SIAA monthly

www.stockbrokers.org.au | June 2024

FROM TRADITIONAL BROKING TO DIGITAL WEALTH WIZARDS:

How tech-savvy brokers can succeed in financial advice

Scouring the globe for alpha opportunities

ETF market nudges closer to A$200 billion

Business has a role to end gendered violence

Super snippets: Year-end contribution traps

CONTENTS

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

Advertising

Silvana Eccles, Education and Operations Manager

Email: silvana.eccles@stockbrokers.org.au

Tel: 02 8080 3204

FROM TRADITIONAL BROKING TO DIGITAL WEALTH WIZARDS:

How tech-savvy brokers can succeed in financial advice

By Leanne Bradley and Mike Li, Suite2Go Australian partner of Chelmer Ltd

In the ever-changing Australian financial landscape, stockbrokers are facing a complex mix of challenges. Stricter regulations demand transparency and risk management, while legacy technology costs impact operational efficiency. Additionally, disruptive fintech players are reshaping the industry. Amidst this, tech-savvy brokers hold the key to success. By embracing technology, they can personalise client experiences, navigate regulatory complexities, and stay ahead of fintech trends. The future belongs to those who blend financial expertise with technological agility, unlocking innovation-led value for clients.

Wealth technology expert, Chelmer, surveyed delegates at the 2023 SIAA conference to deepen their understanding of how Australian investment advisers and stockbrokers are utilising platforms, as well as providing further insight into how this reflects on their client's experience. The survey results, along with findings from Australian Fintech consultant Suite2Go's research in 2021, highlight several compelling themes that underscore the need for increased digitalisation within the wealth management sector, particularly among brokers and wealth advisers.

1. Regulatory challenges slowed down innovation enabling external fintech players opportunity to disrupt the industry.

The Royal Commission and the COVID-19 pandemic accelerated trends that we've seen developing over the last decade, and we witnessed a squeeze on margins and intensified cost competition as services became more commoditised and indistinguishable. At the same time, new technology entrants have emerged as a pivotal enabler, allowing early adopters to deliver the swift and flexible services that clients demand, without imposing a financial burden on the organisation. From micro investing platforms such as Raiz, to self-investing platforms such

Figure 1

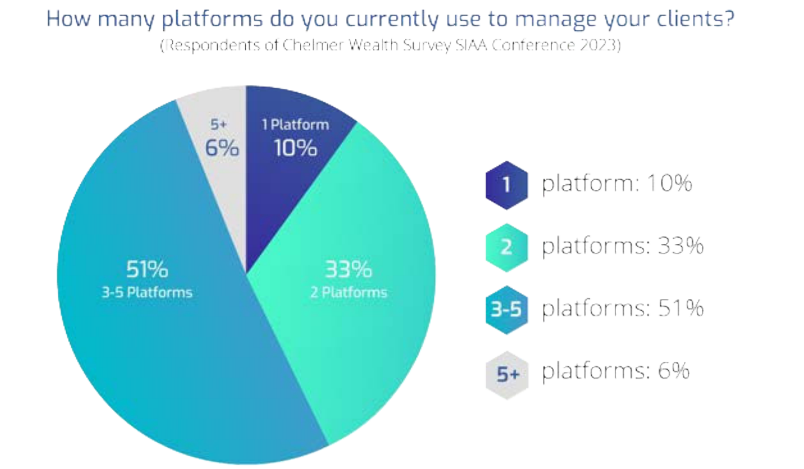
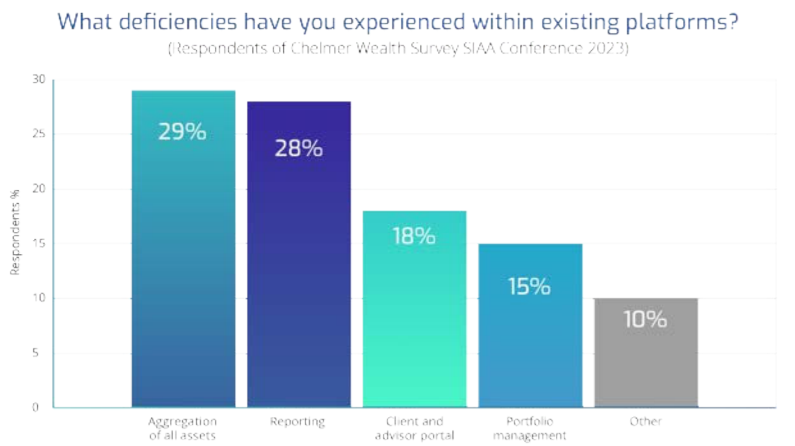


Figure 2



> "
>
> Over time organisations have accumulated diverging technology and data strategies. As a result, the integration of front, back and middle offices can be vastly varied. The Chelmer survey found multiple platforms are being used to manage client investments, indicating a market segmented across different solutions.

as Stake and Selfwealth, these fintech stockbrokers are part of a growing trend in Australia, where technology is being used to democratise access to investment opportunities and streamline the trading experience. This combination of events has compelled the wealth sector to consolidate and scale up as a sustainable strategy for survival, forcing many existing participants and traditional broking businesses to re-examine their business models and pivot into holistic financial advice. It has challenged firms to demonstrate their value add to clients, with their loyalty hinging on the tangible aspects of their experience.

2. Legacy Tech has led to integration challenges leading to varied usage of platforms and reporting capabilities.

Over time organisations have accumulated diverging technology and data strategies. As a result, the integration of front, back and middle offices can be vastly varied. The Chelmer survey found multiple platforms are being used to manage client investments, indicating a market segmented across different solutions. With usage varying from two to five platforms, and participants pointing out that each platform had different strengths and shortcomings with reporting and data aggregation, the survey results highlight the potential for a more integrated solution that could consolidate various functionalities (fig. 1).

Results also showed there was varied practices in managing and reporting, especially on unlisted assets and other platform assets, with some professionals preferring consolidating reporting while others are unable to consolidate and rely on each platform's own reporting. This diversity suggests a strong market demand for technology platforms that provide comprehensive, user-friendly reporting features and the ability to aggregate various asset types across multiple platforms. Client accessibility to information was also another deficiency highlighted in the survey, pointing towards a need for platforms that enhance client access to their investment information, such as portals. This would enable more client engagement and deliver transparency (fig 2).

3. Rise of Managed Accounts and the technology required to support.

Managed accounts are an integral part of wealth businesses, with respondents from Chelmer's 2023 SIAA conference survey noting their usage spanning widely from "Less than 10%" to "More than 75%".

Institute of Managed Account Professionals (IMAP), in conjunction with Milliman, found that managed accounts FUM reached $194.85 billion 31st Dec 2023 up 20.47 per cent when compared with June 2023's figure of $161.74 billion (fig 3).

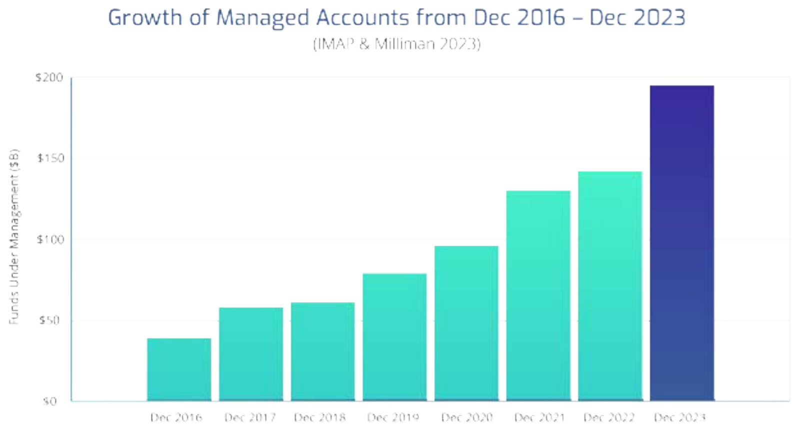
This trend underscores the growing market demand for managed account platforms and services. But the technology that supports the users varies widely, from global SaaS providers to in-house built platforms, with differing satisfaction levels.

Whilst there is no one size fits all approach, the successful managed account providers all focus on two things: customer centricity and modular and scalable platforms.

(1) Customer Centricity through differentiated services to retain and obtain new clients. This is done through stronger front end client portals, reporting, portfolio modelling and consolidated tax positioning.

(2) Modular and scalable platforms can grow alongside the business, offering back office and middle office IT efficiencies as well as disruption free transformation projects.

Figure 3



4. Imperative to invest in future technology.

To successfully navigate the future of wealth management in Australia, stockbrokers and financial advisers will need to adapt to the various macroeconomic and regulatory conditions as well as being proactive in their approach to technology adoption. We believe the line between stockbrokers and financial advisers will continue to blur, and those who can seamlessly combine the strengths of both offers will thrive.

Client experiences and appetite for technology is ever growing, with deeper tech engagements across all areas of life. The ability to personalise their experience through a consolidated, on demand view of portfolio performance and visually simplify the complex investment picture is essential to enabling effective monitoring and informed decision-making by the client and advisor.

Even after making the strategic decision to move on from legacy systems without any interoperability, the challenge for many wealth firms is selecting the right technology partner to support their long-term growth. As well as justifying the level of investment into the tech and quantifying the return for the business. Hence detailed due diligence on the feasibility, scalability and interoperability is needed before choosing a tech partner.

One of the main trends identified through Chelmer's 2023 SIAA Conference survey and Suite2Go's research paper is the role of managed accounts in delivering more efficient and cost-effective investment portfolios for both advisers and clients. The advantages of scalability with personalised preferences are a strong argument for the growing demand for managed accounts, but choosing the right technology platform to support this product is crucial.

Technology providers need to be willing to partner and work closely with Australian wealth businesses to find the right strategic solution to help scale businesses as they grow and evolve. A modular approach to delivering platform functionality is a key element to appropriately supporting stockbrokers, investment advisors with their increasing use of managed accounts.

Chelmer will be running their wealth survey again later this year, enabling their team of experts to compare insights year-on-year into the emerging trends and challenges that are part and parcel of the ever-changing financial landscape.

Register here to receive the full Chelmer Wealth Report, the Current State and Future Needs of Wealth Technology.

Scouring the globe for alpha opportunities

By Regina Liu, Managing Director, APAC Head of Investment Specialists, International Equity Group, J.P. Morgan Asset Management

The case for going global

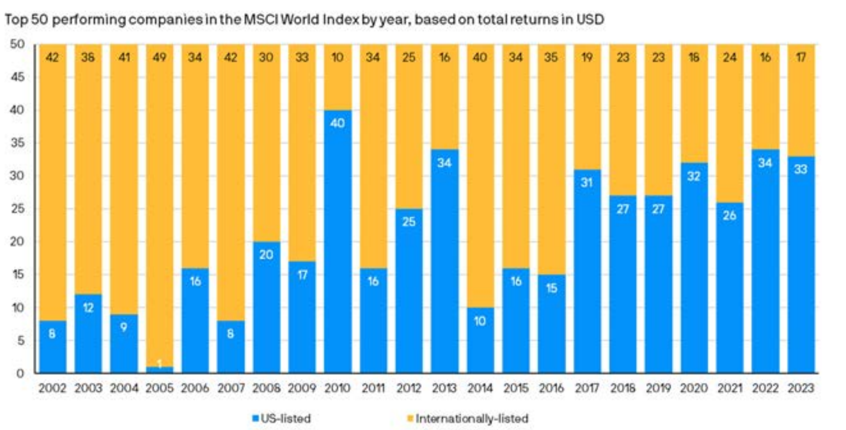
Buoyed by optimism of the long-run earnings potential of generative artificial intelligence (AI), US stocks have recorded significant gains over the past year, with the S&P 500 benchmark notching multiple all-time highs in the first three months. Restrictive monetary policy and elevated geopolitical risks have not dulled investor optimism, as earnings have remained relatively resilient while market performance shows signs of broadening. While the US market remains an important source of alpha, there is an increasing appreciation among investors for the need to diversify return streams by seeking opportunities elsewhere. And why not, as there is a plethora of opportunities outside of the US market.

As illustrated, a meaningful share of the top 50 performers of the MSCI World Index over the last 22 years is listed internationally. In an average year between 2002 and 2023, 29 of the top 50 performing stocks were found outside of the US. Furthermore, internationally listed stocks outnumbered top performing US stocks in 12 of the last 22 years. The balance of top performers is not static and has swung between US-listed stocks and international equities over the years. Nevertheless, the data broadly underscores the breadth of opportunities that exists across regions and sectors for active managers that are able to tap into a wider opportunity set.

A global approach to diversify risks and seek out opportunities

Moreover, seeking quality opportunities without a regional bias can help buffer against market or region-specific risks. It is important to note that equity markets do not always move in sync

On average, over half of the top 50 best performing companies in developed markets are listed internationally.



Source: FactSet, MSCI, J.P. Morgan Asset Management. Data as of 21.02.2024. Companies ranked in no particular order. Past performance and forecasts are not a reliable indicator of current or future results.

and market drivers could vary widely. Going global helps expand the opportunity set, widening the range of companies that active managers can select, whether across regions, sectors or currencies. This can help lower correlations across individual holdings, harnessing the benefits of diversification and potentially reducing the volatility of the overall portfolio.

We believe not all structural themes can be accessed through one geographical market and having the flexibility to pick the winners from a global opportunity set is particularly useful when seeking exposure to these trends. For example, while AI adoption remains a key theme for investors, attention has narrowly focused on a handful of mega-cap names in the US, belying an opportunity set that is far wider and more global in nature. Indeed, generative AI has widespread implications and could impact the broader technology supply chain, beyond just a few companies in the US. From AI enablers upstream such as high performance semi-conductor manufacturers, to a growing list of AI adopters downstream such as software engineering, high-tech manufacturing and health care, the opportunity set is expansive, varied and ever evolving.

While certain AI-related companies in the US have become household names, there are plenty of lesser known companies in markets such as Taiwan, South Korea and Europe that play niche yet significant roles in key nodes of the tech supply chain and are therefore key beneficiaries of the growing demand for AI-related products. Yet these are still early days of generative AI adoption, and we could observe a shake-up in global market leadership as the technology evolves and proliferates. The fact is, one could risk being underexposed to such transformational change by adhering to a relatively narrow focus, be it sector-wise or regionally. Staying active within this space is key.

The outlook remains constructive, but stay selective

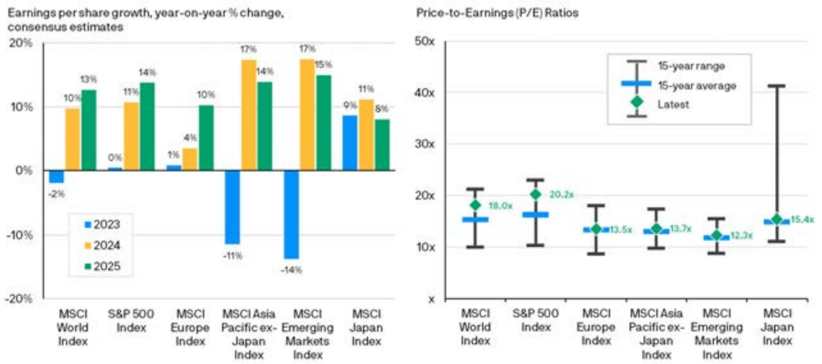
Looking ahead, consensus earnings forecasts paint a relatively constructive picture for global stocks. Earnings growth is expected to accelerate from a dismal 2023 across many regional markets. We have also seen signs of market performance broadening out from a narrow group of stocks to a wider range of companies, sectors and regions.

In addition, while US equity market valuation looks somewhat extended versus its past 15 year history, other regional markets appear more fairly valued, with price-to-earnings multiples hovering close to their long-term averages. More importantly, a wider dispersion of intra sector valuations presents a constructive backdrop for stock picking.

Nevertheless, selectivity and active management matters amid a more challenging macro environment, characterised by slowing growth, higher cost of capital, and elevated geopolitical risks. The world is big with a wide range of markets in different stages of economic and financial development. Varied political systems, policy regimes and business cultures may present unique risks that investors will have to navigate when seeking out global opportunities.

Accordingly, access to a well-resourced global research platform with on-the ground presence, and a rigorous and repeatable investment process is important to help separate the wheat from the chaff and differentiate the potential winners and losers from key structural trends. In addition, staying unconstrained and flexible can help allocate capital to high conviction ideas wherever they may be on a risk-adjusted basis.

Earnings paint a positive picture for global stocks. Meanwhile, with the exception of the US, valuations of other regional markets look reasonable versus its long-term history.



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Data as of 06.05.2024. [LHS] Consensus estimates used are calendar year estimates from FactSet. Forecasts/estimates may or may not come to pass. [RHS] All valuation measures are based on respective MSCI data. Price-to-earnings (P/E) ratios are in local currency terms. Past performance is not a reliable indicator of current and future results.

Features of the JPMorgan Global Select Equity Active ETF

An "all weather" equity solution to tap into our high-conviction global ideas

The JPMorgan Global Select Equity Active ETF is a core, risk controlled, style agnostic, fundamental research portfolio that invests in 70-100 of our highest conviction ideas globally. With no notable growth or value bias, the ETF seeks out quality opportunities regardless which investing style is in vogue.

A core "quality" building block for portfolios

The ETF provides an avenue to seek core exposure to global equities. The strategy employs a bottom-up approach driven by insights from our 80+ research analysts who cover over 2,500 stocks globally. Differentiated insights, strong conviction and compelling valuations drive our search for opportunities.

A time-tested approach for alpha generation

Our proprietary research platform has been in place for over three decades and has navigated positive, negative, growth-led or value-led market environments. Over the years, we have built a database that is hard to match in the industry, and our investment in data science has helped to harness insights through a variety of lenses.

Source: J.P. Morgan Asset Management

Substance over style: seeking long-term growth from an "all weather" portfolio

To that end, the JPMorgan Global Select Equity Strategy has a long track record of delivering alpha in different market environments by harnessing a disciplined, bottom-up, research-driven approach that has been in place for over three decades. Differentiated insights driven by a well-resourced equities research platform has helped the strategy unearth high quality opportunities with compelling valuations regardless which investing style – growth or value – is in vogue. Over the years, this tried-and-tested approach has helped the portfolio achieve consistent performance in both growth-led and value-led market environments.

This long established strategy was recently launched as two active ETFs in the Australian market, aptly named the JPMorgan Global Select Equity Active ETF (JGLO) and JPMorgan Global Select Equity Active ETF (Hedged) (JHLO).

For more information visit: https://am.jpmorgan.com/au/en/asset-management/protected/adv/funds/in-focus/growth/

CPD EVENTS

Stay on top of your CPD with these SIAA-accredited CPD events.
Webinars are FREE for Practitioner and Affiliate members and employees of Principal Members.

World class prospect and client experience through education, video and auto-magic! Wednesday 12 June from 1.00pm to 2.00pm AEDT

STEVE CORNEY
Learn Awesome

Steve Corney will discuss enhancing client experience using innovative tech, showcasing interactive tools for education, data-driven insights, and seamless solutions. He'll integrate video and auto-magic solutions, pioneering a new era in financial services engagement.

Professional Standards CPD: Client care and practice 1.0 hour | **ASIC Knowledge Area:** Financial planning 1.0 hour

---

Hear from the CSLR CEO Wednesday 26 June from 1.00pm to 2.00pm AEDT

DAVID BERRY
CSLR

Hear from the CEO of the newly-established Compensation Scheme of Last Resort (CSLR) about its role, consumer claims process, levy framework and estimates. He will also speak to how the 1st and 2nd levy period estimates were arrived at and take questions from attendees.

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

---

Future of payments – what you need to know in the Australian financial markets Wednesday 10 July from 1.00pm to 2.00pm AEDT

JENNIFER HARRISON
Reputation Edge

AMANDA MARK
Complii

JOHN RYAN
PayEd

Join this expert panel exploring payment trends in stockbroking. They'll discuss recent shifts, future trends, and regulatory impacts from Treasury, RBA, ASIC, ACCC, and APRA. Learn strategies for enhancing payment adoption and explore digital currency and identity trends.

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

---

Cryptoasset insights: Navigating opportunities and risks
Wednesday 24 July from 1.00pm to 2.00pm AEDT

IAN LOVE
Blockchain Assets

Ian Love will delve into Bitcoin and cryptoassets highlighting both risks and opportunities of these emerging assets. He will also outline how to incorporate these assets into a traditional portfolio safely and securely, and in compliance with regulations.

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

---

Wholesale clients: The do's and don'ts
Wednesday 21 August from 1.00pm to 2.00pm AEDT

JAMES DICKSON
OCG Consulting

By attending this webinar you gain a greater understanding of the needs of these sophisticated clients and their requirements from regulators, particularly relating to ongoing monitoring and the documents issued to clients.

Professional Standards CPD: Professionalism and ethics 1.0 hour | **ASIC Knowledge Area:** Specialist knowledge – Financial planning 1.0 hour

Cost: Member FREE | Non-member $75

Thanks for supporting SIAA's education program

MAGELLAN
EXPERTS IN GLOBAL INVESTING

præmium

FOR MORE INFORMATION OR TO REGISTER: 02 8080 3200 | education@stockbrokers.org.au

www.stockbrokers.org.au/education/upcoming-events

CPD EVENTS

Stay on top of your CPD with these SIAA-accredited CPD events.

Introduction to stockbroking workshop

Tuesday 10 September from 11.00am to 1.15pm AEDT

RUSSELL McKIMM

This workshop outlines stockbrokers' vital role in retail and institutional markets, covering operations like order taking, transactions, and settlement. Gain insights into the different systems involved and allow for a discussion of the different business models in stockbroking today.

Professional Standards CPD: Regulatory compliance and consumer protection 1.0 hour, Technical competence 0.5 hour, Professionalism and ethics 0.5 hour
ASIC Knowledge Area: Generic knowledge 2.0 hour

A day in the life of a trade workshop

Monday 16 September from 11.00am to 1.00pm AEDT

ROB TALEVSKI
Webull

Ideal for experienced and auxiliary staff in legal, IT, HR, and related roles, this workshop explores the trade lifecycle. Gain insights into client onboarding, share and derivative trade processes, settlement, sponsorship/HINS, CHESS messaging, and registries.

Professional Standards CPD: Regulatory compliance and consumer protection 1.0 hour, Technical competence 1.0 hour
ASIC Knowledge Area: Generic knowledge 2.0 hour

Market manipulation and other prohibited conduct workshop

Tuesday 17 September from 10.00am to 12.15pm AEDT

PROFESSOR MICHAEL ADAMS

Focused on prohibiting artificial price creation in financial products, this workshop benefits all seeking market understanding and obligation consequences. Tailored for financial professionals, it covers obligations, self-protection, and discerning manipulation from market forces.

Professional Standards CPD: Regulatory compliance and consumer protection 1.0 hour, Professionalism and ethics 1.0 hour
ASIC Knowledge Area: Generic knowledge 2.0 hour

Cost: Practitioner member $100 | Organisation member $150 | Non-member $200
Register 4 or more (Organisation member or non-member) and save $50pp

Thanks for supporting SIAA's education program

MAGELLAN EXPERTS IN GLOBAL INVESTING   præmium

FOR MORE INFORMATION OR TO REGISTER: 02 8080 3200 | education@stockbrokers.org.au
www.stockbrokers.org.au/education/upcoming-events

DIRECTOR APPOINTMENTS – The Financial Services Foundation (FSF)

Founded in 2003 by a group of stockbrokers, the Financial Services Foundation hosted 13 "A Monetary Affair" gala evenings at Crown's Palladium Ball room, Atlanta at Docklands and the Myer Mural Room. With themes such as a Hard Day's Night, Mafia Mystique and Generations in Jazz featuring James Morrison and his band, Melbourne's financial services industry partied while raising money for charities.

Variety the Childrens Charity, Camp Quality, Epic, the Neo-natal ward of the Royal Childrens Hospital, Cottage by the Sea, Able, Life Education and TLC all received considerable donations from these annual functions.

There hasn't been an event since before COVID and the directors feel it's time for a new team to take the reins. Regulatory compliance is up to date and we have money in the bank.

To set up a charity or foundation is difficult and timely, so there is an advantage in taking responsibility for running the Foundation rather than trying to start one. You may be aware of a client who might be considering setting one up.

Contact Richard Symon 0499 844 060 for further information.

ETF market nudges closer to A$200 billion

By Jacinta King, Business Development Manager, Investment Products, ASX

Five years ago, ASX investment products' team celebrated a milestone by reaching A$50 billion in market cap for ETFs on the exchange across 198 products.[1] Today, as the ETF market cap in Australia heads towards A$200 billion, there are several factors driving this incredible growth in a just few short years. Funds flow, increased admission of products, combined with Australian investor appetite for an efficient way to build an investment portfolio have all been contributing factors.

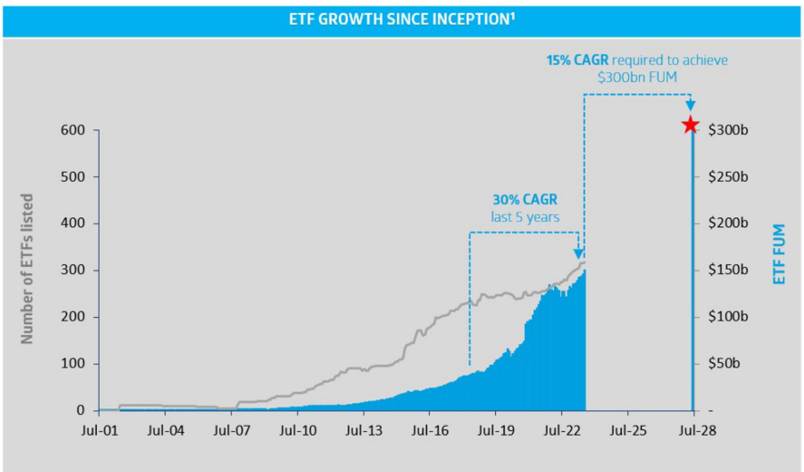
Across the entire Australian ETF market, the Australian ETF industry reached a market cap of A$196.7 billion at March end, 2023,[2] with ASX's share of ETF market cap sitting at $191 billion. ASX has experienced record growth in recent years with a CAGR in market cap / funds under management of 30% over the past 5 years (fig. 1)

This growth has been driven by investment flows as well as an increase in new product admissions. Looking at investment flow firstly, in terms of transactions, i.e. how much money actually flows through the market on a daily basis, currently the whole cash equities market trades around A$5-6 billion per day[3]. Roughly 10% of the cash market trading is in ETFs on ASX, or about A$500 million per day.

In terms of composition, transactions are typically dominated by global equities with almost half the market in global equity strategies, as illustrated in fig. 2 (overpage).

When we say global, it really is the US market and in particular the

Figure 1

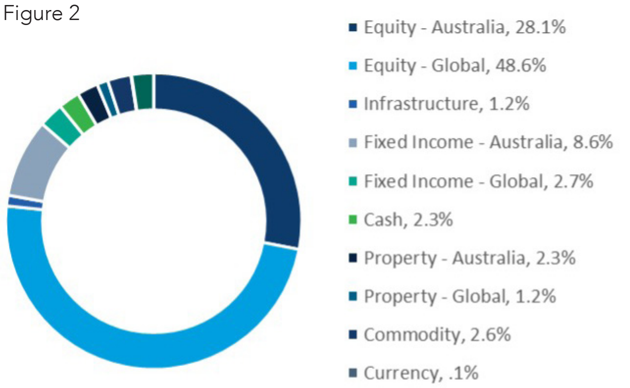


1. Source: ASX Investment Products Report – July 2023

ETF statistics	March 2024	% change YOY
Market Cap ($bn)	191	38%
Number admitted	331	16%
12 month avg transactions per month	634k	33%
12 month avg value traded per month ($b)	9	2%

Source: ASX Investment Products Report – March 2024

Figure 2

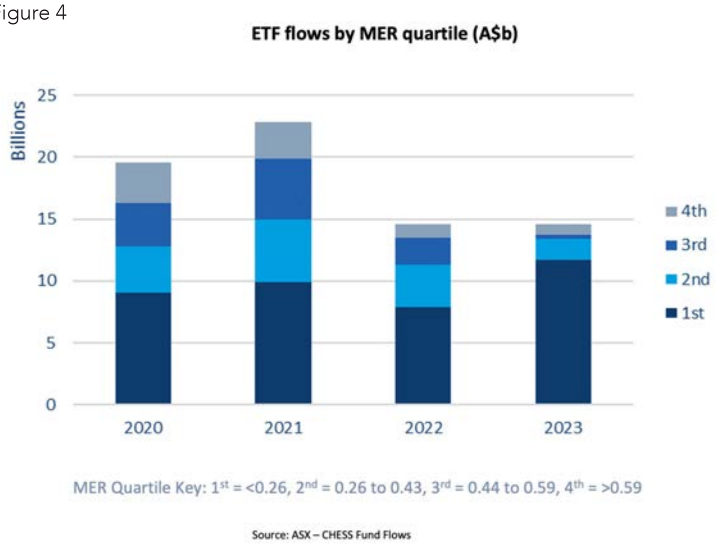


Source: ASX Investment Products Report – March 2024

Figure 3

Source: ASX investment products internal reports – CY2023

Figure 4



concentration of the Magnificent 7[4] and other mega-cap stocks.

As mentioned above, there is no doubt that the number of Investment Product admissions has been a key factor for the growth in ETF flows over the last 5 years. ASX experienced a record year in 2023 with 52 new admissions, bringing the total number of ASX Investment Products to 331 by March 2024. In the few years prior, ASX admissions team were consistently admitting 20-25 new products per year so 2023 is a considerable jump in admissions with almost 100% increase in products admitted onto the exchange.

In terms of new product admissions of index-tracking ETFs versus active ETFs, ASX now see a fairly even split between the two, with an increase in the number of product admissions coming from active managers over the last few years (fig. 3).

What's unique to Australia is the flexibility ASX gives to active managers when admitting investment products to the exchange – we broadly provide three different portfolio holding disclosure models:

- Daily disclosure of full portfolio holdings.
- Daily disclosure of material portfolio information (MPI) — where disclosures may be summarised into such things as top holdings, sector exposures or certain risk characteristics.
- Delayed disclosure of full portfolio holdings on a quarterly basis.

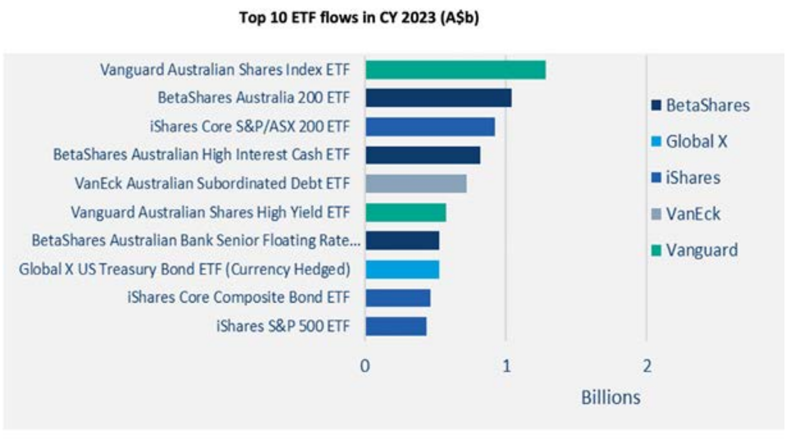
Returning now to flows however, the data indicates that price, performance, and product remain key to investors and some might say in that order. Index-tracking funds with a low MER (under 0.26%) received the largest share of inflows in 2023, (fig. 4)

This may come as no surprise when you look at the Top 10 ETF Flows for CY23 with index-tracking ETF providers top of the leader board, (fig. 5 overpage). Pleasingly, ASX has a really broad range of issuers on the exchange and see healthy flows across a variety of issuers.

Over the next five years, the drivers of ETF growth will primarily be two-fold, the growing retail investor popularity of ETFs, and growing adviser usage of ETFs, as evidenced from the ASX Australian Investor Study in 2023, (fig.6 overpage). ETF usage is even stronger for Next Gen investors (33% ETF usage) which will support longer term growth, underpinned by intergenerational wealth transfer. It will also be interesting to observe financial adviser adoption of active ETFs considering their intentions to continue using active funds (fig.6).

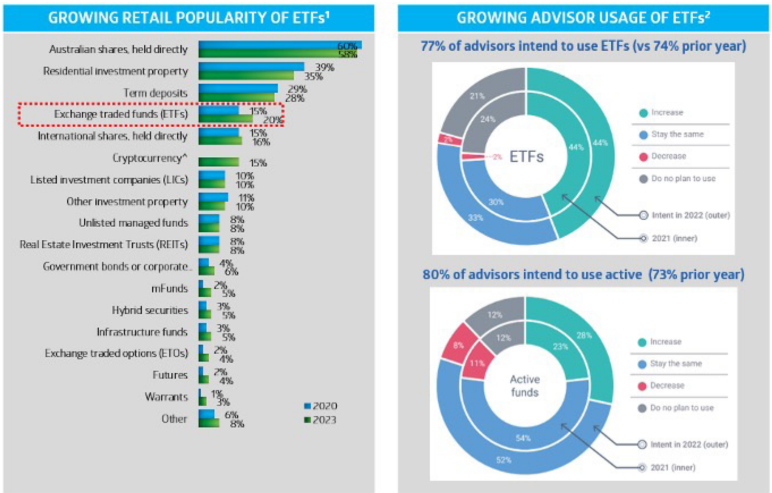
What else is ASX doing in terms of supporting Investment Product issuers and wealth advisers alike? The ASX investment products team work with issuers each year to create the annual ASX Financial Adviser Day in collaboration with Kaplan Professional, which

Figure 5



Source: ASX – CHESS Fund Flows

Figure 6



2 1. Source: ASX Australian Investor Study 2023
2. Source: Adviser Ratings – Adviser Trends 2023 Report

they bring to the adviser community nationally, every June.

With a focus on international equities for this event, over the course of the day investment experts will present on a range of topics impacting global markets from interest rate and geopolitics to AI and the transition to clean energy.

On portfolio construction, investment strategy and client management, presenters will cover topics such as managed accounts, using instalments over super and accessing bond markets efficiently.

With an indicative 5 FAAA CPD points accredited, the event is delivered completely free of charge and streamed entirely online. Registrations are open and advisers can head to ASX Financial Adviser Day to view the agenda and click through to register.

To access all of the latest trends in the ETF space plus all other investment products listed on ASX, you can visit the ASX Investment Products Monthly report.

---

1 ASX Investment Products Report – June 2019
2 Betashares Australian ETF Review
3 ASX Australian Cash Market Report
4 It features an all-star, eclectic cast of mega-cap technology stocks — Alphabet (Google), Amazon, Apple, Meta, Microsoft, Nvidia and Tesla – which at 16 April had a combined market value of US$13.5 trillion (A$21 trillion). Source: Vanguard, The Magnificent 7: A cautionary investment tale, April 2024.

SIAA2024

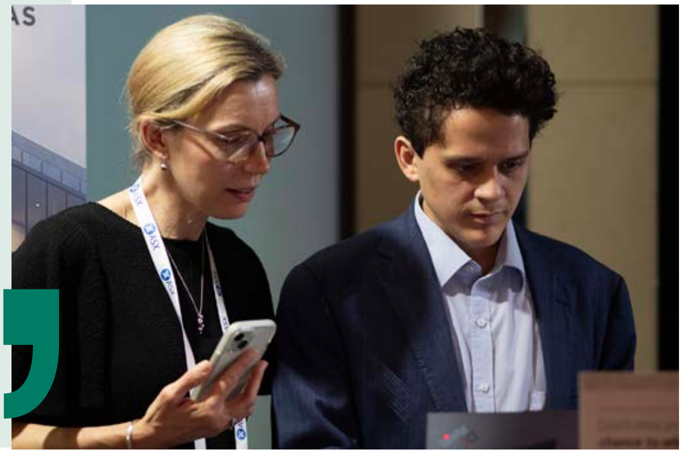
ADAPT.
INNOVATE.
THRIVE.

14–15 May 2024
Grand Hyatt, Melbourne

EVENT OVERVIEW

- ✓ 22 sessions
- ✓ 330 delegates
- ✓ 60 sponsor delegates
- ✓ 65 speakers
- ✓ 25 partners
- ✓ 8 supporters
- ✓ 14.31 CPD
- ✓ 28 media mentions

> Just wanted to thank you and your team for another superb conference. It was great to have a change of location to Melbourne and very timely to have such beautiful weather. It was a very engaging couple of days with some excellent thought provoking presentations and complimented by some great sponsor events and a diverse set of sponsor booths. Many thanks to you and your wonderful team.
>
> ANTHONY BRITTAIN, EUROZ HARTLEYS



Save the date...

SIAA2025

Monday 19 & Tuesday 20 May

Sydney Hilton

THANK YOU to our conference supporters

Major

ASX

Gold

AUSIEX an NRI company

HUB24

J.P.Morgan ASSET MANAGEMENT

Oceanic Consulting Group

Silver

FinClear

iress

SAXO INVESTED

TANDEM SECURITIES A Bell Financial Group business

Bronze

Antipodes

ANZ

Blockchain Assets CRYPTOASSET MANAGERS • EST 2017

Cboe

FLEXTRADE Trade your best.

Janus Henderson INVESTORS

L1 CAPITAL

LSEG

MORNINGSTAR

NICE Actimize

QUALITAS

SecuritEase

S&P Global Market Intelligence

tcs TATA CONSULTANCY SERVICES

Vanguard

Supporter

Acclaim WEALTH

Broadridge

CHELMER

financial simplicity

HOLLEY NETHERCOTE

National Stock Exchange of Australia

VanEck Access the opportunities.

ViewTrade

Media

FINANCIAL STANDARD.

www.stockbrokers.org.au

ASF Awards Night 2024

THURSDAY
JUNE
13

Sofitel Sydney
Wentworth
61-101 Phillip St
Sydney.

6
PM

This annual event stands as the largest gathering within the financial services realm, providing a platform to acknowledge and honour stockbrokers and their firms for their outstanding achievements throughout the preceding year.

More importantly it always raises upwards of $100,000 in a single evening, to be distributed to our selected charities, many of whom have little to no government funding and rely on the fundraising by private donors/organisations.

BOOK NOW TO SECURE YOUR SPOT

stockbrokersfoundation.org.au/stockbrokers-awards

ASF AUSTRALIAN STOCKBROKERS FOUNDATION

Business has a role to end gendered violence

By Catherine Fitzpatrick, University of NSW School of Social Sciences

Violence against women is a national crisis in Australia, with an average of one woman a week killed every four days since the beginning of 2024.

The horrific death toll has not only led to protest marches and an urgent meeting of National Cabinet, but it has also prompted many in the business community to question what more they may do to address gender-based violence.

The National Plan to End Violence Against Women and Children 2022-2032 describes three roles for businesses and workplaces:

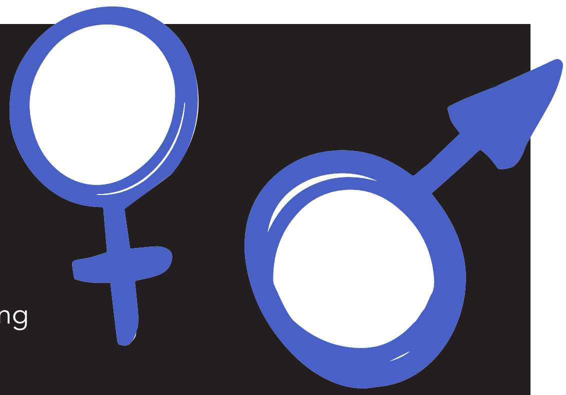
- Prevent gender-based violence through fostering gender equality in the workplace
- Provide leave entitlements for victim-survivors, such as paid domestic and family violence leave and paid parental leave
- Design products and services that are safe and prevent misuse, and focus on perpetrator accountability.

While ending gender-based violence requires long-term investment in changing attitudes and behaviours, it is this third point that is emerging as a new frontier for business action. In particular, we are learning more about the critical role the finance sector has to prevent and respond to the hidden epidemic of financial abuse.

Financial abuse is when money is used to control another person and is one reason many women face the stark choice of violence or poverty. One in six Australian women and one in 13 men experience economic abuse from a partner – for women, that's almost the same rate as physical violence. Financial abuse can start or worsen at separation, and can continue for many years. When men use money to control women, they are also more likely to use violence against them – financial abuse is present in 90% of domestic violence cases. The direct cost to victims is estimated at $5.7 billion a year.

The finance sector can take steps to prevent or reduce the impact in two ways – training staff to recognise and respond to domestic and family violence, and understanding and reducing the risks of their own products and services may be misused for abuse.

Research in the UK and Australia shows people experiencing economic abuse are more likely to talk to their bank than specialist family and domestic violence services. Why? Because money gives you choices. They need help from banks and other financial services to plan to escape, to disentangle from their abuser and to set themselves up to start again.



“

Research in the UK and Australia shows people experiencing economic abuse are more likely to talk to their bank than specialist family and domestic violence services. Why? Because money gives you choices. They need help from banks and other financial services to plan to escape, to disentangle from their abuser and to set themselves up to start again.

Banks and insurers have Code obligations to train staff to respond with empathy and mindful of the safety of customers who disclose domestic and family violence. Some have created specialist teams with additional policies and processes, including referrals to specialist services.

Businesses should also be aware that they may unintentionally help financial abusers because their products and services may be weaponised as a tactic of coercive control and manipulation.

Perpetrators misuse services like banks, insurance, superannuation, telecommunications, energy and water to threaten victim-survivors or accrue debts in their name, leaving them financially decimated.

For example, abusers:

- Open credit cards and use them without knowledge or consent.
- Refuse to authorise joint account transactions to restrict access to money. Or they clean out the account all together.
- Stop paying the mortgage, refuse to agree to hardship arrangements, and ignore property settlement orders.
- Register their partner as a director of a business, without their knowledge or informed consent.
- Change or cancel joint insurance without knowledge or consent.

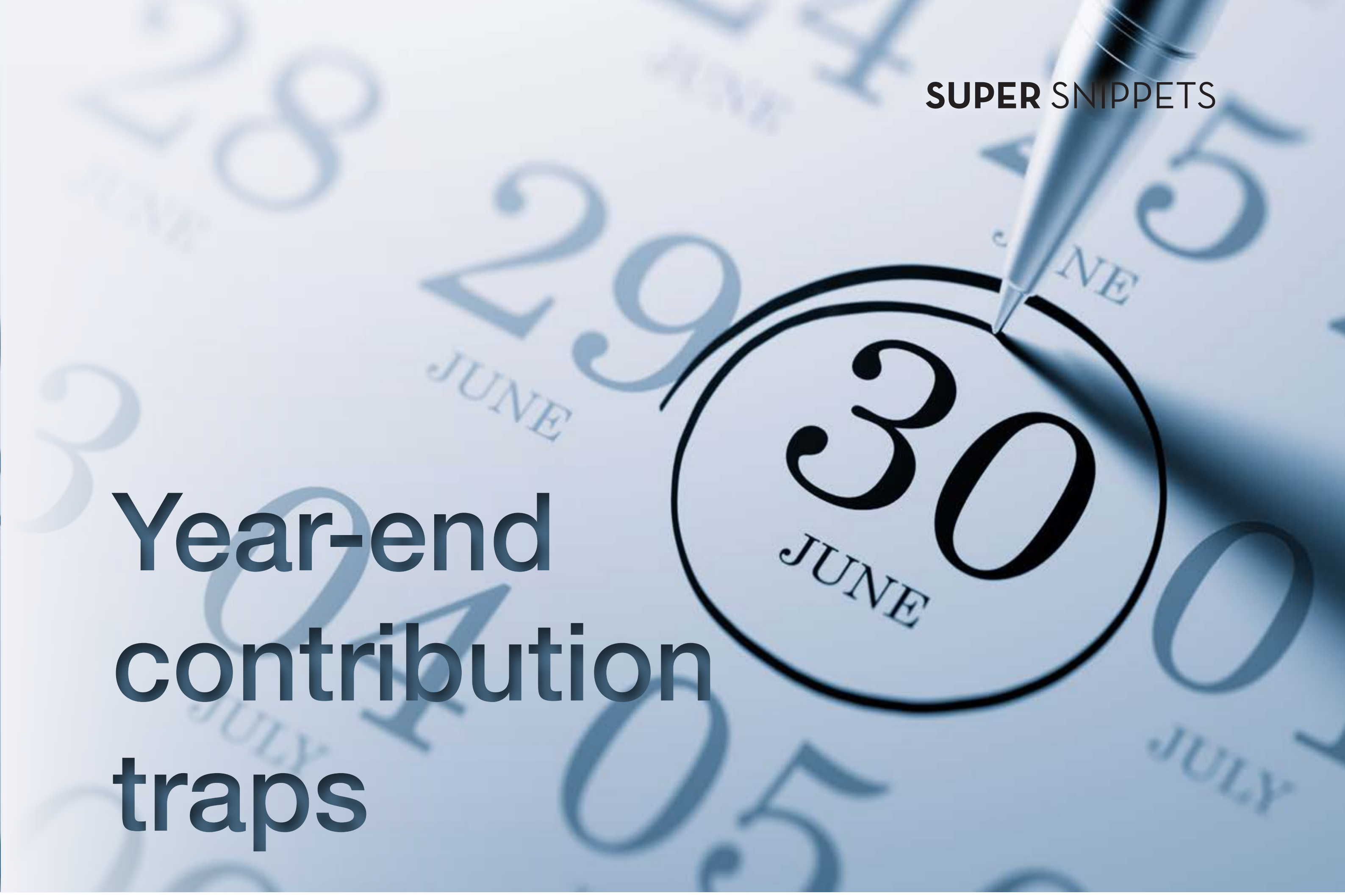
Any business that provides joint accounts or digital access is ripe for financial abuse.

My *Designed to Disrupt*™ reports for the Centre for Women's Economic Safety recommend design changes to disrupt financial abuse. The starting point is a simple update to terms and conditions of use for any product, making it explicit that their misuse for financial abuse is an unacceptable customer conduct. This change directly addresses one of the key drivers of gendered violence – condoning of disrespectful attitudes and behaviour.

In May, the *respect and protect* campaign showcased 20 Australian businesses – including the some of the biggest in telecommunications, banking, insurance, education and a tech start up – that have mobilised against customers who commit financial abuse. In a world first, the businesses adopted new terms and conditions that ban the weaponisation of their products and services for domestic violence and put customers on notice they'll lost their accounts for this behaviour.

There is an opportunity for every Australian business to follow their lead. Because everyone has a role to play if Australia is to achieve its ambition of ending gendered violence in a generation. And doing nothing differently is no longer an option.

Catherine Fitzpatrick is a social entrepreneur and the Adjunct Associate Professor, University of NSW School of Social Sciences. She is the business adviser to the Commonwealth Government on the National Plan to End Violence Against Women and Children 2022-2032.



Year-end contribution traps

By Darin Tyson-Chan, Editor, *selfmanagedsuper*

The end of the 2024 financial year will soon be upon us and this means many superannuants will be focused on maximising their contributions before 30 June. However, this year end is slightly different to others and individuals must be cognisant of some relevant changes before deciding to take the action that will enable them to increase their retirement savings balances.

The reason why the end of the 2024 income year is a little different is due to the indexation measure that will be applied to the concessional contributions cap effective 1 July 2024. This column has covered the impending change before, but just as a recap the annual concessional contributions cap will be increasing from $27,500 to $30,000 as at this date. It also means the non-concessional contributions cap will be lifted from $110,000 a year to $120,000 since it is defined by applying a multiple of four to the concessional cap.

So what are some of the details super fund members need to consider when looking to channel more money into their super before 30 June?

Let's start by looking at non-concessional contributions. One of the bonuses the retirement savings system makes available to individuals is the ability to bring forward a maximum of three years' worth of non-concessional contributions over a reduced timeframe. There are some total super balance thresholds that need to be satisfied when looking to use this provision, the details of which were covered in the March edition of Super Snippets.

Individuals who have met these parameters and triggered the non-concessional contributions bring-forward feature before 30 June must remember they are beholden to the caps applicable at the time this action was taken.

To this end, it means people in this situation will still only be able to allocate a maximum of $330,000 into their super fund. It is a common misconception the total available to be contributed under the non-concessional contributions bring-forward rules immediately shifts from $330,000 to $360,000. And it is important for individuals to recognise this detail so as to avoid breaching their cap.

With regard to the concessional contributions caps, the system also contains an added windfall in a financial year just before indexation is applied. Due to the ability to use a contributions suspense account, commonly referred to as a contributions reserve, a member can receive the benefit of a tax deduction for their concessional contributions pertaining to the subsequent income year in the current fiscal year.

With the implementation of the next round of indexation, it means a superannuant can make a concessional contribution of $27,500 and an additional one of $30,000 before 30 June and claim the associated tax deduction for both amounts in the 2024 income year.

“

With the implementation of the next round of indexation, it means a superannuant can make a concessional contribution of $27,500 and an additional one of $30,000 before 30 June and claim the associated tax deduction for both amounts in the 2024 income year.

Members will have to inform super fund trustees of their intent to do this as a matter of procedure. A person can benefit from this because effectively the contributions are not allocated to them until the 2025 financial year.

This strategy is more practical for members of self-managed super funds as the contribution does not need to be assigned to a specific person for up to 28 days into the following month, so in June it will fall into the next financial year. Unfortunately for large public offer funds the member allocation must be made within three working days, making the strategy a little less practical.

Regardless of the outcome an individual is looking to achieve with contributions prior to the end of the financial year, it is important for them to note exactly when 30 June occurs. In 2024, this date falls on a Sunday, effectively making Friday 28 June the last day of the 2024 income year.

Critically, the member should recognise a contribution is not considered to have been made until the super fund actually receives the money, so allowances must be made for the length of time it takes to process a payment. Even electronic payments are not put through immediately, so the moral of the story is people should not leave it to the last minute, in this case 28 June or any date near it, to make final contributions for 2023/24.

To subscribe to *selfmanagedsuper* please visit www.smsmagazine.com.au

Stockbrokers and Investment Advisers Association

Serving the interests of investors

www.stockbrokers.org.au