

HUB²⁴



HOW MANAGED PORTFOLIOS TRANSFORMED OUR BUSINESS

How MIQ Private Wealth used managed portfolios to provide greater focus on the value of the strategic advice it provides its clients.

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When MIQ Private Wealth in Brisbane decided to become self-licensed at the end of 2017, managed portfolios were also ear-marked as part of the new business model as an efficient way to deliver its strategic financial planning service. MIQ is a national firm with offices in Brisbane, Sunshine Coast, Gold Coast, Geraldton, Canberra, Toowoomba and Tumut.

During the license journey, MIQ met with every platform and managed portfolio provider in the market and by August 2018, it had chosen a provider and become self-licensed.

According to MIQ Private Wealth Partner and Financial Planner, Anne Clare, managed portfolios were seen as an effective way to deliver the value MIQ Private Wealth wanted to provide to its clients.

“Through the effective management of the investment function, authorised representatives could be freed up to focus on the value they delivered their clients in providing strategic long-term planning,” she explains.

Bringing managed portfolios into the business also meant MIQ could treat every client like they were the highest net worth or on the highest service package.


Greater access to a range of investments was attractive to clients. Direct international shares became available, as well as a great range of cash and fixed interest options. Direct fixed interest investments such as hybrids, annuities and guaranteed income plans could also now be accessed through the managed account solution.

MIQ also developed ‘nested SMAs’ which offered clients exposure to Australian equities managed by a professional fund manager, which was appealing to clients who wanted this exposure but wanted the management overlay.

The administrative efficiencies of managed portfolios were also exciting: “Instead of making rating changes across portfolios and whether to be less hedged or more hedged, all those sorts of generic overlays could be done immediately without us having to do it individually,” explains Clare.

Apart from administrative and value benefits, Clare says managed portfolios have also assisted the business in a number of ways to demonstrate compliance with Best Interests Duty (BID).

For a large number of accounts, moving to the HUB24 platform was more cost-effective so it was an easy benefit to communicate to clients. Superiority of services was another benefit, particularly for clients who were invested in more basic products.



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**ANNE CLARE, MIQ PRIVATE
WEALTH PARTNER AND
FINANCIAL PLANNER**

With the commencement of the FASEA Code of Ethics Standards in January next year, Clare says the investment committee she sits on is exploring if managed portfolios can help in demonstrating compliance with its client care standards. "These are newer things we didn't expect," Clare states.

With MIQ Private Wealth using model portfolios and external asset consultants, including Lonsec and Delta Advisory, for some time, moving over to managed portfolios was not a big shift for clients.

"Managed portfolios have been an easy transition from that," says Clare. "It looks familiar to clients to what they had with us and it's easier to understand. It's a more cost-effective way of doing the same thing as before."

Some clients use portfolios in their entirety while others use some aspects, for example excluding particular funds or asset classes. Other clients who have large direct equity holdings may not want to bring across their whole portfolios.

Account balances do not dictate the relevancy of a managed portfolio solution to clients, but Clare says managed portfolios offer clients with smaller balances an "amazing solution" because of the diversification, the immediate application of changes and quarterly reviews. For clients on larger balances, the bespoke nature of managed portfolios provides great flexibility for advisers working with them.

The business chose its current managed portfolio provider because it was the only platform provider that satisfied all of its requirements, including competitive pricing and leading-edge functionality and importantly, it would allow MIQ to engage an external Responsible Entity.

"This was a sticking point with other providers," says Clare. "Also, we liked that HUB24 was listed and our clients could see its shares on the market and that it was Australian owned. It was a good story to tell our clients."

However, the ultimate reason MIQ selected HUB24 was because it wanted to have a relationship with its platform provider. "We wanted to work with a group who wanted to work with us. Communication and relationship were really important to us."

Demonstrating HUB24's commitment to the due diligence process, HUB24 sent its senior staff including its Head of Distribution and Head of Platforms to meet partners of the business and to understand their needs.

"It really set the tone, that they treat us like we treat our clients," says Clare.

A person wearing an orange and white checkered button-down shirt is shown from the chest down, with their hands on a laptop keyboard. The background is a dark, textured surface. A blue rectangular box with white text is overlaid on the left side of the image.

FIVE REASONS MIQ PRIVATE WEALTH MOVED TO MANAGED PORTFOLIOS

1. Deliver and demonstrate value to clients via strategic long-term planning rather than investment function
2. Treat every client like they were on the highest service package
3. Provide greater access to a broad range of investments
4. Offer direct equities exposure managed by professional fund managers
5. Administrative efficiencies which enable portfolios changes to be applied immediately rather than individually.

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