

RETAINING A PIECE OF THE SECTOR PIE

SMSF AWARDS 2017



The fifth annual SMSF Service Provider Awards saw half of the adviser-voted winners return for the second year in a row, demonstrating trustees are exercising choice and forming favourites when it comes to their preferred brands and services. **Krystine Lumanta** and **Penny Pryor** uncover what is setting these businesses apart and what has helped many of them maintain their position in the market.

According to the ATO's figures at the end of September, the SMSF sector is fast approaching \$675 billion in assets, with 600,000 SMSFs made up of 1.1 million members. The continued growth of the sector has meant businesses servicing those advisers with SMSF clients must ensure their proposition not only continues to address their current needs, but also anticipates the needs of the future.

In conjunction with *selfmanagedsuper*, industry research firm CoreData shortlisted a group of service-providing finalists across 16 adviser-voted categories. On 24 August, during the awards ceremony held at the Tea Room in Sydney's Queen Victoria Building, CoreData principal Andrew Inwood revealed the next phase of the maturation of the SMSF sector was dealing with growth remaining at the same level.

"The net number of new people coming into the system is flattening out because we're getting market growth, but not new market growth, which is what occurs when you have a new market and people flock to it," Inwood explains.

"Once that's happened, you only get the speed of the rest of the market growing and people tipping out at the top end of superannuation or people getting closer to retirement. So this means trustees are starting to make decisions about who their best service provider is."

Commenting on the nine out of 16 repeat winners this year, he says it's interesting to see a small number of businesses continue to dominate in the SMSF space.

"We're seeing late market-cycle behaviour in the marketplace. The companies that have won in the past have been those who were first to market, but we're starting to see that change as [product and service providers] offer better and better solutions," he says.

"Also the ones who are clearly winning are often offering better client services.

"There are groups in there where unless you can invest as much as the winners, you're just never going to catch up.

"It's all very well to say a company has spent \$200 million into their product and that's an enormous amount, but some companies spend that every year, so get with the game.

"How long they can continue doing that, I don't know, so that makes it hard for people

entering the market to try and get a foothold.

"The finalists who do win are persistent on usability, not necessarily performance, so they've been investing in usability."

Understanding advisers' businesses is vital

By Penny Pryor



CommSec: Australian shares winner

Consistent delivery of what its advisers want, and their clients need, when it comes to Australian shares has seen CommSec take out the Australian share category for the third year in a row.

"The strategy has been fairly consistent and it's really based on getting an understanding and more proactively meeting our adviser needs," CommSec adviser services general manager Eric Blewitt says.

According to Blewitt, time and time again advisers will talk to them about the need for efficiencies and effectively delivering what their SMSF customer base wants.

"They say they want to grow their SMSF customer base, but they find it hard to do it effectively," he says.

Blewitt has just finished implementing the CommSec Portfolio Service (in conjunction with Colonial First State), which is also in direct response to adviser feedback, over the past two years.

"It offers total reporting solutions," he says.

"It enables them to grow their client base without growing their cost base."

CommSec values the importance of adviser feedback and is constantly seeking their input.

"We commission a fairly substantial piece of research annually," Blewitt says.

The study tells the company what it's doing well (and not so well) across all of its products.

Qualitative analysis is also an important component of its adviser feedback.

"When we deliver things such as CommSec Portfolio Service, we do a lot of fairly intensive field testing. We get advisers into our innovation lab," Blewitt explains.

These efforts pay off, with CommSec

scoring higher in the research it conducts in terms of the service delivered through the relationship managers and the business managers.

"Digitalisation makes things easier, but then just understanding advisers' businesses is vital," Blewitt says.

For example, providing more articles that are specifically tailored to their client needs, which can be quickly forwarded to the client from their adviser, is something the team has been working on.

CommSec has a significant client base across equities that provides a good litmus test for wider SMSF trends. Blewitt says he is continuing to see a growing demand for exchange-traded funds (ETF) in the SMSF market, particularly in international equities, property and infrastructure, where the unique ETF structure enables SMSF trustees to find exposure to various international markets and asset classes on the Australian Securities Exchange.

"We specifically see an increase year on year in the appetite for ETFs from advisers for their SMSF clients," he says.

"We have some really good relationships with the market makers ... we're able to get good prices on ETFs [for firms that trade a lot of ETFs]."

This is all thanks to CommSec's massive size, scale and brand.

Blewitt says his team has not expanded greatly in the past 12 months, but CommSec continues to build the quality, adding people with a specific advice capability, and training an engagement and a marketing team.

Sticking to its core expertise

By Penny Pryor



Magellan: International shares winner

Magellan Financial Group distribution general manager Frank Casarotti has a simple definition for the firm's approach

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"We like being a specialist in global equities and let somebody else be the expert in small caps."

Frank Casarotti
Magellan Financial Group

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to managing international equities.

"Ultimately we want to achieve a reasonable rate of return for a decent level of risk," Casarotti says.

"What we're saying is everything we ultimately do within the strategy must align with that."

The strategy has recently cracked its 10-year anniversary and Casarotti, along with co-founder and chief executive Hamish Douglass, is obviously delighted the manager has been able to achieve consistently strong returns.

This involves investing in extremely high-quality companies, invariably multinationals, and companies that are able to exploit competitive advantages in order to earn returns on capital well in excess of their cost of capital.

In terms of change in the past 12 months, Casarotti says there has been a move towards a greater exposure to mature tech stocks in its funds.

"Some of the key holdings – Microsoft, Alphabet, Oracle, eBay, Facebook – there is a really solid exposure, they are all broadly categorised as technology, but they are very different businesses."

These dominant players can have 30 per cent, 40 per cent or up to 50 per cent market share of their expertise and have moved well beyond the start-up definition.

When it comes to SMSFs, Magellan has a unique proposition for a trustee's international equity component, which Casarotti says appeals to advisers working in this space.

"Our story around diversification is in the sense of genuinely trying to complement an SMSF's portfolio, which is invariably overweight domestic equities, domestic property and so on. We're trying to bring a relevant complement to that strategy," he says.

"I also believe the rise of true passive suits us down to the ground because we suit that very, very well."

The Magellan portfolios are highly concentrated with 25 to 35 stocks. This makes it a nice satellite complement to passive investing.

But this doesn't mean they are opaque and Casarotti stresses the manager goes out of its way to tell investors what it is doing and why.

"We spend a lot of effort telling people what we're up to with their money because at the end of their day, it's their money," he reveals.

This includes roadshows, videos and fund fact sheets.

Magellan is across the trend of SMSF trustees looking to increase their international equity exposure.

"If you wound the clock back seven or eight years, maybe 10, you would struggle to find an SMSF with any active global equity exposure."

But, with the likes of Magellan, it's become easier than ever to invest in global opportunities and fund managers with this expertise.

It's a simple play, but it works.

"I think advisers like the fact we've stuck to our core expertise," Casarotti says.

"We're not trying to be all things to all people.

"We like being a specialist in global equities and let somebody else be the expert in small caps."

Collaboration plus discipline yields success

By Krystine Lumanta



PIMCO: Fixed income winner

With higher market volatility and greater focus on fundamentals as a result of the withdrawal of central banks' support, it's become increasingly important for active manager PIMCO to help clients and investors navigate through these pivot points.

In particular, protecting capital and delivering better risk-adjusted returns against benchmarks is key, according to PIMCO Australia and New Zealand executive vice president Adrian Stewart.

"We strive to ensure that clients and investors understand the value and benefits of core fixed income offerings as a defensive asset," Stewart says.

"The success of the PIMCO fixed income offerings lies in our ability to mitigate downside risks through good and bad market cycles, and target opportunities in an actively managed, high-quality and diversified approach.

"We see clients investing in our global bond, Australian bond, credit-oriented and dedicated income portfolios to form part of their defensive allocations. We are glad to be able to deliver consistent strong performances over years and help investors reaching for their long-term goals."

He acknowledges the past 12 months have proven to be a challenging time for investors, characterised by unexpected outcomes, geopolitical events and central bank policy announcements.

"Despite this, PIMCO's Australian fund has been able to navigate these challenges, outperform benchmarks and peers, and placed clients in a stronger position to take advantage of market opportunities," he says, adding a big part of being able to achieve this has been the firm's time-tested and

disciplined investment process, which has remained true to label.

Stewart attributes PIMCO's win to its collaborative team approach, supported with disciplined portfolio and risk management.

"At PIMCO, we fully leverage on the firm's deep global resources in research and investment analysis, rigorous portfolio and risk management capabilities and PIMCO's unique investment process," he explains.

"In particular, an area of focus that has allowed us to set ourselves apart from competitors has been our risk management process and dedication to constructing carefully diversified portfolios that aren't overexposed to single sectors or certain events.

"For example, taking a truly multi-sector approach to investing for income has been greatly beneficial for clients who can often be exposed to allocations that are concentrated to certain sectors of the investment universe."

PIMCO was the recipient of the same award in 2016 and 2015.

"We are very pleased and honoured in receiving this accolade for three consecutive years – this recognition well underscores our capability in navigating different market cycles and delivering strong and consistent performance over years, and our commitment in striving for excellence when it comes to servicing our clients and investors," Stewart says.

"These attributes are an integral part of PIMCO's DNA.

"We pride ourselves on providing an industry-leading client experience and are committed to continue to be the investment solution provider of choice in the fixed income space for our Australian and New Zealand clients and investors."

He says throughout the organisation's four decades of investment expertise, it continues to evolve as a provider of investment solutions across all asset classes.

"While PIMCO core fixed income offerings continue to form the anchor of many of our clients' defensive allocations, we are also seeing a growing need among investors in seeking alpha returns," he notes.

"As such, we are expanding our dialogues with clients into alternatives

solutions to help them meet this return goal. Nevertheless, one thing that has not changed is our commitment in offering the highest-quality investment management services and strategies that satisfy our clients' objectives in achieving strong absolute return."

Unearthing additional value

By Krystine Lumanta



SuperGuardian: SMSF administration winner

SuperGuardian keeps abreast of technology and products in the sector, and works in an environment of continuous improvement.

"We never stand still. We deliver an excellent service already, but continually seek ways to give clients extra value," SuperGuardian chief executive Olivia Long says.

"Our philosophy has always been to provide excellent service to all clients. It's a given we meet expectations, but it's our goal to continually exceed them."

According to Long, this year the industry faced one of the most significant changes to businesses it has seen: the removal of the accountants' exemption, which was replaced with the new licensing regime.

"We wanted to retain complete control over the way we do things so we applied to ASIC (Australian Securities and Investments Commission) for our own Australian financial services licence," she explains.

"Once we obtained the licence, our focus was to train our senior managers to the level of RG 146 and transition them to the new compliance regime. This proved a huge challenge for the team who have essentially spent their entire careers providing personal advice to clients without the support of major infrastructure."

But rather than seeing the removal as a challenge, SuperGuardian approached it as an opportunity, particularly as financial advisers were finding it increasingly difficult

to work with accountants who did not specialise in SMSFs and did not keep data up-to-date during the financial year.

"And the timing could not have been better with the legislation of the super reforms that became law late last year," she reveals.

"We were thrilled to be able to meet with our clients one-on-one, discuss their situation and provide them with a personalised statement of advice on what action to take because of the reforms.

"Through the use of technology, we drafted a personalised super reforms report for each and every client that we sent out in January, way ahead of the competition."

Long believes one of the business's biggest achievements in the past 12 months has been its efforts to truly go above and beyond the traditional day-to-day accounting and compliance services, and give proactive advice.

"We survey our clients every two years and, in addition, I always seek adviser feedback every time I meet with them," she says.

"I like to regularly catch up face-to-face with our referral sources. Also maintaining close relationships with advisers and understanding what they want is the key."

Long commends the firm's team for its success at this year's SMSF awards.

"We pride ourselves on the quality and longevity of our client manager team. We have staff that have been with us for more than a decade, who have grown and developed over that time as a close-knit team," she says.

"We all share a client service ethic second to none, and I attribute this award to the quality of the service they provide day in, day out.

"This award is important to us because it's based on voting by clients, not just a judging panel, so the fact that advisers actually took the time to vote shows they value us enough to do something about it.

"The feedback we received both during the voting process and since our win has been incredible. We have very happy clients, which thrills me and delights my fellow directors."

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A focus on providing excellent customer service

By Penny Pryor



**BT Panorama:
Investment
platforms winner**

BT Financial Group's new platform – BT Panorama – has taken out the platform category of the SMSF awards, following the success of its predecessor – BT Wrap – the previous two years.

BT Financial Group head of platforms Kelly Power admits she's particularly proud of this award because it's determined by advisers – 400 advisers to be exact who participated in the research – and BT Panorama was built by advisers.

Power has just completed the three-year build of the new Panorama platform. Although not cheap – it's estimated to have cost BT over half a billion dollars – it is a major simplification of the existing legacy products at the group and should also provide a major cost saving as a result of these efficiencies.

"We have \$110 billion funds under advice across all of our platforms and they are some of the most widely used in the markets, and we've obviously made a significant investment through the Panorama platform which reinforces our commitment to this industry," she says.

"In terms of what we've been focused on, we had completed our super build in March and spent a fair amount of investment in our managed portfolios offer."

The group is pleased with the success and feedback from advisers and other researchers on the new platform's capabilities.

The development of Panorama involved an intensive customer-focused approach with plenty of input from users and advisers.

"We get both quantitative and qualitative feedback from advisers, end customers – SMSF trustees, and accountants. We then take that and build prototypes, and then watch them use prototypes," Power explains.



"We get both quantitative and qualitative feedback from advisers, end customers – SMSF trustees, and accountants. We then take that and build prototypes, and then watch them use prototypes."
Kelly Power
BT Panorama

This kind of research resulted in features such as improved reporting systems, enhancements to the mobile application and providing unique log-in capabilities.

But it's not just about the digital servicing capabilities, although services such as click to chat are important; old-fashioned customer service is paramount too.

"As we grow the platform we grow our team to ensure we can provide excellent customer service. The team has grown in proportion to the scaling up," Power notes.

Advisers continue to look for, and demand, tools and services that can help them better engage with their customers. One enhancement made on the platform last year enables advisers to quickly share any news article about a particular investment a customer owns.

Seeking feedback from advisers and customers isn't just a monthly or quarterly

event, it's an ongoing process for the platform juggernaut.

"We've embedded a design team into our product team. It's a design team that is 25 people strong and their entire focus is on looking at what is coming out of research and speaking to advisers on a weekly basis," Power says.

Adviser feedback drives innovation

By Penny Pryor



Macquarie: Cash and term deposit winner

The SMSF segment has been a focus for Macquarie for over 20 years and key to its approach is understanding the needs of advisers and trustees. The group strives to offer flexible products and services that allow advisers, and their clients, to manage all of their investments from one cash hub, Macquarie Banking and Financial Services Group head of payments and deposits Olivia McArdle says.

Evidence of the bank's expertise in this field is the fact 2017 marks the fourth year running that Macquarie has won this category.

Macquarie is a big player in the sector with over 30 per cent of Australian SMSFs managing their investment cash flow through Macquarie's Cash Management Account, which amounts to over half a million clients.

"We're committed to constantly improving and investing in our service offering and platform, based on feedback we receive from advisers and their clients," McArdle says.

This year the team has spent more time on the road speaking with clients to better understand how they can continue to meet their needs. This has resulted in more adviser and trustee-led initiatives, such as the recently launched Adviser Initiated Payments, a new platform that enables more efficient and flexible payments.

"It enables advisers to initiate and make payments for clients quickly and seamlessly from their Macquarie cash account, and clients can seamlessly authorise payments

on the go with mobile-enabled capability, speeding up the process and removing the need for paperwork," McArdle says.

It provides clients with complete visibility of the payment process and added security through a two-step verification process.

The group looks forward to providing advisers with further updates to their online experience.

It may seem like a no-frills asset class, but advisers are demanding a high-quality, fully functional cash solution.

"Adviser feedback drives new innovation and product enhancements we prioritise to help support their clients and business," McArdle says.

Feedback is the key to ensuring Macquarie is continuously improving and investing in its offerings to ensure they are meeting each of its clients' needs.

"Part of this is working with clients to help set development prioritisation, and not just about bringing a product to them, but a real mindset of helping them to grow."

Central to its approach is a focus on continued innovation to ensure the offering

remains at the forefront of the market.

Macquarie keeps its product offering in this space relevant by investing in meeting the evolving needs of the SMSF industry.

"A significant priority for us is the ongoing digital transformation for our business, which includes modernising our technology platform and digital capabilities to further support advisers and help them position their business for growth," McArdle says.

Three-pillar approach pays off

By Krystine Lumanta

★ **OnePath:
Insurance winner**

OnePath's holistic approach to insurance, spanning a range of cover that aims to deliver flexible solutions for advisers and their clients through each

life stage, has proven successful this year, as well as back in 2015.

In order to leverage off its position, ANZ Wealth head of life insurance Gerard Kerr says the group will focus on ways to ensure advisers continue to be attracted to its offering.

"Our focus is to continue enhancing our holistic proposition: we improve the product, enhance the service and then support the technology," Kerr reveals.

"Through these three aligned priorities, we can provide consistent service, assist advisers to deliver business efficiencies and, importantly, make it easier for them to recommend the best solution for their clients' individual needs."

Kerr explains adviser feedback has been valuable in ensuring OnePath enhances its products and services according to their needs and the needs of their clients.

"Listening, consulting and responding to feedback ensures we tailor each enhancement to be authentic and fit for

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Together we evolv

Evolv, the company that redefined super audits, is once again changing the SMSF audit industry. Our new products offer you something never before seen – a true partnership. By sharing in Evolv's resourcing, technical innovation and specialist experience, a collaboration with us will help your business save valuable time – enabling you to grow and adapt in a new age of industry disruption.

By making our expertise available to forward-thinking auditors like you, we offer previously unimaginable advantages and profit opportunities. Put your trust and confidence in us, and watch your business Evolv.

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AUDIT FUNCTION
PROVIDERS
SMSF ADVISER CATEGORY
CORE DATA



AUDIT FUNCTION
PROVIDERS
SMSF MEMBER CATEGORY
CORE DATA



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purpose," he says.

"I think this collaboration and responsiveness has encouraged advisers to vote for us again this year."

He says advisers are demanding more choice in order to provide tailored solutions to their clients.

"Additionally, they want pricing stability as affordability continues to be a challenge for their clients' household budgets," he notes.

"We have set ourselves the task of continually listening, acting and delivering on feedback received from BDMs (business development managers), our contact centres, claims and underwriting. This feedback provides valuable insights on what we are doing well and where we can improve."

OnePath also holds biannual roundtables with key advisers for feedback on its ideas and priorities, as well as to identify new ideas and suggestions.

Commenting on its focuses over the past 12 to 18 months, Kerr reveals his team has invested a great deal in product, technology and service.

"We believe these elements are important to our customers, and one example of this is our recently launched Income Secure Essentials and Severity Trauma covers, which provide increased choice and accessibility for advisers and their clients," he says.

In addition, the group has a dedicated program of deliverables it has been rolling out over the period, which has been received positively by advisers.

"This, we believe, is largely because they were consulted from the initial planning stages of each initiative," Kerr says.

"We have more to do, with further enhancements planned over the rest of the year to continue improving our adviser and customer experience.

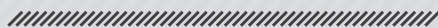
"As head of life insurance, I have a team of approximately 50 staff who support our retail, direct and group lines of business, as well as reinsurance and actuarial.

"We appreciate clients have individual preferences in how they wish to obtain their valuable life insurance solutions – across either advised, direct or group life channels. We therefore deliver a strong proposition in each market."

He stresses winning the award is an important accolade for OnePath and valuable recognition for its hard-working team.

"It is evidence that our priorities and initiatives are aligned with those of our advisers and that we are continuing to meet their needs and market expectations," he says.

"This achievement is the result of a collective effort across our entire business to enhance all elements of our products and service so that we continue to provide advisers and their clients with a market-leading experience."



Anticipating change

By Krystine Lumanta



Class: SMSF accounting software/ administration winner

A key part of Class's strategy has been to develop tools and features that ensure its customers can respond effectively to change. This year, the super reforms have been a strong focus, as well as new tools for helping accountants meet the changing expectations of their customers, like the Class mobile app.

Importantly, the SMSF administration software provider sees this current climate as a time of huge opportunity for advisers and accountants to create profitable new revenue streams.

"So we have introduced new features to help them achieve that, such as consolidated portfolios, which makes it easier for accountants to expand into wealth accounting of trusts and other non-SMSF portfolios," Class chief executive Kevin Bungard says.

"We find that accountants are very aware of the need to adopt efficient technology to be able to compete in a changing market and meet the new regulatory requirements.

"We expect the trend of accountants moving their SMSF administration to the cloud to continue as they really don't have a choice if they want SMSFs to remain a profitable part of their business.

"The super reforms have been a massive disruption for accountants and this has no doubt contributed to a slowdown in the industry growth of SMSFs and the rate of accountants moving to the cloud. However, we expect this to be a passing phase."

Bungard adds for some time, the business had anticipated that the regulations and reporting requirements for SMSFs would become stricter.

"But I think the industry generally is only just coming to understand what a big issue this is and how automated systems are the only way forward for accountants that want to have a profitable SMSF practice," he explains.

"The other interesting issue is the relatively recent rise of the low-cost administrator and the challenge this poses for accountants. This is also placing pressure on accountants to become more efficient in order to stay competitive."

He stresses for a technology company, innovation is crucial.

"It's vital to be able to anticipate the trends of tomorrow, not just what is happening today. I think that's been part of the secret of our success – anticipating change and not just responding to it," he says.

"It's also very important to listen to your customers and understand what their needs are.

"We conduct a regular customer satisfaction survey and we have a formal system in place where our customers can suggest new features at any time and vote on which new features they want most. We also attend a lot of accountant events around the country to get that face-to-face feedback from our customers and potential customers."

He says in addition to this, the Class Connect Annual Conference is one of the most important feedback forums for the business.

Bungard attributes Class's consecutive award wins to the intellectual capital of its entire staff.

"We're thrilled to have won. Although this is the fourth year in a row we've received the award, it is no less significant for us," he says.

"It validates all our efforts over recent years and shows we're heading in the right direction.

"A lot of our staff have been with us for more than five years and as they grow, we

grow. And as new people join they also bring their experience and skills."

Class will continue to add additional resources where needed to remain a top innovator in SMSF software and meet the needs of its customers, he adds.

Redefining the super audit industry

By Penny Pryor



Evolv: Audit function provider winner

Evolv realised early on that if it wanted to be successful in the SMSF auditing space, it needed to build a scalable business.

"We pioneered building both an automated software platform and a resourcing model which has enabled the advanced growth of our business since 2012," managing director Ron Phipps-Ellis says.

"Software enables automation of routine audit procedures which no longer need to be performed manually."

Evolv is a clear winner in this category for the third year in a row, but this year took a different approach when it came to its competitors.

"In addition to performing a full-service super audit, uniquely we now encourage our competitors to become our colleagues whereby we assist them to profit from using our services," Phipps-Ellis reveals.

Instead of competing, Evolv chose to collaborate and openly share its resourcing model (Evolv Grey) and software (Evolv White) with other like-minded auditors.

"We want to help them grow their business and adapt to a new age of super audits – together," Phipps-Ellis says.

More services that can be used by other SMSF auditors are on the cards too.

Staff turnover at the company is minimal and Evolv attracts a team of auditors who would rather use their skills at a senior level than performing the routine tasks that their software has automated.

"Our continuous pursuit of innovation has



"Evolv is facing the challenge of a technological revolution, which we have been responding to by future-proofing firms with a new approach to digital audits and continuously improving our clients' experience."

Ron Phipps-Ellis
Evolv

enhanced the loyalty that we have with our team members," Phipps-Ellis explains.

As consistent providers of audit services, the demands of Evolv clients – who are accountants, administrators and advisers – for a quality, value-for-money, efficient, large-scale audit are ongoing and little changed from year to year.

But like many in the industry, Evolv is not unaffected by disruption.

"Evolv is facing the challenge of a technological revolution, which we have been responding to by future-proofing firms with a new approach to digital audits and continuously improving our clients' experience," Phipps-Ellis notes.

The company now exceeds 10,000 audits. Advisers appreciate anything that can

save them time and the automation of routine audit procedures through Evolv's software is a clear winner.

"Data-fed transactions now require significantly less financial statement verification procedures to be performed. As a result, we've developed a new audit framework whereby auditors need to perform less routine audit procedures and instead embrace a review process of exceptions and irregularities," Phipps-Ellis says.

By integrating this new audit approach into our software, it results in time savings and reduces risk without compromising on quality.

A good reputation is crucial to maintaining adviser support and Phipps-Ellis stresses the company's relationships with its clients is fundamental to everything it does.

"The biggest challenge in the SMSF audit industry is to create value to our customers in what is a very commoditised market," he observes.

It's this favourable reputation that has enabled the company to keep on winning this category and its clients' trust, and its ability to perform audits quickly, efficiently and cost effectively.

And a continuous pursuit of innovation has only served to enhance the loyalty Evolv enjoys with clients.

Data analysis is part of Evolv's ongoing pursuit of excellence and it is currently developing a few technology enhancements that will assist its clients in this area.

Phipps-Ellis sums up the firm's ambition neatly when he says "we will continue to redefine the super audit industry".

Delivering the fundamentals

By Krystine Lumanta



Vanguard Australia: ETF provider winner

The hallmarks of Vanguard's exchanged-traded funds (ETF) are broad diversification across respective asset classes, transparency and low cost.

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According to Vanguard Australia head of product Evan Reedman, for both SMSF trustees and financial advisers working in the sector, the business's broadly diversified, low-cost ETFs provide the building blocks for total portfolio solutions, as well as ideal options for SMSF portfolios to access traditionally less common asset classes such as global shares and bonds.

"In many ways, a successful ETF product suite is not so much about constantly trying to do new and different things, but rather ensuring the fundamental traits of ETFs are delivered at the highest quality to investors," Reedman explains.

"At Vanguard, that means working closely with market makers to ensure optimal liquidity for investors and ensuring all our ETFs are able to serve investors over a long-term investment horizon."

The firm's ETF products have continued to attract strong investor interest this year, with steady flows across asset classes.

"We have received cash inflows in excess of \$1 billion so far this year, which we see as a great vote of confidence in our offering," Reedman reveals.

"Global shares and Australian equities have continued to attract strong SMSF interest. We see global fixed income, which has only been available to ETF investors for a relatively short time, as an area of emerging interest for SMSFs, which have typically had little exposure to this asset class.

"The 2017 Vanguard/Investment Trends SMSF Reports again showed a strong home bias in SMSF portfolios, pointing to the opportunity for SMSFs to use ETFs to diversify into asset classes like global shares and bonds to try and counter their concentration in Australian shares, property and cash.

"Positively, however, was the number of SMSFs saying they intended to use ETFs in the coming year, predominantly in global shares, although significant interest in broad market Australian shares endures."

Vanguard is also constantly assessing where it can offer ETF products that adhere to its mantra of low-cost diversification with long-term viability.

"Another key process for Vanguard is our regular reviews of our fund management

expense ratios (MER) to see where we may have capacity to lower our management fees, thus allowing investors to keep more of their returns," Reedman notes.

"Just this year alone we have been able to lower our MERs across 10 of our active and index funds.

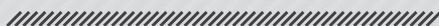
"In addition to cost, transparency is key and we have a strong focus on providing true-to-label products that can give our clients confidence in what they are investing in.

"We have a great team that are constantly working closely with our clients to support them and are always eager to hear feedback on how we can better serve them."

He says the award win has spurred Vanguard to continue its mission to give its clients the best chance of investment success.

"Our people are a large driver of this success," he notes.

"From our investments team, to our product and ETF capital markets teams, the finance team, those who work directly with our clients and so many more – we really are seeing great results driven by the combination of all this diligent work."



A safe pair of hands

By Penny Pryor



**Argo Investments:
Listed investment
company winner**

Argo Investments managing director Jason Beddow says it is his fund's "pretty simple story" that is a winner with advisers and their SMSF clients.

"We're an internally managed LIC (listed investment company), low-cost, we pay fully franked dividends and it's a sustainable dividend, it's not paid out of trading profits," Beddow says.

"I think we're considered a safe pair of hands."

Argo won the listed investment company category for the second year in a row and along with the simplicity, its features, such as its internal management, which means there are no management fees leaking out to "super star managers", also make it a winner, he says.



"We want to continue to be the leaders in eliminating pain points for our members through technology, efficiency and collaboration."

Amreeta Abbott
NowInfinity

No fees to "super stars" means there are few conflicts of interest.

Beddow is only the company's third managing director since it was formed in 1946 by a solicitor and an accountant to provide a means of investment for their clients. Beddow became managing director in 2014 after four years as chief executive.

He says LICs are the ideal proposition for SMSFs as many trustees may not have the assets to spread their investments over a variety of investments, but they can easily purchase an LIC, which does it all for them.

"Argo is a low-cost, relatively low-risk way for them to get equity exposure," he says.

The company's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth. To do this, the portfolio holds around 100 diversified stocks. Around 20 of the largest blue-chip holdings make up 60 per cent of the value of the portfolio and over 60 per cent of the dividend income. Smaller companies with long-term growth and dividend potential are also held.

Shareholder numbers keep growing,

proving the popularity of the offering, which now has \$5.5 billion in funds under advice.

Around one-third of that register is made up of what Argo can identify as SMSF trustees. Cost has become a real focus for these investors.

"The SMSFs generally like direct investing, they don't tend to want to invest in the managed fund product," Beddow says.

"At the end of the day we're always trying to do better. We pay tax and we like to minimise the tax leakage."

The renowned Chris Cuffe joined the board last year but overall the team is fairly consistent.

"What we're trying to achieve is kind of the same and I think that sort of consistency, while it might be a bit boring at times, when it gets to people investing their money, people quite like it," Beddow says.

The group understands the importance of advisers and tries to engage with those using Argo directly. It also presents at certain conferences, but in general it doesn't market aggressively as it doesn't really need to.

Meeting adviser demand

By Krystine Lumanta

★ NowInfinity: Trust deed supplier winner

There has been very strong adviser demand for trust deed upgrades for NowInfinity's clients this year as the passing of the recent super reforms has been a significant event leading to many changes to the SMSF legislative landscape.

In response to this, NowInfinity launched a new trust deed incorporating the super changes, as well as a strong focus on estate and succession planning early in the year.

"We'll also be launching shortly our automatic deed update and compliance management service so as to further assist in the streamlining and efficiency of these offerings," NowInfinity chief executive and founder Amreeta Abbott says.

The business's approach to trust deeds

for SMSFs has been to ensure it is legislatively and strategically up to date.

"Obviously continual compliance with the legislation is paramount. Flexibility, ease of understanding and implementation of strategies are also of equal importance," Abbott notes.

"We want to continue to be the leaders in eliminating pain points for our members through technology, efficiency and collaboration."

She says NowInfinity plans to continue to disrupt the market and through technology, efficiencies and collaboration introduce further income streams for its members.

"Also, with the delivery of our technology coupled with the deep experience of our legal team – combined experience of over 100 years – we will be entering the legal domain so as to facilitate the accessibility to legal services," she reveals, adding growing adviser needs are another crucial element to consider alongside its developments.

"Adviser feedback plays a big part in all facets of NowInfinity, from customer service and support through to product maintenance and delivery. We value all forms of feedback as it allows us to continuously improve and tailor solutions for our members.

"[This year] is and will continue to be a big year for NowInfinity. New directors have joined the board, we have introduced new partnerships, deepened integrations with our existing partners, released new products and expanded our market to New Zealand. This has just been the first six months."

According to Abbott, NowInfinity's strengths lie in its team of 30 people, consisting of a multitude of roles, which include developers, customer support, client partners and SMSF specialists.

"Julie Dolan is our SMSF technical director with close to 25 years of experience in the accounting and wealth management industry," she says.

"We've also formed a strong and strategic partnership with the law firm View Legal, a specialist law firm focusing on tax, structuring, asset protection, business succession, estate planning and superannuation."

She says the award comes down to the whole team.

"This award is a team award. The team at

NowInfinity work tirelessly and with passion to make sure that the client experience and end product is superior and delivers results above expectations," she says.

"We are a fast-moving and agile business with our members at the centre of everything we do."

Specialised focus evades distractions

By Krystine Lumanta

★ RARE Infrastructure: Infrastructure winner

Infrastructure assets provide essential services that serve communities around the world. Within a portfolio, infrastructure offers the potential for lower volatility than traditional equities, stable cash flow, inflation protection and global diversification.

"Focusing solely on investing in listed infrastructure means that we don't have the distractions of other asset classes," RARE Infrastructure head of Australian retail Steve Williams says.

"As such, we are recognised as thought leaders in the infrastructure asset class, offering specialised knowledge and education to financial services professionals. We do this through quarterly updates, webinars, thought leadership papers, specialised strategy/product material and attending industry conferences and events."

RARE, a specialist investment manager, uses an investment approach reflected in its name: Risk Adjusted Returns to Equity, with the objective of providing investors access to portfolios of high-quality global infrastructure assets.

"At RARE, we focus on listed infrastructure," Williams says.

"These are publicly traded infrastructure securities such as the shares of electricity, water and airport companies. Recent market uncertainty and volatility have presented attractive opportunities

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for investors due to the compelling characteristics of the asset class.

"Within a portfolio, infrastructure offers the potential for lower volatility, stable cash flow, inflation protection and diversification.

"As such, advisers are finding that infrastructure assets offer increasingly attractive opportunities in the current low-yielding environment."

He says RARE has strong relationships across all Australian dealer groups and platforms.

"And, due to increasing demand particularly from the SMSF sector, we are now offering all our actively managed strategies through [the Australian Securities Exchange mFund Settlement Service]," he says.

RARE currently manages three active infrastructure strategies available to advisers and SMSFs: the RARE Infrastructure Value Strategy, Income Strategy and Emerging Markets Strategy.

As at 31 August 2017, RARE employed 49 staff, including 13 investment professionals, making it one of the largest teams of infrastructure investment specialists in the marketplace.

"In the Australian market, we are seeing a growing level of interest in infrastructure and believe it reflects the evolution of the asset class. Five years ago, financial advisers started to include global listed infrastructure as a core component of their client portfolios," Williams explains.

"Now those charged with portfolio construction are taking a more granular approach seeking to tailor specific investment outcomes to different types of infrastructure exposure which meet the needs of different types of investors."

RARE is experiencing significant fund flow into the asset class as advisers and investors embrace the attractive risk-return characteristics infrastructure brings to portfolio construction.

Williams says credit should be attributed to RARE's collaborative team approach and detailed collateral and support that it provides advisers.

"RARE are delighted and appreciative to the financial advisers in our industry who have recognised our long-term performance and

reputation as a global listed infrastructure specialist," he says.

"We are thrilled to have won this award for a second year in a row and believe it is due to the fact that we are the only global infrastructure specialist who can offer advisers a choice of three distinct infrastructure strategies to meet the needs of their specific clients."



Identifying specific SMSF needs

By Krystine Lumanta



One Vue: Innovator winner

OneVue has experienced an increase in demand for innovative solutions from both advisers and accountants as they have been placed under extra pressure due to regulatory changes.

The recent superannuation changes, in particular, have created extra work for everyone in the SMSF sector, resulting in accountants and advisers seeking as much help as they can get, with services that ease their workload experiencing high demand.

Offering a flexible, efficient investment platform and end-to-end administration solution is critical to making life easier for advisers and accountants, OneVue group initiatives executive general manager Lisa McCallum says.

"SMSF investors have specific needs. We have found, for instance, that they are interested in services such as efficient tax reporting and portfolio monitoring, and the role platforms play in managing trustee compliance requirements reliably," McCallum reveals.

"Through our development schedule, we continue to listen to adviser needs and suggestions for improved functionality that assists them to service their clients.

"And we have to keep talking to regulators, investors, advisers, fund managers, custodians and see where we can add the most value consistent with our culture."

She underscores that innovation is part of

OneVue's DNA.

"Our point of difference is that no one is responsible for innovation at OneVue; everyone is responsible for innovating," she says.

"Innovation, I can attest to, is not easy as most people prefer to continue with the status quo as it is more comfortable, however, comfortable is not always best.

"What we are focusing on this year is reducing the total cost of investing and ensuring that advisers and fund managers are properly paid for the important role they play in creating wealth for the end investor.

"OneVue has created a managed fund marketplace called the Fund.eXchange, which is a more efficient, lower-cost way to buy and sell managed funds. For instance, a \$1 million SMSF investor could literally save thousands of dollars in fees by buying funds in the Fund.eXchange."

Reflecting on the business's recent achievements, she says OneVue has had a landmark year.

"[We are] being recognised more and more by the market for our achievements," she says.

"That is the past, however, and we are facing forward now into the 2018 calendar year. We are only limited by the obstacles we place in front of ourselves and we are getting better and better and faster and faster at breaking those down.

"It's important in that others have started to recognise what OneVue has carefully constructed over the last few years – an innovative industry transformational strategy.

"What we offer is not like the others, however, we truly believe what we have designed particularly the Fund.eXchange will make a difference to the financial services landscape over the next few years.

"At OneVue we are all in this together. If one person is not on board, it will make a difference to the outcome so I would like to acknowledge my colleagues as they allow innovation to thrive, even those that prefer certainty and do not see themselves as creative, but have learned to trust the ones that are.

"Recognition like this is important to us and helps us continue to try and do our bit to make it a better environment for investors, advisers and fund managers." ▼

Note: Winners Westpac and Macquarie chose not to participate for two categories.