



Westwood
GROUP
a connectus® wealth company



INTRODUCTION BOOKLET

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Connectus AFSL 1 Ltd
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trading as "Westwood Private Portfolios"

Your Westwood Private Portfolio

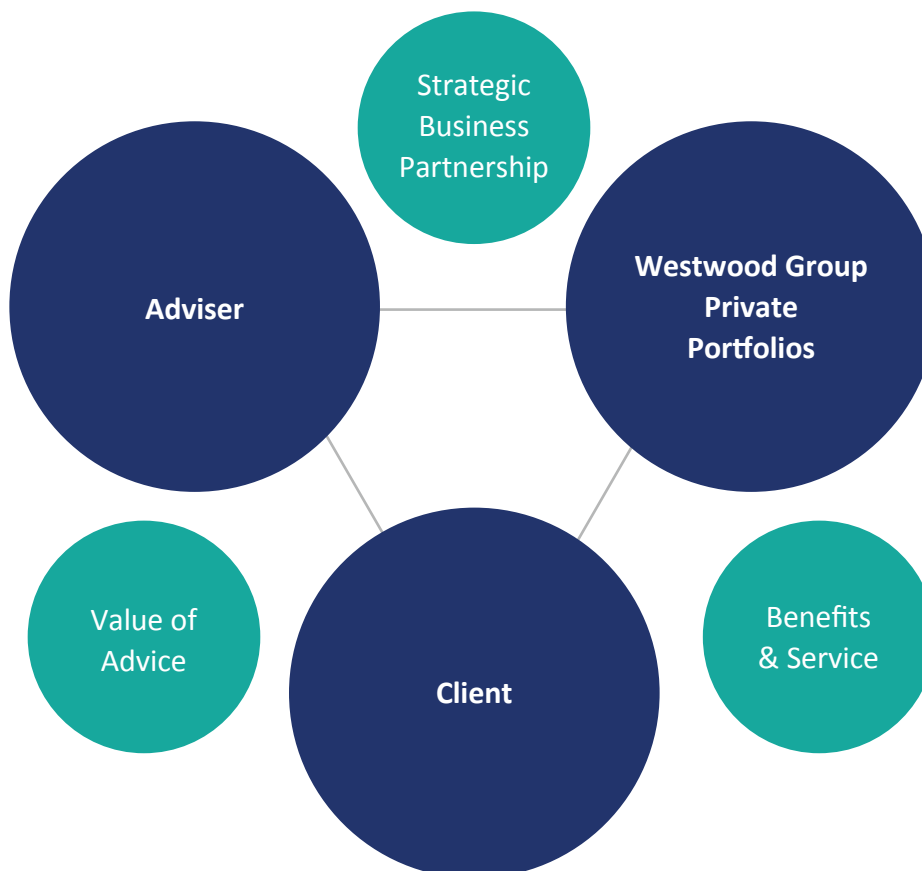
Your Westwood Private Portfolio is a Managed Discretionary Account (MDA) which allows you to retain beneficial ownership of all of your investments. As such, it is a bespoke investment solution that can be tailored to meet your unique situation.

At Westwood Group, we realize that no two clients are the same; rather, each has differing personal requirements, investment preferences, taxation planning opportunities and retirement timeframes.

Westwood Group's investment team, in conjunction with your financial adviser, customizes and manages your private portfolio uniquely for your needs.

As such, a Westwood Private Portfolios MDA is likely to be suitable for you if you:

- Want to build an investment portfolio that is tailored to your individual requirements,
- Want an experienced investment professional team who share a close relationship with your adviser managing your investments,
- Want to build an investment portfolio which provides security and is capable of generating a passive income stream, and
- Want the comfort of direct ownership and complete transparency



The Westwood Group Package

What do we do?

We are in the business of delivering financial outcomes. This is achieved by designing a unique solution to meet your desired level of passive income. By knowing and managing your portfolio to your desired income level, we have a distinct advantage in ensuring your requirements are met, both now and into the future.

In order to generate the required level of income, the Westwood Group investment team has the capability to invest in all major asset classes including cash, property and shares. Employing global best practice in researching, constructing and managing portfolios of world class assets, Westwood Group clients enjoy diversified and reliable income streams. By constructing portfolios of quality assets, income is able to be generated from a variety of sources including:

- Dividends
- Franking Credits
- Interest

These income streams are then tailored to produce the desired income level and grow this stream over time.

We also take the effort out of managing your portfolio by handling all the associated paperwork that is generated from an investment portfolio. We provide comprehensive client communication and reporting, including year-end tax reports to assist in the generation of your tax return. Westwood Group clients also receive quarterly investment reports and have secure online access to their portfolio which is updated daily.

The investment team manages the establishment and administration of each portfolio in collaboration with your Financial Adviser. At all times, we work in conjunction with your adviser to build and maintain your investment portfolio, keeping in mind your objectives and target asset allocation.

Westwood Group is a wholly owned subsidiary of Connectus Wealth Pty. Ltd.

How to we do it?

At Westwood Group, we take a scientific approach to investing and the entire investment process is overseen by the Investment Committee. Our processes deliver the ability to plan on future investment-driven income.

Our investment process starts with a comprehensive screen of a variety of quantitative and qualitative factors designed to filter out stocks that don't match our investment criteria or have unsustainable business models. This is then overlaid with an assessment of prevailing economic conditions.

Finally, any relevant client specific factors are then added to create a diversified portfolio. Typically, client portfolios consist of 'blue-chip' companies found in the ASX200, however Westwood Group does have the ability to manage portfolios comprised of all major asset classes.

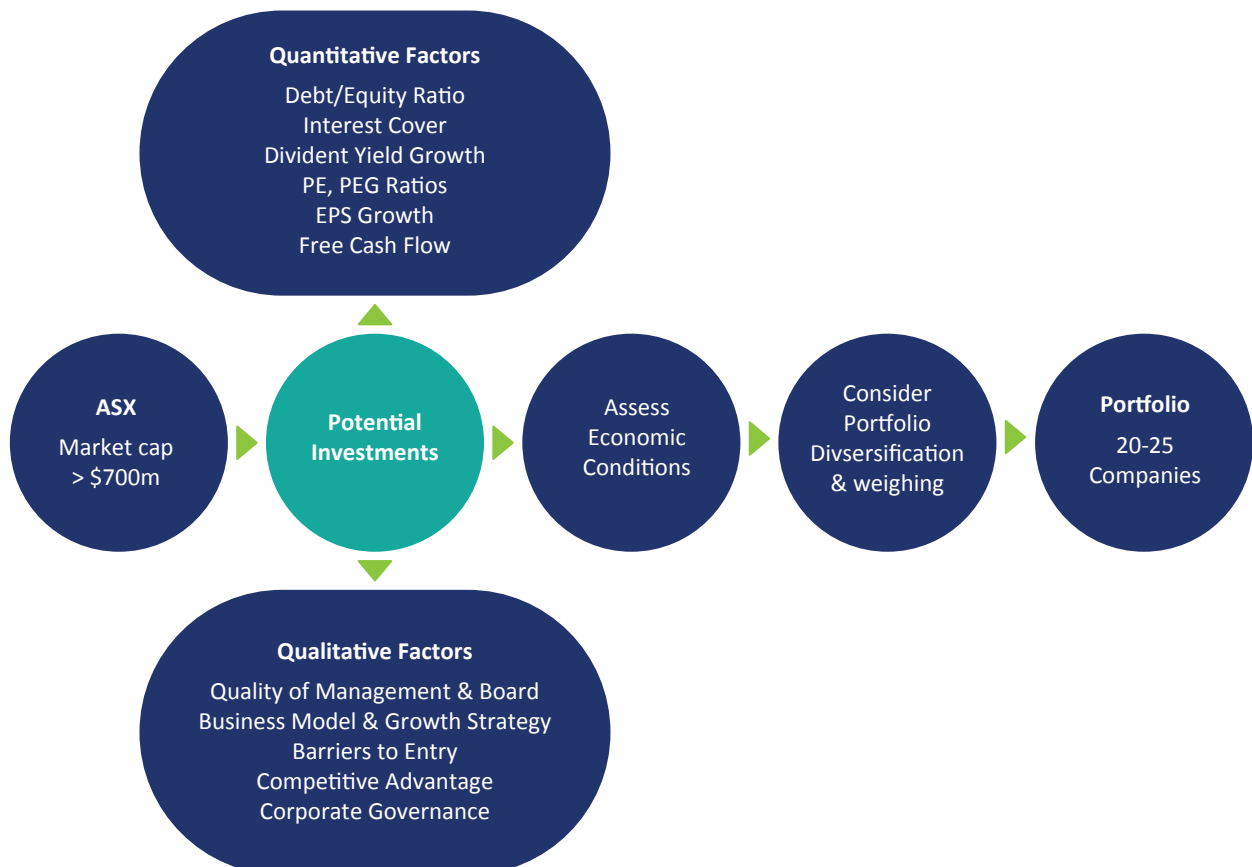
Of course, once your portfolio is created, there is the ongoing process of reviewing all assets it holds, as well as their relevant weightings.

To this end, the Investment Committee meets monthly to review portfolio performance and make any recommendations to change specific stocks or their weightings.

To stay up to date with emerging trends, the Investment Committee monitors and reviews financial literature from around the world on a daily basis. We also source stock-specific and macroeconomic research from a number of leading financial institutions and brokerage houses.

Finally, our investment process is managed and designed to be as tax efficient as possible. Incorporating tax management into investment decisions is a critical factor in maximizing your net return. This is only possible and best achieved via a Westwood Group MDA.

Investment Process



Income Focus

Our comprehensive investment process allows us to design and tailor a portfolio of investments that will meet or exceed the income requirements of our clients.

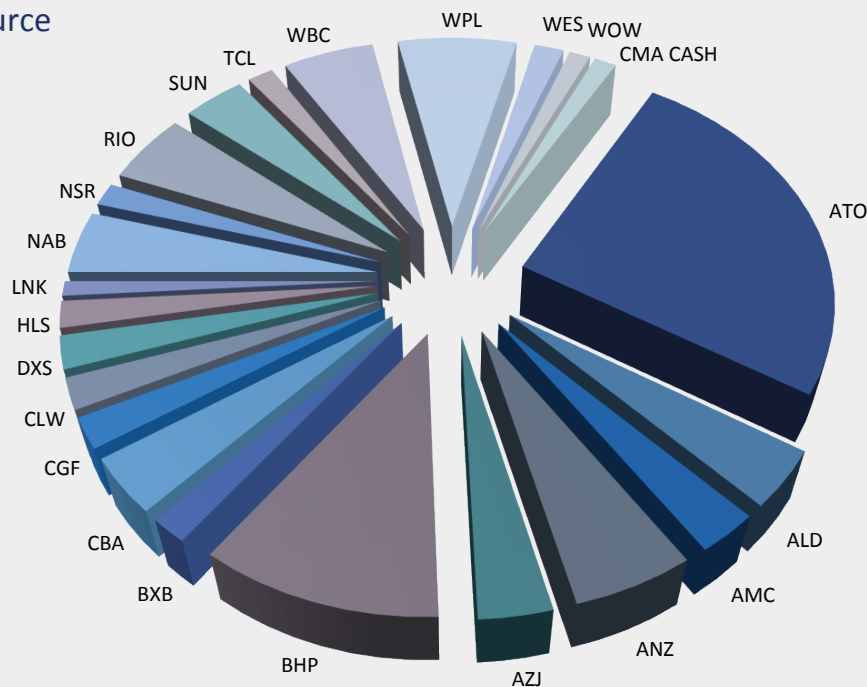
A typical Westwood Private Portfolio is designed to provide a stable and recurring income stream sourced from some of Australia's largest and well known companies. By creating a diversified portfolio of 20-25 stocks, clients receive income in the form of dividends or distributions from 20-25 different companies.

By diversifying income streams, this avoids any over-reliance on income from the one source as is typical with many property related investments.

On top of this, our clients received franking credits with the dividends from share investments. For an investor in a low tax environment such as a SMSF in pension phase, the full amount of franking credits may be able to be refunded from the Tax Office.

This adds diversification to the income sources and may help boost income returns. An example of the variety of income sources available for a typical client is found in the graph below.

Income by Source



Forecast for the Year Ending 30 June 2022

Diversification

Whilst many of Westwood Private Portfolios clients elect to invest predominantly into Australian shares, this does not necessarily mean that a portfolio of Australian shares has no international exposure.

An analysis by Westwood Group of how the underlying companies in a typical portfolio of shares produce their revenue does show a certain degree of international diversification from overseas revenue sources.

The Westwood Investment Difference

We deliver our clients greater certainty, control and security in funding their financial lives. Some of the key points of difference that make Westwood Private Portfolios unique are:

- **The best people.** Our investment team is led by our founding director Brendon Alford who has extensive domestic and international experience. Importantly, our Investment Committee includes diverse experience across investment banking, funds management, chartered accounting and economics.
- **Superior portfolio management** based on a proven investment process and methodology. In choosing assets for a client's portfolio, they must undergo a rigorous selection process considering both qualitative and quantitative factors. Our success in meeting clients' objectives has been underpinned by a core approach of investing with certainty.
- **State of the art technology** ensures we are able to manage client portfolios in an efficient manner. Of equal importance, clients enjoy complete transparency and accountability. We are committed to ensuring our reporting is relevant and meaningful to the individual client.
- **Corporate values of the highest standards** have been central to the building strong and enduring relationships with our clients. We know and understand clients are looking for a long term relationship. We build this trust with our clients by acting with the highest ethical standards at all times.
- **Customisation delivers a significant competitive advantage** when managing investment portfolios. By operating *individually managed accounts* we manage for the individual client's investment program. The client may specify a required level of monthly cash flow from the account to fund their lifestyle. Taxation matters unique to the client are managed, adding considerable value to the bottom line. Client investment preferences can be accommodated at an account level, providing greater peace of mind.

Other Unique Advantages and Special Opportunities

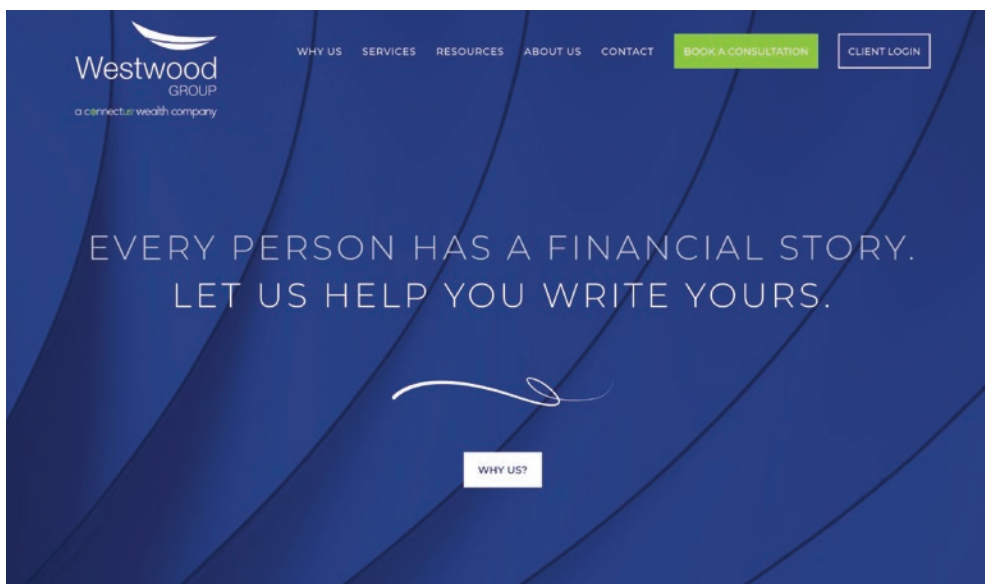
Along with the construction of a tailor-made equity portfolio, Westwood Private Portfolios also offer the opportunity for access to other unique strategies to maximize after tax returns.

Account Operation

Online Access

A key feature of Westwood Private Portfolios is transparency. This is underpinned by a unique individual online profile which reports all transactions for the portfolio as well as summary information.

The interface is facilitated through software which allows clients and their advisers to log in at any time and view the value and activity of their portfolio. This is achieved through online client profiles that provide overnight data of individual transactions and through our commitment to ongoing communication as Westwood professionals.



Reporting and Communication

Westwood's commitment to transparency is also carried out through regular reporting and ongoing communication. Contact includes:

- Regular Newsletters,
- Biannual Reporting Season Bulletins,
- Quarterly Portfolio Reports,
- Comprehensive End of Financial Year Taxation Reports, and
- Annual Reports.

Portfolio Administration

Westwood also manages all of the regular administration tasks associated with your portfolio and direct share ownership. All paperwork and correspondence in relation to your portfolio, including such things as recording dividend notifications, liaising with share registries, and working through your year-end tax report with your accountant are handled by Westwood. You therefore do not need to waste any of your precious spare time on these administrative tasks, leaving you free to spend your time on the truly important things.

Contact Us



Portfolio Director

Brendon Alford B Bus CA F Fin

Brendon Alford is an investment specialist with diverse experience in the Accounting and Investment sectors. Since 1997, he has worked with Deloitte, QSuper and Wilson HTM. During his tenure at these firms, he gained experience in accounting, taxation, business management, investment markets and constructing investment portfolios that are tailored to clients' needs and outcomes. Brendon is also a founding director and spends most of his day overseeing the investment and administrative activities of clients' portfolios.

Qualifications:

- Bachelor of Business
- CA Program, Institute of Chartered Accountants
- ASX Accredited Derivatives Adviser (Level 1 & 2)
- Graduate Diploma of Financial Planning

Further Information

For further information, speak to your Financial Advisor, visit www.westwoodgroup.com.au or contact us. Our financial services guide is available at our website as well as our privacy policy. We protect your personal information under our Privacy Policy available at westwoodgroup.com.au

Frequently Asked Questions

How do Individually Managed Accounts stack up against other investment alternatives?

When weighing up the various investment management solutions, there are a range of questions that can guide your clients to choose the best alternative for them. The below table summarises the key features of each.

	Stock Broker	Managed Fund	Westwood Private Portfolios Managed Account
INVESTMENT			
Professional risk management processes	MAYBE	YES	YES
Choice of investment styles	NO	YES	YES
Corporate actions administered	MAYBE	NO	YES
Ability to enter & exit stocks without influencing price	YES	NO	YES
Transactions independent of other investors' circumstances	YES	NO	YES
Assets protected from being frozen	YES	NO	YES
Ability to forecast cashflow	NO	NO	YES
Performance reporting	NO	YES	YES
Ability to lock or freeze holdings to prevent selling	YES	NO	YES
Ability to transfer existing holdings into portfolio	YES	NO	YES
Transportability of portfolio	YES	NO	YES
Personalised investment program	NO	NO	YES
Ability to exclude stocks or industries from portfolio	YES	NO	YES
Direct share ownership	YES	NO	YES
FEES			
Fee transparency	YES	NO	YES
Low accounting fee	NO	YES	YES
Ability to forecast fee	NO	YES	YES
Free from conflict of interest	NO	YES	YES
TAXATION			
After tax management	NO	NO	YES
Protected from CGT when switching investment managers	YES	NO	YES
Tax reporting provided	NO	NO	YES
No embedded CGT	YES	NO	YES
Tax planning information available	MAYBE	NO	YES
Portfolio managed to suit client's tax circumstances	NO	NO	YES
Holding parcel selection to optimise CGT	YES	NO	YES