



Wraps and Platforms in the Post-RDR World

THE PLATFORM

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Wraps and platforms in the post RDR world

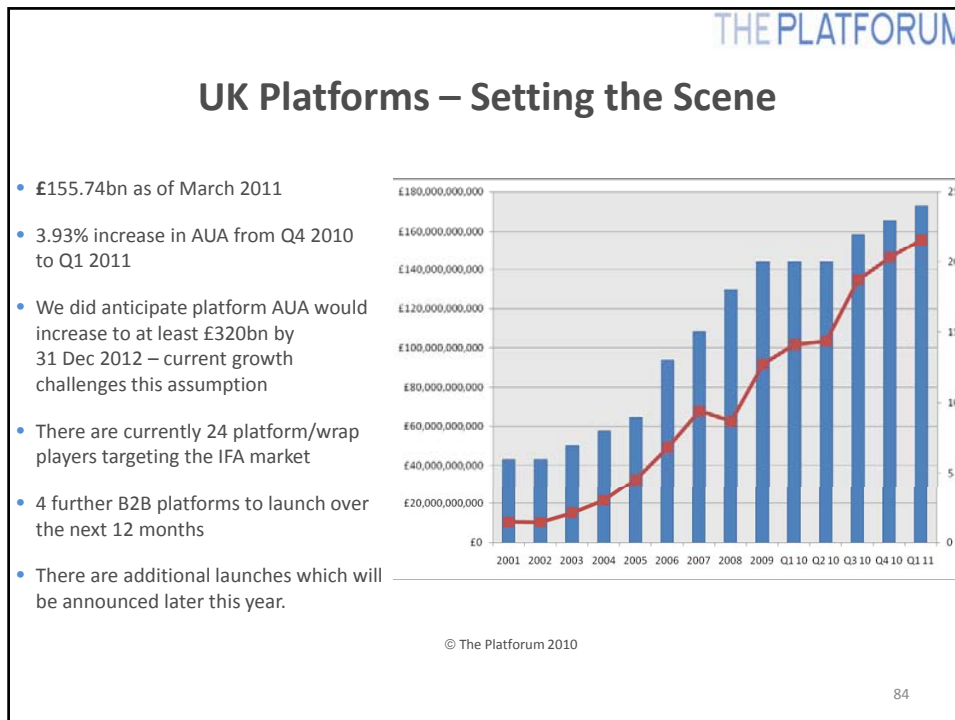
Holly Mackay, MD, The Platform

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Today



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Current IFA platform providers

- 24 platforms today






























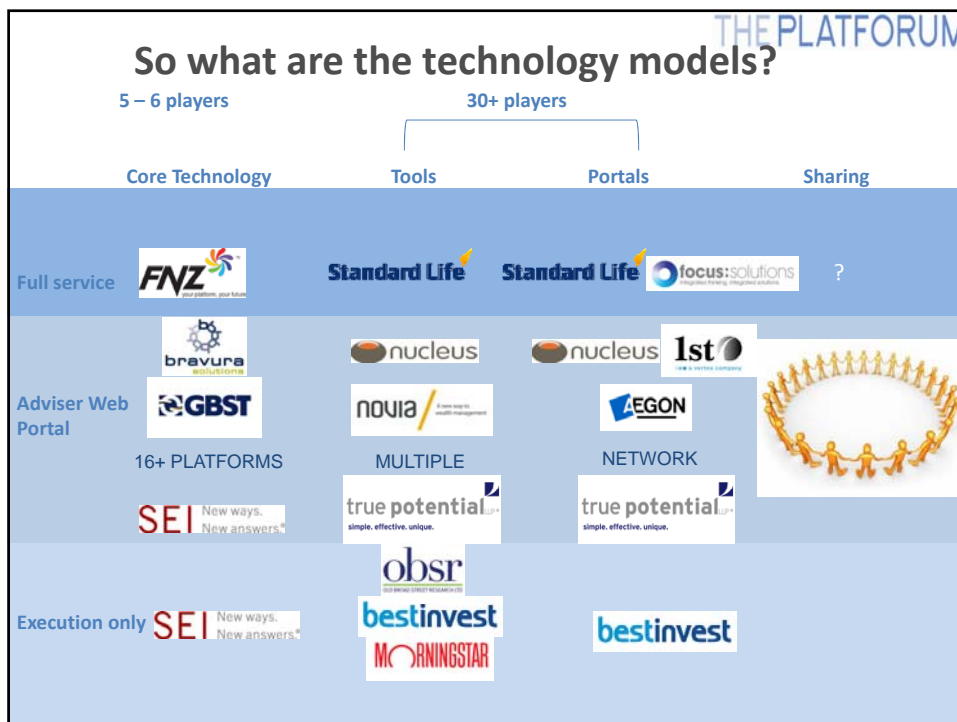
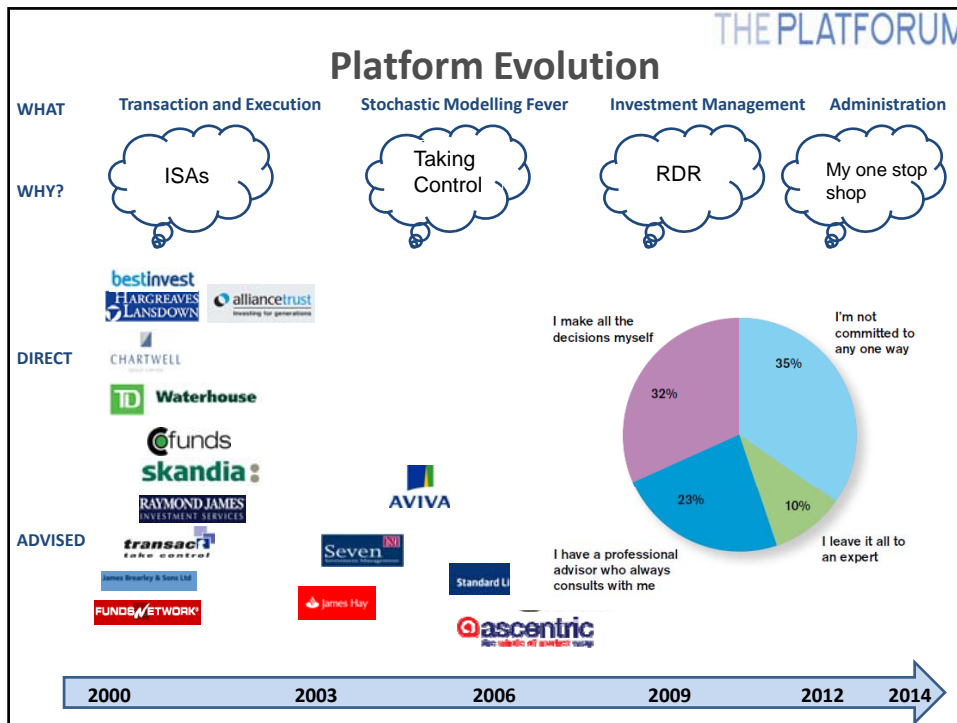



- With 4 more confirmed future entrants



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The Future

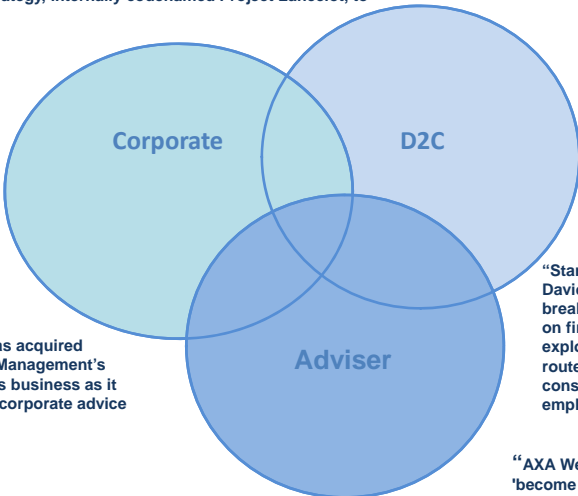


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The future platform market

“Barclays has launched a revamped execution-only funds supermarket as part of a wider strategy, internally codenamed Project Lancelot, to drive more of its business onto platforms.”

“Close estimated that it would spend up to £20 million on the proposition which will include financial planning and discretionary services and a telephone-based service for self-directed clients.”



“Helm Godfrey has acquired Truestone Asset Management’s employee benefits business as it expands into the corporate advice market”

“Standard Life chief executive David Nish says he is looking to break the insurer’s dependence on financial advisers by exploring other distribution routes, including direct to consumer and through employers.”

John Deacon says: “The combined business allows us to provide a truly holistic service to our clients and their employees confirming the absolute necessity for advice in the workplace.”

“AXA Wealth plans to help advisers ‘become a Hargreaves Lansdown’ by allowing them to white label a direct to consumer platform the life company is producing”

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How things are shaping up

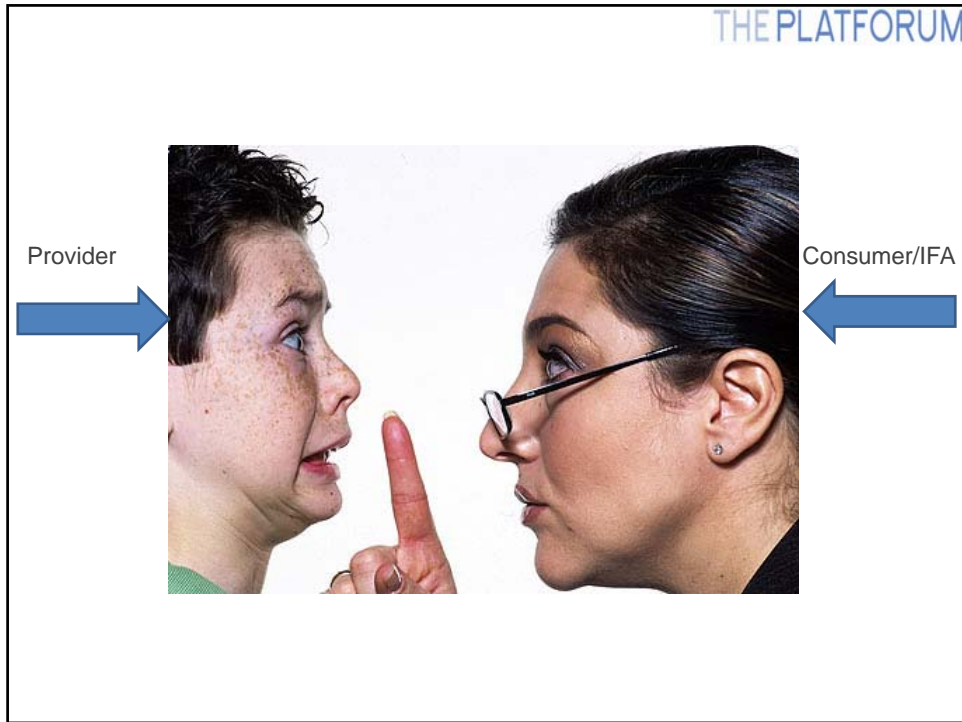
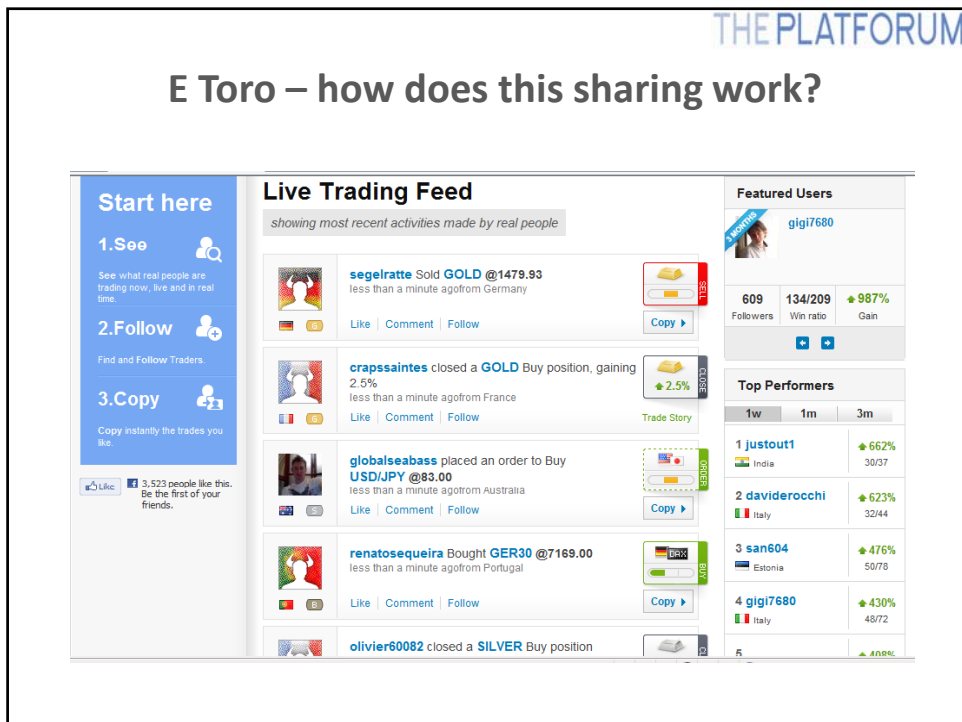
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We talked about the importance of sharing

5 – 6 players 30+ players

	Core Technology	Tools	Portals	Sharing
Full service	FNZ	Standard Life	Standard Life	focus:solutions
Adviser Web Portal	bravura	nucleus	nucleus	1st
	16+ PLATFORMS	MULTIPLE	NETWORK	
	SEI	true potential	true potential	
Execution only	SEI	obsr	bestinvest	bestinvest

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The screenshot is titled "E Toro – how does this sharing work?" and "THE PLATFORM" in the top right corner. It shows the "Live Trading Feed" section of the Etoro website. On the left, there is a "Start here" sidebar with three steps: "1. See", "2. Follow", and "3. Copy". The main feed displays several trading activities with user avatars, names, and trade details. On the right, there are sections for "Featured Users" and "Top Performers".

User	Action	Asset	Price	Time	Gain/Loss	
segelratte	Sold	GOLD	@1479.93	less than a minute ago	Germany	
crappssaintes	closed a	GOLD	Buy position, gaining	2.5%	less than a minute ago	France
globalseabass	placed an order to Buy	USDJPY	@83.00	less than a minute ago	Australia	
renatosequeira	Bought	GER30	@7169.00	less than a minute ago	Portugal	
olivier60082	closed a	SILVER	Buy position			

User	Followers	Win ratio	Gain
gigi7680	609	134/209	987%

Rank	User	Country	1w	1m	3m
1	justout1	India	662%	30/37	
2	davidrocchi	Italy	623%	32/44	
3	san604	Estonia	476%	50/78	
4	gigi7680	Italy	430%	48/72	

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What else do advisers tell us?

- Integration – back office software
- Integration – our own tools
- Investments – model portfolios and DFMs
- A mass-market solution
- Low-cost
- People and service

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Have platforms been over-engineered?

“There’s a constant drive for platforms to differentiate and develop new features. [This isn’t really of any value to me](#). What we want is a good range of funds, access to everything in one place, flexibility and the ability to manage portfolios.”



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The past



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Just imagine.....



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Conclusions (questions?)

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All that glitters is not gold

- The problem with technology is that it confuses and clutters.....
- Just because we CAN do something, doesn't mean that our customers want it.
- It's all been about toys for providers....now it's toys for customers.



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“New Model Adviser”

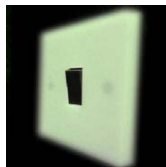
- 1645 – founded by Parliamentarians in the English Civil War. Ultimately, the Army’s Generals could rely on both the Army’s internal discipline and its religious zeal and innate support for the “Good Old Cause” to maintain an essentially dictatorial rule
- What’s wrong with the Old Model Adviser?..... When Old applies to traditional values and not opaque charging models....
- Is there a better model? Or just different models?



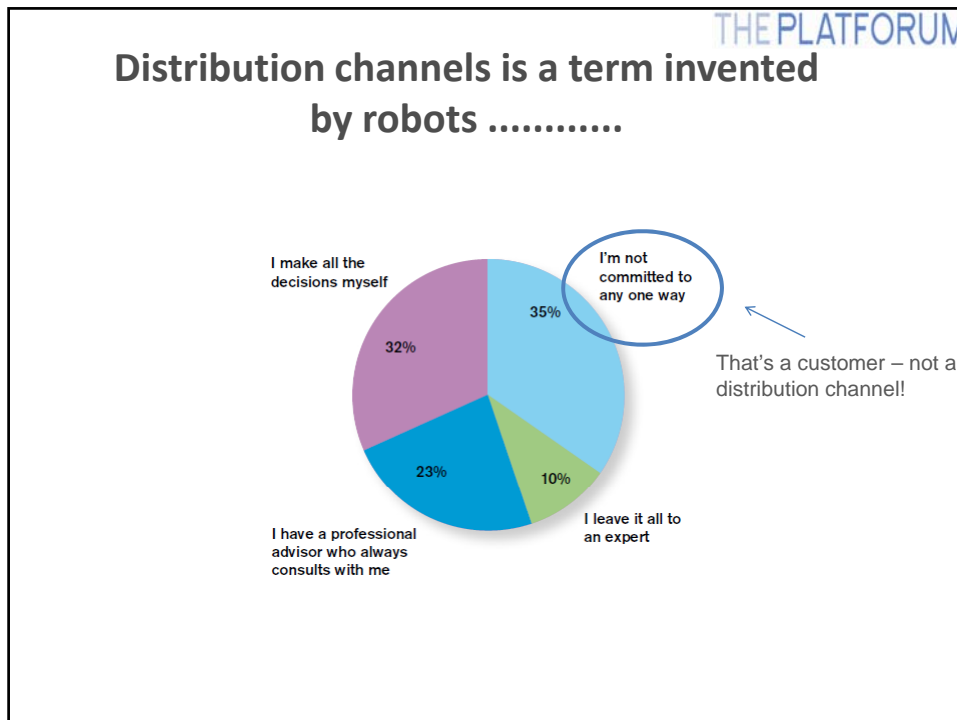
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Have we lost sight of our purpose?

- Are platforms all just a load of hoopla and actually are they over-rated execution, transaction and valuation engines?
- Have we lost sight of our purpose and is technology partly to blame?



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Platforms are not the preserve of the wealthy

“Holistic planners can’t always be covered by platforms. Advisers with wealthy clients will have to recommend products and solutions not covered by platforms, whereas the middle market are more driven by keeping administrative costs down”



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Are new technologies doing what people have failed to and making our industry more 'female'??






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So....Predictions

- D2C platforms :
 - Sep 2010 - £65bn
 - Sep 2011 - £85bn
- Adviser platforms:
 - Mar 2011 - £156bn
 - Mar 2013 - £300bn+
- More of:
 - ✓ Distributor-brand platforms
 - ✓ Adviser software focus platforms
 - ✓ SIPP providers at the hub
 - ✓ Low-cost transactional adviser models
 - ✓ Full-service adviser models
- Corporate platforms:
 - ✓ Negligible today
 - ✓ Could dwarf adviser platforms in 5 years time





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Thanks and any questions?

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