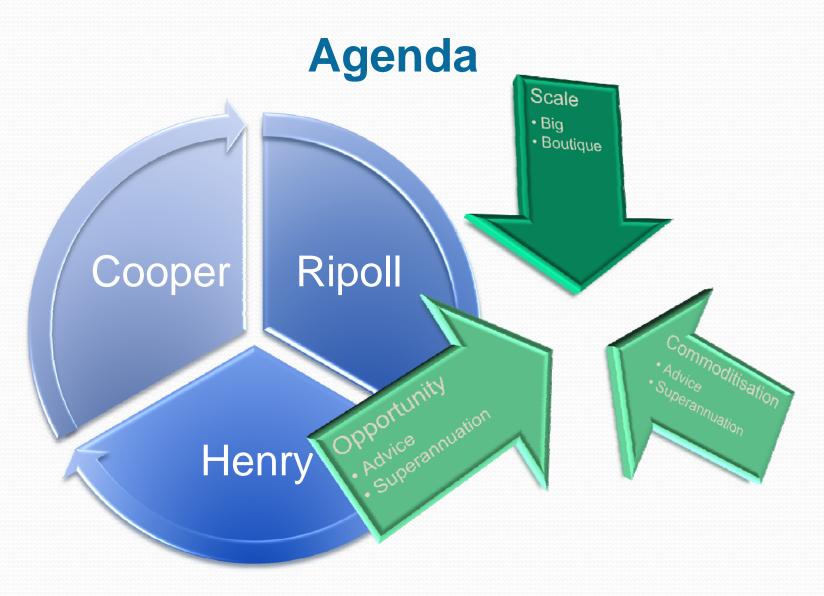


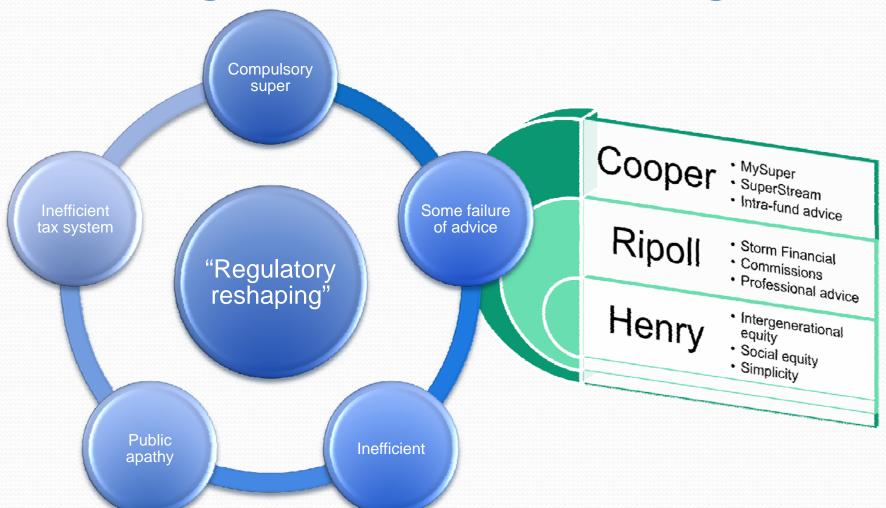
Preparing for the future wealth management landscape

Daniel Levy

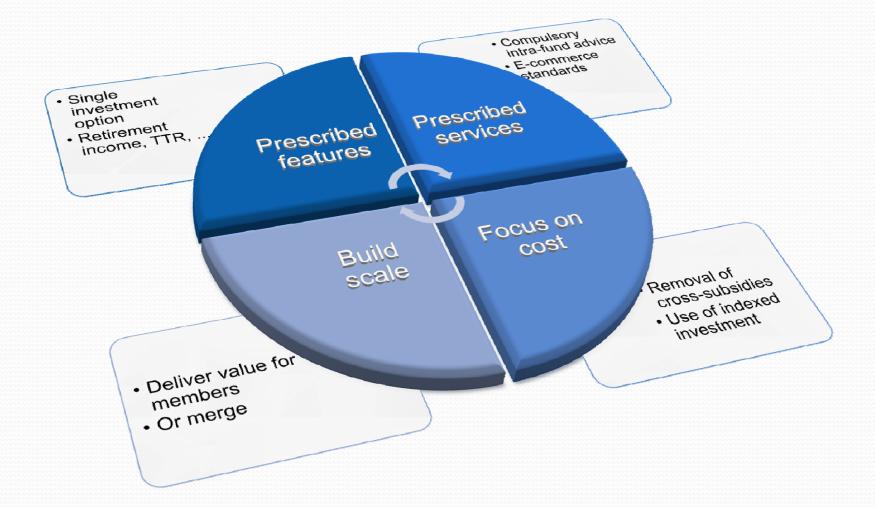
Contact: daniel.levy@au.pwc.com



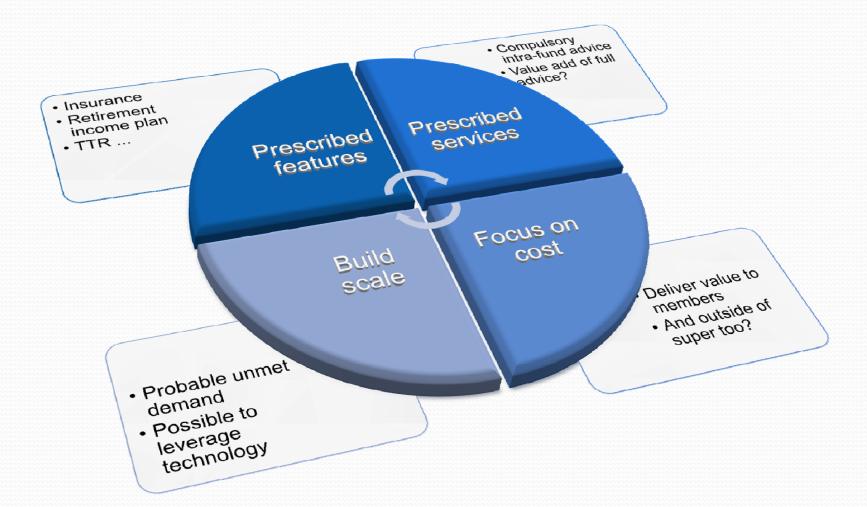
Background – Need to change?



MySuper – A commodity?



Single issue advice – A commodity?





A profession – advice to gain trust?



Future of Financial Advice – ready?

- Complexity
- Commissions
- Limited capability
- Expensive

Today

Transition

- Articulate value of advice
- Remuneration
- Compliance
- Transition advisers

- Redesign for efficiency
- Build scale
- Single issue advice
- Public trust

Opportunity

MySuper – ready?

- Inefficient
- Low member engagement

Today

Transition

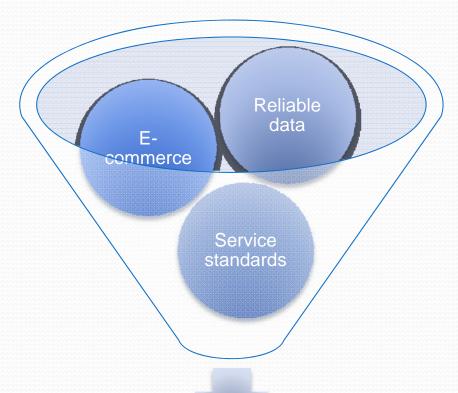
- Redesign product
- Build intra-fund advice
- Implement ecommerce
- Update governance

- Build scale
- Consolidate accounts
- Revisit investment implementation
- Increase member engagement

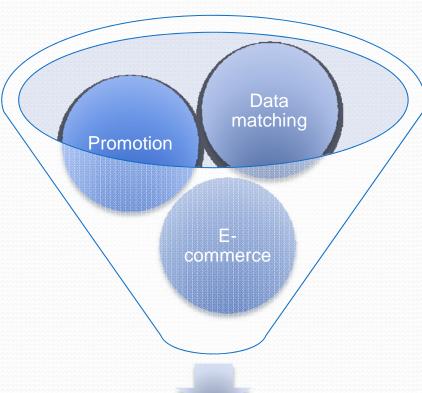
Opportunity



SuperStream - Reducing cost?

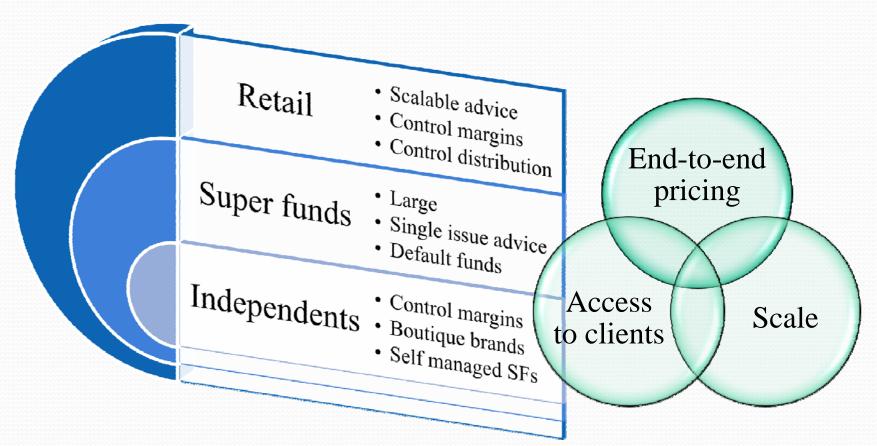


STP and less rework reducing cost per member

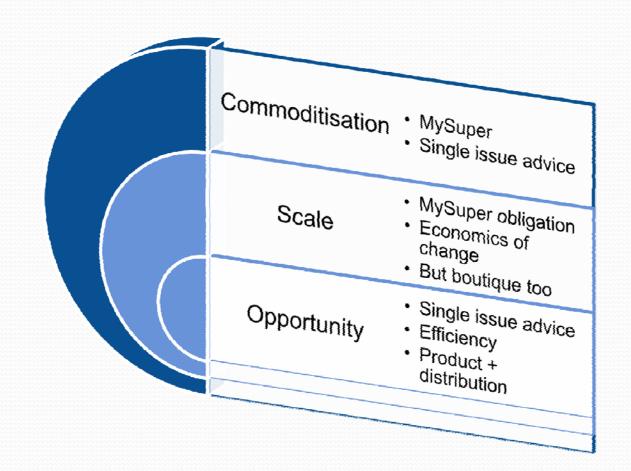


Consolidation increasing cost per account

Product + distribution - winner?



Summary



Some (provocative) questions

- Best interests advice with 1000s of products?
- Will the new regime restore public trust in financial advice?
- Should superannuation tax incentives be reduced for the wealthier?
- Will single issue advice increase or reduce the industry fund vs retail advice debate?
- Will MySuper discourage member engagement in their super?