SIAA monthly

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AI tools are supercharging SOA generation: But don't ditch advice review processes just yet

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Optimising ETF trade execution

SUPER SNIPPETS: Super fund governance failing us

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Stockbrokers and Investment Advisers Association
Serving the interests of investors

Stockbrokers and Investment Advisers Association Limited ABN 91 089 767 706

Level 2, 74 Pitt Street, Sydney NSW 2000

Email: info@stockbrokers.org.au

Tel: +61 2 8080 3200

www.stockbrokers.org.au

MESSAGE FROM THE CEO

Judith Fox, CEO

It was wonderful to see so many of our members at SIAA's 2025 conference in Sydney last month. Each session provided valuable insights into how the industry is creating confidence for clients; confidence in operational resilience; and confidence in meeting the challenges of demographic changes and geopolitical uncertainty. SIAA spoke about how we are seeking to create confidence in regulatory settings.

Attendance increased from 2024, with 420 participants and feedback from delegates and sponsors alike has been overwhelmingly positive.

Of course, we could not offer such a rich program without the support of our sponsors. Particular thanks go to our major sponsor, ASX.

We're also grateful to our gold sponsors AUSIEX; Cboe; HUB24; JP Morgan Asset Management; Oceanic Consulting Group; Schroders; and S&P Global. Wonderful support also came from our silver sponsors IRESS; Perpetual; Tandem Securities; and SecuritEase, which is our networking drinks sponsor. Our bronze sponsors also made a valuable contribution and our thanks go to Australian Money Market; BetaShares; Chelmer; Compliii; FinClear; FlexTrade; LAB Group; L1 Capital; Lowell Resources; MLC; Morningstar; Praemium; Sharesight; Suite2Go; Vanguard; and Financial Standard – our media partner. I would also like to acknowledge our Supporters – Acclaim, DDH Graham, ETF Shares, Financial Simplicity, Global X, NSX, Viewtrade, Holley Nethercote — our Compliance Breakfast partner.

All delegates will be able to access recordings of sessions after the conference. This is particularly helpful where you have missed a concurrent session. Also, you can still accrue CPD for watching the recordings. Those attending have been sent access via an email from us. Recordings will be available to everyone for three months.

Our thanks go to all of our delegates as well, who joined us for this opportunity to learn and connect. SIAA exists to support and promote the value of the stockbroking and investment advice industry to serve the interests of Australian investors. Our conference is a key part of how we support our members and the participation of so many made the 2025 conference a rich and compelling journey.

I would also like to thank Silvana Eccles, Diem Tran and Gina Mensur, who are the extraordinary team who made sure the conference ran as smoothly and seamlessly as it did. It is to their credit that such a professional conference was put on. Michelle Huckel also provided support on various sessions as well as at the Compliance Breakfast.

Our 2026 conference returns to Melbourne, at the Grand Hyatt in Collins St. It will be held Tuesday 19 and Wednesday 20 May, with networking drinks at the Spice Market, located underneath the hotel. Put the dates in your diary now.

Advocacy

Now that Dr Daniel Mulino has been sworn in as the Assistant Treasurer and Minister for Financial Services, SIAA will advocating for movement on the pressing issues of relevance to our members that are currently underway, having been commenced by the former Minister Stephen Jones and confirmed as Labor policy. They are:

- Education standard for financial advisers — the policy was announced on 10 February 2025
- Delivering Better Financial Outcomes — tranches 1 and 2 of the legislation have been released
- Compensation Scheme of Last Resort review (currently underway)

There are other issues of relevance to our members, including CHESS replacement; Senate Economics References Committee inquiry into wealth management companies; ASIC industry funding levy; and Australian Law Reform Commission review of financial services laws and SIAA will continue to represent our members' interests on these issues too.

Women in Wealth Awards

At the end of May the Financial Newswire Women in Wealth Awards event was held in Sydney. For the second year of the Awards, I had the privilege of being on the Judging Panel. It was a wonderful occasion that celebrated exceptional women in wealth who have demonstrated leadership and initiative across different areas of the financial services industry. I am delighted to advise that SIAA's members were among the winners and highly commended. Our congratulations go to the following members:

Investment Adviser of the Year

WINNER:
Sandra Crouch, Morgans Financial

HIGHLY COMMENDED:
Franchesca Hurst, JBWere

Governance, Risk and Compliance Professional of the Year

WINNER:
Donna Caird, Euroz Hartleys

Industry Leader of the Year

HIGHLY COMMENDED:
Michelle Inns, LGT Crestone

Mentor of the Year

WINNER:
Amanda Boyce, Euroz Hartleys

2025 Graduate of the Year (2 years or less in industry)

WINNER:
Annie O'Scanaill, Morgans Financial

Employer of the Year

HIGHLY COMMENDED:
Euroz Hartleys

COMMITTEE NEWS – JUNE 2025

Upcoming meetings of the Stockbrokers and Investment Advisers Association – Committees, Working Groups and Advisory Panels:

Derivatives Committee, Tuesday 3 June 2025
Chair: Te Okeroa MSIAA, AUSIEX

Operations and Technology Committee, Tuesday 10 June 2025
Chair: Frank Hegerty OLY MeSIAA, Ord Minnett

Compliance Committee, Thursday 12 June 2025
Chair: Melissa Nolan MSIAA, Ord Minnett

Diversity, Equity and Inclusion Committee, Monday 23 June 2025
Chair: Peter Robinson MeSIAA, AUSIEX

New Young Professional Members YPSIAA

Laura Barichello, Burrell Stockbroking
Liam Coughtrey, Ord Minnett
Nathaniel Earl, Ord Minnett
Charlie Faulkner, Bell Potter
Yamato Fenelon, Ord Minnett
Liam Hennessy, Burrell Stockbroking
Larson Hoffman, Ord Minnett
Marcus Hook, Burrell Stockbroking
Grace Hubbard, Ord Minnett
Tony Leigh, Ord Minnett
Renato Miletic, Shaw and Partners
Caleb Millin, Ord Minnett
Dominic Mullane, Ord Minnett
Sam Smith, Ord Minnett
Richard Spilsbury, Ord Minnett
Nicholas Monty Swift, Taylor Collison
Dylan Totten, Ord Minnett
Karl von Sanden, Taylor Collison
Luke Waller, Ord Minnett

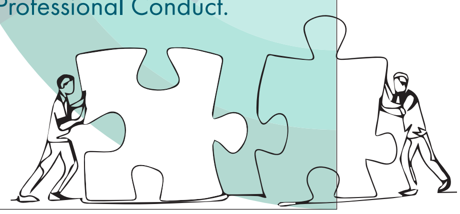
New Student Affiliate StuAfSIAA

Jaxon Goddard, Curtin University

ACTING FOR YOU

SIAA exists to represent our members and work in their interests. Below are the key issues we are currently working on:

- ✓ Financial Adviser education standards
- ✓ Delivering Better Financial Outcomes reforms
- ✓ Australia's evolving capital markets
- ✓ ASIC Industry Funding Model
- ✓ ASIC consultation on publication of breach reporting and IDR data
- ✓ Market Integrity Rules
- ✓ ASX CHESS Replacement Project
- ✓ ASX Mfund wind down
- ✓ Considerations for accelerating cash equities settlement in Australia to T+1
- ✓ Cboe's proposed new listings framework
- ✓ ASX Service Release 15
- ✓ Inquiry into wholesale investor and wholesale client tests
- ✓ Share fraud risks
- ✓ Impact of the Compensation Scheme of Last Resort
- ✓ Competition in clearing and settlement
- ✓ AFCA rules, operational guidelines and determinations
- ✓ Review of eligibility requirements for registration with the TPB
- ✓ The Tax Agent Code of Professional Conduct.



ASX Service Release 15 will go live on 23 June 2025

ASX has announced that Service Release 15 will go live on **Monday 23 June 2025**.

A third Industry Wide Test Event for Service Release 15 is scheduled for Saturday 21 June 2025. ASX has advised that this test event is optional for firms who have already attested by that date.

ASX has asked firms who have successfully completed Industry Wide Tests 1 and 2 to provide their attestations at their earliest convenience to enable ASX to confirm Trading Participant and Vendor readiness.

Attestations are due no later than 2pm, 21 June 2025.

A link to the ASX notice is here https://asxonline.com/public/notices/2025/may/0473.25.05.html

SIAA strongly opposes ASIC's proposals to 'name and shame' licensees on their IDR and breach reporting data

In a recent consultation paper ASIC put forward proposals on how it could publish licensee reportable situations and IDR data on a firm level basis that includes firms' names and licence numbers.

In Consultation Paper 383 ASIC stated that publishing firm-level reportable situations and IDR data will:

- enhance accountability and transparency, providing an incentive for improved behaviour;
- help firms and consumers identify areas where substantial numbers of significant breaches and IDR complaints are occurring; and
- allow firms to target their efforts to improve their compliance and consumer outcomes in those areas.

As the precise contents and format of the data ASIC intends to publish are not prescribed by legislation, the purpose of ASIC's consultation was to seek feedback on:

- how it will present and contextualise the data
- the scope of data publication
- the data elements ASIC proposes to publish.

SIAA has provided feedback strongly opposing ASIC's proposals.

In our submission lodged on 16 May 2025 SIAA argued that the proposals:

- do not meet the requirements and objectives of the reportable situations and IDR regimes,
- are a completely inappropriate use of data that licensees are required by law to report to ASIC.
- disincentivise licensees from improving their reportable situations and IDR reporting practices,
- will result in data that is not easily interpreted, and
- will not allow for meaningful comparisons across firms. :

SIAA does not consider that ASIC has the legislative authority to publicly name and shame licensees in this way as regards their reportable situations data.

Reporting at a licensee level is not consistent with the purpose of the breach reporting regime

Our primary concern is that the threshold question of the intended objective of this initiative has not been satisfactorily justified. The reportable situations regime is intended to facilitate ASIC's supervisory and enforcement role — not publicly name and shame licensees.

Reports about reportable situations are a critical source of regulatory intelligence for ASIC that may enable it to detect significant non-compliant behaviours early and take regulatory action where appropriate. However, publishing breach reporting data on a name and shame basis does not further any of these regulatory aims. Supervising licensees is not a role for consumers. It is ASIC's responsibility.

This naming and shaming approach is akin to ASIC handballing its responsibilities to the court of public opinion and abrogating its responsibilities for supervision and enforcement.

Determining a breach is complex and breach data may not accurately reflect that a breach has in fact occurred

The determination of whether an actual breach of the Corporations Act has occurred is often complex, and a reported breach is not necessarily an actual breach, notwithstanding best endeavours to make that determination before reporting it to ASIC. This can result in data containing details of reportable situations that are not a breach of the Corporations Act. While ASIC can make further investigation of these reports, the public cannot. Publishing licensee names against their breach report data is not actually providing information of value to consumers.

Naming and shaming licensees acts as a disincentive to report breaches

Public naming and shaming creates a strong disincentive to licensees to fully and frankly report under the regime and runs counter to its objective which is to enhance accountability and transparency.

In a public name and shame regime, licensees considering whether their obligations to report have been triggered will need to consider, as an additional matter, the reputational risk of details of the breach being publicly reported against their name. If a situation is a borderline case, the impact of a public name and shame regime will be that the licensee will not report it. This will provide a disincentive to good behaviour and runs counter to ASIC's desire for open and transparent communication. It will also have a deleterious and significant impact on the compliance culture of licensees.

Licensees will incur additional costs with no corresponding benefit to consumers

Naming and shaming will result in licensees incurring increased legal and compliance costs as they will be more likely to seek legal advice to determine whether a breach or likely breach has occurred and must be reported in accordance with the reportable situations regime. Where currently a licensee may be comfortable in reporting a breach, under the new regime compliance staff will double check because of the risk of the breach becoming public.

Despite the increased cost burden, there is no empirical evidence that public naming and shaming of licensees will improve outcomes for consumers receiving financial services. ASIC already receives reportable situations reports that enables it to detect significant non-compliant behaviours early and take regulatory action where appropriate. Ironically, publicly naming and shaming has the greatest impact on those who are complying with their reporting obligations and offers a powerful disincentive for them to do so. The outcome of a public name and shame regime is to punish licensees who comply with the law.

The data will be misunderstood by the public

Consumers are unlikely to understand the reportable situations regime and all the explanatory statements in the world are not going to assist consumers understand the mass of data that ASIC proposes to publish.

Potential for misuse of licensees' data by third parties

ASIC's proposed approach will significantly increase the risk of litigation against licensees as well as the incidence of opportunistic, vexatious and unfounded complaints. A combination of downloadable reportable situations and IDR data will enable third parties to create a list of licensees conducting remediation programs which will attract scammers and potentially transform our member firms into ATMs.

Disclosure of licensees' sensitive information

Our members are deeply concerned about the level of detail that ASIC proposes to publish against their names regarding both reportable situations and IDR data. Information about rectification, remediation and compensation including details about the provisions that may have been breached, estimated financial loss and the use of beneficial assumptions is commercially sensitive and confidential. It is inappropriate that such large amounts of internal and confidential licensee data would be published against the licensee's name. It essentially discloses the internal operations of our members' businesses to the world at large.

We have asked ASIC to reconsider its approach to publication of reportable situations and IDR data and hope that ASIC carefully considers our members' feedback to this Consultation Paper before finalising its proposals.

The link to our submission is here.

MEMBERS CAN VIEW SUBMISSIONS **HERE**

LET'S BE FRANK: Income opportunities beyond franked bank hybrids

By Helen Mason, Portfolio Manager of the Schroder Australian High Yielding Credit Fund (Cboe: HIGH)

We all love a deal, right? Franking credits on investment securities makes us feel just that little bit smarter than the system. But franking is now old news for fixed interest securities since APRA made the decision to restructure the $43bn bank hybrid market, replacing their position in the capital structure with Tier 2 paper (a wholesale only subordinated credit security) and common equity, which remains franked.

But all is not lost. Quite frankly, you don't need the franking to achieve the same return or better returns than you were able to achieve on bank hybrids.

Public credit offers a great alternative for income investors due to its unique mix of favourable investment characteristics, including.

- Attractive returns
- Diversification
- Liquidity
- Transparency
- High quality

Let's go through them.

Attractive returns

The table below shows the franked returns of single bank hybrids over 1, 2 and 3-year periods. It shows that the Schroder High Yielding Credit Fund (ASX: HIGH) has delivered returns which are on par or above what can be achieved on singular franked bank hybrids.

But return numbers alone don't paint the full picture. One of the most

Figure 1: Schroders HYCF returns vs single franked bank hybrids returns

	ANZ Cap Notes 7	NQG Cap Notes 5	NAB Cap Notes 5	WBC Cap Notes 7	Schroders HYCF (Net)
1 yr	6.63	6.13	6.23	5.39	7.15
2 yr p.a.	7.94	7.72	8.02	7.73	8.69
3 yr p.a.	6.55	6.58	6.62	6.31	6.49

Source: Refinitiv May-2025

important metrics for investors to review is the return received per unit of risk taken, commonly measured as the "Sharpe ratio". Figure 2 shows that across 1, 2 and 3 year timeframes, HIGH has outperformed bank hybrids by a significant margin. So whilst returns are high, the fund is much less volatile than single bank hybrids.

Diversification

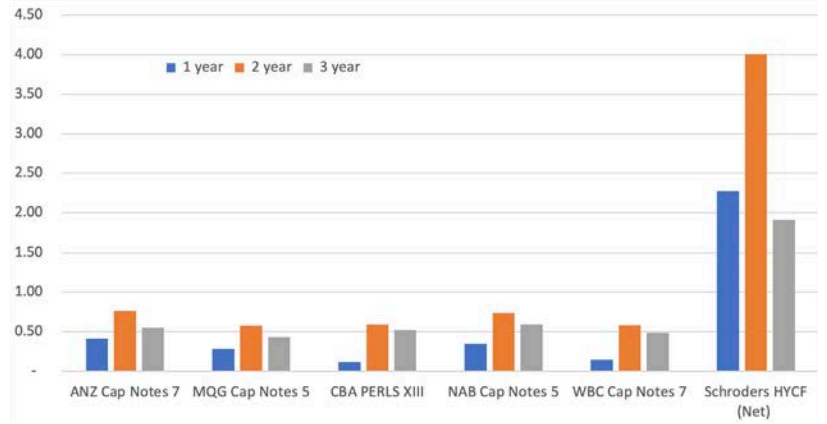
Diversification is increasingly important in light of today's heightened levels of volatility and uncertainty, and here Australian credit really shines. The benefits diversification provides fall into three main buckets:

- **Risk mitigation:** Diversifying across different sectors, geographies, and credit qualities can reduce the impact of adverse events affecting a particular issuer or sector, thereby lowering overall portfolio risk.
- **Improved returns:** A diversified portfolio can capture a wider range of opportunities, potentially leading to higher returns. Different sectors may perform well under varying market conditions.
- **Enhanced stability:** By holding a variety of companies and sectors, investors should expect more stability in performance over time as well as mitigating the downside of having high levels of exposure to a single name or a single bond which exposes investors to both market and event risk.

Compared to peers in the ETF space, HIGH presents a well-diversified offering with a broader opportunity than just bank tier 2 as a replacement for AT1s.

Australian Public credit is a well-diversified asset class. Not only do investors have access to the major Australian banks, which holders of AT1 securities know and love, but also a smorgasbord of industries and companies that form the backbone of the Australian economy, including airports, sea ports, major energy distribution networks as well as those well-known consumer staples like Woolworths, Coles and even Westfield. In fact, as the majority of Australian companies that issue into public debt markets are

Figure 2: Schroders High Yielding Credit Fund Sharpe ratios vs Bank Hybrid ratios



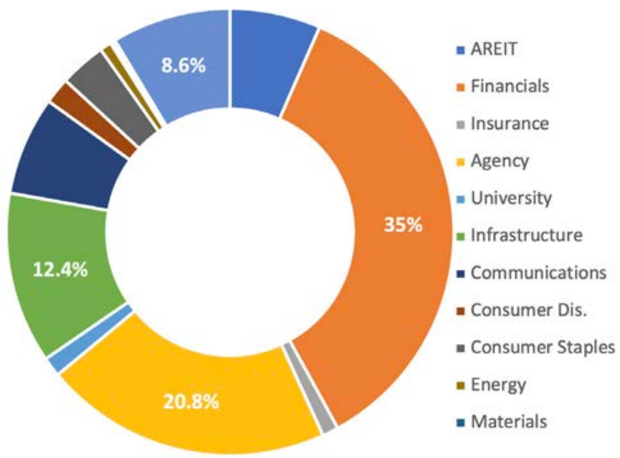
Source: Refinitiv May-2025

Figure 3: A differentiated risk-aware income offering

	HBRD	BSUB	BHYB	QPON	SUBD	AHYC
Sectors	Bank Hybrids	Bank Sub-Debt	Bank Hybrids	Bank Floating Rate	Bank Sub-Debt	Senior Corporates; Bank Sub-Debt, Bank & Insurance Hybrids
Active / Passive	Active	Passive	Passive	Passive	Passive	Active
Number of issuers	14	4	4	8	12	59
Number of holdings	134	13	18	12	35	107
Performance fee	Yes	No	No	No	No	No
Impacted by reduction in Bank AT1	Yes	No	Yes	No	No	No
Portfolio concentration	Yes	Yes	Yes	Yes	Yes	No
Sector concentration	Yes	Yes	Yes	Yes	Yes	No

Source: BetaShares, VanEck, Schroders as at May 2025

Figure 4: Ausbond credit index by sector



Source: Bloomberg Ausbond credit index, May-2025

unlisted, investors can gain access to an even wider scope of opportunity outside of their Australian equity holdings.

Different corporates have different risk profiles, which is reflected in the credit rating. But diversifying your portfolio you can access, both high quality and low quality credits which blend to achieve investors goals without blowing the risk budget.

Contrast this to private debt, where funds are heavily dominated by real estate assets. In fact, in 2024 63% of

AUM in Australian private debt was Commercial real estate[1]. The concentration in this asset class will only intensify with an increase in capital flows, meaning new, quality deals are harder to secure. Private debt funds are generally more expensive in fees, and they also don't offer franking.

Over 60% of the Australian credit index is unlisted providing investors with a broader opportunity set than listed equity markets. Furthermore whilst equity markets remain expensive and have arguably recovered too much with still so much uncertainty out there, we don't see equity as a viable alternative to bank hybrids because firstly, the ASX 200 has a significantly lower yield (currently 3.54% so if you frank that it's about 4.6%) and is the higher 'risk' alternative given equity sits behind all other creditors in the event of default but also displays higher volatility in periods of uncertainty, just like now.

Liquidity

Australian credit offers investors a high level of liquidity for four main reasons.

Market size and depth: Australian credit is well-developed, featuring a significant range of issuers including domestic and international financial and corporate entities. We see the range of opportunity in Australian credit to be approximately $340bn.

Regulatory environment: The Australian Securities and Investments Commission (ASIC) regulates the market, ensuring transparency and protecting investor interests. High levels of market scrutiny provides investors with confidence when making investment decisions.

Trade volume: Australian public credit securities and typically demonstrate consistent trading volumes, providing investors with the ability to buy or sell securities with ease.

Bid-Ask spreads: The liquidity of public credit instruments is often reflected in bid-ask spreads, which tend to be tighter indicating a more accessible market for trading.

Diversified credit portfolios benefit from greater levels of liquidity and better management of cash flow requirements for investors. Taking large positions in both illiquid credit, or concentrating your exposure in liquid lines, can cause issues if you need to get your money back, and this is magnified during periods of market dislocation.

Transparency

Investors require clear information to make informed choices about their investments. Transparency enables them to understand how their funds are being managed and the rationale behind investment strategies.

Transparency surrounding risks allows investors to gauge potential drawbacks and volatility associated with their investments, which is critical for aligning investments with their risk tolerance.

Public credit assets generally exhibit higher transparency due to regulatory reporting requirements and public trading. In addition, regular updates on performance, fees, and strategy adjustments help investors evaluate how well their investments align with their expectations and objectives, ensuring fee transparency.

High quality

Australian Credit is low volatility and low default. In fact, according to S&P research the last default in Australian investment grade credit was in 2008. The companies in the Australian credit universe are characterised by exceptionally high quality. The Australian Investment Grade index is rated 1 to 2 notches higher than its global counterparts, with an average rating of A+.

Conclusion

In an environment riddled with uncertainty and market volatility, the need for informed strategies has never been more critical. Australian public credit offers investors a way to maintain the income streams to which they've growth accustomed while also managing risk effectively through its unique mix of attractive return, diversification, liquidity, transparency and quality.

As we look to the future, embracing this new income frontier could not only enhance portfolio resilience but also empower investors to make choices that align with their financial goals. Let's be frank: it's time to reassess and adopt an approach that truly meets the demands of today's market.

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[1] Preqin, 2025

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AI tools are supercharging SOA generation: But don't ditch advice review processes just yet

By Anthony Speight & James Dickson, Oceanic Consulting Group

There's no denying artificial intelligence is crashing into the advice space like a freight train. Tools that generate Statements of Advice (SOAs) using generative AI are no longer theoretical. They're here, they're working, and they're fast. For advice practices chasing efficiency, that's a big deal.

But as we rush to embrace AI-driven workflows, there's a simple truth we can't ignore: licensees are still on the hook for the advice that goes out the door. Just because a robot can write it, doesn't mean advisers can stop reading it.

The promise of AI in advice workflows

Let's start with what's exciting.

AI-enabled tools are already lifting adviser productivity by handling structured sections of SOAs such as comparing product features, inserting standard disclosures, aligning recommendations with client data. For large volumes of relatively straightforward advice, the time savings are real. Turnaround times are shrinking, admin burdens are easing and in a world of tight margins and increasing compliance pressure, that's gold.

More importantly, AI can help enforce consistency and quality in documentation, two things that have long plagued advice practices, especially those with distributed teams or outsourced paraplanning.

Garbage in, garbage out

Before firms ditch paraplanners in favour of full automation, it's worth taking a step back.

The quality of an AI-generated SOA is directly tied to the quality of the input prompt. Vague or templated client data in = vague or templated advice out. Here's the non-negotiable: client goals and objectives must still be recorded in the client's own words. If the AI, or even the adviser, rephrases them into polished compliance-speak to "fit" the strategy, the line has already been crossed.

Why? Because the process has now been reversed. Rather than building advice to serve the client's true objectives, the objectives have been reshaped to justify the advice. That's not just a bad habit; the compliance of the document has been immediately undermined and potentially exposes the adviser to AFCA scrutiny and future remediation. It signals that the advice may not be in the client's best interest and that's a road no one wants to walk.

You're still liable

Let's be clear: no AI platform carries the legal responsibility for the advice it produces. Advisers do.

Even the slickest system won't protect a firm if a recommendation is found to be inappropriate, outdated, or poorly explained. And ASIC won't be asking whether the software passed an internal test suite, they'll be asking how flawed advice was allowed to reach a client.

The old approach of random quarterly file checks, flicking through 3–4 SOAs and hoping for the best, won't cut it. With AI in the mix, advice practices need to upgrade their quality assurance processes and assume that errors can slip through undetected, particularly when teams start trusting the tools too much.

Independent review: From option to obligation

Enter *File Review as a Service* (FRaaS).

At Oceanic Consulting Group, we've launched FRaaS to provide licensees and practices with independent, human-led reviews of AI-generated (or paraplanner-prepared) SOAs. Think of it as a safety net, designed not to replace internal checks but to strengthen them.

FRaaS plugs into existing workflows. Whether advisers are using AI to draft the whole document or just streamline data entry, OCG's compliance team reviews outputs for structure, tone, accuracy, and critically, client alignment. That means checking assumptions, sniffing out inconsistencies, and ensuring each SOA meets regulatory expectations and client needs.

The road ahead: AI with guardrails

The next few years will see AI take a bigger role in advice; there's no doubt about it. But the firms that succeed won't be the ones who chase technology for technology's sake. They'll be the ones who use AI as a lever, combining speed with scrutiny, automation with accountability.

Because in advice, trust is everything. And trust isn't built on the speed of generating an SOA. It's built on the quality of explanation, how accurately it reflects the client's intent, and how confidently the adviser can stand behind the recommendation.

AI can draft it.

Advisers still have to own it.

To explore how Oceanic's FRaaS solution can strengthen your advice processes and help you scale with confidence, contact Anthony Speight or James Dickson at Oceanic Consulting Group.

Growing demand for automation, integration and hyper-personalisation revealed in new industry report from Chelmer and Suite2Go

By Alin Ungureanu, CEO, Chelmer

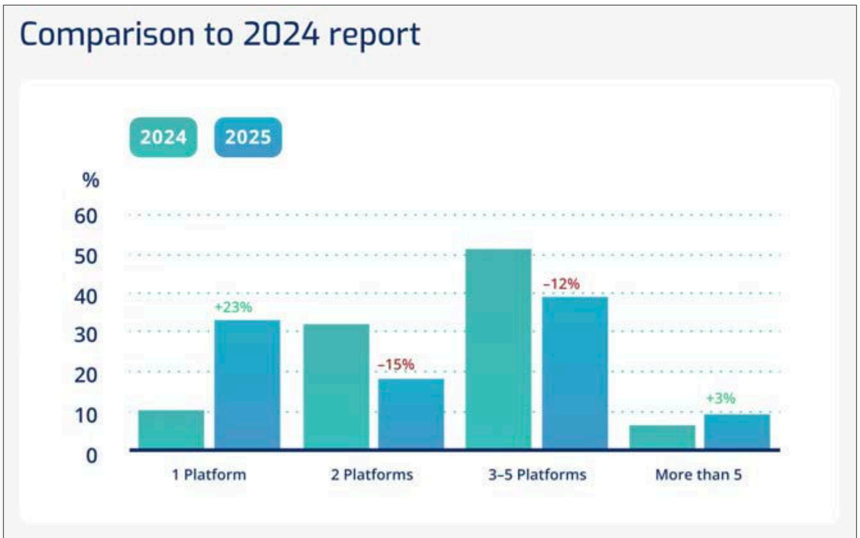
The recently released *Current state and future needs of wealth management technology: 2025* report points to a sector facing growing pressures to consolidate systems, streamline operations and deliver a consistent client-centric experience.

Based on the findings of Chelmer's second national survey of wealth managers, stockbrokers and financial advisers, undertaken in conjunction with Suite2Go, the report unlocks fresh insights into how technology is shaping the Australian wealth management landscape.

The survey highlights a clear trend: while most firms still operate across several platforms, there's an accelerating shift towards simplified, integrated solutions.

Just over 60% of respondents reported using between three and five platforms to manage their clients, but single platform usage has increased significantly, up 23% since the 2023 survey report. This dual trend of platform consolidation and fragmentation reflects the industry's transitional phase. Some firms are streamlining to achieve economies of scale, while other players are experimenting with specialised technology to differentiate services. The bifurcation underscores the tension between innovation and efficiency in a rapidly evolving wealth sector.

Despite this, integration remains a major challenge. Over half of the respondents said they were dissatisfied with how well their systems integrate



Bar graph showing the comparison between 2024 and 2025 in response to the number of platforms used.

with other tools and platforms. Only nine percent reported high satisfaction.

Multiple platforms create operational friction and higher costs. It's like trying to run several calendars across different devices – none of them sync, and important things get missed. What firms need is one unified calendar on their primary device that brings everything together clearly.

Advisers are prioritising a holistic view of clients' wealth while streamlining operations to focus on client relationships. This dual imperative is driving the industry toward integrated technology solutions.

Additionally, the report shows rising demand for automation in compliance, recordkeeping, advice reviews and reporting. Platform ease of use also emerged as a critical success factor.

The findings confirm anecdotal industry feedback that the complexity of operating across fragmented platforms is unsustainable. Advisers want to work across multiple platforms, but with a single consolidated view for operations, reporting and advice delivery. It's not just about technology anymore. It's about achieving efficiency, scale and better outcomes for clients.

The report also examines the results

> "Client expectations for transparency and on-demand access are reshaping adviser technology strategies. The divide is deepening. Firms that fail to respond to the changing landscape, risk being left behind as digital-first competitors capture market share.

to identify four transformational themes that point to a strong market demand for versatile, integrated wealth management technology

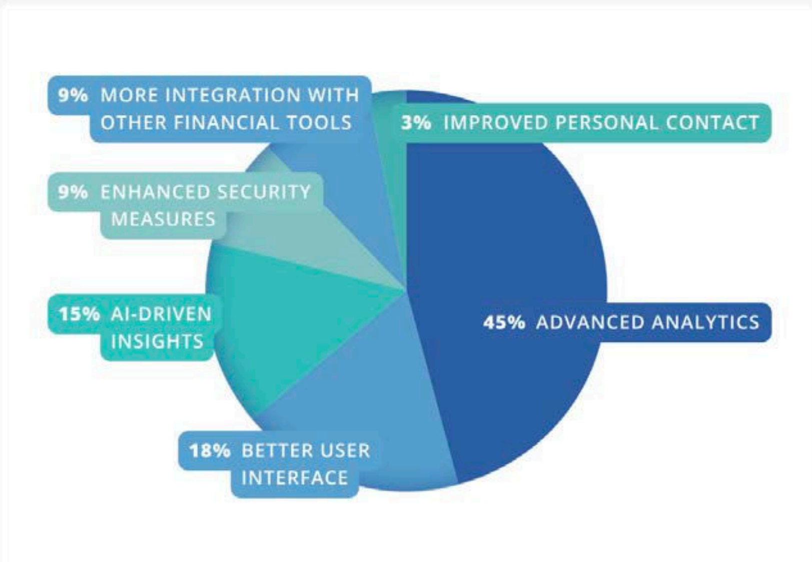
1. Mirroring 2023's trajectory, the managed accounts sector has experienced burgeoning growth, with consolidation and scale reaching new heights.
2. Digital-native ecosystems are the new battleground for client acquisition, with digital adoption transitioning from being a prerequisite for winning business.
3. Artificial intelligence is reshaping wealth management, no longer seen as experimental but essential. Leading firms are leveraging AI to streamline advice, enhance client engagement and mitigate risks.
4. Looking ahead, digital first strategies will define competitiveness with the sector's future hinging on platforms that blend hyper-personalisation with operational simplicity.

Client expectations for transparency and on-demand access are reshaping adviser technology strategies. The divide is deepening. Firms that fail to respond to the changing landscape, risk being left behind as digital-first competitors capture market share. To remain competitive and successfully navigate the future of wealth management, advisory firms need to be proactive in their approach to adopting new technologies and innovation as part of their business. Without wealth management technology, firms may find themselves mired in time-consuming administration and manual tasks, hindering their ability to scale operations effectively. This technological stagnation can lead to stunted growth, limited market reach, and ultimately a weakened position in an increasingly digital-first industry.

The industry's future hinges on platforms that unify data, automation and personalisation into a cohesive ecosystem. The critical question is no longer how to adapt, but how swiftly firms can act to secure their position before rivals redefine the industry landscape.

A full copy of the survey results and deeper analysis of the findings is available on Chelmer's website. Visit chelmer.co/wealth-management-report/

What features or tools would you like to see integrated into your platforms in the future?



Pie chat showing the features and tools respondents would like to see integrated into the platforms they use.

ABOUT CHELMER: Chelmer has partnered with Suite2Go as its Australian distribution partner, enhancing access to Chelmer's intelligent, leading-edge technology for Australian-based financial institutions.

If any of the survey results or commentary has highlighted some area where you can improve your own wealth management technology or if you have further questions, please get in touch with our Australian partner, Suite2Go, to talk through your challenges and aspirations and discover what's possible when you partner with wealth technology innovators.

Optimising ETF trade execution

By Tolga Dokumcu, Director of Sales Trading and Execution, AUSIEX

Trade execution is crucial, directly affecting the price, cost, and overall return of a trade. While poor execution can result in higher costs due to wider bid-ask spreads, slippage, or unfavourable market timing, effective execution ensures trades are made at optimal prices with minimal costs, helping advisers and investors maximize returns and access liquidity without disrupting the market.

For example, consider an adviser planning to buy an ETF listed in Australia which tracks an international basket of shares. Factors for the adviser to monitor include the liquidity of the underlying shares, foreign exchange costs on any given day, any taxes and transactions costs, plus the underlying market maker's profit.

Much of the difference between trading stocks and ETFs stems from the fact the latter do not have a fixed number of units. Units are instead created to meet demand and the underlying assets are sold when the ETF units are sold.

The process works like this: when an investor buys an ETF, a market maker buys the underlying basket of securities for that product. The market maker then gives that basket to the ETF issuer and in return receives the ETF units which it delivers back to the end investor.

It follows that one of the biggest factors impacting the bid/offer spread on any ETF can be the liquidity of its underlying basket of securities.

For ETFs which track the world's biggest markets, like the S&P 500 index, there is generally plenty of liquidity. But the situation can differ for specialised ETFs – especially in relatively small markets like Australia.

In practical terms, all this has implications for advisers and their clients:

- The rule of thumb for domestic ETFs is to place an order after 10.20 am (AEST), thus avoiding the first 15 minutes of the trade when ETFs are less liquid, and spreads are wider.

  The ASX has a staggered open from 10 am in five groups, with the final group opening at 10:09 am +/- 15 seconds. During this time, the market maker will be quoting prices with wide spreads as the full portfolio cannot be accurately valued until all securities are trading.
- It's important to evaluate an ETF's underlying liquidity before deciding what trade size to place. If the screen doesn't offer large sizes at competitive spreads, brokers like AUSIEX can contact market makers to facilitate its completion in the most cost-effective manner.

  It's even possible (in certain circumstances) to place bulk orders. This allows advisers who may have 15-20 clients with the same ETF holding to trade those holdings together instead of separately at different prices. This will avoid driving the price away from your own order when entering or exiting a position and to ensure fair and equitable treatment for your clients.

Likewise, advisers making large purchases of specialist international ETFs will benefit from good relationships with their stockbroker. Again, the broker's relationships with both market makers and ETF issuers can provide extra insight into the optimal time to execute large transactions.

- If you're trading US-based ETFs, it's possible to get a sense of the likely trading direction when the Australian market opens by monitoring the main drivers of overnight trading or following Dow Jones Industrial Average futures.

  By contrast, depending on market conditions, orders for Asia-based ETFs may be best traded when the underlying market is open.

"Likewise, advisers making large purchases of specialist international ETFs will benefit from good relationships with their stockbroker. Again, the broker's relationships with both market makers and ETF issuers can provide extra insight into the optimal time to execute large transactions.

- For both domestic and global ETFs, an alternative strategy is to look at the iNAV (indicative net asset value) for an ETF on the issuer's website. The iNAV allows investors to track the indicative net asset value of an ETF unit throughout the trading day to help decide when to buy and sell. You cannot buy ETF units at the exact iNAV as the market maker will always place a spread to provide a return for their services.

  The market maker's profit and loss can potentially be small or significant, depending on how investors are executing. That's why it's important to factor this information into trade execution decisions.

Trading technology, market demand and investor demand all continue to shape the fast-evolving ETF market. Fortunately, the techniques for getting the optimal outcome from trade execution are available to financial advice groups and independent advisers alike.

For more information about ETF execution or AUSIEX please visit our insights hub AXIS or www.ausiex.com.au

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DAY 1: iPad winner is Jock from Tandem with a score on Pac Man of 10530!

DAY 2: Apple Watch winner is Boyd from Lowell Resources with a score on Galaga of 63360!

Lowell Resources

3 WINNERS for silver coins include Nadine Blayney of Ausbiz, Emily Boden of Perpetual and Shubham Rapartiwar of Flextrade

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Super fund governance failing us

By Darin Tyson-Chan, Editor, selfmanagedsuper

The corporate governance of superannuation funds is well and truly in the spotlight after the Australian Securities and Investments Commission (ASIC) recently released a report into death benefit claims handling.

While this is only one area of super fund governance, it is arguably one of the most important given the circumstances in which these claims arise. If the loss of a loved one is not traumatic enough in itself, having to haggle over when a death benefit claim will be paid out will surely enhance the level of unpleasantness for the surviving beneficiaries.

Unfortunately, ASIC's "Report 806 taking ownership of death benefits: How trustees can deliver outcomes Australians deserve", released in March, did nothing to reassure us public offer funds are performing well in this aspect of running a retirement savings offering.

The corporate regulator examined 10 trustees in its process, accounting for 38 per cent of all member benefits in superannuation funds regulated by the Australian Prudential Regulation Authority. Rather alarmingly it found a range of issues needing to be addressed, including excessive delays, poor customer service and ineffective claims-handling procedures.

It caused ASIC chair Joe Longo to note: "At the heart of this issue is leadership that doesn't have a grip on the fund's data, systems and processes – and ultimately it is the customers who suffer for it."

Longo highlighted the seriousness of the findings, saying: "This kind of disconnect is unacceptable in any area of corporate Australia, but in the superannuation sector it is particularly serious because super affects everyone from the boardroom to the living room."

With regard to the processing and payment of death benefits, ASIC indicated it discovered many examples of excessive delays and poor service, gaps in trustee data and reporting, unclear and inconsistent practices, ineffective and insensitive communication and engagement with beneficiaries, and inadequate support for First Nations claimants and those experiencing vulnerability.

The corporate watchdog also found there was a significant disparity in the speed by which a death benefit claim was dealt with across the industry. Here the fastest super fund trustee closed around 48 per cent of these actions in 90 days, whereas the slowest trustee only managed to close 8 per cent of claims over the same time period.

The actual administrative operation of the super funds assessed probably painted a more worrying picture, with 78 per cent of delays caused by processing issues within the trustee's control. Further, 27 per cent of this sample incorporated poor customer service where claimants' phone calls were not returned, queries were dismissed or the individuals involved were themselves asked to provide unreasonable information.

I don't think anyone would think these standards are acceptable and particularly not when the majority of Australians are forced to engage with these organisations by way of a super guarantee component that gets deducted from our pay packets.

So where do we go from here?

"The upshot of Report 806 is that all super fund trustees are now on notice. ASIC has committed to reviewing the progress of the industry in this area, but it is also up to superannuants themselves to identify glaring flaws in the operation of their super funds and hold the trustees accountable.

As part of its report, ASIC tabled 34 recommendations to super fund trustees that should result in better performance when it comes to this area of member service. These calls include certain specific areas on which trustees should focus, such as improving customer service and implementing more rapid response times, making sure monitoring and reporting on claims-handling timeframes are of a higher standard, streamlining process and procedures, providing more effective guidance and training for staff, removing barriers for First Nations members and claimants, and initiating clearer communications and greater support for members.

The upshot of Report 806 is that all super fund trustees are now on notice. ASIC has committed to reviewing the progress of the industry in this area, but it is also up to superannuants themselves to identify glaring flaws in the operation of their super funds and hold the trustees accountable.

Surely regulatory and member pressure should help turn this ship around.

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