



**WINSTON**  
CAPITAL PARTNERS

GO WHERE THE GROWTH IS





# AUSTRALIA IS THE THIRD LARGEST PENSION FUND MARKET IN THE WORLD, & THE FASTEST GROWING... WHY?



Working Australians are legally required to save for their retirement. 9.5% of all wages are contributed to a retirement savings account <sup>1</sup>, where the money is invested and left to accumulate until the employee reaches age 65.



Australia's pool of retirement assets under management is already \$1.9 trillion <sup>2</sup>, and is predicted to grow to between \$5 and \$7 trillion <sup>3</sup> by 2030.



As Table 1 highlights, offshore wealth managers are taking an increasingly large slice of the pie, as domestic markets struggle to absorb the rapidly growing pool of money.



As the market has grown, the need for new products has not kept pace, especially so in alternatives, and specialist global equity, property and fixed income products.

## MARKET GROWTH WILL FAVOUR OFFSHORE ASSETS

By 2030, the expected growth in overseas products will be larger than domestic bonds, property and deposits, representing an excellent opportunity for those managers wishing to participate in this growing pool of assets.

**Table 1 - Asset allocation projections show strong growth in overseas products, as a percentage of total assets <sup>4</sup>**

	Equities (%)	Overseas (%)	Deposits (%)	Property (%)	Bonds (%)
2013	41.2	16.4	14.2	6.0	3.6
2020	42.3	18.0	12.0	7.0	4.2
2030	42.3	20.0	10.0	7.0	6.0

<sup>1</sup> Mandatory retirement savings accounts are known as superannuation funds. <sup>2</sup> As at end December 2014. ASFA Superannuation statistics

<sup>3</sup> Superannuation asset allocations and growth projections – 17 February 2014: Monash University, Victoria <sup>4</sup> Superannuation asset allocations and growth projections, Professor Rodney Maddock, Monash University and Victoria University, 17th February 2014

# THE AUSTRALIAN OPPORTUNITY HAS BEEN RECOGNISED BY WORLD-CLASS INVESTMENT MANAGERS

Blackrock, PIMCO, Vanguard, Standard Life, Walter Scott and Franklin Templeton have been active and successful in the Australian market. Lesser known brand names have also succeeded, including Cohen and Steers, Copper Rock and Causeway Capital.

They have raised billions of dollars and continue to grow their funds under management today.

## THE NEED FOR DIVERSIFICATION IS CLEAR FOR AUSTRALIAN INVESTORS

INVESTING GLOBALLY FOR A NEW ECONOMIC REALITY

In addition to the growing asset pool representing a great entry point for offshore managers, over the past decade, Australian investors have been well rewarded for their strong home bias in terms of their asset allocation mix. However, this bias may hurt portfolio returns going forward, for the following reasons:



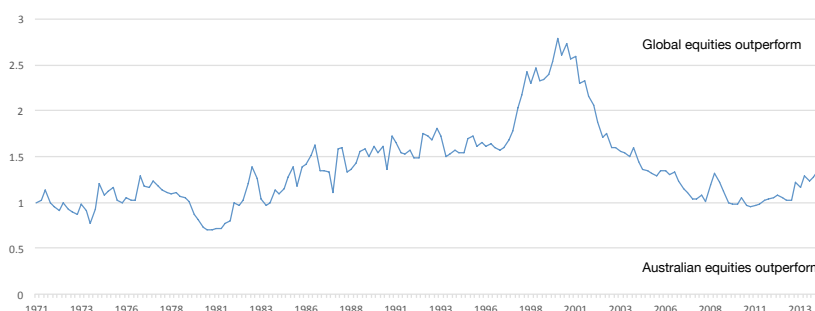
A slowing Australian economy, as the China-inspired mining boom comes to an end. This will put pressure on the two most overweight equity positions in mining and banking stocks, as well as on local property and domestic fixed income products.



The falling Australian dollar will increase the attractiveness of investing in offshore assets if local investors wish to maintain their standard of living.

As Figure 1<sup>5</sup> highlights, at the same time, the decade-long out performance of Australian equities versus global shares may be coming to a close, when compared with history.

Performance of Global vs Australian equities  
1971 - 2014 in AUD, 1971 = 1



# DEMAND FOR OVERSEAS & LOWLY CORRELATED INVESTMENTS HAS NEVER BEEN HIGHER

NOW IS THE TIME TO ACT



Australians' domestic investment bias is changing as investors respond to the new economic reality by turning their gaze offshore.



Demand for overseas investments is at an all-time high <sup>6</sup> as nearly half of all active and high net worth investors seek to add international assets to their portfolio.



Demand for alternatives, including hedge funds, is likely to rise, as investors evolve from traditionally overweight positions in traditional equities, property and fixed income.



Levels of competition for offshore funds and non-correlated asset classes are lower, relative to domestic equities, property and fixed income products.

<sup>5</sup> Figure: Morphic Asset Management <sup>6</sup> Certitude Global Investment Intentions Index, February 2015.

# HIT THE GROUND RUNNING

YOU MANAGE THE MONEY, WHILE WINSTON DOES THE REST

The Australian market is regulated, stable and efficient, with world-class systems and technology. At the same time, new markets can appear complex and daunting to the uninitiated. The bottom line is that the difference between success and failure relies on an in-depth understanding of the local market, a tried and tested sales and distribution mechanism, and most of all, getting the critical decisions right.

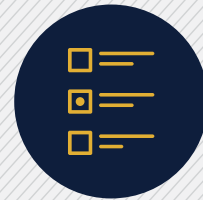
This means working with a local partner to create, and then implement a bespoke sales and distribution strategy, which will increase the chance of success. In practice this means:



Identifying the most effective entry strategy, incorporating local legal and administrative requirements



Customising the product design and structure to fit the local market need



Understanding the rating process and choosing which rating houses to work with



Building a brand through a coordinated marketing program



Appointing the various service professionals to provide the necessary custody, accounting, service and registry arrangements



Raising assets by engaging with various gatekeepers and intermediaries

## GOING IT ALONE CAN BE COSTLY...AND RISKY

Analysis shows that a partnership with Winston will save a typical investment manager between A\$350,000 and A\$500,000 in start-up costs in year one alone. And when compared to hiring and then managing an equivalently sized sales team, the savings can be as high as A\$500,000 per annum.

# INTRODUCING WINSTON

## WHAT WE DO...

We partner with international investment managers to help them raise funds under management in the largest and fastest growing market in Australia – the intermediated advice market.

We have a track record of success in building and promoting international brands in the Australian marketplace, by providing an end-to-end service that seeks to raise assets under management. We draw on our own experience to develop, and then implement, a bespoke distribution and sales plan that includes the product design, fund rating and platform listing process and the asset gathering function.

Put simply, we create relationships between world-class investment managers and Australian investors, raising assets under management via banks, independent advisers, family offices and small institutions.

But don't just take our word for it, we have already helped AllianceBernstein and Neuberger Berman enter the Australian wealth management market with great success.

## OUR PEOPLE SET US APART

### IT'S IN OUR INTEREST TO PUT YOUR INTERESTS FIRST

When you work with Winston, you partner with experienced investment professionals, who own and run the business, each with over 20 years' experience.

Our partners represent your brand in a way that is aligned to your values and culture, and we never put a junior employee in charge of your account. At the same time, your relationship is not confined to just one partner. You will have access to the whole team, as we leverage our combined relationships in different channels and geographies to maximize the chance of fund raising success.

Our partners have deep experience in product creation, marketing, raising assets, dealing with key research houses and platforms, as well as strong relationships with senior gatekeepers across the market. Our experience and track record will help your products get to market faster, at lower cost, and with a greater chance of success.





## OUR PARTNERS

WORKING AS A TEAM, THE WINSTON PARTNERS LEVERAGE THEIR INDIVIDUAL STRENGTHS TO OFFER FUND MANAGERS A COMPLETE SALES AND MARKETING SOLUTION THAT COVERS THE AUSTRALIAN INTERMEDIATED ADVICE MARKET.



### STEPHEN ROBERTSON

FOUNDING PARTNER AND MANAGING DIRECTOR

Stephen worked in Australia, Asia, Japan, the UK, Europe and North America in a career spanning 20 years in financial services. Most recently he was Executive Director, at ASX Listed Macquarie Bank, for Macquarie Global Investment and Investment Lending, but he has also held senior sales and leadership roles at Citi Asset Management, JP Morgan Investment Management, and Rothschild Investment Management.



### ANDREW FAIRWEATHER

FOUNDING PARTNER AND MANAGING DIRECTOR

Andrew has over 20 years' experience in funds management, most recently as Chief Executive Officer and Executive Director of Select Asset Management, a leading multi asset and alternatives specialist. Prior to this role, Andrew was CEO of ASX Listed MMC Contrarian, responsible for building their funds management business. He has also worked in various sales leadership roles with Prudential, JP Morgan Investment Management, Salomon Smith Barney Asset Management and AMP.

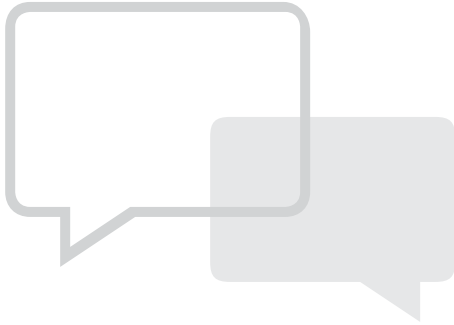


### RORY MACINTYRE

PARTNER AND MANAGING DIRECTOR

Rory has been successfully building funds management business for over 20 years, both in Australia and internationally. His most recent role was as acting Group Executive of global equities for ASX Listed Perpetual and as a member of Perpetual's Executive Committee. Rory's primary responsibilities have always been in marketing and distribution, both in the retail and institutional space. He has a strong entrepreneurial bent, and has successfully built and owned his own businesses.

# WHAT OUR CLIENTS SAY ABOUT US



**Chris Joye, Co CIO of Smarter Money Investments**

*"You represent us in a manner that is always aligned with our brand"*

*"You work very hard, you are great BDMs, you are aligned with our success, very smart, very passionate and have great market penetration"*

*"We are leveraging off your combined credibility and reputation in the marketplace"*

**Chad Slater, CO-CIO of Morphic Asset Management**

*"You guys work relentlessly on approaching prospects, and it always impresses me the depth and breadth you have of the market and who the key people are in each location."*

**Rob Rayner – Founder of CorVal**

*"Your style of service, professional nature, market feedback and networking introduction opportunities are second to none".*

**Michael Haddad, CO-PM of Peters MacGregor**

*"I like that you are an external resource that does not require active day-to-day internal management."*

*"I believe the three of you have interesting and different strengths that can be brought to bear in the marketplace. This contrasts to hiring a single personality as an alternative. From a business model perspective, this should make you more adaptable for different clients."*

Verbal references are also available from AllianceBernstein and Neuberger Berman on request.

## NEXT STEPS...

To learn more about the potential Australia offers and how we can help you access it, please visit our website at [www.winstoncapital.com.au](http://www.winstoncapital.com.au). Or to discuss how we can help you develop a tailor-made strategy for entering and succeeding in the Australian market, call:

**Andrew Fairweather**

Tel: +61 401 716 043

Email: [andrew@winstoncapital.com.au](mailto:andrew@winstoncapital.com.au).

Address: 3 Spring St, Sydney, NSW, 2000

Australian Financial Services License No: 469556

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