SIAA monthly

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SIAA2026 highlights

Longer-term trends, short-term shocks and the outlook for the economy and fixed income!

Portfolio manager's perspective: Using options can help manage market volatility and potentially generate income

Beyond retention: Turning data accessibility, protection and governance into competitive advantage

AI in wealth management: The real challenge isn't the technology

What's next for Australian secondary markets?

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Stockbrokers and Investment Advisers Association

Serving the interests of investors

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MESSAGE FROM THE CEO

We are very proud to have delivered another successful conference – SIAA2026. Please ensure you provide your feedback so that we can make next year's even bigger and better.

Conference – Thank you to all

I want to thank again all those who were a part of SIAA2026.

To our attendees, thank you for your time, your engagement and for contributing to the energy and professionalism that made this conference so valuable. With 450 attendees joining us across two days, your support is what made this event such an important gathering for our industry.

To our more than 60 speakers, panellists and moderators, thank you for sharing your expertise, insights and perspectives across 23 sessions. Your contribution delivered a dynamic and thoughtful program that shaped meaningful conversations about the future of our profession.

To our 37 sponsors and supporters, thank you for your partnership and commitment. Your support played a vital role in making this conference possible.

Lastly to our small and mighty team, thank you for everything you do. Individually you are incredible but as a team you are exceptional.

> "The stockbroking and investment advice profession is entering a new era. Markets are more complex, technology is transforming industries, and Australia is entering one of the largest intergenerational wealth transfers in its history. This will reshape not only who holds wealth, but how it is guided and grown.

Industry Insight Paper

This month, we are launching our Industry Insight Paper entitled **"Invested in what comes next"**. This Paper seeks to set a new narrative for our Profession with the hope that the talent in the marketplace will see who we truly are – a profession that is building prosperity for Australian investors.

The stockbroking and investment advice profession is entering a new era. Markets are more complex, technology is transforming industries, and Australia is entering one of the largest intergenerational wealth transfers in its history. This will reshape not only who holds wealth, but how it is guided and grown.

At the same time, the way Australians engage with wealth is also changing, with growing participation across self-directed investing, digital platforms and hybrid advice models reshaping expectations of access, guidance and trust.

As this shift accelerates, the value of human judgement is becoming more important, not less. A new generation of talent is actively seeking careers that

Maria Lykouras, CEO

offer pace, purpose and real-world impact.

SIAA members operate on the financial frontlines, where insight meets action, helping Australians navigate complexity and make decisions that shape long-term outcomes.

This report draws on insights from across SIAA's membership, independent research and industry consultation to explore the future of the profession and its role in enabling prosperity across generations.

It also surfaces critical tension. The profession has evolved, but the story has not kept up.

Now is the moment to define what comes next. To close the perception gap, expand access, strengthen pathways and build a profession that reflects the investors, talent and opportunities shaping Australia's future.

Key themes explored in the report:

- A profession rebuilt, but still misunderstood
- The hidden cost of outdated perceptions
- Why live markets demand live judgement
- The growing value of human insight in the AI era
- How the wealth transfer is reshaping investor expectations
- Why representation is becoming a growth advantage
- The structural decisions shaping the next generation of talent

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- The opportunity for firms willing to lead early

Access a full copy of the report on the SIAA website.

Consultation Papers

On 29 May, SIAA lodged our submissions in response to the three consultation papers containing a series of reform proposals related to the First Guardian and Shield collapses – the Compensation Scheme of Last Resort, Enhancing member protections in the superannuation system and Curbing lead generation activity.

SIAA pointed out that the CSLR is not sustainable in its current form and must be fundamentally re-designed. Three key areas of feedback were:

Limiting compensation to capital losses only

- Compensation should be limited to capital losses only and 'but for' losses should be excluded. The scheme must respond to actual losses rather than guarantee an investment return for investors.

Special levy waterfall

- While we supported the concept of a rules-based special levy waterfall to ensure scheme levies were more sustainable and to address the unfairness of the scheme's design, levies on the personal financial advice sub-sector must be limited to $20 million. The personal financial advice sub-sector must be excluded from the special levy to ensure the sustainability of the sector.

Levying Managed Investment Schemes

- Managed investment schemes must be included as a primary sub-sector with their own sub-sector cap and a broad-based levy applied consistently across all management investment schemes.

Further detail on our feedback to all three consultation papers is included in the Policy article. Members can access SIAA's submissions here.

COMMITTEE NEWS JUNE 2026

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

Derivatives Committee, Tuesday 2 June 2026
Chair: Te Okeroa MSIAA, AUSIEX

Operations and Technology Committee, Tuesday 9 June 2026
Chair: Peter Robinson MeSIAA, AUSIEX

Compliance Committee, Thursday 11 June 2026
Chair: Melissa Nolan MSIAA, Ord Minnett

Diversity, Equity & Inclusion Committee, Monday 22 June 2026
Chair: Michelle Inns MSIAA, LGT Crestone

New Practitioner Member MeSIAA

Luke Laretive, Seneca Financial Solutions

New Young Professional Members YPSIAA

Jackson Adoncello, AUSIEX
James Bower, Bell Potter Securities
Abigail Cowley, Bell Potter Securities
Howie Japp, Morgans Financial
Jevon Lie, Morgans Financial
Luke Lyon, Burrell Stockbroking
Doug Picken, JBWere
Edward Powell, Morgans Financial

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
- ✓ Reform of the Compensation Scheme of Last Resort
- ✓ Delivering Better Financial Outcomes reforms
- ✓ Australia's evolving capital markets
- ✓ Regulatory simplification
- ✓ ASIC Industry Funding Model
- ✓ ASIC inquiry into ASX
- ✓ Market Integrity Rules
- ✓ ASX CHESS Replacement Project
- ✓ Wholesale investor tests
- ✓ Share sale fraud
- ✓ AFCA rules, operational guidelines and determinations
- ✓ TPB matters.

SIAA provides feedback on options to reform the Compensation Scheme of Last Resort

As reported in the May edition, SIAA has provided feedback to the Treasury consultation on options to reform the Compensation Scheme of Last Resort (CLSR), enhance member protections in the superannuation system and curb lead generation activity.

> While we supported the concept of a rules-based special levy waterfall to ensure scheme levies were more sustainable and to address the unfairness of the scheme's design, it does not address the key issue– managed investment schemes, which are the key cause of complainant losses, are not currently included in the levy framework as a primary sub-sector.

Reform options to support the sustainability of the CSLR

SIAA pointed out that the CSLR is not sustainable in its current form and must be fundamentally re-designed.

We provided the following feedback:

Expanding CSLSR subrogation rights

- The scheme should have expanded subrogation rights to pursue recoveries from a broader set of sources, including from a financial firm's professional indemnity insurer and the liquidator of the funds in which the complainant had invested. This would enable the CSLR to pursue subrogation rights against the liquidator of the Shield and First Guardian funds, for example.

Limiting compensation to capital losses only

- Compensation should be limited to capital losses only and 'but for' losses should be excluded. The scheme must responds to actual losses rather than guarantee an investment return for investors.

Special levy waterfall

- While we supported the concept of a rules-based special levy waterfall to ensure scheme levies were more sustainable and to address the unfairness of the scheme's design, it does not address the key issue–managed investment schemes, which are the key cause of complainant losses, are not currently included in the levy framework as a primary sub-sector.
- Levies on the personal financial advice sub-sector must be limited to $20 million. The personal financial advice sub-sector must be excluded from the special levy to ensure the sustainability of the sector.

Excluding SMSFs from claiming from the CSLR

- SMSFs must not be prevented from recovering losses under the scheme. Claimants should not be excluded from the CSLR based on how they hold their investments.
- AFCA's operating rules must be amended to ensure that it does not accept complaints from clients that have been classified by the relevant licensee as wholesale (including SMSFs that that are determined as wholesale based on the general test).
- The relevant section of the Corporations Act must be amended to ensure it is consistent with ASIC's no action letter regarding the treatment of SMSFs as wholesale.

Levying Managed Investment Schemes

- Managed investment schemes must be included as a primary sub-sector with their own sub-sector cap and a broad-based levy applied consistently across all management investment schemes.

Enhancing member protections in the superannuation system

SIAA's key feedback related to the proposals to introduce a waiting period for superannuation switches and limiting fee deductions for switching-related financial advice from superfund accounts.

SIAA strongly opposed both proposals.

Waiting period for superannuation switches

Imposing a waiting period for superannuation switches will have a negative impact on investors. There is already considerable friction in the system for a client who is considering switching from one superannuation fund to another. By the time the client provides the direction to roll over the funds, they have already invested considerable time and money in undertaking these steps. A further wait period will annoy and inconvenience them but is unlikely to stop them from proceeding.

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Limiting fee deductions for switching-related financial advice

Deducting advice costs from superannuation makes it possible for clients to obtain advice who could otherwise not afford to do so. Requiring clients to pay advice fees out-of-pocket will reduce access to advice and may deter clients from seeking advice at all. This runs counter to the government's expressed intention of increasing advice accessibility and affordability and encouraging Australians to think about their superannuation.

Curbing lead generation activity

Treasury proposed a number of options that it considered would strengthen the regulatory framework around lead generation activity including licensing lead generators and making changes to the hawking prohibition.

We pointed to the comprehensive framework of laws that provides important consumer protections in this area and emphasised that the misconduct in the Shield and First Guardian cases could have been addressed by enforcing existing laws against the lead generators and financial advice licensees without the need for additional regulation.

We did not agree that additional laws are required to regulate this behaviour and cautioned against adding to the regulatory burden.

We also did not agree that the proposal for lead generators to be licensed would be an effective and proportionate way to curb harmful lead generation activities. On the contrary – licensing lead generators may result in consumers giving them greater legitimacy.

We strongly opposed changes to the hawking prohibition that could impact the ability of our member firms to provide their clients with factual information and financial advice.

Members can access SIAA's submissions here.

COMMITTEE SPOTLIGHT

Derivatives Committee

SIAA has a number of committees and working groups that meet regularly to connect with their peers and to provide the feedback that is the basis of all SIAA's submissions and policy positions that we take to government and regulators.

SIAA's Derivatives Committee, chaired by Te Okeroa of AUSIEX, is unique in that it represents the broad spectrum of the derivatives market including ASX, ASIC, market makers and clearers.

ASX provides members with updates on market volumes, trends and initiatives and reports on its educational and promotional activity.

ASIC updates members on its work in derivatives including consultations on changes to market integrity rules.

Once ASX and ASIC have presented their reports members are able to discuss matters important to the derivatives industry.

SCAM BRIEF

Through our committees and working groups we become aware of current scam and fraud activity which we share with our members.

Recently we have been alerted to scams involving various Hong Kong and US penny stocks which have been heavily promoted on social media as part of 'pump and dump' activity. Many of these 'pump and dump' stocks are also used in scams involving fake online broker sites. These scammers are very active and encourage customers to click on links and compromise their accounts by way of phishing.

ASIC recently issued a scam alert about scammers luring investors onto fake crypto-asset trading platforms. ASIC is warning consumers who have joined 'share trading' or 'stock tips' messaging app groups that scammers are using these forums to push investments on fake crypto-asset trading platforms. These fake platforms show profits and trades, but in fact, there is no real trading, and the site contains fake data. Any money deposited into these platforms goes straight to the scammers. This activity appears to be part of the widespread, coordinated pump and dump schemes activity earlier reported by our members.

The link to ASIC's scam alert is here.

MEMBERS CAN VIEW SUBMISSIONS **HERE**

Longer-term trends, short-term shocks and the outlook for the economy and fixed income!

By Ivan Colhoun, Consulting Economist, Perpetual Corporate Trust

What economists can learn from weather forecasters

A number of years ago, the Bureau of Meteorology gave a presentation on their forecasting methodology to the economics team I was then part of. The key takeaways were: 1) understanding the starting point (the conditions that have given rise to the current weather) was very important; and 2) the forecaster should focus on the biggest forces affecting the outlook.

That structure has helped analyse and forecast the economic outlook as well as proving useful for business planning and budgeting. It's also important to consider both the longer-term and shorter-term forces affecting the outlook.

The Megatrends

I have been writing for a number of years about what I consider the five most important trends affecting how the economy, business and society might evolve over the next 5-20 years. I suspect most of the items on the list will no longer be a surprise, though when generating the list interactively, the fifth item on the list still rarely surfaces. My top five, longer-term big forces are:

- AI and technology.
- Geopolitics.
- Climate change and the energy transition.
- The ageing population.
- Inequality.

Regular suggestions that I place either outside the top five or subsume under one of the other headings include cybercrime, government debt and deglobalisation. I observe limited onshoring and only partial relocation to friendlier nations ("friendshoring"), which I consider partial reglobalisation, rather than wholesale deglobalisation. There are inter-relationships between some of the megatrends, with AI and technology likely part of the reason behind worsening inequality, and inequality leading to some significant political shifts.

Shorter-term developments

In considering the shorter-term outlook for the economy, we must also allow for the effects of the longer-term mega-trends, as well as any other significant forces. At the present time, two of the Megatrends are having a particularly large impact on the short-term outlook, namely AI and the Middle East conflict, the latter appearing under the geopolitics header. The biggest forces affecting the economic outlook over the next twelve to eighteen months in my opinion are:

- AI and technology.
- Geopolitics – the Middle East conflict.
- Continuing above-target inflation in Australia.
- Interest rate rises.
- Recent changes announced in the budget to capital gains tax, negative gearing and the taxation of trust distributions.

The Middle East conflict

Most short-term focus, understandably, is on the Middle East conflict, given the impact the continuing closure of the Strait of Hormuz is having on energy and other raw materials prices – and supplies. An even more extended closure would likely cause much higher prices for impacted products as well as significant supply shortages and rationing. This could result in temporary but significant interruptions to economic activity as occurred during COVID lockdowns.

As we learnt during COVID, when there are supply chain difficulties, the risk is of higher inflation, though importantly on this occasion, demand is likely to be restrained by higher energy prices, not boosted by zero interest rates and significant fiscal stimulus. An early resolution to the conflict – and the avoidance of an extended Strait of Hormuz closure – is likely the most important positive factor for the near-term economic outlook.

AI

Ten weeks ago, AI was the major discussion point in markets, mainly the vast investments being spent but also the business models that AI might significantly impact or render obsolete over time. The AI revolution has of course not gone away with the emergence of the Iran conflict and indeed has continued to be a significant force supporting equity markets in the face of a slower near-term economic growth and higher inflation outlook due to the combination of higher energy prices and interest rates.

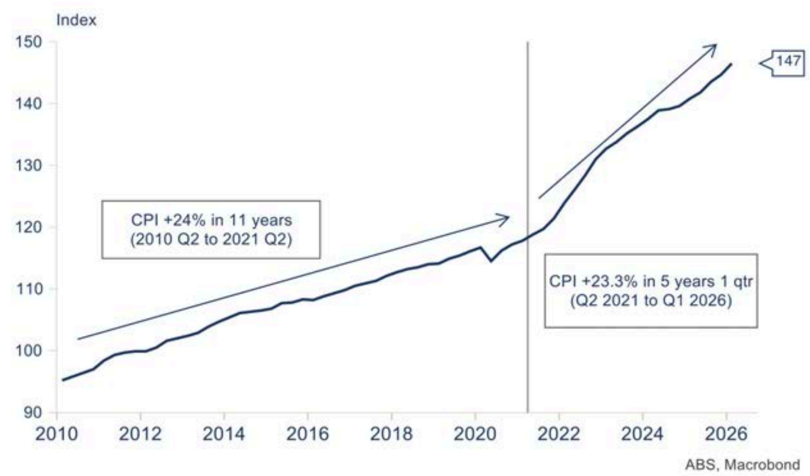
AI appears to have both significant short- and longer-term implications. In the short-term, the enormous investment spend and large global data centre rollout program seems set to boost demand for associated products including semi-conductors, electricity, copper and water, all of which are growth supportive but also inflationary in the short-term. In the medium-term, there remains significant uncertainty as to whether AI will destroy significantly more jobs than it creates. If it does, this would be similar in nature to a recession, which would likely create significant downward pressure on inflation and interest rates.

Other shorter-term effects

The RBA has increased interest rates three times in quick succession in the first half of 2026 as Australian inflation remains above target. This reverses the general support for growth and especially the housing market provided by interest rate cuts last year. Changes to taxation and negative gearing announced in the budget are likely to reinforce negative sentiment toward housing in the short term.

Continuing elevated inflation adds further to the cost of living and cost of doing business pressures experienced over the past five years. These have produced relatively pessimistic readings on consumer confidence and somewhat elevated rates of insolvency.

Chart 1: Australia – Consumer Price Index



Implications for fixed income and conclusions

It should be apparent that it's a particularly challenging time to be an economic forecaster with so many large forces impacting the economic outlook. My suggested approach is to consider the pre-Iran conflict economic outlook, with an Iran conflict scenario "overlay". The pre-conflict outlook overall was reasonably favourable, with growth supported by significant AI investment and last year's global easing of monetary policy. However, there were signs that inflation was beginning to deteriorate in many countries especially the

Chart 1: Selected 10 Year Government Bond Yields

US, even before the Iran conflict. The latter has added to these emerging inflationary pressures.

Longer-term bond yields are particularly sensitive to inflation trends, with US and Japanese bond yields particularly influential in global bond market pricing. Bond yields have increased across the globe since the Iran conflict as higher energy prices are seen as adding to pre-existing inflationary pressure. In the US, this has also coincided with a repricing by the market from expecting interest rate cuts, to factoring one interest rate rise in the next six to nine months. The market is likely to continue to reprice US interest rates and bond yields somewhat higher in the near term.

The most important near-term development remains the duration of the closure of the Strait of Hormuz. A relatively quick resolution to the conflict would likely see the more favourable economic conditions that were emerging, re-established, while a very extended closure would likely have the reverse impact, significantly lifting energy prices and slowing growth.

If you are interested in understanding how to invest directly in fixed income for your clients, please email Perpetual Digital's, Head of Institutional Sales and Relationship Management, Emily Boden at emily.boden@perpetual.com.au

PORTFOLIO MANAGER'S PERSPECTIVE: Using options can help manage market volatility and potentially generate income

By Hamilton Reiner, CIO of the US Core Equity Team, Head of US Equity Derivatives, J.P. Morgan Asset Management

As a kid, I wanted to be a doctor. But when I was in medical school, I saw blood three times and fainted three times. Then, I switched and went to business school – took my first class on options and I was hooked.

I've spent almost 40 years trading options, over a decade at J.P. Morgan Asset Management. While trading stocks allowed me to buy or sell, with options I could express a variety of views. That "optionality" creates a powerful investment tool which, combined with strong risk management and portfolio construction, may deliver outcome-orientated strategies.

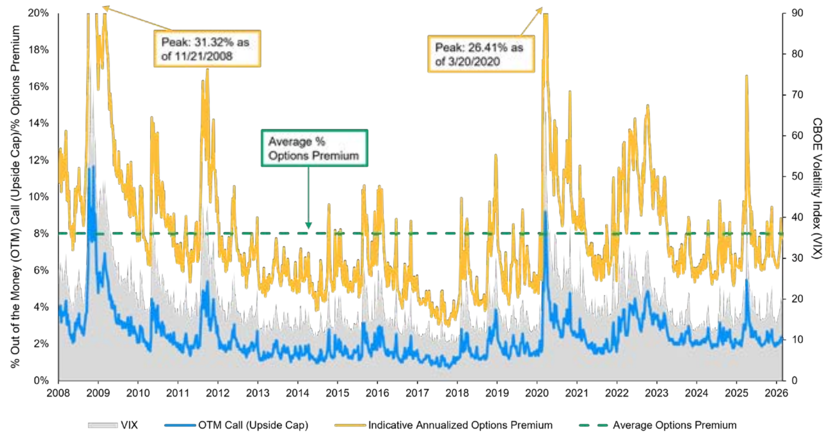
The lesson that's stayed with me is simple: use options in a disciplined way, design strategies thoughtfully and focus on delivering outcomes investors care about.

Income is often a key focus for investors. And income is at the heart of our Equity Premium Income (EPI) ETF strategies, which use index options to aim to generate consistent income alongside dividends. Paired with actively managed equity portfolios, these ETFs can garner some equity market gains and aim to generate additional income in volatile markets, with the potential for experiencing smaller drawdowns than the index.

Income comes from two distinct sources: dividends from actively managed equity portfolios, and premiums earned from a disciplined options overlay strategy.

While using options may sound complicated, the approach is straightforward: by selling index call options, we receive premiums – income for providing the right to exercise the options. By agreeing to sell equity holdings at a

Chart 1: Options premiums and market volatility



Source: J.P. Morgan Asset Management, Bloomberg, and CBOE. Data as of 28.02.2026. Past performance is not a reliable indicator of current and future results. For illustrative purposes only. The graph above illustrates the upside opportunity of selling rolling monthly out of the money 30-delta calls.

set price within a set period, we earn additional income in exchange for limiting potential market gains.

The result: strategies that aim to generate higher income, participate in market gains, and may help reduce overall portfolio volatility by using option income to support returns[1].

Volatility and option premiums

The EPI ETFs come into their own may present enhanced income opportunities in volatile markets. When markets get more volatile, options buyers tend to pay higher premiums, which translates into potentially higher income for investors. We target a specific option delta rather than a fixed strike price, so when volatility rises, our expected premium income may increase as well.

In April 2025, the "Liberation Day" announcement jolted investors. Market volatility rose sharply after the announcement, affecting investor portfolios in various ways. Our approach is built for those moments, helping investors stay invested with income potentially offsetting some downside. Elevated volatility translated into stronger income distributions for our strategies.

Trading some upside for income

However, we remain candid about the trade-off and recognise there are periods that these ETFs will find more challenging. For example, in the narrow, momentum-led rally through 2025, our approach lagged a full-beta, no-income strategy. That's the "bird in the hand" trade: income today in exchange for limiting potential future gains.

But markets don't stay narrow forever and can change over time. Our equity teams see earnings broadening across regions and sectors beyond the biggest US technology names. We believe our EPI active ETFs are well positioned to participate in market gains while delivering income opportunities. Investors may choose from global and US options with JPMorgan Global Equity Premium Income Complex ETF (JEGA) and JPMorgan Equity Premium Income ETF (JEPI) with lower-beta portfolios, and our Nasdaq option with JPMorgan US 100Q Equity Premium Income ETF (JPEQ).

As we move through 2026, the macro backdrop looks constructive: above-trend global growth, easing recession risks and room for one more Federal Reserve rate cut. A softer US dollar and improving European purchasing managers indices support international assets. Ongoing volatility tied to Middle East conflicts could also potentially result in higher option premiums.

Conclusion

At times like these, I'm reminded of my first options class. While I didn't fulfil my childhood dream of becoming a doctor, I learned that options — when used aptly — can turn market noise into a plan. We believe these active, income-led equity ETF strategies help investors stay invested through the cycle while generating income along the way.

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[1] Call option writing (selling call options) generates income in the form of option premiums. There is a potential to forego some capital appreciation as a result of writing call options. Estimated income is not guaranteed and does not imply positive return.

FURTHER INFORMATION: For further information please email us at jpmorgan.funds.au@jpmorgan.com, telephone 1800 576 468 or visit our website am.jpmorgan.com/au/

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Beyond retention: Turning data accessibility, protection and governance into competitive advantage

Provided by Iress

As firms continue to rethink the role of market data, themes explored in Market Data as a Valuable Strategic Asset provide important context for how the conversation around data is evolving. As markets become increasingly interconnected and data-driven, firms are recognising that value lies not only in generating insights, but in how data is governed, protected, retained and made accessible across the enterprise.

This shift reflects a broader industry reality: market data is no longer just operational infrastructure supporting trading activity. As firms reassess fragmented legacy environments and disconnected ownership models, priorities are moving towards enterprise resilience, scalability and innovation to unlock greater value from strategic data assets.

Beyond fragmented data environments

Data retention and storage practices across financial markets have typically evolved incrementally over many years. Retention periods, archival processes and access controls were often shaped by the limitations of legacy infrastructure rather than deliberate enterprise-wide strategy.

The result has frequently been fragmented environments containing inconsistent governance models, duplicated storage mechanisms and limited accessibility to historical data.

Andrew Jappy, Executive General Manager APAC at Iress, explains:

> "Depending on the size and type of user firm, data might only be available for a month or perhaps twelve months. If a regulator asks for data from several years ago, firms have to request that we locate and restore it, which is inefficient, time-consuming and costly."

As trading ecosystems become more interconnected and regulatory scrutiny intensifies, these operational constraints become increasingly difficult to sustain.

Moving to modern cloud-based data environments presents an opportunity not simply to modernise infrastructure, but to rethink how data is managed, retained and operationalised across an organisation.

Legacy environments often accumulate inconsistent retention practices shaped by system constraints rather than intentional policy design. Migration to scalable cloud architectures creates the opportunity to reset this foundation — formalising governance, encryption and retention policies within a far more structured and resilient framework.

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> Data retention, governance and accessibility are no longer simply operational obligations sitting behind the trading desk. They are increasingly strategic enablers of agility, resilience and competitive advantage.

Data accessibility as a strategic capability

Accessibility should be considered a strategic capability rather than simply a technical feature.

Historically, much of the industry focus centred on storing data securely and compliantly. Increasingly, however, firms recognise that the ability to retrieve, interrogate and apply data efficiently within operational workflows is equally important.

This is particularly relevant in fragmented trading environments spanning multiple execution venues, asset classes, counterparties and liquidity sources. Firms increasingly need to access data quickly for execution analysis, compliance investigations, operational oversight and client servicing.

The value of market data increasingly lies not simply in possessing it, but in how rapidly and flexibly firms can apply it across trading, compliance and advisory workflows.

Andrew Jappy believes many firms' expectations around accessibility are difficult to support within traditional infrastructure environments.

> "Clients increasingly expect to work with their data in their own environments — combining it with other sources, applying their own analytics and extracting insights specific to their workflows. For many firms, this is more easily said than done."

Fragmented systems, inconsistent ownership models and siloed workflows continue to constrain operational efficiency and slow decision-making. Improving outcomes therefore starts with visibility — understanding how data flows into and across the organisation, where it is transformed and how it supports front, middle and back-office workflows.

Governance, encryption and trust

Alongside accessibility, firms are placing greater emphasis on formalising governance and protection frameworks.

By unifying encryption standards, improving accessibility and formalising retention policies, organisations can move away from fragmented data management toward a more intentional and scalable operating model.

This has implications beyond compliance alone.

Robust governance and encryption frameworks strengthen confidence in data integrity and protection, while improved accessibility enables firms to derive greater strategic value from the same underlying information assets.

For firms operating in regulated financial markets, trust increasingly depends on the ability to demonstrate:

- Where data resides
- How it is protected
- How long it is retained
- Who can access it
- How quickly it can be retrieved 'on demand'

Modern cloud-based architectures support these requirements far more effectively than fragmented legacy environments, while also enabling firms to introduce new analytics and generate valuable data insights more rapidly.

Historically, deploying new reporting or analytics tools often required lengthy implementation cycles tied to tightly coupled internal systems. More flexible cloud platforms and data lake architectures enable significantly faster development and deployment of data insight services.

For Iress, the rollout of *Data Insights Lite* and its archive data migration strategy reflects this broader evolution — using scalable cloud infrastructure to improve both accessibility and governance while enabling faster development of future data insight capabilities.

This creates a dual outcome: strengthening trust through robust encryption, governance and data protection while simultaneously enabling clients to extract greater value from their own data.

Operational obligation to strategic enablement

The broader industry shift is clear.

Data retention, governance and accessibility are no longer simply operational obligations sitting behind the trading desk. They are increasingly strategic enablers of agility, resilience and competitive advantage.

Modern data environments must not only safeguard information. They must also improve how firms use that information dynamically to support trading decisions, client servicing, regulatory responsiveness and operational efficiency.

The firms that succeed in increasingly data-driven markets will not necessarily be those with access to the largest datasets. They will be those best able to govern, access, protect and operationalise data as a strategic enterprise-wide asset.

AI in wealth management: The real challenge isn't the technology

By James Hammond, Vice President, Business Development – APAC, Flextrade

The discussion around AI in wealth management often focuses on the tools themselves: copilots, digital advisers, generative AI workflows, automation, and portfolio analytics.

But after speaking on the "Technology Enabled Advice" panel at SIAA 2026, one thing became increasingly clear:

The real challenge facing the industry is not access to AI technology. It is the operational, cultural, and data challenges involved in adopting it meaningfully.

AI adoption is accelerating faster outside financial services

Consumers are adopting AI tools at an extraordinary speed. Retail investors can access the latest and greatest AI-driven applications almost immediately. They are increasingly informed, increasingly digital, and increasingly comfortable interacting with technology-first experiences.

Wealth management firms, however, operate under a very different set of constraints.

Advisers and licensees must navigate compliance obligations, cybersecurity risks, privacy concerns, data sovereignty requirements, and operational governance. As a result, there will almost certainly continue to be a lag between the tools available to end clients and those that advisers can safely deploy in regulated environments.

This gap creates both opportunity and pressure for the industry.

Legacy architecture remains the biggest constraint

One recurring theme throughout the panel discussion at SIAA 2026 was that many wealth firms are still operating in fragmented technology environments.

Client information often sits across multiple platforms, custodians, CRMs,

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> Rather than relying on a single vendor to control the entire workflow, firms increasingly want the flexibility to integrate specialist capabilities while maintaining a consistent user experience for advisers and clients. Modernisation needs to happen incrementally, without disrupting adviser productivity.

portfolio systems, and external applications. In many cases, organisations are still trying to establish a consolidated client view before they can implement more advanced AI-driven workflows.

However, this is not a new problem. Institutional asset managers and superfunds went through a similar evolution years ago. Before deploying advanced analytics and AI capabilities, many first invested heavily in solving their Investment Book of Record (IBOR), normalising data, and building scalable operating infrastructure.

The same principle applies within wealth management. If the underlying data environment is fragmented, then AI simply amplifies inconsistency. The reality remains straightforward: rubbish in, rubbish out.

The industry is moving beyond monolithic workflows

The Australian wealth market has historically relied heavily on large, deeply embedded platforms. While these environments delivered scale and standardisation, they also created tightly coupled workflows that can make transformation difficult.

As firms seek to support a broader range of assets – equities, managed funds, fixed income, private markets, derivatives, FX, and digital assets – the limitations of monolithic architectures are coming to the fore.

This is driving greater interest in interoperability, APIs, modular infrastructure, and buy-and-build operating models.

Rather than relying on a single vendor to control the entire workflow, firms increasingly want the flexibility to integrate specialist capabilities while maintaining a consistent user experience for advisers and clients. Modernisation needs to happen incrementally, without disrupting adviser productivity.

AI will enhance advisers – not replace them

A key takeaway from the panel was that the industry may have overestimated the extent to which clients want fully automated advice. In practice,

clients still want human engagement for major financial decisions.

Robo-advice alone has struggled to achieve broad adoption because trust remains central to wealth management. Certainly, AI can help in critical areas such as preparation, workflow efficiency, portfolio analysis, compliance monitoring, and client engagement, but the human adviser remains critical in guiding clients through uncertainty and complexity.

What AI does change is scalability. A high-touch model that works for ten clients becomes operationally difficult at one hundred clients without significant workflow automation and digital engagement. By reducing manual effort and streamlining workflows, firms can enable advisers to spend more time engaging with clients and less time on administrative work.

The next competitive gap is already emerging

One of the most interesting themes from the conference was not necessarily the technology itself, but the growing difference between organisations that are actively adopting AI and those still observing from the sidelines.

The performance gap compounds quickly. Firms that started experimenting with AI workflows 12 months ago are already building internal muscle memory around automation, digital engagement, and operational efficiency.

We're now in a position where leadership teams no longer have to decide whether AI matters. Instead, they're determining how to introduce it safely, responsibly, and operationally within existing businesses without disrupting advisers or clients.

AI adoption is ultimately an organisational challenge

The wealth management industry is not lacking innovation, but a balance needs to be struck with maintaining trust, governance, adviser adoption, cybersecurity, and operational resilience. Technology in isolation cannot solve all issues.

Looking ahead, AI adoption is less about simply deploying the newest AI interface to change the adviser desktop. It's about getting the foundations right by modernising data infrastructure, enabling interoperability, improving workflows, and creating environments where advisers can adopt technology confidently and efficiently.

What's next for Australian secondary markets?

Provided by FCX

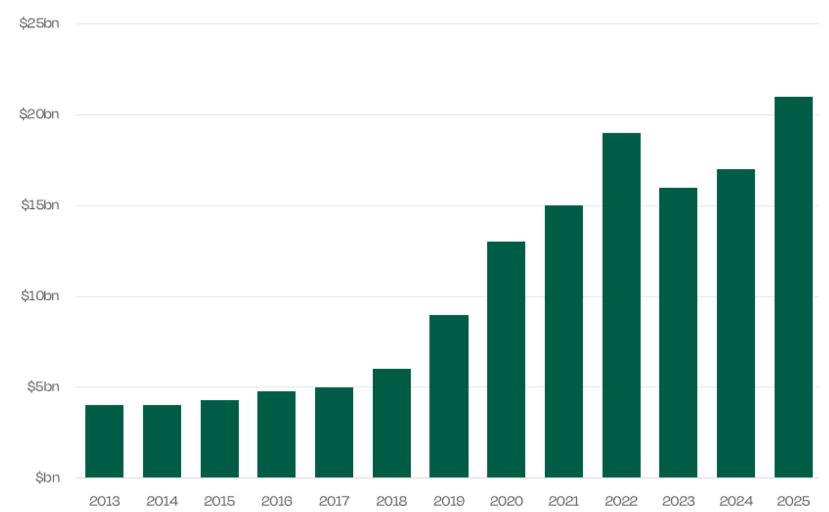
Australian private markets have consistently grown over the last 10 years, and private capital pools have grown too, with VC assets under management (AUM) sitting at ~A$21 billion in 2025.

As this space continues to grow, investors look to find a way to turn this capital into financial returns.

Traditionally, the pathway to this was through IPOs or exits. However, with more companies opting to stay private for longer, investors can have cash 'trapped' in companies, with no way to access it.

A recent AFR article, major Canva backer Hemant Taneja, CEO of General Catalyst, stated that "We're investors in Stripe and many companies that can perfectly thrive in the private markets and do everything they need to do. So, I don't see what the necessity is to go public".

Chart 1: Venture Capital AUM 2013-2025 (AUD)



Source: *Australian Private Capital Yearbook 2026*, **Australian Investment Council**

As a result of this, investors have started to turn to secondary transactions to realise returns.

The graph below shows the speed at which secondaries are growing – annualised VC direct secondary value went from US$50 billion in Q4 2024 to US$92 billion in Q4 2025 – an 83% increase.

The need for regulation in secondary markets

The rapid growth of secondaries has attracted some scrutiny. These transactions can happen informally or without the correct infrastructure, and this brings many risks to investors.

"The rapid growth of secondaries has attracted some scrutiny. These transactions can happen informally or without the correct infrastructure, and this brings many risks to investors.

As FCX CEO David Ferrall wrote on LinkedIn – private markets often lack the efficiency and regulation that public markets offer – this is the next step needed to ensure that companies can stay private and complete secondary transactions with confidence.

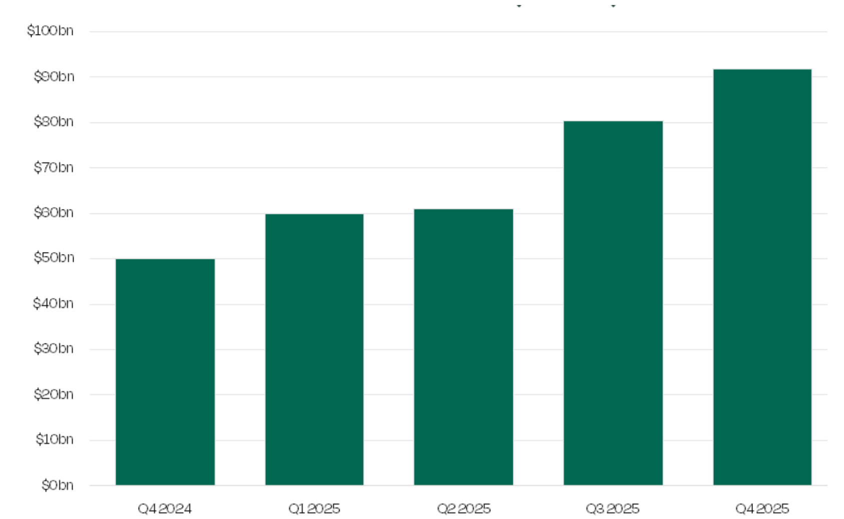
Without proper regulation, pricing can become significantly less transparent, with no reference point as to what a share is actually worth. Compliance obligations, such as AML and KYC, become significantly more difficult to meet when the buyer and their source of funds aren't properly verified. Companies can also face significant regulatory issues if a transaction they weren't aware of later creates a problem.

These consequences were seen in a recent example where Anthropic, one of the world's largest private companies, has voided all unauthorised secondary sales of its shares, despite investors being led to believe they had validly purchased exposure through secondary platforms.

The message is clear: without company approval, secondary transactions can be unwound. Anthropic's actions demonstrate why private market secondary trading needs proper regulation, transparency and company-authorised market infrastructure. Read more on LinkedIn here.

A structured, regulated environment solves each of these problems – bringing transparency, efficiency and trust to all parties involved.

Chart 2: Annualised VC Direct Secondary Market Value (USD)



Source: *2025 Annual US VC Secondary Market Watch*, **Pitchbook**

What is FCX and how does it provide a solution to this?

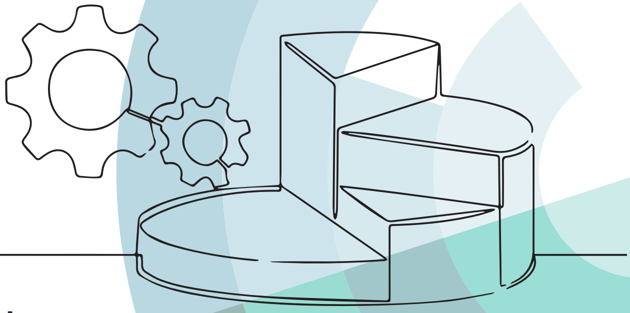
FCX is defining the next generation of private markets in Australia: the country's first and only regulated platform for private secondary transactions in companies and funds.

FCX holds both an Australian Market Licence and a Clearing and Settlement Facility Licence, issued by ASIC and the RBA. This makes FCX the only operator in Australia other than the ASX that has complete market and clearing and settlement capabilities.

This means every secondary transaction on FCX happens within a clear regulatory framework, with proper KYC and AML checks, transparent pricing, and automated settlement via Distributed Ledger Technology.

FCX eliminates the manual processes and compliance risks that define unstructured secondary transactions. Companies and funds retain control over who can access their register, while investors and sellers gain certainty through a properly authorised, compliant and settled transaction.

CPD EVENTS



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Beyond Coverage: How financial services firms can prove their security is getting stronger

FERAS TAPPUNI
SecurityHQ

Wednesday 10 June from 1.00-2.00pm AET

Cyber threats are increasing in sophistication, while Australian regulators are raising expectations. This session introduces Security Performance Engineering, reframing cybersecurity for stockbrokers and advisers by moving beyond coverage to continuously measurable, engineered security performance.

Professional Standards CPD: Regulatory compliance and consumer protection 1.0
ASIC Knowledge Area: Generic knowledge 1.0

SMA vs MDA: Choosing the smarter managed account strategy for your business and clients

ANDY ROBERTSON
Chelmer

Wednesday 24 June from 1.00-2.00pm AET

Industry experts compare Separately Managed Accounts (SMAs) and Managed Discretionary Accounts (MDAs), exploring which best support client needs and business models. Gain insights into outcomes, efficiency and compliance, plus how automation can scale advice delivery.

Professional Standards CPD: Technical competence 1.0
ASIC Knowledge Area: Specialist knowledge – Financial planning 1.0

The case for Asia: Growth you can't afford to ignore

CAMERON ROBERTSON
Platinum

Wednesday 8 July from 1.00-2.00pm AET

Asia is now a key driver of global growth, yet many portfolios remain underexposed. Cameron Robertson will explore the region's growth, valuation and innovation, highlighting opportunities from AI infrastructure to rising consumer demand, and how investors can position portfolios accordingly.

Professional Standards CPD: Technical competence 1.0
ASIC Knowledge Area: Generic knowledge 1.0

Unlocking opportunity in HNW advice

DENIS ORROCK
Praemium

Wednesday 22 July from 1.00-2.00pm AET

The high-net-worth market is expanding rapidly as advice needs grow more complex. Denis will examine how leading firms are evolving beyond transactional broking toward scalable hybrid advice models that deliver more integrated advice while preserving the control and flexibility clients value.

Professional Standards CPD: Technical competence 1.0
ASIC Knowledge Area: Generic knowledge 1.0

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Conference **highlights**

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attendees	speakers	sponsors	supporters	professional CPD

Conference **highlights** cont...

The conversations may have wrapped up, but the insights from SIAA2026 continue. Connor Smith and Charli Grayson of Leeuwin Wealth, two of our Young Professional members, have pulled together an outstanding session by session recap of the conference, highlighting the big ideas, industry themes and key takeaways from across the two days. From regulation and market structure through to technology, advice and emerging trends, this wrap up captures many of the discussions that shaped SIAA2026.

A huge thank you to Connor and Charli for putting this together and sharing it with the broader SIAA community.

Read the full conference summary here.

Competition **winners**

Ausiex – Andrew Wilkie, Morgans Financial Limited
Betashares – Nicole Killey, JB Were
Financial Standard – Susan Antoun, Taylor Collison
Flextrade – Debbie Gibson, Netwealth
Flextrade Reaction challenge – Amanda Boyce, Euroz Hartleyz
(with 32 hits in 20 seconds)
LAB Group – Dermott Lynch, Lynch Equities

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FINANCIAL STANDARD.

The trickle-down effect

By Darin Tyson-Chan, Editor, *selfmanagedsuper*

The 2026 federal budget was handed down last month and all superannuation stakeholders I have spoken to since were relieved the industry had no direct measures applied to it. And rightly so seeing all of the angst the Division 296 tax policy has created over the past three-and-a-half years.

But this budget was a bit of a weird one from a superannuation perspective. As I mentioned above, there were no direct measures relevant to the industry, but the trickle-down effect of one headline policy in particular will be something we will all have to watch in the coming months.

However, whenever I'm asked whether I want the good news or bad news first, I always like to start with the good news and there was some for super in the budget.

Anyone following the post-budget commentary will know three main measures have dominated discussion. They are the changes to the negative gearing rules, the capital gains tax (CGT) provisions and the taxing of discretionary trusts.

So the really good news is the change to the 50 per cent discount allowable against an asset held for 12 months will not apply to superannuation funds. That really is such a relief for taxpayers as it confirms the position of super funds as the most tax-effective savings vehicle available to Australians.

Further, the carve-out has potentially provided a clearer direction for people who are grappling with the Division 296 tax because in all likelihood they will be considered to be 'in scope' when the new impost is implemented on 1 July.

Why so? With super funds retaining the ability to apply the 50 per cent CGT discount it increases their tax effectiveness when compared to holding investments outside of the retirement savings framework. Analysis would still have to be performed to compare the pros and cons of investing inside or outside of super, but on face value you would imagine the scales have been tipped in favour of investing within the super environment when contemplating which direction to take from a Division 296 tax point of view.

On the flipside though, the decision the government has made to impose a minimum 30 per cent tax on discretionary trusts has the possibility of having a massive impact on the superannuation sector.

Again on the surface this doesn't look like a big deal, but from a superannuation perspective the measure needs to be examined with estate planning in mind. To this end, trusts do play an integral role for many Australians when looking to effectively allocate death benefits in a responsible manner.

In this context it is testamentary trusts that are used initially as part of an estate planning strategy. A decision to employ one is usually made when the member in question is a little worried a substantial amount of inheritance money will be needlessly frittered away by the recipient. As such, they employ the added access safety net of a trust.

That's all well and good, but this is where one particular budget announcement bites here. The testamentary trust is 'transitioned', if that is the right description, to a discretionary trust to facilitate the distribution of the death benefits.

Up until now this practice has been fine as tax has then been levied on the beneficiary at their marginal tax rate when they get the money into their bank account.

However, from 1 July 2028, a 30 per cent minimum tax will be applied at the trust level before any distributions are even made. In addition, the new impost will not prevent the individual from paying tax on this channel of income, but there are some rules to mitigate this element of the measure.

Here, if the individual's personal marginal tax rate is already higher than 30 per cent, they will have to pay additional tax on the trust distribution. If the person's marginal rate is lower than 30 per cent, they won't receive a refund for the excess tax.

Already discussions are taking place as to whether testamentary trusts can be used in conjunction with fixed rather than discretionary trusts from 1 July 2028 onwards. Sounds okay, but there is a very important downside to this approach.

Fixed trusts apply a fixed entitlement to the income and capital of the structure and so offer no discretion to trustees to vary allocations. More importantly, discretionary trusts separate legal ownership from personal ownership of assets. It means trust beneficiaries will have that level of protection if they find themselves in a position of financial difficulty where creditors are knocking at the door for the repayment of debts that have been incurred. This is protection fixed trusts do not offer.

So it may be in future years individuals formulating a superannuation estate plan will have to make a choice between tax effectiveness stemming from a fixed trust and asset protection provided by a discretionary trust.

Currently, we do not have a lot detail as to how the new taxing of trusts will work and whether the indirect impact on testamentary trusts will be addressed so we will just have to be patient to see how this all eventually plays out.

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