



Synertree Capital Management Services Inc.

Synertree is a business consultant & a software application developer. We bring financial advisory, customized data, and functional solutions to you. Since 2016, we have been serving as a trusted partner for businesses and investors.

We are not your typical financial advisor. Our financial advisory services and technological solutions are modular and priced on values added. We specialize in business valuation, financial analysis & modeling, outsourced accounting, business acquisition and divestiture.

Recognize the Moving Pieces

Case Studies



Blockbuster:

In 2000, Reed Hastings the founder of a little company called Netflix got a meeting with Blockbuster CEO John Antioco (value at about \$2B at the time) for a potential buyout of Netflix for \$50M. Reed got laughed out of the room.

Blockbuster was perfectly happy with their business models, with \$800M on late fees or 16% of its revenues.

Yahoo:

Yahoo turned down the offer to buy PageRank system in 1998 for 1M. PageRank system was patented and represents the core of Google (Alphabet). In 2002, Yahoo offered \$3B to buy Google again but Google countered \$5B. Again, Yahoo said no.

In hindsight, some bad decisions could be avoided, clearly. However, we need to recognize the moving pieces and take actions at the right time.



Wealth Advisory Profession Phases

Awakening

Back in the 1980s, specialist advisory services were created to serve the needs of enhanced relationship and premium investment products. The single gateway allows private investors to gain access to premium services, relationships, and products. Favourable markets allow managers to deliver value propositions.

Repudiation

In the 1990s, a series of crises ended with the dot com crash showed the values of risk management, asset allocations, and alternative investment products. Private clients began to question the justification of high fees and the transparency of the agency relationship.

Engagement

New epoch, the Age of Engagement, the availability of information of investment products and services allow clients to compare fees paid to their performances. The more competitive environment allows clients to emphasize on the connections between professional skills and the suggested outcomes. The value proposition and investment managers' capacity must become more symbiotic.

Wealth Shift by CFA Institute

What is the differentiator? (based on 4000 participants)

1. Transparency and Competitiveness on fees
2. Enhanced accesses and services through digital channels
3. Non-investment advice
4. Alignment of client's investment personality and risk profile

“**62%** of private clients now expect their wealth manager to integrate technologies into the experience to deliver a more complete solution, with this number rising to 71% of clients under the age of 35. “

FIGURE 6: FUTURE OF CLIENT RELATIONSHIPS

[Asked to all wealth practitioners] In five years' time, how do you anticipate the importance of these factors changing in your private client relationships?

[Asked to wealthy individuals] In five years' time, how do you anticipate the importance of these factors changing in your relationship with your wealth management firms?



Rise of Digital Wealth Management



Digital Wealth Management

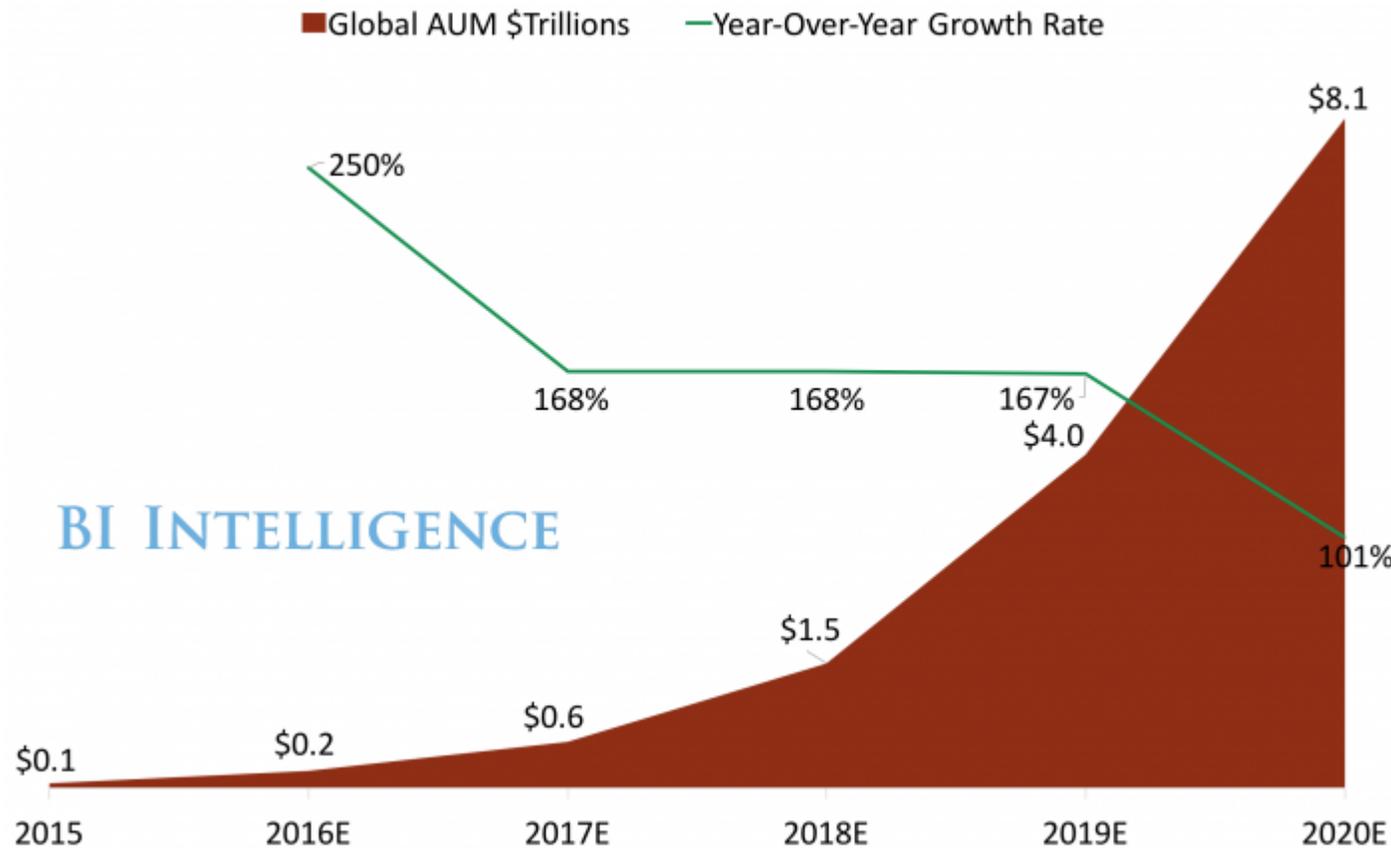
Source: Dinis Guarda

Industry Landscape – Selected Category Examples



Robo-advisors AUM Forecast

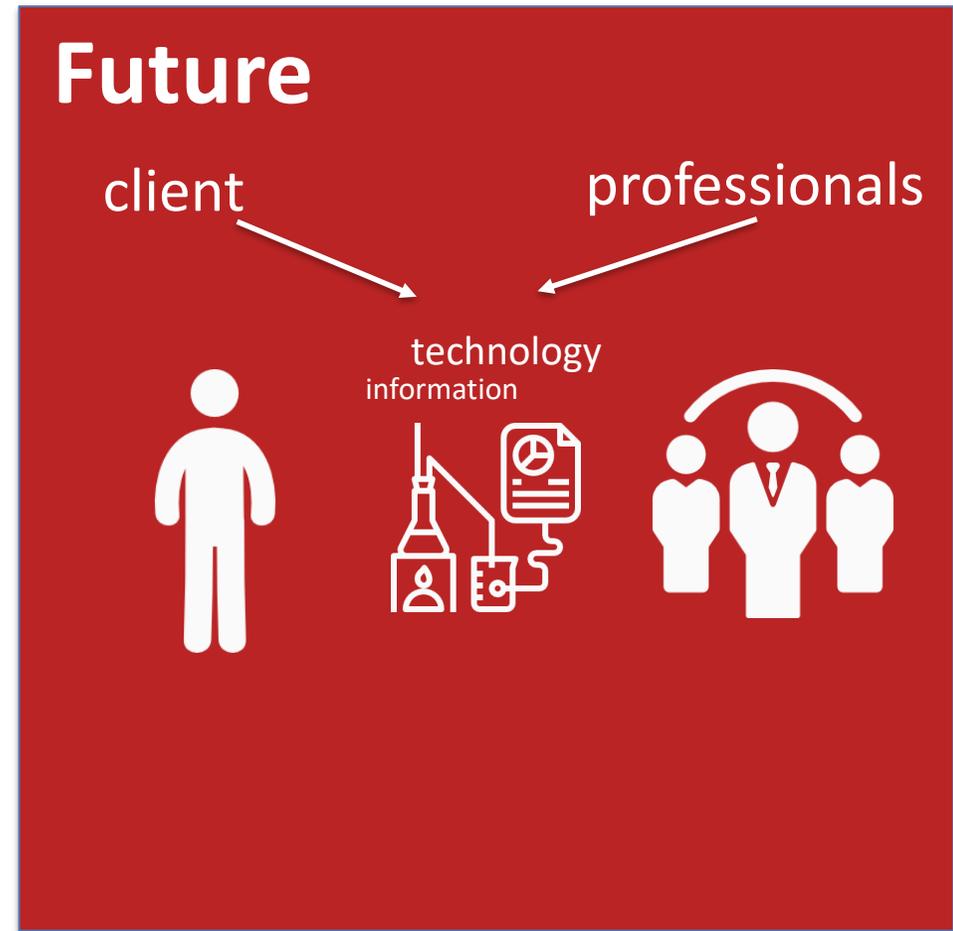
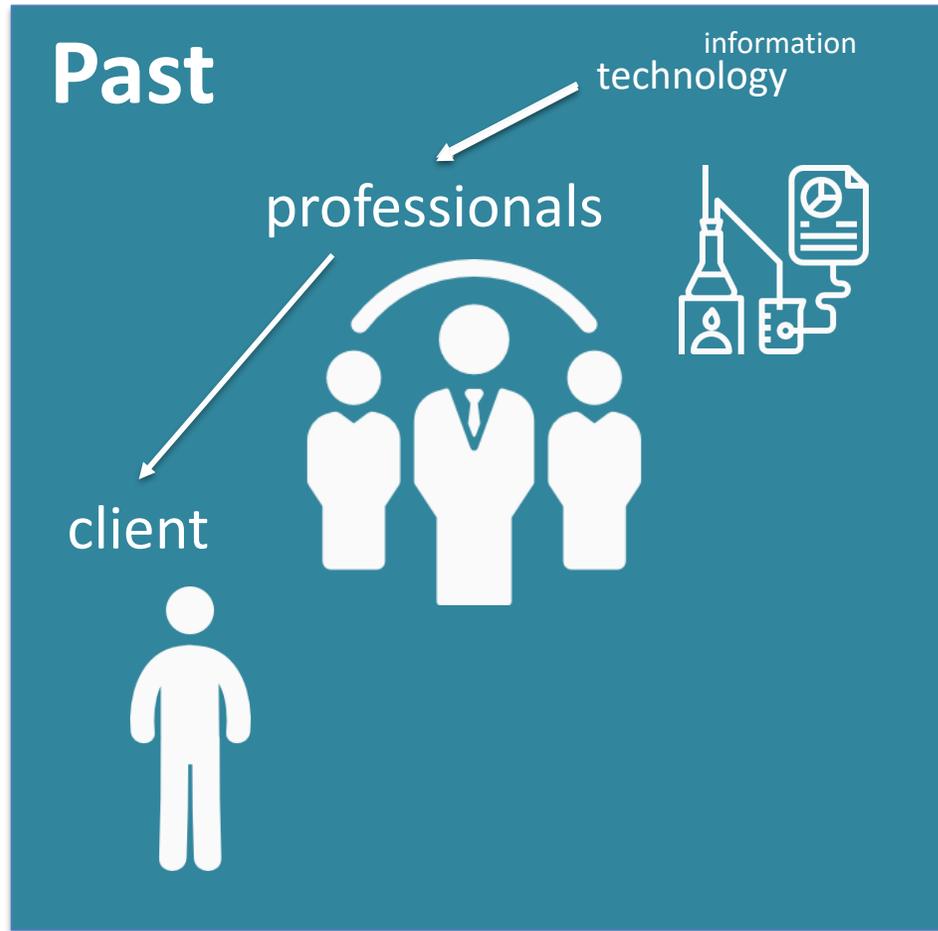
FORECAST: Global Assets Under Management By Robo-Advisors



Robot won't replace humans in the foreseeable future yet, but humans with robots will.

BI INTELLIGENCE

Structural Changes



Foreseeable Challenges

1. Investments – securities at high valuations, low yield for quality fixed-income products.
2. CRM – loss of assets due to differential value proposition, wealth transfer
3. Technology – AI, robo advisor competing for clients with lower asset base for now and/or availability of investment information.
4. Integration – bank's vertical integrations and SMB segment's horizontal integrations
5. Compliance – complex regulatory framework and requirements, increasing professional requirements on KYC, KYP

Solutions

What

- ◆ Fee based transition
- ◆ Model portfolios

How

- ◆ Quant based optimization
- ◆ Risk-adjusted portfolio management
- ◆ Risk management