

SMSFAdviser PRESENTS

THE 2014 SMSF AWARDS

THE WINNERS REVEALED

SMSF Adviser presents the winners of the inaugural SMSF Awards, recognising excellence amongst SMSF service providers

WITH UPWARDS OF one million SMSF members now controlling approximately \$550 billion in assets, SMSF service providers are playing an increasingly important role in managing and growing Australia's retirement savings. Working with quality service providers is a necessity for SMSF professionals, and partnering with a company that ultimately has an impact on the running of a business is an important decision. The SMSF Awards, an initiative of *SMSF Adviser*, recognises the best performing operators servicing SMSF professionals today.

The process for identifying categories, nominees and ultimately winners in the SMSF Awards was rigorous and comprehensive.

Given that practitioners are the best judge of a service provider's efficiency and

value, *SMSF Adviser* chose to send a carefully constructed survey to its database of SMSF professionals to decide the winners.

When creating the SMSF Awards survey, *SMSF Adviser* worked with an advisory board, comprised of four leading client-facing SMSF practitioners, in an effort to make the survey as thorough and independent as possible.

The members of the advisory board are also involved in running an advice practice, and understand the impact service providers can have on the day-to-day running of a business. However, *SMSF Adviser* stresses the advisory board was not involved in selecting the SMSF Awards winners.

Now, after several months in the making, *SMSF Adviser* is proud to present the winners of the inaugural SMSF Awards.

THE 2014 SMSF AWARDS ADVISORY BOARD



Jenny Brown
director
JBS Financial
Strategists



Deborah Kent
director
Integra Financial
Services



Matthew Kidd
managing director
Omniwealth



Tim Mackay
principal
Quantum Financial

RESEARCH METHODOLOGY

Dr Florence Lau, Sterling Publishing's research analyst and coordinator of the SMSF Awards research, explains the methodology used to determine this year's award winners

RESEARCH FOR the SMSF Awards 2014 was conducted from 3 to 18 April 2014. A quantitative research method was adopted for this research, with participants asked to complete a self-administered questionnaire via an online survey portal.

Surveyed participants were sourced from SMSF Adviser's readership database, which includes SMSF advisers, accountants, financial planners and other SMSF specialists. The survey was also made available to Australian financial, accounting, advice and SMSF professionals via smsfadviseonline.com.au, social media and other digital channels.

Survey responses were carefully assessed, measured and validated through statistical data analysis (SPSS) by Sterling Publishing's (the publisher of SMSF Adviser) in-house research team.

A record of 765 financial professionals completed the survey, representing an excellent confidence level for this research. The margin of error was $< \pm 0.05$ at a 95 per cent confidence level – indicating a 95 per cent confidence interval for the true population value.

The reliability and validity of this survey was also carefully measured. A test of reliability (Cronbach's Alpha) was conducted for each of the variables in the survey, based on 765 completed survey responses; the Cronbach's Alpha coefficients for all variables are above 0.81 ($\alpha > 0.7$), representing a high level of reliability for the survey instrument used in this research.



Dr Florence Lau
research analyst
Sterling Publishing

SMSF DEED PROVIDER WINNER: TOPDOCS

AWARD
#1

A DEED is fundamental to an SMSF's operation, and needs to be strategically planned and structured to ensure it meets the needs of the fund members. An incorrectly written deed can be disastrous for a fund and its members.

When practitioners seek a deed provider, they need to be sure they're partnering with an operator who offers their clients value for money, and is readily available for technical support. Importantly, practitioners need to be sure they're getting thorough, quality documentation for their clients.

Speaking to SMSF Adviser, Topdocs director Michael Spakman, said the quality of Topdocs' documentation is key to its competitive edge in the marketplace.

"One of the things that we've really had a big emphasis on from the start has been quality of documents," Mr Spakman said. "Not only have we had input from our own legal practice ... but also from peer reviews and other legal practices and lawyers who are really well renowned in the industry."

Topdocs, which began in 2006 and mainly services professionals, also focuses on supporting its clients beyond the provision of a document.

"It's all well and good to have ... a quality document which you can order easily, but if you've got queries, whether it be on the deed or whether it be on SMSFs in general, you need to have someone to bounce ideas off, and that's what our team is here for, to back it up with our advice as well," Mr Spakman said.

"Making it easier to keep those deeds up to date with advisers is a strong emphasis for us as well," he added.

● HIGHLY COMMENDED
DBA Lawyers

ACTUARIAL CERTIFICATE PROVIDER WINNER: BENDZULLA ACTUARIAL

AWARD
#3

ACTUARIAL CERTIFICATES are a technical and intricate component of maintaining an SMSF, and so it follows that specialist expertise is required of actuarial certificate providers. When choosing an actuarial certificate provider, practitioners place heavy emphasis on operators that are known for accuracy and attention to detail. In what is a competitive market, pricing and speed of delivery are also key determinants.

Bendzulla Actuarial has been in the SMSF market for upwards of 15 years, and despite its extensive history and sizable market share, chief executive officer Tracy Williams told SMSF Adviser the team is constantly working to remain "cutting edge".

"You [can't] just rest on your laurels. It is still a very competitive market that we find ourselves in and we're very keen to keep being innovative and utilising technology to the maximum extent we can," she said.

Ms Williams explained Bendzulla Actuarial has several key points of difference to maintain a competitive edge, including a focus on providing support to its client base.

"Our point of difference is that whilst

we're online, we do have real people and real actuaries. We have a team of around about 20 people, and 13 of those are either qualified actuaries or working towards a related qualification," Ms Williams said.

"There are people behind the scenes, so to speak. We provide additional support by phone and email should our clients, being largely accountants, have specific questions in relation to the preparation of the actuarial certificate and more broader retirement-type questions."

Ms Williams also said that while Bendzulla Actuarial is looking to expand its horizons into providing more holistic retirement specialist offerings to its clients, its actuarial certificate offering is not going anywhere.

"We're very keen to grow that side of our business, we do have a large proportion of the market but there's still growth in that market both organically, with the market generally growing anyway, but also we believe that there's still some market share there for us."

● HIGHLY COMMENDED
Heffron SMSF Solutions

“We're very keen to keep being innovative and utilising technology to the maximum extent we can

Tracy Williams
Bendzulla Actuarial



SMSF SOFTWARE PROVIDER WINNER: CLASS SUPER

AWARD
#2

IN RECENT years, software has fast become an integral part of running an SMSF and an SMSF practice effectively. Practitioners have high expectations of their software's capabilities, judging it on ease of use, support availability, and pricing. Kevin Bungard, chief executive of Class Super, said the software has seen a strong uptake because it allows practitioners to focus on adding value.

"The solution that we have, because it's automating a lot of the journalising and the mundane accounting side of the process, has enabled people to grow their businesses, to take on more work with the same staff, and to deliver a level of service that they couldn't deliver before," Mr Bungard said.

Mr Bungard also said Class Super's embrace of cloud-based technologies early on has added to its competitive edge.

"We were certainly in that space early on, and we've made the investment in the technology," Mr Bungard said. "[That] has given us a huge lead over the incumbents who at that time weren't investing in cloud technology."

Mr Bungard also said a key component of Class Super's growth in the market in recent years has come via client referrals.

"Once you've got one accountant using it, and you get the referrals, there's nothing that convinces another accountant [quite like] talking to their peers," Mr Bungard said.

"Advisers are [also] really strong advocates of Class, or for accountants to be using Class, because what it gives them is up-to-date visibility of what the client is doing, and if you're providing advice that is what you need."

● HIGHLY COMMENDED
BGL Corporate Solutions

SMSF AUDIT PROVIDER WINNER: ASF AUDITS

AWARD
#4

WITH SMSF auditors now needing to be registered with ASIC and the ATO's new penalty power regime in force, there has been a mounting focus on auditors and the SMSF auditing process in recent years. Arguably, it has never been more important for auditors to be at the top of their game.

As such, practitioners are looking to work with auditors who deliver on quality, are efficient, and pay significant attention to detail. Pricing is also imperative – not necessarily low-cost, but certainly value for money.

Speaking to *SMSF Adviser*, ASF Audits managing partner Richard Smith said while pricing is an obvious factor in selecting an auditor, there are other reasons that ASF Audits' services stand out from the competition.

"I think independence is becoming more and more relevant. It's always been there and the rules haven't changed, but I think at the same time there's obviously more pressure from the ATO and the professional bodies for independence," he said.

"We acknowledge we're not the cheapest, but at the same time I think it's the level of service we offer that makes the difference and sets us apart."

Mr Smith also said the team at ASF Audits focuses on working closely with its clients and invests time keeping its technology up to date.

"We've got managers in place assigned directly to the particular clients; we just make sure that we can service them and make sure they're fully aware of what's going on," Mr Smith said.

"We've spent a lot of time and money building technologies ... making sure our clients have got full accessibility via [our] website so they can track workflows, easily send and receive documents, and answer queries."

● HIGHLY COMMENDED
Engage Super Audits

SMSF ADMINISTRATOR WINNER: MULTIPOINT

AWARD
#5

WITH THE SMSF market continuing to grow and diversify, the administration requirements for each SMSF can vary significantly. Multipoint, which was acquired by AMP in 2011, prides itself on offering a variety of administration packages to give practitioners and trustees a range of options for their circumstances.

In what is becoming an increasingly crowded market, AMP SMSF's managing director Natasha Fenech told *SMSF Adviser* Multipoint believes clients are looking for value for money, expertise, and flexible professional administration.

"Multipoint offers a modular SMSF solution and pricing that allows advisers to select the parts of the SMSF service that meets their clients' needs," Ms Fenech said.

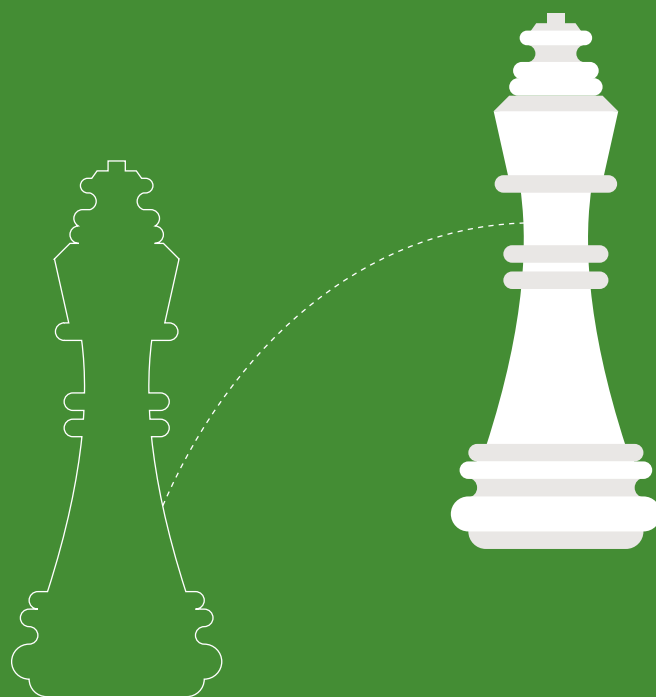
"Multipoint started as a joint venture to focus on the needs of SMSF clients and their advisers. We quickly recognised that the needs were varied and our service offering and pricing needed to cater for different levels of complexity," she added.

Multipoint, which has been in the SMSF administration market since 2001, is showing no signs of slowing down.

"SMSFs are an increasingly important segment of the superannuation industry and this trend is expected to continue," Ms Fenech said. "We are well positioned to be a significant player in this market by continuing to demonstrate our expertise and remaining relevant to our customers by enhancing our offers to deliver choice and personalisation."

● HIGHLY COMMENDED
Cavendish Superannuation

Master SMSFs in one move.



Attend TAL's Self-Managed Super Fund Master Class.

Learn SMSF rules and strategies relating to death, TPD, trauma and income protection, and equip yourself with the skills you need to operate more effectively.

On completion, you'll receive a comprehensive toolkit and engagement plan to help you enter the thriving SMSF market.

Register your interest in becoming a SMSF master at www.taladviser.com.au

TAL

ETF PROVIDER WINNER: **VANGUARD AUSTRALIA**

AWARD
#6

SMSFs HAVE been early adopters of ETFs, and are often credited for driving growth in the ETF market. Many advisers have suggested ETFs as a perfect fit for SMSF investors because they can be a relatively low-cost and transparent way of gaining exposure to a variety of asset classes.

With the popularity of ETFs continuing to grow, practitioners are looking for reliable returns and regular and comprehensive updates from their ETF provider. Importantly, practitioners also look to providers with competitive pricing, which is what Vanguard Australia says is its point of difference in the marketplace.

"[Vanguard Australia's] competitive difference is probably around cost; we look to be the lowest cost provider across the whole category," Robin Bowerman, principal, market strategy and communications at Vanguard Australia, told *SMSF Adviser*. "We think fees are just incredibly important for investors in terms of them being able to achieve their long-term goals. So if we can keep fees down, an investor has got a much better chance [of] winning over the long term with their retirement savings," Mr Bowerman said.

"Cost is a big driver of why people use ETFs, and it's also a strong [reason] people set up SMSFs to start with," he added.

Vanguard Australia, which has been in the ETF market since around 2009, also has a strong reputation in the industry, Mr Bowerman said.

"[Vanguard's] reputation has been built over 15 years [in Australia] and in the US for 30-plus years. The brand is focused on delivering well-executed, low-cost strategies, so I think people understand what we do and there should be no surprises," Mr Bowerman said.

● **HIGHLY COMMENDED**
iShares by BlackRock

“**Cost is a big driver of why people use ETFs, and it's also a strong [reason] people set up SMSFs to start with**

Robin Bowerman
Vanguard Australia



SMSF INSURANCE PROVIDER WINNER: **TAL**

AWARD
#7

INSURANCE IN superannuation has been under the spotlight in recent years, with SMSF trustees now required to consider insurance coverage for fund members. There have also been a raft of changes to insurance in super which came into effect on July 1 this year.

When looking for insurers for their SMSF clients, practitioners pay attention to the variety of policies a provider has on offer, and also look for a provider who readily offers support, especially during the policy selection process and at claims time. Given the ongoing nature of insurance, pricing is also cited as a factor in choosing an insurer.

Niall McConville, general manager retail distribution, TAL Life, told *SMSF Adviser* the company made a concerted effort after the Cooper Review was handed down to focus more on the SMSF sector.

"We saw that there was a gap in the market, everybody was talking about self-managed super funds and what people need to do, but nobody was actually providing a solution and we think we've done that," he said. "We thought it was a really good opportunity, and one of the reasons there wasn't a lot of insurance is because there needs to be quite a bit of education. So that's what we really started focusing on then, building various components to educate the advisers and the accountants," he added.

Moving forward, TAL plans to continue its focus on SMSF education for both advisers and trustees, Mr McConville said.

● **HIGHLY COMMENDED**
AIA Australia

FIXED INCOME PROVIDER WINNER: **MACQUARIE INVESTMENT MANAGEMENT**

AWARD
#8

FIXED INCOME is often looked to by SMSF investors as a way to add diversity to a portfolio through a relatively low-risk and reliable income stream. Practitioners working with fixed income providers for their SMSF clients are looking for value for money, but importantly, they're also looking for investment managers that can reliably meet their clients' goals.

With the market for fixed income providers in recent years becoming increasingly populated, it pays to have a long-term track record, Adrian Stewart, head of distribution and marketing, Macquarie Investment Management, told *SMSF Adviser*.

"We've been managing fixed income ... for clients for 30 years. We're one of the most well established investment managers in this asset class in Australia and we're currently running just over \$40 billion on behalf of clients," Mr Stewart said.

SMSF investors are looking to partner with a professional who they believe will be around in the decades to come, Mr Stewart said, and one that they can rely upon for their retirement savings.

"Income is becoming really important, particularly in retirement and [at] Macquarie... we have access to world-class investors and world-class investment opportunities."

Nominees in this category were rated by survey participants on the quality of reports and updates they provide, and Macquarie says education will be a continuing focus going forward.

"If we can help [SMSF investors] understand the asset classes in deeper, more meaningful ways, then they're going to be able to make more informed and better investment decisions," he said.

● **HIGHLY COMMENDED**
Schroders

AUSTRALIAN EQUITIES PROVIDER WINNER: **MACQUARIE INVESTMENT MANAGEMENT**

AWARD
#9

FOR SMSF investors, Australian equities have always been a favourite, making an Australian equities fund manager a crucial partner for SMSF trustees and their advisers.

In turn, practitioners are looking for fund managers that have a reputation for reliability when it comes to performance. Pricing is also a substantial factor, as is the quality of reports and updates issued by the provider. Since Australian equities are such a core part of an average SMSF's portfolio, the Australian equities fund manager market in general is highly populated and competitive.

"I think the key differential is that at Macquarie we work very closely with most companies in Australia and so we have insights [and] we have great research teams and analysts that are poring over these companies," Adrian Stewart, head of distribution and marketing at Macquarie Investment Management told *SMSF Adviser*.

"I think we have an edge with the quality of the analysts that we have in our team, and that then allows us to pick stocks. So it goes back to our brand, our breadth and our capabilities," he added.

"As SMSFs grow in number it becomes critical for self-funded retirees to invest with a manager that is going to have a long-term track record and the expertise, because capital preservation is critical when you move into [retirement]."

● **HIGHLY COMMENDED**
Bennelong Funds Management

“**We work very closely with most companies in Australia and so we have insights [and] we have great research teams and analysts that are poring over these companies**

Adrian Stewart
Macquarie Investment Management



SMSF TERM DEPOSIT PROVIDER WINNER: **MACQUARIE**

AWARD
#10

MUCH LIKE Australian equities, term deposits are also a favourite amongst SMSF investors, who are particularly conscious of capital preservation. Risk is minimal with a majority of term deposits, making the interest rate on offer crucial to choosing a term deposit provider. Flexibility of terms is also a must for trustees and their advisers, as is ease of administration.

With an extensive variety of term deposits on offer in general and for SMSFs, Macquarie's Peter Forrest, head

of cash product, told *SMSF Adviser* the take-up of Macquarie's term deposit facilities has been strong because Macquarie works to integrate with advisers' business, and in particular the software they are using.

"[For] the clients themselves, Macquarie provides competitive rates across all terms, from one month to five years, and it consistently provides competitive returns," he added.

Mr Forrest also noted Macquarie has been servicing SMSFs in the cash business

for upwards of 30 years, and term deposits specifically since 2008.

"Macquarie has been a strong player in SMSFs for a long time," Mr Forrest said. "Macquarie plays strongly in the cash space to make advisers, administrators, software vendors, accountants more efficient in being able to service their clients, and so it follows that Macquarie would also offer term deposits in this space."

● **HIGHLY COMMENDED**
ING DIRECT

GLOBAL EQUITIES PROVIDER WINNER: **MAGELLAN ASSET MANAGEMENT**

AWARD
#11

WITH MANY SMSF investors still hesitant to move into global equities, it follows that SMSF practitioners are looking for a global equities fund manager that offers reliability, performance and a competitive price for their clients.

Magellan Asset Management, which has focused on global equities as a service offering since the business commenced, believes it has created a competitive edge by having a concentrated focus on global investments.

"We think where we have differentiated ourselves has been, firstly we're solely focused on global investments, global equities and global infrastructure, and we're very relationship focused," Magellan Asset Management's key account manager Mark Burgess told *SMSF Adviser*.

"Having strong relationships with our portfolio management team has given people a much deeper understanding of what we do – I think that's been a competitive advantage."

Mr Burgess said Magellan Asset Management has also modelled itself on being transparent and accessible to advisers and their clients.

"Transparency to us has been very important; for SMSFs, we found that it's not only the control, it's the transparency, and we certainly provide a solution there," he said.

"I think that really helps set us apart – where people feel they know who we are and what we do."

● **HIGHLY COMMENDED**
Platinum Asset Management

“**For SMSFs, we found that it's not only the control, it's the transparency, and we certainly provide a solution there**

Mark Burgess
Magellan Asset Management



INVESTMENT PLATFORM PROVIDER WINNER: **MACQUARIE**

AWARD
#12

WHEN IT comes to platforms for SMSFs, useability, technological capabilities and product availability are crucial to deciding which provider to go with. Value for money, as always, is also a determining factor.

Macquarie, which has had the Macquarie Wrap product since 1999, says a key to attracting SMSF trustees and their advisers is pricing.

"SMSF clients by default with that self-direction piece are often quite conscious of getting value," Justin Delaney, head of wealth product at Macquarie told

SMSF Adviser. "That doesn't necessarily mean cheap, [it] certainly means they're looking for a good quality platform that they can rely upon."

"The pricing itself from an SMSF perspective for Macquarie Wrap is attractive because it's capped and there's no ... penalty to having a diverse range of assets or a number of different holdings within the platform."

Mr Delaney also said, moving forward, Macquarie has plans to introduce a number of new features which will appeal to self-directed investors.

"Later this year we are introducing international direct equities, so 15 different exchanges over 12 markets which will obviously be attractive to a number of self-directed investors," Mr Delaney said.

"Also, we're looking to put domestic fixed income, or government bonds, on the platform as well. So, we're just continuing to expand the asset mix available to clients."

● **HIGHLY COMMENDED**
AMP

SMSF LOAN PROVIDER WINNER: **MACQUARIE**

AWARD
#13

SMSF BORROWING has come under intense scrutiny in recent months, with limited recourse borrowing arrangements (LRBAs) being a hotly contested issue.

SMSF borrowing gone wrong has the potential to be catastrophic for an SMSF portfolio, which is why practitioners choose to partner with providers with good credit policies and a strong reputation in the industry. Rates and accessibility to support from a loan provider are also crucial.

Speaking to *SMSF Adviser*, Macquarie's Richard Chesworth, senior manager, personal banking, said that part of Macquarie's point of difference lies in keeping the needs of practitioners as a core focus.

"The approach we take is to keep the needs of financial services professionals and clients always at the centre of what we do," Mr Chesworth said.

"Financial services professionals are supported by our sales teams, who thoroughly understand the products, and a support network that understands superannuation.

"They also have access to our specialist technical services division, MASTech, and an SMSF toolkit which includes educational tools and calculators. We also believe our offer is competitive."

Mr Chesworth also notes Macquarie, which has been in the SMSF loan market since 2012, takes a "common sense approach" and keeps the need for prudent and responsible lending guidelines, reflective of the superannuation environment, at front of mind.

"For example, we introduced a minimum SMSF net asset position and, though we do lend for newly built properties, we take into account other criteria, eg. location, infrastructure and population density, with an aim to minimise some of the speculative risk seen in some regions with potential oversupply issues in the residential property market," Mr Chesworth said.

● **HIGHLY COMMENDED**
AMP

SMSF Adviser would like to congratulate the winners of the 2014 SMSF Awards