

MEDIA RELEASE

Platforms maintain presence in SMSF market but provider share has shifted in latest Class SMSF Benchmark Report

21 November 2016 – Investment platforms have maintained their share of self-managed super funds in the past two years but the market share of the providers has shifted in favour of the non-aligned in the latest Class SMSF Benchmark Report.

The September quarter Report, based on an analysis of 120,000 SMSFs, shows that slightly less than 1 in 5 SMSFs use platforms and this has remained relatively stable for the past two years. However, the proportion of assets these funds hold on the platform has actually increased since 2014, from 55% to 58%, suggesting that predictions of the imminent demise of platforms in the SMSF market are premature.

However, the market share of different platform types has shifted significantly over the same period.

While all platforms increased the value of SMSF assets they held, most institutional platform providers lost ground compared to their non-aligned peers, especially Praemium, HUB24 and netwealth. The notable exception among the institutions was BT, which was able to build on its leading position and grow from 41% to 46% of all platform assets. Excluding BT, institutional platforms saw their share of platform assets drop from 47% to 40%.

The Report also found that SMSFs that use a platform allocate their assets differently to those that don't. SMSFs that use platforms hold less cash and direct property but almost three times the percentage of managed funds as other SMSFs.

While the two categories of SMSFs have a similar direct exposure to shares, those that use platforms appear to be increasingly holding their equities off the platform, such as through a broker.

“This Benchmark Report provides one of the most representative pictures of how SMSFs are using investment platforms and how that has changed over recent times,” Class CEO Kevin Bungard said.

“The investment market is developing rapidly as competition intensifies but so are the platforms, with the growth of managed account products for example. Class has long recognised the importance to our clients of supporting platforms, such as through the implementation of live data feeds and the integration of platform product providers.”

The Report can be downloaded [here](#).

Background

The Class SMSF Benchmark Report is a statistical analysis of 120,000 Self-Managed Super Funds administered on Class Super, representing more than 20% of the estimated number of SMSFs in Australia today.

The quarterly Report is compiled using a selection of de-identified data extracted from across the Class Super user base.



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About Class

Class was established in 2005 to develop and deliver industry strength software solutions for the Australian self-managed superannuation industry. Class Super is Australia's leading cloud SMSF administration software. Class Portfolio is a powerful solution for administration and reporting of non-SMSF investment portfolios.
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