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Don Sharp
executive director
Xplore Wealth

A world of platform solutions

Xplore Wealth, formerly known as Managed Accounts Holdings, is innovating and relaunching its solutions as part of a wider growth strategy, in response to the changing platform landscape.

Xplore Wealth executive director Don Sharp⁰¹ was involved in the development of one of Australia's first platforms in 1990, so he knows a thing or two about the market and how it's changed over time.

Back then, platforms were simply registry systems, Sharp recalls. They have since evolved to provide a whole host of services, including more reporting on both the financial adviser and the client end.

However, Sharp says the market – for the most part – still has a way to go yet.

“What's missing is really being able to handle sophisticated investments across multiple markets including Australia,” he says.

Xplore Wealth is looking to address that issue, offering a range of different platforms to meet an adviser's every need.

Xplore Wealth was launched in 2004 to offer managed discretionary accounts (MDAs) to the retail market. In the 13 years that followed, the platform amassed \$2.5 billion in funds under administration – making it Australia's largest MDA provider.

In November 2017, the company acquired Linear. Also a platform provider, Linear focused on superannuation, registry administration and reporting solutions. At the time, Linear had more than \$10 billion in funds under administration, counting some of Australia's biggest banks among its clients.

Today, Xplore provides solutions to over 150 financial services groups and holds \$13.3 billion in FUA, as at February 2019.

What's on offer?

Over the years, Xplore Wealth had developed two unique platforms. Now, leveraging the expertise and capabilities of the Linear offering, Xplore is looking to add to its range with a third platform in the works.

The first solution from Xplore Wealth is its flagship, dedicated MDA platform, available for both investments and personal superannuation. Here, the client beneficially owns the investments in their portfolio, allowing full flow-through of dividends and franking credits.

Using Xplore Wealth's MDA platform, investors can effectively recreate the same portfolio they might have held in a retail superannuation product or self-managed super fund, Sharp says.

“With changes the Federal Labor party is considering for franking credits, it will come to the forefront for planners to utilise those credits,” he says.

“They can actually hold the same or similar investments as a retail super or self-managed superannuation fund portfolio, so therefore they are no longer required to have an SMSF structure.”

The solution also affords advisers significant efficiencies in their business, with Xplore Wealth doing much of the heavy lifting; all of the related administration is done and the investments and cash is held by a custodian on the adviser's behalf.

The second offering is a broking solution for stockbrokers and those advisers with clients predominantly invested in ASX-listed shares. It provides efficient, best of breed reporting and trading facilities across the whole spectrum of asset classes, creating flexibility and helping to generate greater revenue for advisers.

“The solution provides flexibility in how trades are executed. We are broker agnostic thus allowing execution via any broker in Australia,” Sharp says.

Finally, Xplore Wealth is preparing to launch a Wrap, providing access to a full suite of investment, superannuation and pension solutions. It will offer streamlined reporting in a single ecosystem, covering performance, valuations, asset allocations and tax statements.

Expected to launch in the next three months, the extensive range of investments available on the platform will enable an adviser to fully diversify a client's portfolio across and within asset classes.

“Across the range of those investments, we can have listed securities, managed funds, in some cases non-registered managed funds and, more importantly, international,” Sharp says.

Despite the traditional home bias, investors are increasingly looking to make money offshore and it's a trend that's predicted to continue if the habits of self-directed investors are anything to go by; investment in international equities by SMSF investors surged 57% in the 12 months to December 2018, according to CommSec.

With Xplore Wealth, advisers and their clients have access to 28 international stock exchanges, and the company currently has in excess of \$2.6 billion in international investments across its platforms.

“This is a significant amount when compared to the entire platform market in Australia,” Sharp says.

And the best bit?

Xplore Wealth is dealer group agnostic, meaning any adviser operating under any AFS license can use all three platform solutions.

“With Xplore, the range of investments is up to the dealer group and adviser as to what they want. We don't limit the investments,” Sharp explains.

“Obviously there are criteria for each investment, but it's basically up to them to decide on what sits on their Approved Product List (APL).”

This, coupled with the broad range of international options available, demonstrates how Xplore Wealth really does deliver a world of investments to the adviser.

“That is the biggest change and what makes the most difference. What we are is a true investment platform,” Sharp says.

And with a new look comes new management from within to support the platform provider going forward.

Craig Giffin has been promoted to chief risk officer, Sanja Petrovic will step up to lead Xplore Wealth's information technology capability, and Luke Peterson will move into the role of relationship manager. This follows the announcement that Bruce Hawkins will join as the group's new chief financial officer.

Coinciding with the relaunch and growth – and a ringing endorsement for the rebrand – Xplore Wealth won a new client in First Point Wealth Management. Xplore will work with First Point to set up an MDA service, as the advice group launches a range of multi-asset portfolios for financial planners, accountants and direct retail investors.

“We selected Xplore Wealth because they provide a nimble and flexible platform to host First Point Wealth Management's portfolios,” First Point Wealth Management director Sam Robson said. **FS**



The quote

The platform will enable an adviser to fully diversify a client's portfolio.



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