

Wealth management 2019

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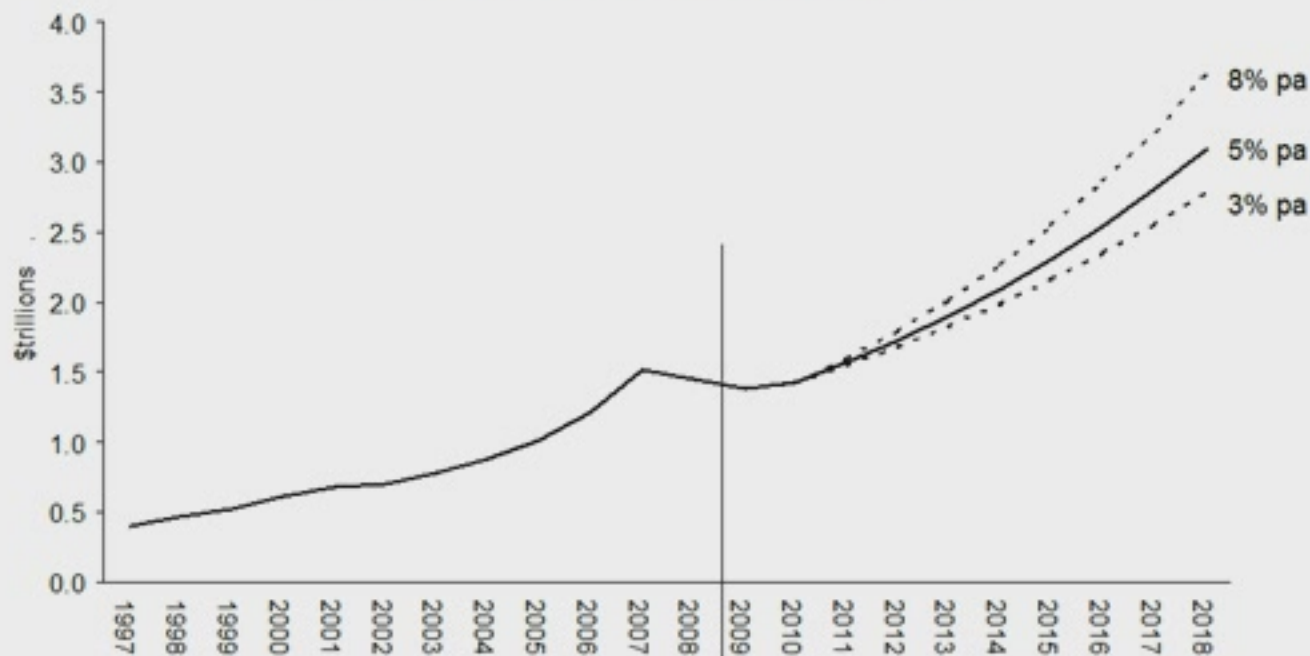
Rainmaker group

Big picture

- How big?
 - \$3.1 tr, but slower growth than pre-GFC
 - “diversification”, yeah I remember that
- Super goes back to the future
- Retail war is over, but prepare for the insurgency
 - SMSFs have won, commissions have lost
- “Industry” or “market”

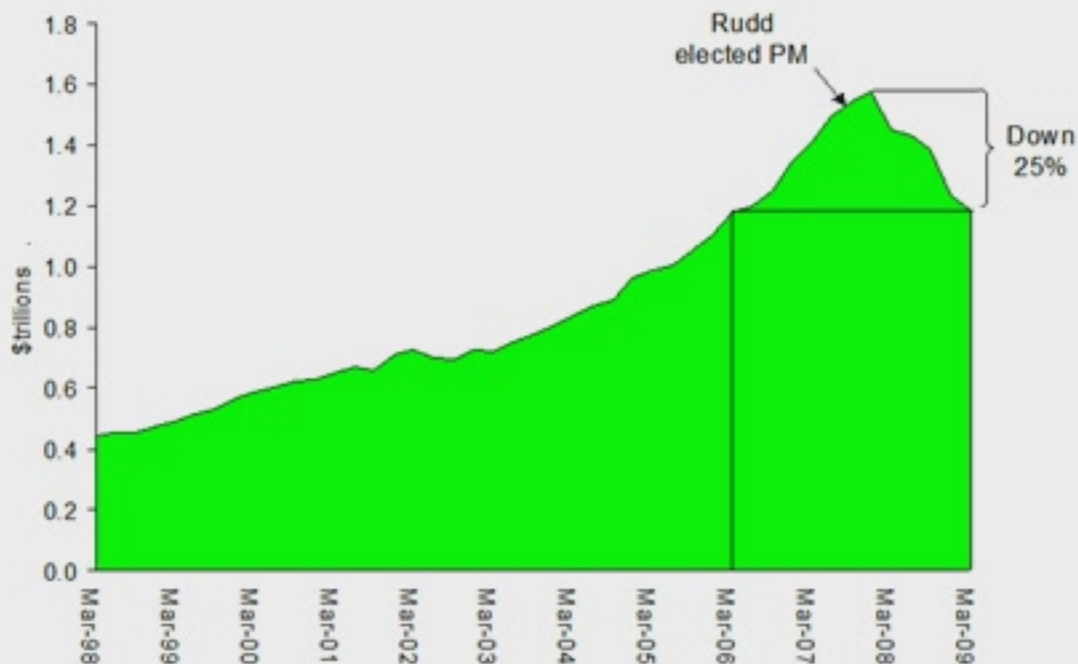
How big the market?

FUM projections under various performance scenarios

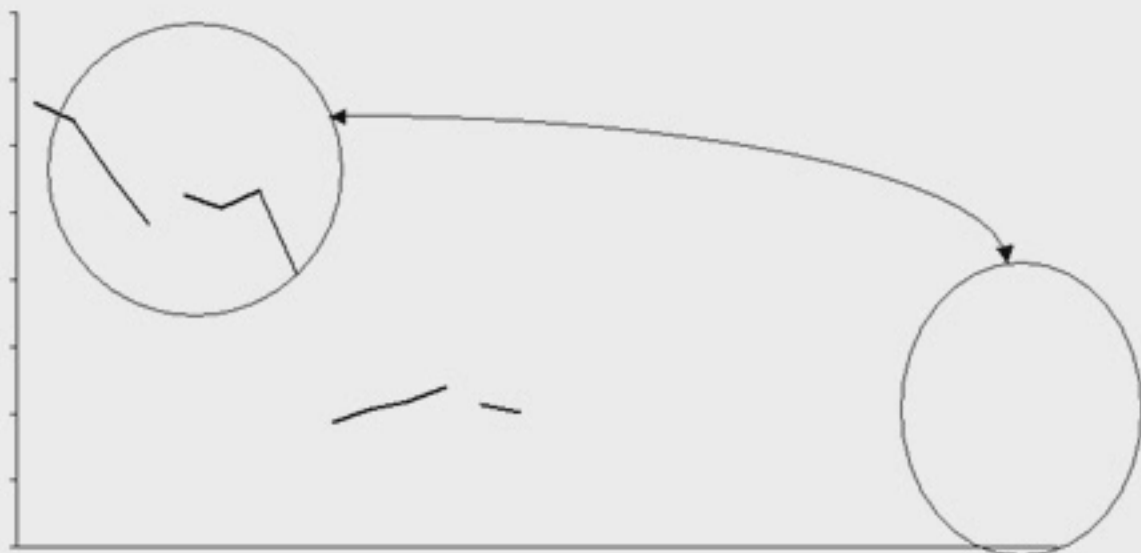


The short term FUM story

FUM - the last decade

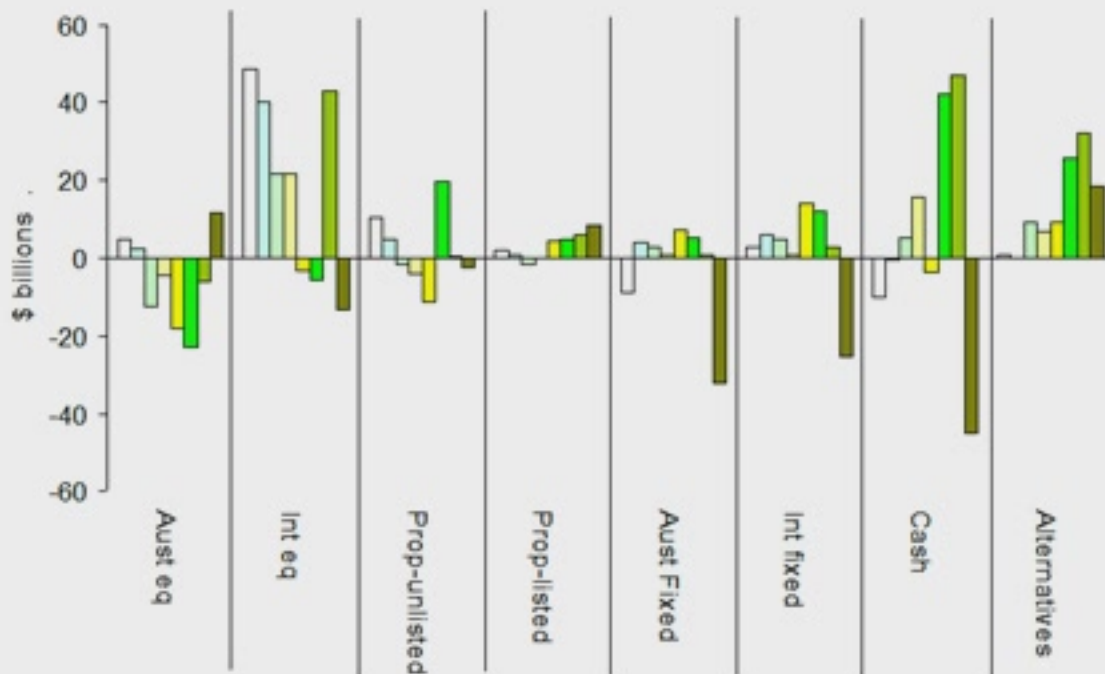


Diversification – remember that?



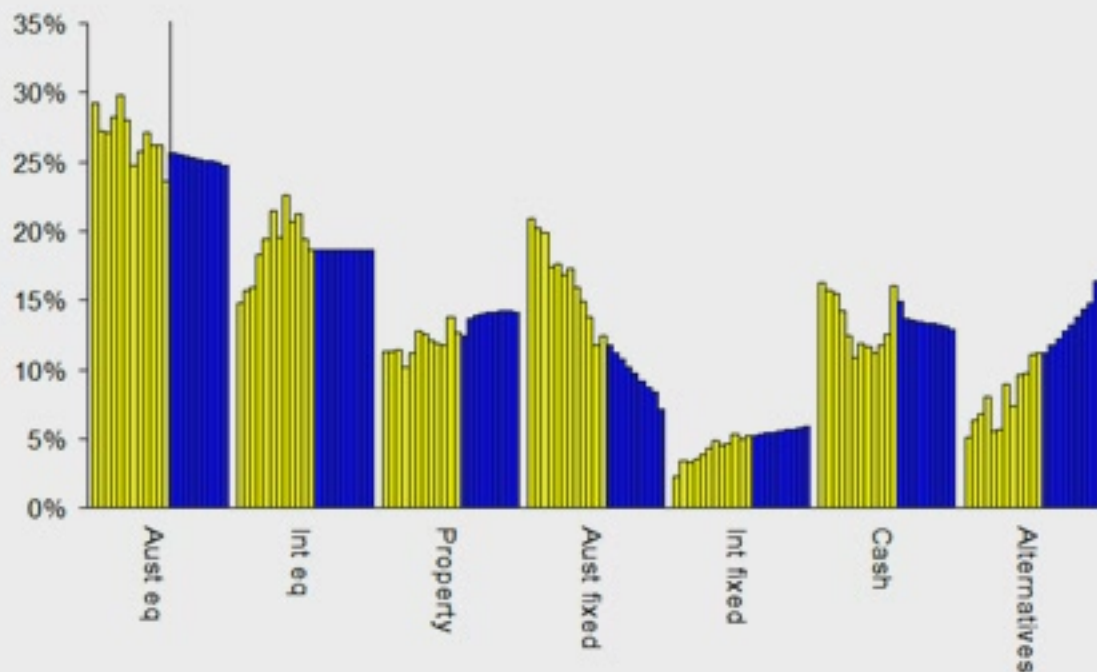
Watching the money move

Netflows into each asset class 2001-08



Asset segments into the future

Asset class segment shares 1997-2018

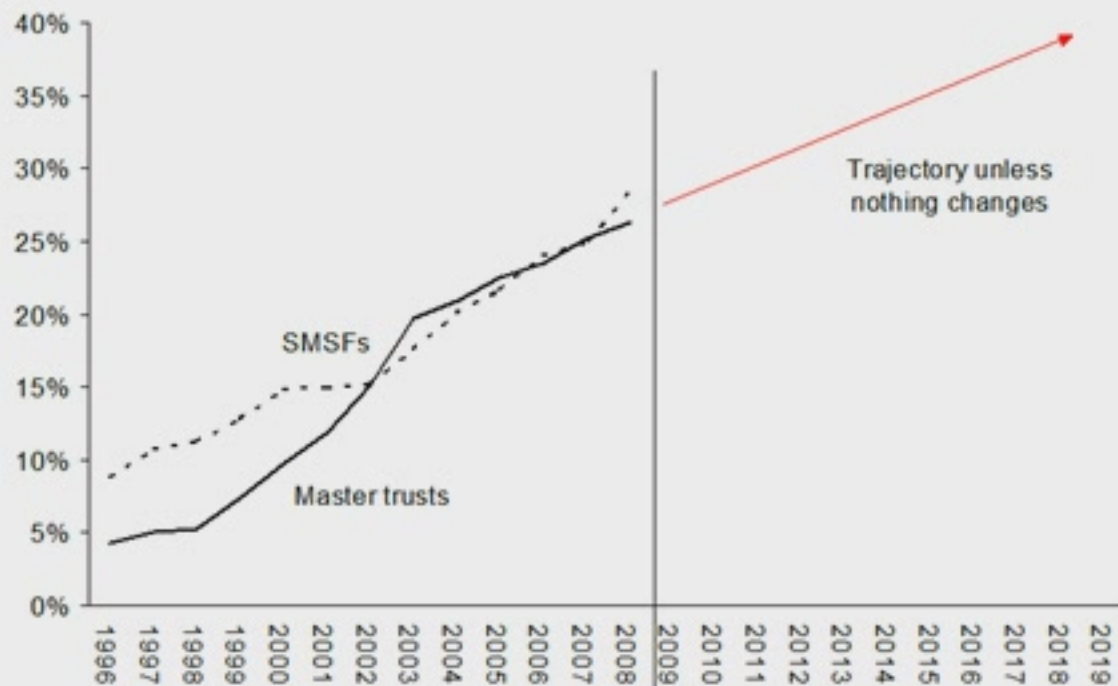


Super goes ...



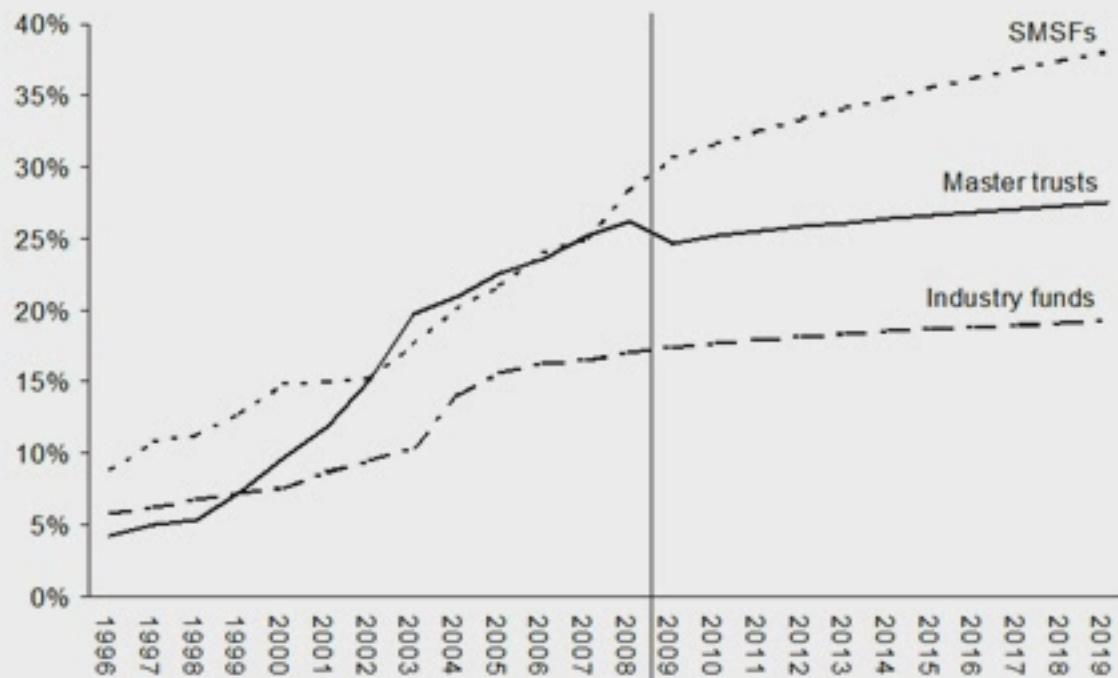
Retail is dead, long live retail

SMSF, master trust: FUM market share

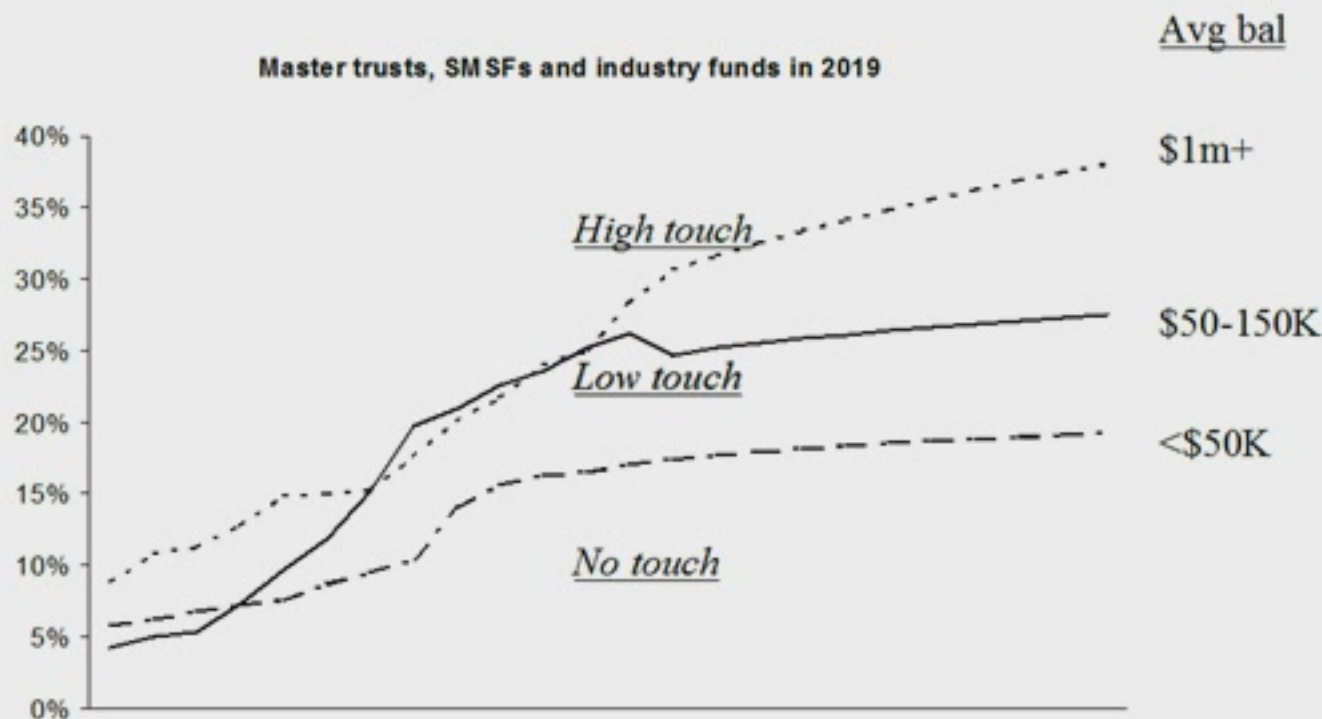


SMSFs the ultimate retail fund?

Master trusts, SMSFs and industry funds in 2019

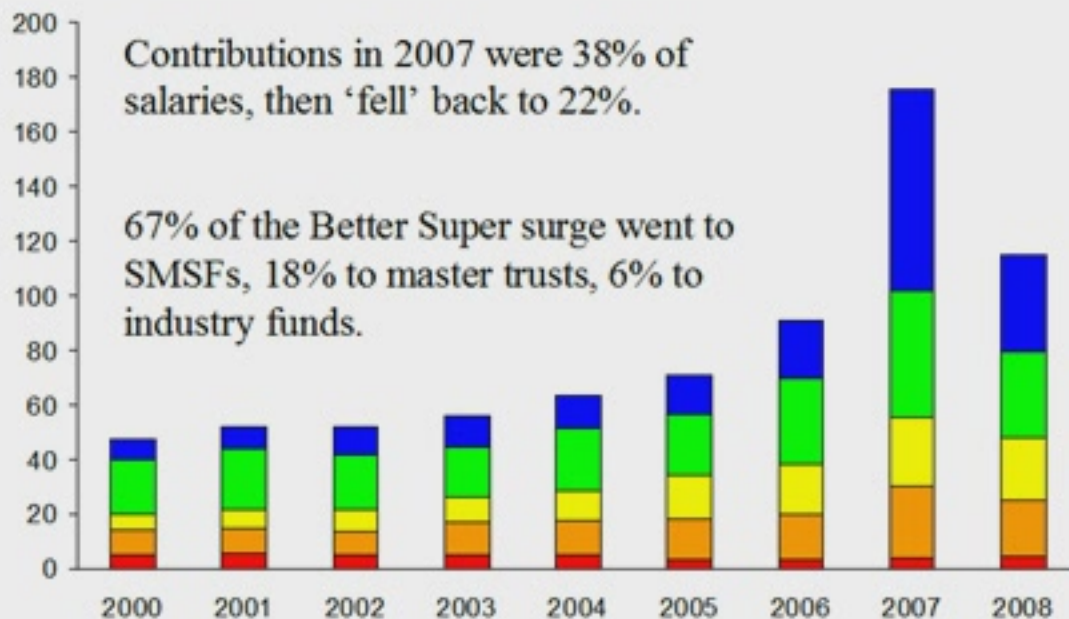


SMSFs the ultimate retail fund?



Contributions tell the story

Super contributions by segment 2000-2008



Decommissioning fees



The market in 2019



It's all about defaults

Argument...

Real issue(s)

Industry funds V retail and Award Super

Most people in employer super use default options.
Direct distn V intermediated distn.

Role of advisers

Is "advice" a necessity or a luxury?
If we have too few advisers, current system can't survive.
Is the cost of advice fundamentally too expensive anyway?

Adviser remuneration

Current default payment method is commissions.
Should it be 'fee for service'?

Super tax concessions

Super's objective is to help low-average income earners save for retirement, or should the amount granted in tax breaks have no limit?

Disclosure & transparency

Does compulsory super imply a moral duty of care on govt?
Should govt impose rules to limit this liability?
Is 'choice' a goal in itself, or a means to an end?
Why is competition in with mgt not regulated by ACCC?
Are barriers to entry for new product providers too low?

Retirement age

Should everyone have the same default RA?
Do we even need a RA?