

PRIME FINANCIAL GROUP LTD

Premier Partnership Model for Accountants

The Prime Story

Prime Financial Group is an ASX-listed provider of Integrated Wealth Management solutions to accounting firms throughout Australia and their clients, including high net worth individuals, business owners and family groups, managing over \$1B in client assets.

Prime's partnership model for accounting firms is derived from the accounting DNA of its founders and current principals who still operate the business today.

Working in close partnership with our accounting partners we strive to ensure that clients have the right wealth structures and strategies in place from the very beginning. This tailored approach is central to our clients achieving their financial goals and objectives and securing their financial future.

Prime at a glance

PERSONALISED **ADVICE**



ASX LISTED



**TRULY INTEGRATED
WEALTH MANAGEMENT**

\$1BILLION+
CLIENT FUNDS
UNDER MANAGEMENT

INDEPENDENT
OF 'BIG 4' AU BANKS

ESTABLISHED 1998

» *Accounting Heritage* «



30+ ACCOUNTING FIRM EQUITY PARTNERS

Prime Financial Group Ltd (Prime) is an ASX-listed (ASX: PFG) Integrated Wealth Management Firm which caters to accounting firms Australia-wide and their clients, including individuals, business owners and family groups, managing over \$1.0B of client assets.

Prime's goal is wholly focused on being the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management, and to deliver first-class, personalized, independent and objective advice to clients for a secure financial future.

Prime for Accounting Firms

The cornerstone of Prime's partnership model is based on the belief that clients are best served by receiving integrated services across accounting, wealth management advice and a range of other financial services through a single source, with the accountant central to this.

Prime's Partnership model to support accounting firms has two variants:

1. Strategic minority equity investment in the accounting firm (typically between 10% to 50%) for growth, succession and acquisition, which is also inclusive of the establishment (or adoption) of Prime's wealth management model;

OR

2. Establishment of Prime's wealth management model only, with no associated equity investment by Prime (this investment can still be considered at a later time if desired by the accounting firm).

Regardless of which option an accounting firm chooses, Prime implements its **Client Engagement Model (CEM)** tailored to each firm's needs. The CEM provides a comprehensive approach to the delivery of a fully 'integrated' accounting and wealth management solution for the accounting firm and its clients.

More detail on Prime's CEM can be found at **Appendix A**.

Prime's Partnership model for accounting firms is derived from the DNA of its accountant founders and current principals, who established and operated accounting firms previously, as well as Prime today.

Prime's imperative is to support its accounting firm partners strategic vision in respect of succession and continued firm growth. This is achieved not only through the provision of equity capital, but also via the provision of a broad range of growth-oriented services (refer **Appendix B**), including Prime's 'best-of-breed' approach to integrated wealth management.

Prime's 17-year history has seen its business model continuously evolve to meet the changing needs of its accounting firm partners, their clients and the challenging environment in which we are all operating.

Critically, for Prime, this means a commitment to a model of providing an increasing range of value-added services and support for the benefit of its accounting firm partners – new and existing – beyond its traditional core pillars of equity capital and wealth management.

Prime's Partnership model for accounting firms is derived from the DNA of its founding accountants and current principals who established and operate Prime today.

Prime's approach is premised on supporting our accounting firm partners in achieving growth in their top line revenue profile, whilst also seeking to assist them in optimising operating margins via appropriate cost management strategies and technology adoption.

More specifically, this approach includes Prime supporting its accounting firm partners with respect to:

- development of a clear vision and providing strategic advice at Board level on stakeholder alignment for the future
- strategic minority equity capital for both succession and investment in growth (including acquisitions and new service line development)
- structured succession planning for principals
- establishing, operating and investing in new or existing wealth management operations attached to (or existing within) accounting firms
- licensing of accountants in respect of wealth delivery and how the same integrates into a complete client service experience
- origination of appropriate acquisitions and corporate advisory assistance in undertaking and completing these transactions;
- funding solutions outside of equity capital from Prime (eg. sourcing of debt)
- assistance in relation to business development and client acquisition, including marketing, digital and social channel strategies
- exploring appropriate strategies for the adoption and implementation of outsourcing, including leveraging the benefits of released productive capacity
- exploring the appropriate strategy and approach to adoption of available technology solutions and data analytics, including how it can underpin growth in the accounting firm and deliver an enhanced client experience

Further detail on Prime's value added service and support proposition is provided in **Appendix B**.

Prime is investing significantly in the future of accounting and financial advice, as a dedicated, engaged and strategic investment partner. Prime have a clear vision for client engagement and the delivery of superior value and client experience - all centered around the accounting firm, its principals and staff.

Prime is seeking to partner and support like-minded accounting firms who share a desire to create strong, integrated accounting and financial service firms of the future.

We are not about aggregation, but creating a platform which supports and facilitates the growth of accounting firm partners - and the wealth of their clients - in striving to achieve their vision of the future. In doing so, we are continuously evolving and innovating our approach. We will continue to introduce and implement new services and resources and seek to share the benefits of the same across our network of accounting firm partners.

The Benefits

Prime seeks to deliver tangible benefits to its accounting firms in the following ways:



Providing equity funding for succession and growth (including acquisition) and / or debt reduction / re-capitalisation



Allowing for retained accounting firm independence and operating control



Supporting organic growth and earnings enhancement, leveraging the existing Prime infrastructure:

- new income through the establishment of Prime's proven wealth management model
- assistance in the establishment of other new business streams
- client acquisition via effective marketing, including digital and social channels

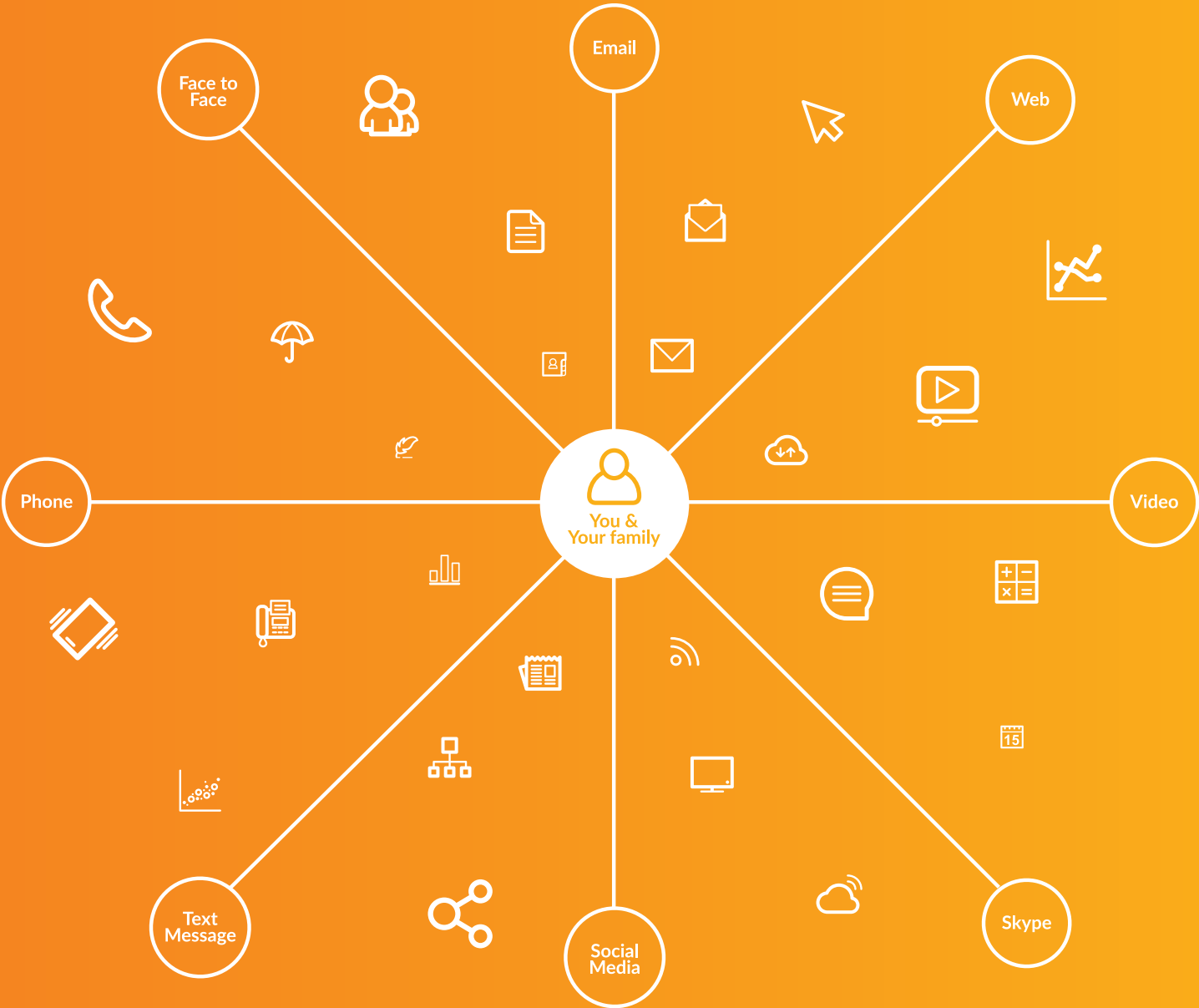
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Progressive Communication Platform

Prime has created an extensive communication network for our accounting firm partners and their wealth management clients. We provide integrated and seamless multi-channel digital communication touch points, including our optimised website through to our social channels (LinkedIn, Facebook, Twitter & Vimeo).

Prime provides clients' with 24/7 access to their advice and investment portfolios via our mobile app, Prime Connect, which keeps people informed on-demand. Prime Connect is mobile and tablet friendly and available across Android and iOS.

We are enabling a 'wherever, whenever' service value proposition, which aligns with Prime's strong focus on offering digital and mobile capabilities - delivering flexibility, accessibility and convenience.



Wealth Management Joint Ventures

Prime operates 30 wealth management joint ventures (JVs) with its accounting firm partners across Australia. Prime assists these accounting firms to deliver clients a first-class integrated accounting and wealth management experience.

These wealth JVs are 50/50 owned operations between Prime and its accounting firm partners, operated under the accounting firm's brand.

In addition to operating the wealth JVs, Prime has an equity investment relationship with a number of these accounting firms.

Prime currently advises over 4,000 clients on behalf of our 30 accounting firm partners and directly manages in excess of \$1B of client assets.

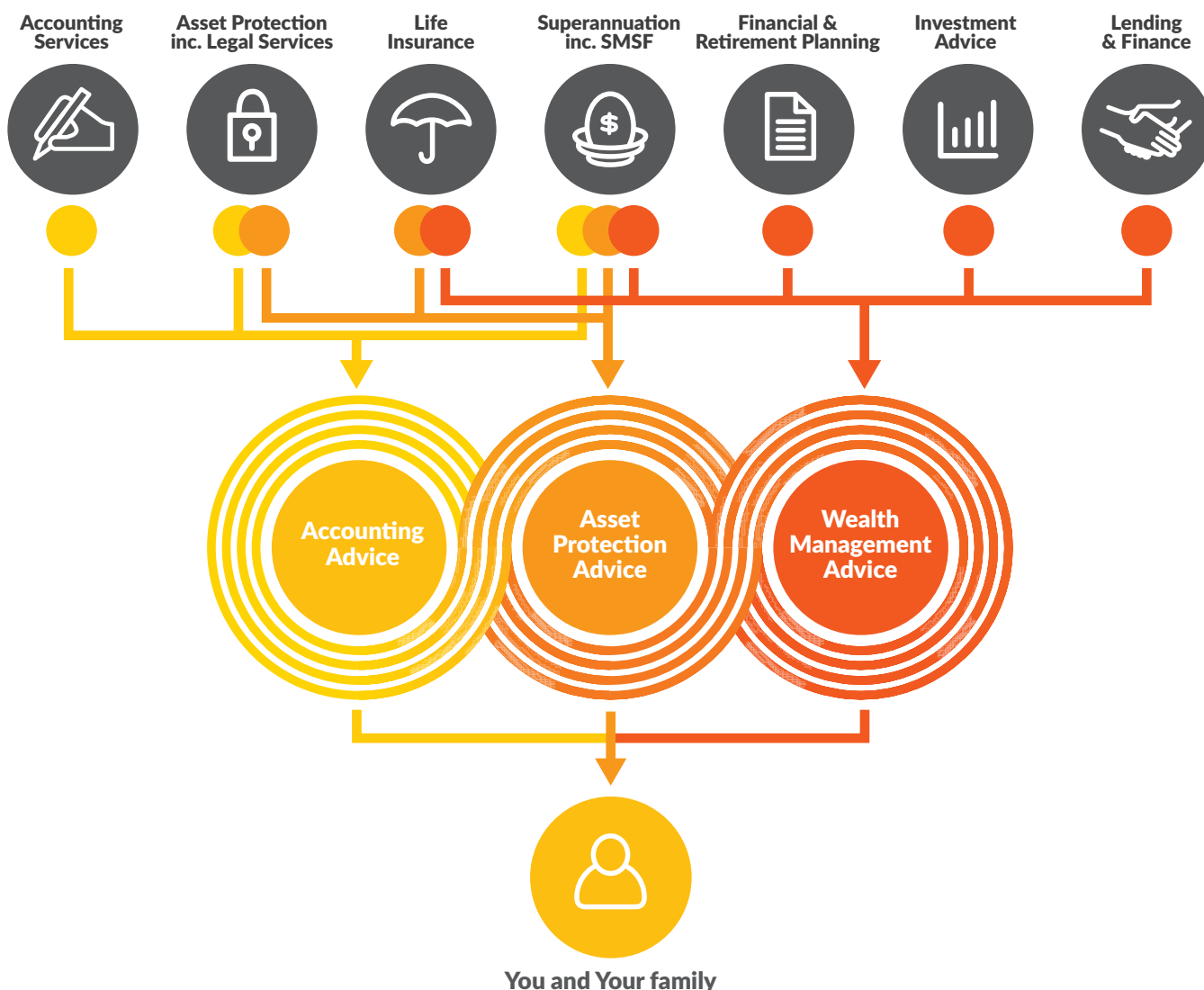
The primary services Prime provide for clients include:

- Financial and Retirement Planning
- Investment Advice
- Superannuation including Self Managed Super Funds (SMSF)
- Asset Protection Advice including Legal Services
- Life Insurance
- Finance and Lending

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Service Summary

Prime believe clients are best served by their Accountant being the single place for personalised financial advice, tailored to meet client needs, goals and aspirations. As illustrated below, Prime's Integrated Advice Model brings together the Accountant, their clients and Prime to create the foundations to build a robust, achievable outcome through Structure and Strategy, focusing on helping clients protect assets and build wealth.



Appendix A Integrated Advice and CEM

Underpinning Prime's 'Integrated Advice Model' are comprehensive processes and procedures implemented by Prime. These processes and procedures are divided into two key areas:

1. Client Engagement Model (CEM)

The CEM underpins how integrated advice is positioned and delivered to clients. Prime's unique 'Client Engagement Model' ensures both Prime and its accounting firm partners collectively deliver:

- Client value under the accounting firm's brand
- Enhanced client relationships via a deeper and personalised understanding of client requirements
- Seamless integration of advice, systems and processes
- Effective, to the point, management reporting for accounting firm partners

2. Implementation & Operation

Prime is an accountable partner in the provision of its wealth model and is responsible for:

- Implementing Prime's proprietary 'Client Engagement Model'
- Business development, marketing (via digital & social channels) and branding
- Resourcing the wealth JV entity including:
 - management of the entity
 - provision of wealth advisory staff including Asset Protection Advisers, Financial Advisers, Investment Advisers and Life Insurance Advisers
 - back-office support, including centralised client services and para-planning
 - financial reporting / accounting for the entity
- Funding the operations of the wealth JV, including working capital requirements of the entity
- Australian Financial Services Licensing (AFSL) – wealth JVs operate as corporate authorised representatives under Prime's AFSL
- Investment and product research and compliance
- Professional indemnity insurance (PI)
- IT systems and software
- Accounting firm training and development, particularly in respect of driving referrals and client acquisition for the wealth JV

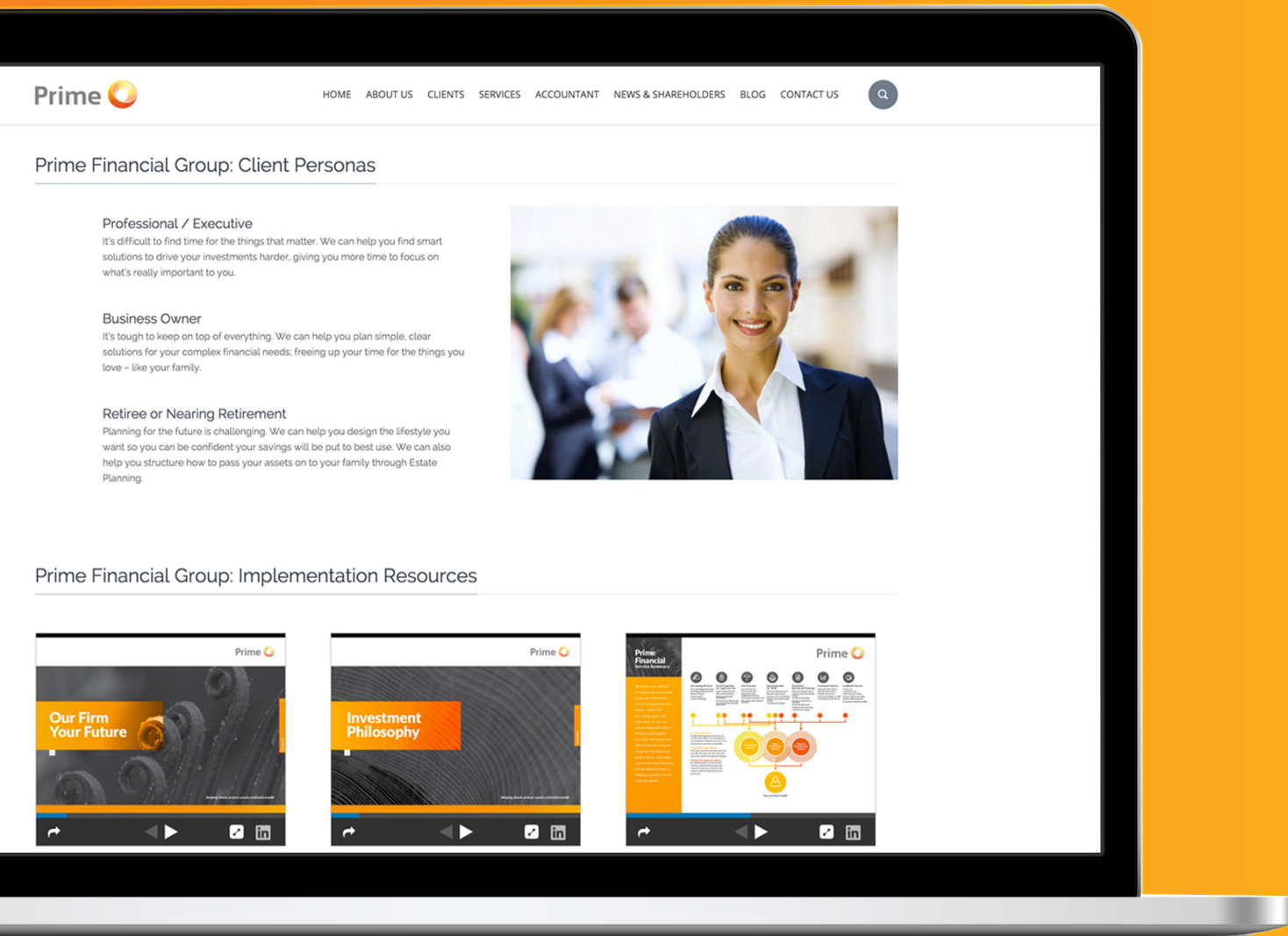
Accounting Firm Partners under the Prime Model are responsible for:

- Agreeing to implement Prime's 'Client Engagement Model', its processes and related systems
- Supporting the overall development and growth of the wealth JV / business

New Joint Venture (JVs) Online Information Hub

Prime has an Online Information Hub (Intranet site) for our new JV Partners where they can access a library of information including blog articles, contact details, business documents, marketing collateral, video streaming and access to real-time discussions.

www.primefinancial.com.au/jv-hub



Appendix B Value-Add Service & Support Proposition

Prime's model seeks to deliver tangible assistance and benefits to its accounting firm partners across a range of areas, including a range of growth-oriented services:

Corporate Strategy & Business Model Operation

- Assistance to accounting firms at Board level in structuring clear and focused development plans
- Independent board representation
- Support of Partner / Principal transition and succession
- Development of clear consensus around growth plans and strategy
- Assistance with identifying and undertaking acquisitions for growth
- Assistance in the development of new specialist services, including wealth management (refer below)
- Assistance in the identification and recruitment of talent to support business strategy
- Assistance in creation of Employee Share Plans (ESP)
- Access to a national brand
- Creation of a community where accountants can share insights, best practice and access specialist services

Marketing - Digital & Social

- Accounting Partner Wealth Management websites with mobile responsiveness and social channels enabled
- Access to Prime's digital and social infrastructure for additional communication and interaction touch points
- Access to Prime's Blog (Content Marketing) - useful and relevant information for accountants and wealth management clients
- Access to Weekly Market Updates personally written by Prime's Chief Investment Officer
- Becoming part of Prime's strong digital culture, and access to Prime's Digital Transformation Journey Value Proposition

Technology & Innovation

- Access to technology and innovation in wealth solutions and financial service that offer mobile-friendly device applications - such as Prime Connect App - to deliver further convenience, accessibility and flexibility to the ongoing wealth management of a client's portfolio
- Access to benefits and insights associated with Prime's continuous investment in technology and cloud-based infrastructure to improve scalability and cost-efficiencies
- Access to a culture of innovation and progressive thinking

Wealth (Investment) Solutions & Service Offering

- Ability to provide a true 'personalised' advice solution to accounting firm's wealth management clients
- Access to co-created & personalised ongoing investment service options that range through 'Self Directed', 'Collaborative' or 'Full Advice' advisory models

Resources

To request more information, please email clientservices@primefinancial.com.au or call **1800 064 959**



WHITE PAPER: The Power of Insight – DOWNLOAD VIDEO – What does an ideal accounting partner look like for Prime Financial Group?



VIDEO – Accountants – How to fund for retirement?



VIDEO – Accountants – 5 Steps to Grow the Value of Accounting Firms



SLIDESHARE – Our Firm, Your Future



SLIDESHARE – Our Services



SLIDESHARE – Prime’s Digital Transformation Journey Value Proposition



SLIDESHARE – Prime’s 3 Tier Ongoing Services Model

Simon Madder

CEO & Managing Director

✉ SimonM@primefinancial.com.au

☎ +61 (0) 412 304 033

[in linkedin.com/in/simonmadder](https://www.linkedin.com/in/simonmadder)

Tim Bennett

Director, Corporate Development

✉ TimB@primefinancial.com.au

☎ +61 (0) 439 420 711

[in linkedin.com/in/timbennett4](https://www.linkedin.com/in/timbennett4)