have you managed resourcing post covid?

If you outsource, what are your experiences and what have you learned?

How have you integrated your VA into your firm?

What happens if your VA changes?

TECHNOLOGY

What is working for you?

How are you using Xplan/Compass/CWT- top tips

What Xplan plug ins are you using, considering and what is the benefit?

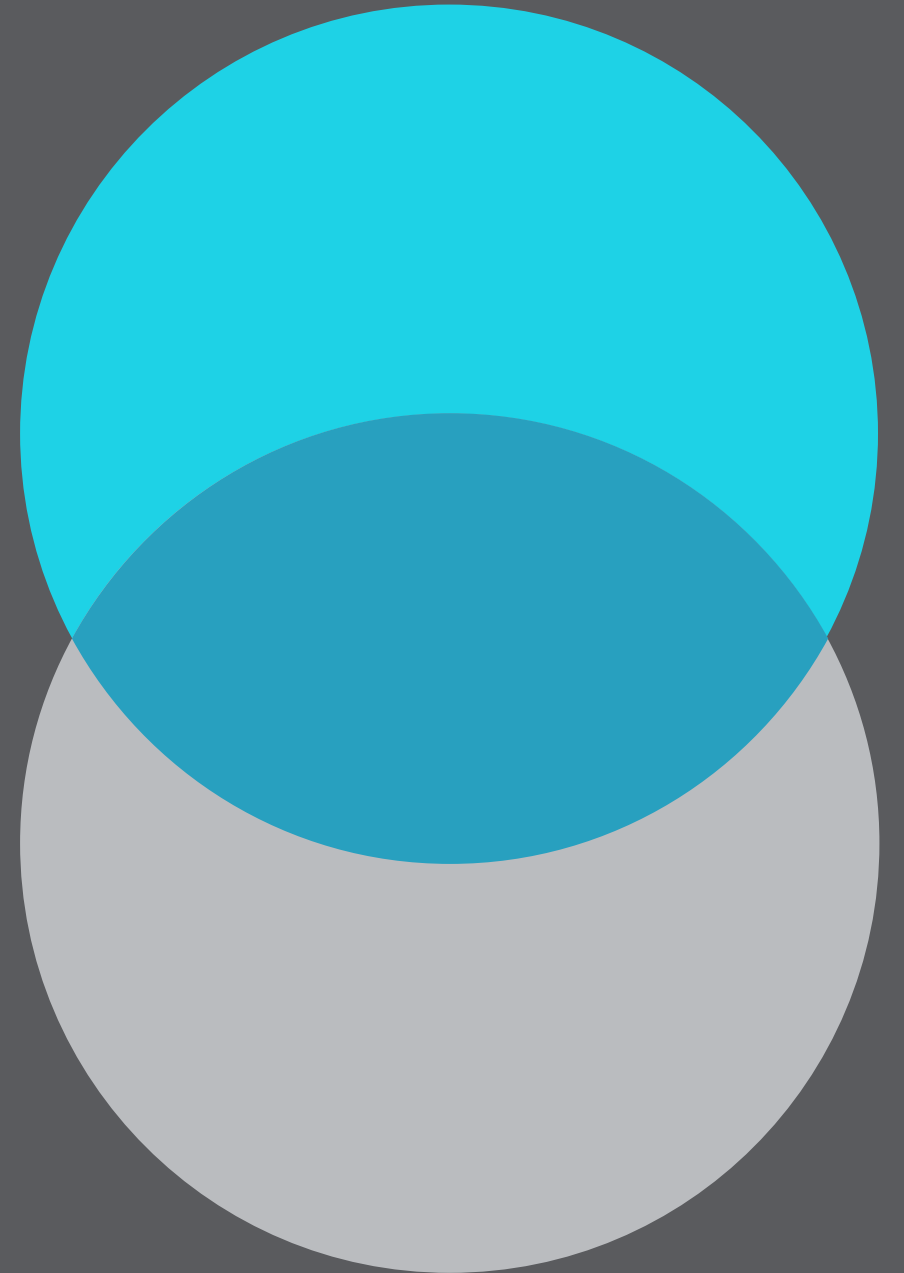
How are you running your CRM?

What if you don't use xplan?

How are products platform supporting efficiency through technology?

THANK YOU

Questions





10 STEPS IN MERGERS & ACQUISITIONS FOR BUYERS AND SELLER

By David Reynolds & Peter Truong

March Masterclass



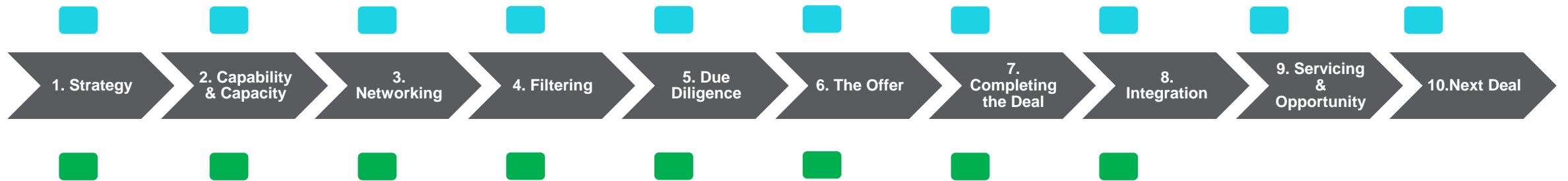
CONTENTS

1. What is your strategy?
2. Your capability & capacity.
3. Network
4. Filtering
5. Due Diligences
6. The Offer
7. Completing the Deal
8. Integration
9. Servicing & Opportunities
10. Next Deal



10 STEPS OF MERGERS & ACQUISITION

Buyer Strategy



Seller Strategy

1. WHAT IS YOUR STRATEGY

Buyer Strategy

- Aggressive Growth Strategy
- Repositioning Strategy
- Access to Client Base
- Scale
- Efficiency & Technology

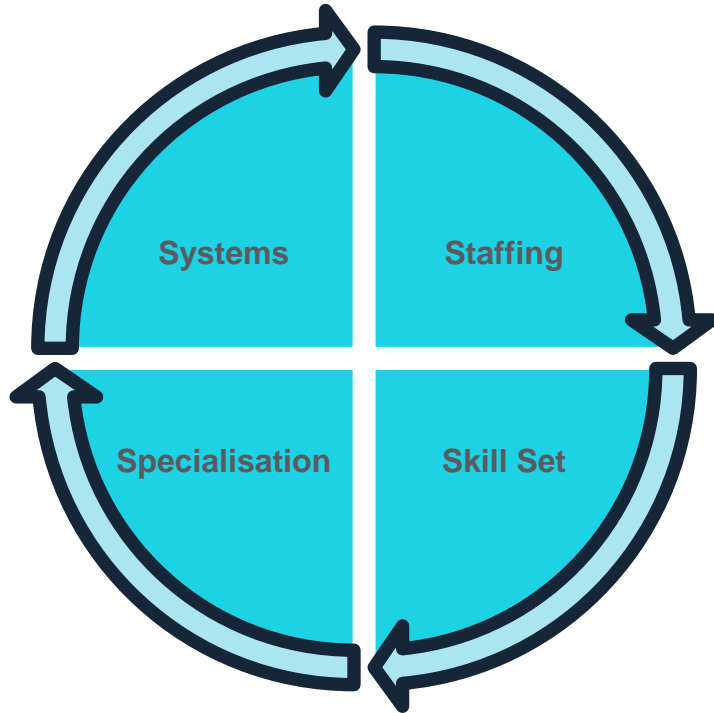
Seller Strategy

- Consolidation of Book
- Succession Planning
- Scale & Cost Saving
- Retirement
- Changing Roles – Salary AR

2. CAPABILITY & CAPACITY

Buyer Capability & Capacity

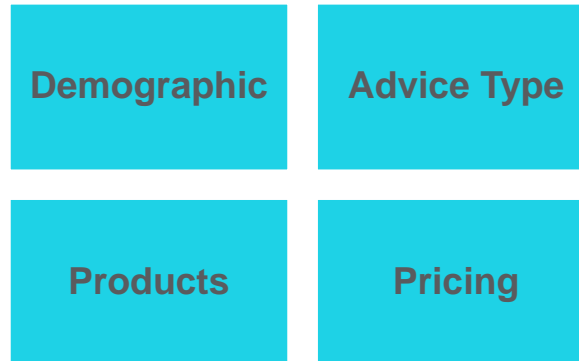
Capability



Processes & Bottlenecks



Service Offering



Resource List

Resource Needed	Task to Fulfilled	Tools Needed	When Capacity is at X	Estimated Cost

Ideal Book Purchase

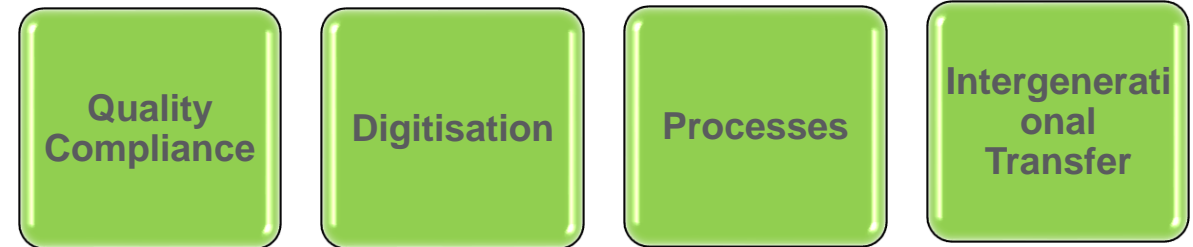
2. CAPABILITY & CAPACITY

Seller Preparation

Seller Consideration



Maximising Sale Price



Preparing a Data Pack

1. Summary Information
2. Detailed Data Pack
3. Licensee off-boarding Requirements.
4. Time is the essence.

**These Things
maximises your sale
price.**

3. NETWORKING



4. FILTERING THE NOISE

Buyer

Have your Buyer criteria's ready.

For every 100 opportunities there maybe less than 5% that is suitable for a buyer or seller



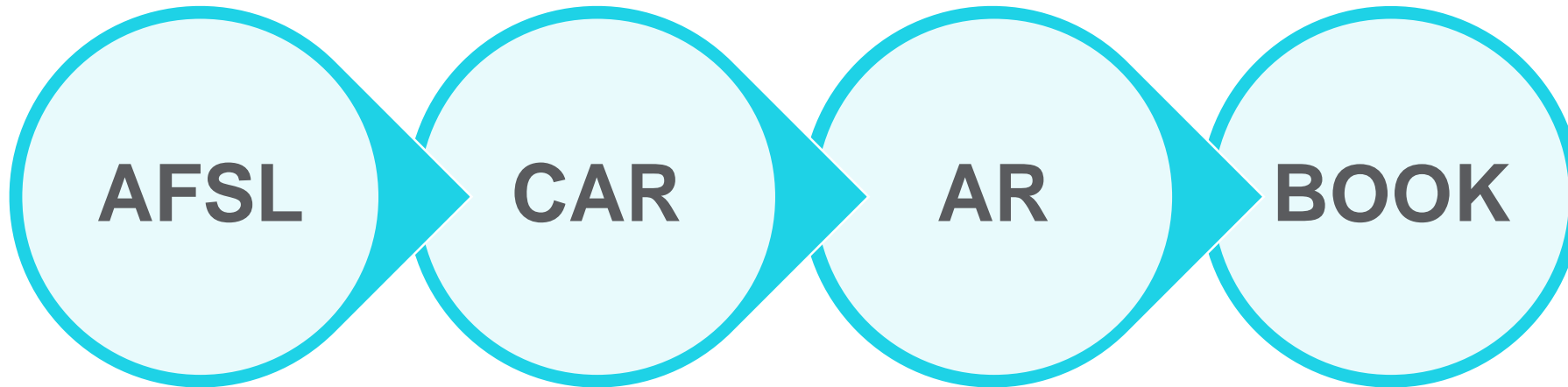
Seller

Have your Seller criteria's ready.

90% Match

5. DUE DILIGENCE

Buyer



Seller

Things to Consider

- List of all clients & active revenue.
- Past Audit Reports
- Random Audits 5-6 files
- Verifying Raw Data
- Demographics of Book
- Geographical Location
- Product Provider
- No. of ongoing clients
- Service Package
- Pricing Structure
- OGS commitments
- Last updated
ROA/SOA/Fact find
- Investment Philosophy
- Where are the opportunities?

6. THE OFFER – STRUCTURING THE OFFER

Win Win Scenario for both Parties

What multiples

Payback Period

Settlement Date

Structure of the Offer

Transition
Period/Service

Migration Process

Duration of the Term

Financing Cost

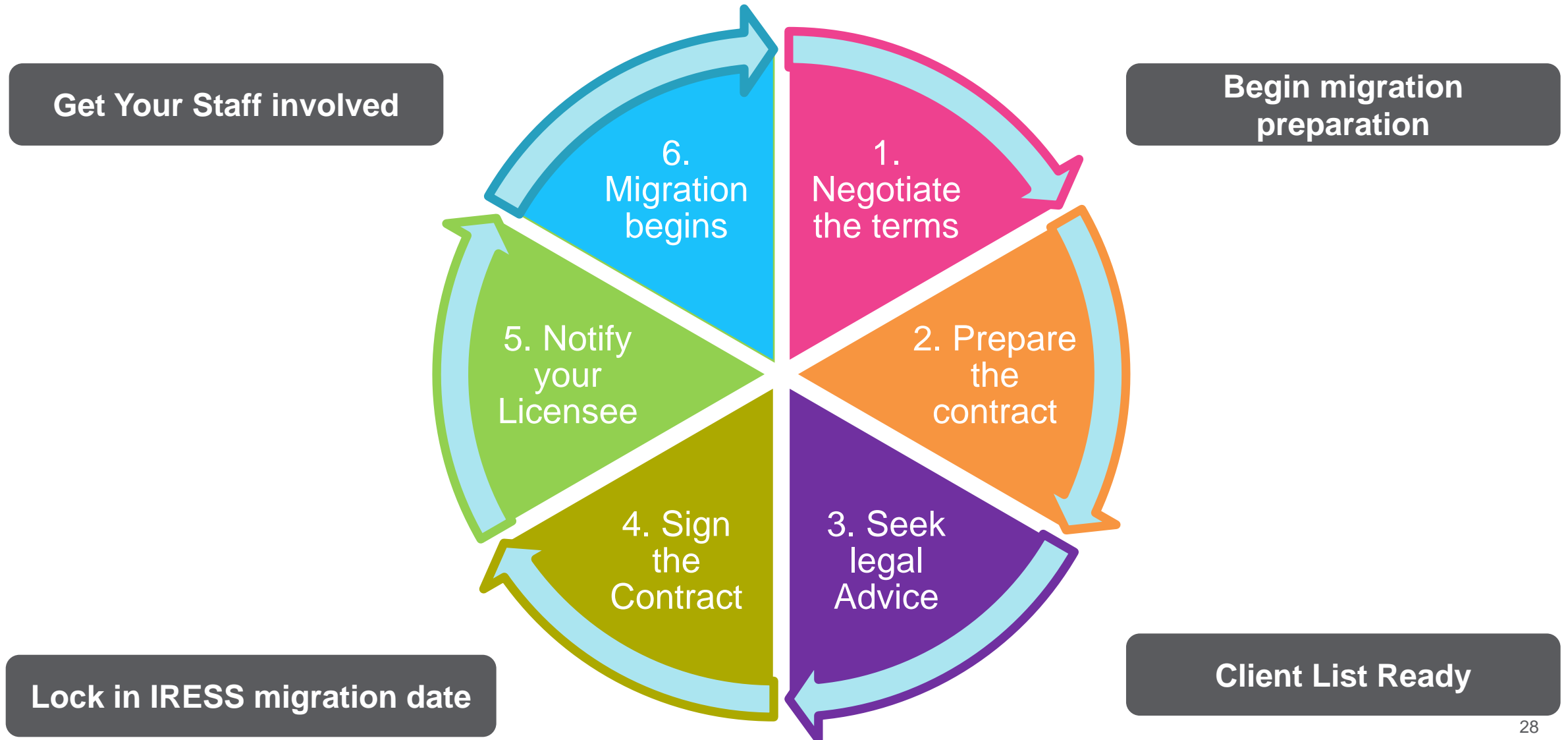
Salary

The claw back

Run off-Cover

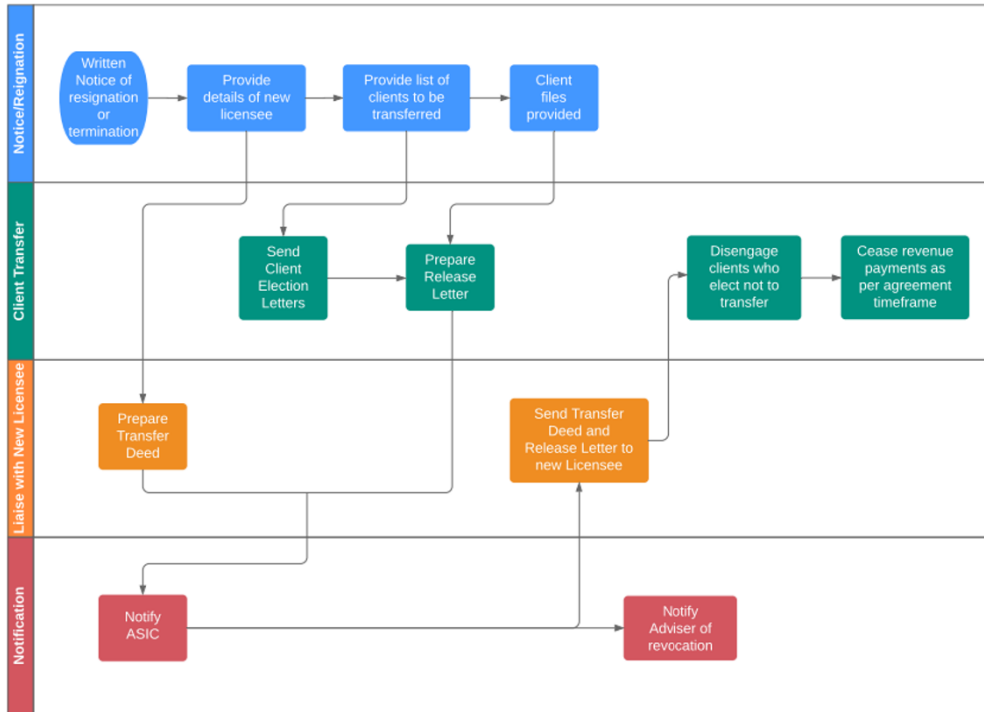
Salary - KPIs

7. COMPLETING THE DEAL



8. INTEGRATION OF BUSINESS

Off-Boarding Procedures



Client Integration

<p>2. Current adviser of a Centrepoint licensee acquires a book of clients (from an adviser with another AFSL)</p>	<p>Within 3 months of acquisition</p> <p>Include:</p> <ul style="list-style-type: none"> - details of the new adviser and licensee and a privacy notification - advise that reviews will continue as scheduled, but with an offer of an earlier review. 	<p>Provide the review:</p> <ul style="list-style-type: none"> - at the client's next scheduled review date as per existing ongoing service arrangements; or - earlier than scheduled if requested by the client. <p>Prioritise clients with higher risk strategies or products.</p> <p>Obtain client consent as required under the Code of Ethics.</p>	<p>CDF</p> <p>Confirm and update client information. A reverse fact find is suitable. [A previous licensee fact find that is updated is acceptable if accompanied by a Centrepoint Privacy declaration, but not best practice.]</p> <p>Risk Profile</p> <p>Complete a Centrepoint risk profile. Centrepoint's risk profiles and SAA may differ from the previous licensee. If the client objects, the adviser may align the current risk profile to the closest match with the client's agreement (documented on the Centrepoint RPQ)</p>	<p>SoA</p>
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Off-boarding

Data Migration

Client Contact

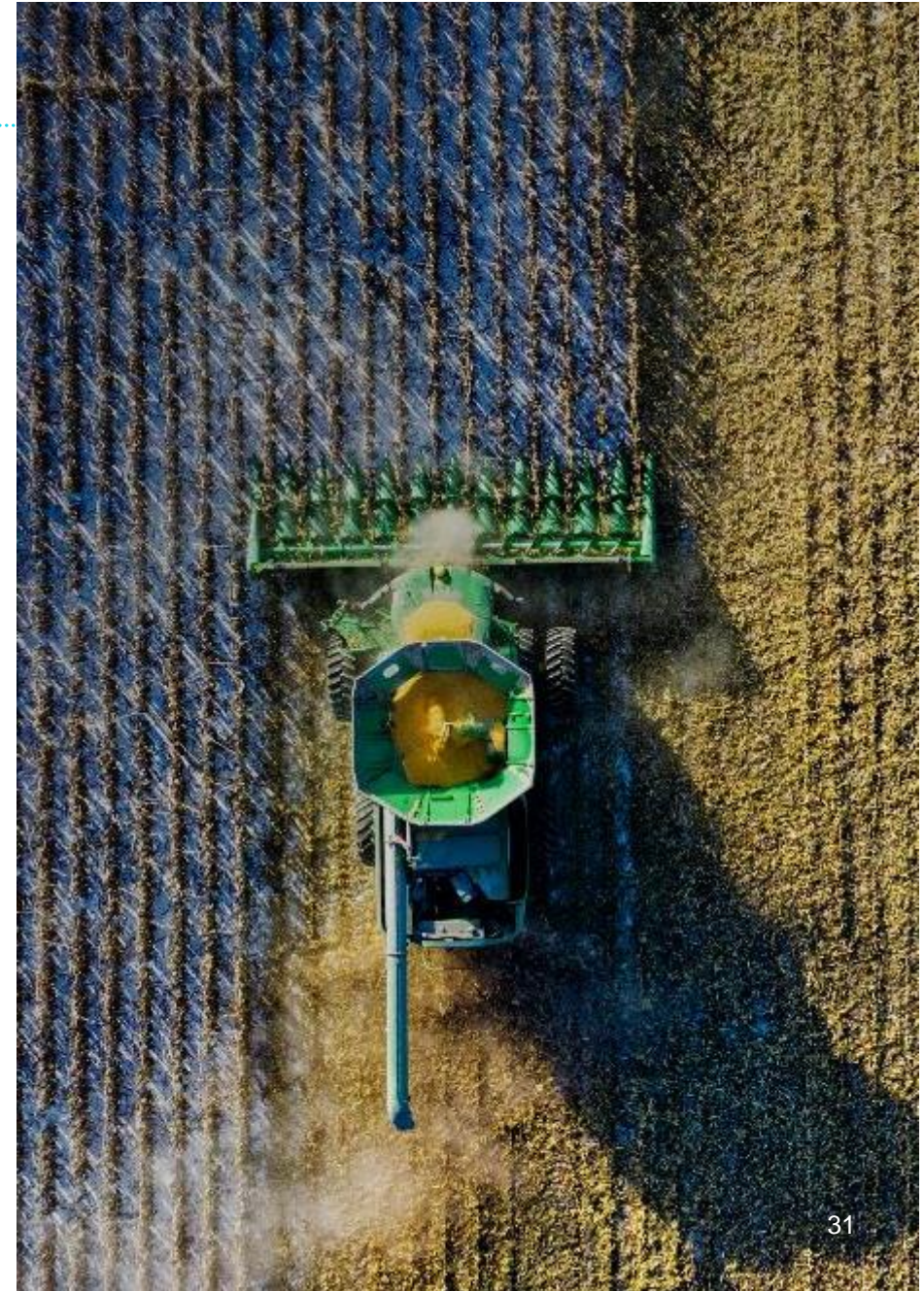
9. SERVICING & OPPORTUNITIES

- Have a process in place to service the clients.
- Have a monitoring system in place to manage review and transition.
- Separate and Isolate the clients to give you accurate revenue management and conversion rate.
- Opportunities – Can you bring services in house instead of outsourcing, such as mortgages.
- Opportunities to referrals from new clients.
- Opportunities – centralise back offices to lower cost and improve bottom line.
- Opportunities – Increase fees, services and network.

Review Report Update																	
No. of Client	Client ID	Client Name	Last Review	Days Since Last Review	Presentation Date	Type of Review	Step 1. Review Meeting Booked	Step 2. Collect Data & File Preparation	Step 3. Adviser Review	Step 4. Client Review Meeting	Step 5. Implementation	Step 6. Preparation of Advice Document ROA/SOA	Step 7. Confirmation upload and close file	Completed Date	FDS	Opt-In	Consent Form
1	8888-8888	Mr & Mrs Sample only	30/12/2021	30/12/2021	30/12/2021	Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	29/12/2022	30/12/2022	31/12/2022	Completed
1						Select Review Type	Completed	Incomplete	Select Status	Select Status	Select Status	Select Status	Select Status				
2						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
3						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
4						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
5						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
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10						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
11						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
12						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
13						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
14						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
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17						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
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21						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
22						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				
22						Select Review Type	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status	Select Status				

10. NEXT DEAL

- Manage and monitor the execution
- Learn and obtain feedback from staff on what worked and not worked.
- How can you do things differently next time.
- Always look for continues improvement.
- Standardise and cement the process.
- Ensure that your cashflow and client retention remains high.
- Look for the next opportunity.
- Seller can relax and take a vacation.



THANK YOU

Questions

