

# Webinar: 2024: The year in wealth management

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Thank you for joining us



# Agenda

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## Managed funds

- Winners, losers and themes

## Superannuation

- Consolidation, performance and ESG

## Adviser

- Growth shoots?

## Managed accounts

- Still growing

## Insurance

- Who is winning?



# Managed funds industry issues

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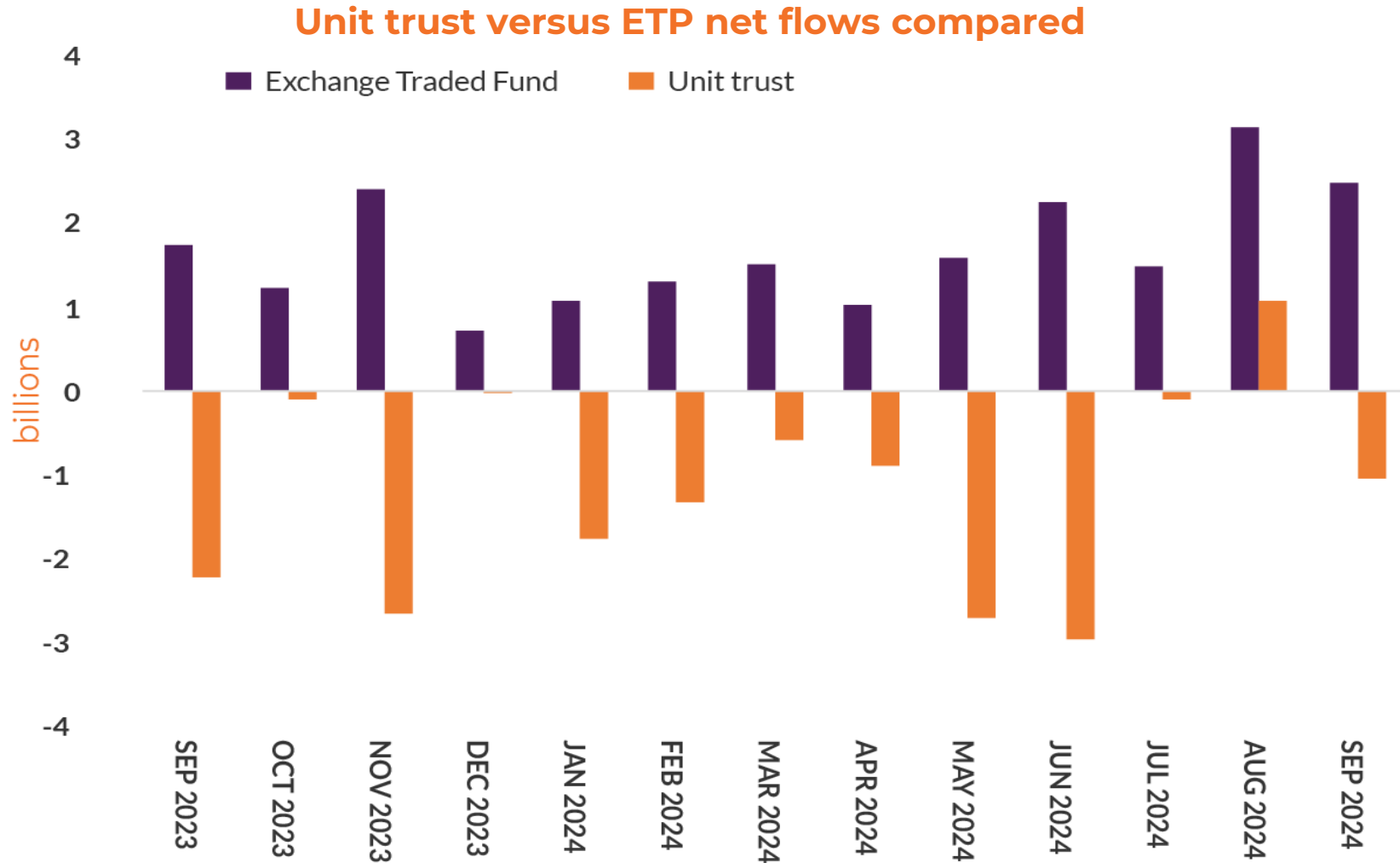
- ETFs still winning the flow contest, index and smart beta winners, active ETFs not so much.
- Asset class winners – global small caps and private assets.
- Theme of the year – private credit
- Number of mandates tracked by Rainmaker Information continue to drop
- Managed accounts continue to dominate – data the key
- Performance – active continues to struggle as highlighted by both Rainmaker Information and SPIVA.

# Managed funds industry issues

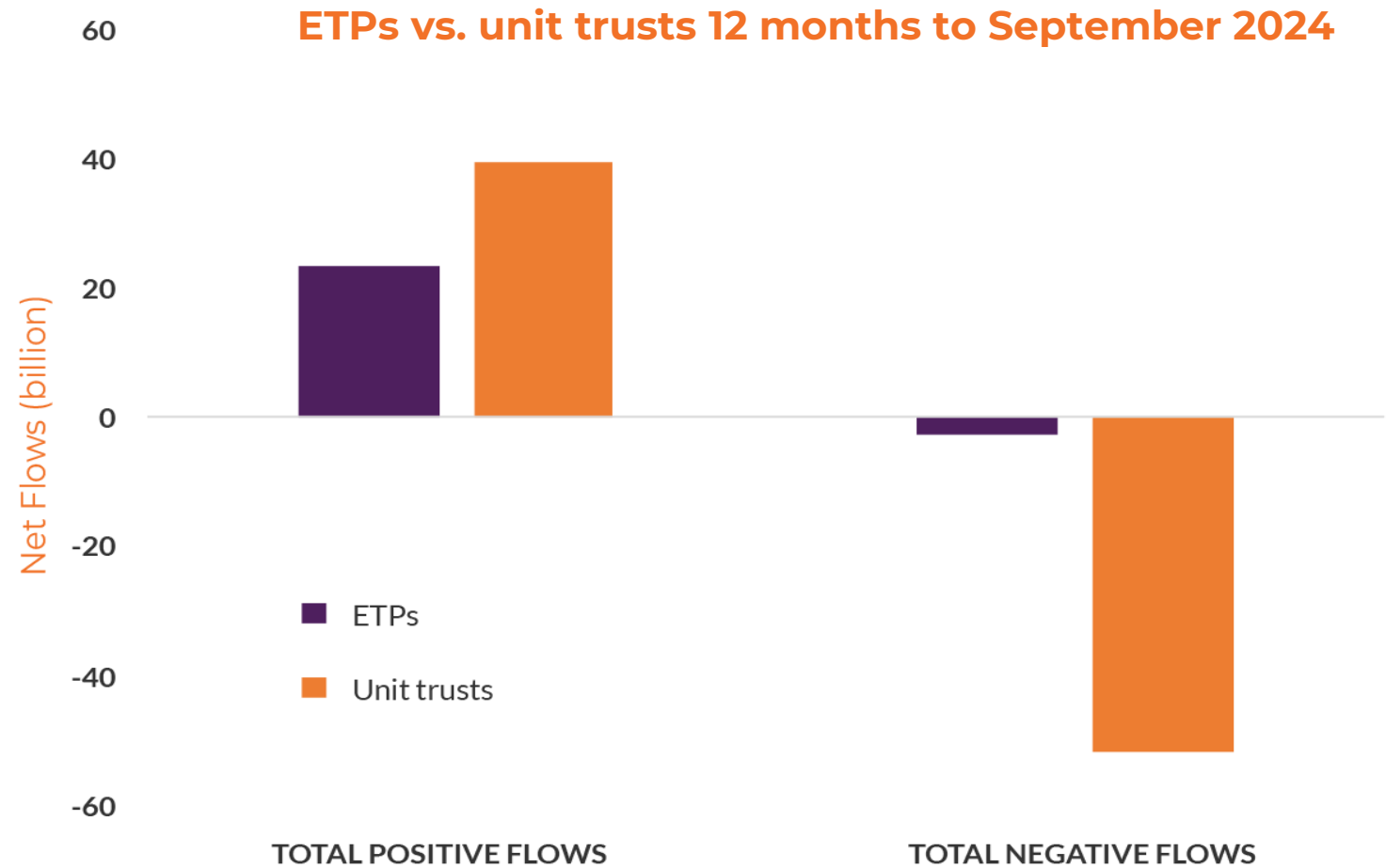
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- Investors choosing market cap index over active management
- Investors choosing ETPs over unit trusts
- Creating dual access funds does nothing for current actively managed unit trusts
- The future is indexed, plus smart beta and smart products at a reasonable price
- Investors care about total cost of ownership

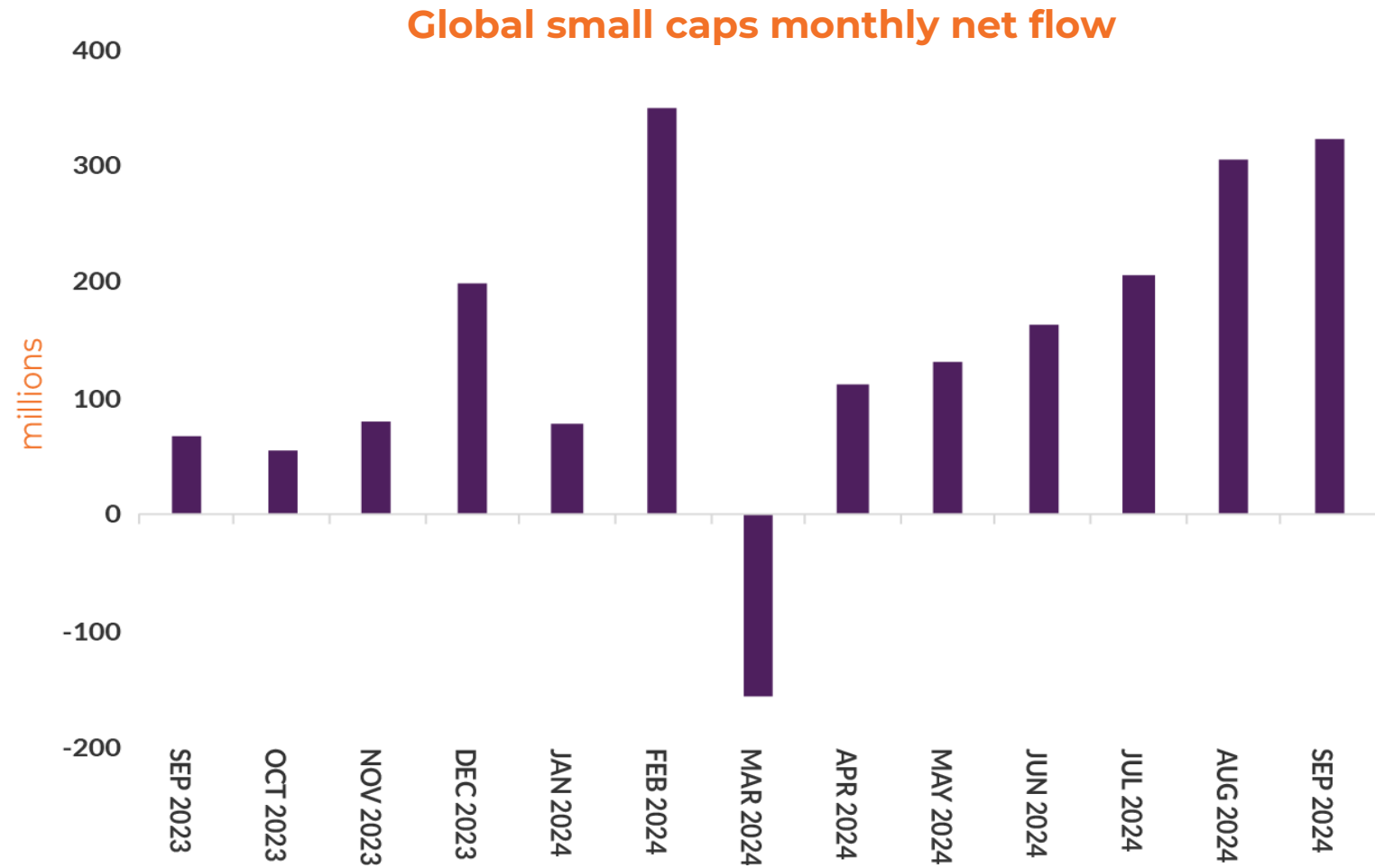
# ETPs versus unit trusts



# ETPs versus unit trusts

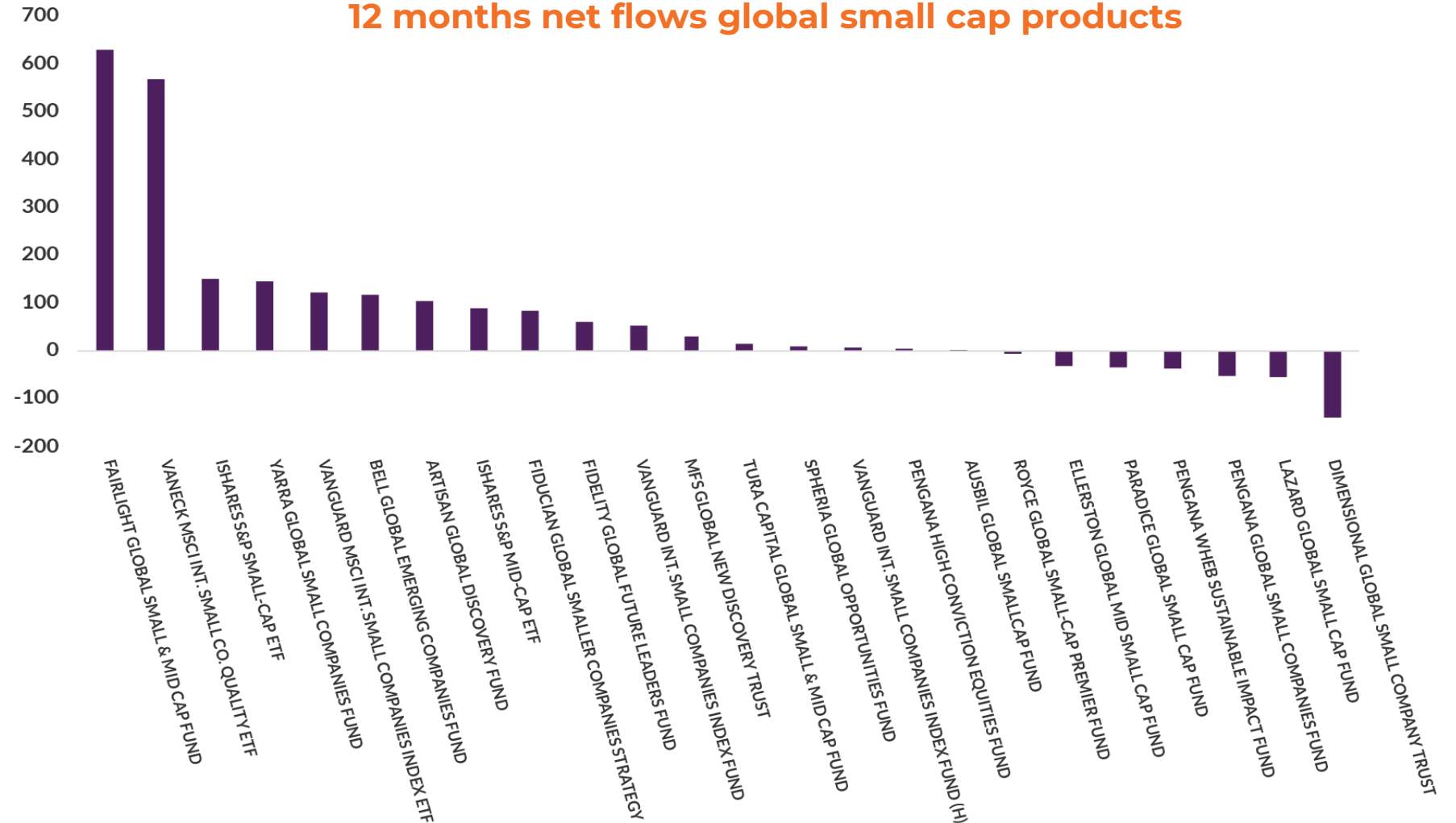


# Global small caps



# Global small caps

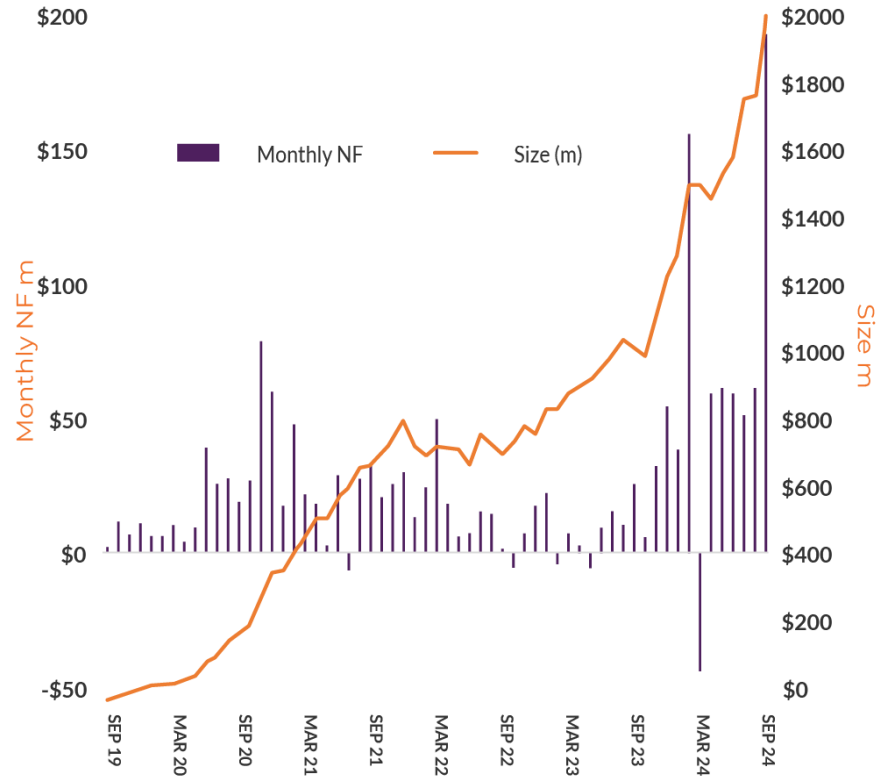
12 months net flows global small cap products



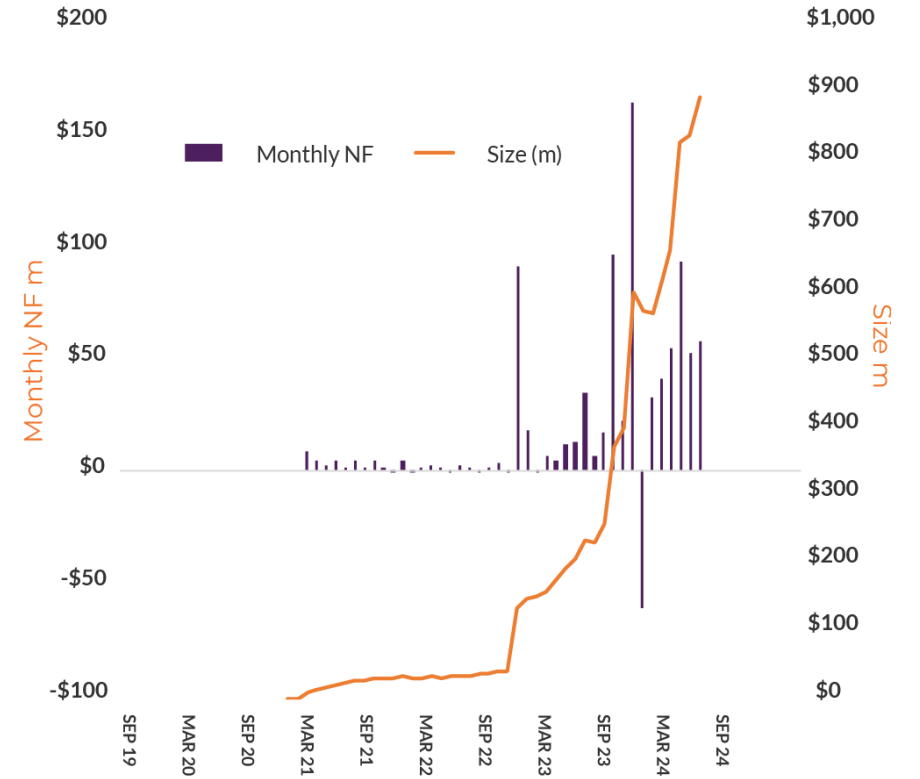


# Global small caps

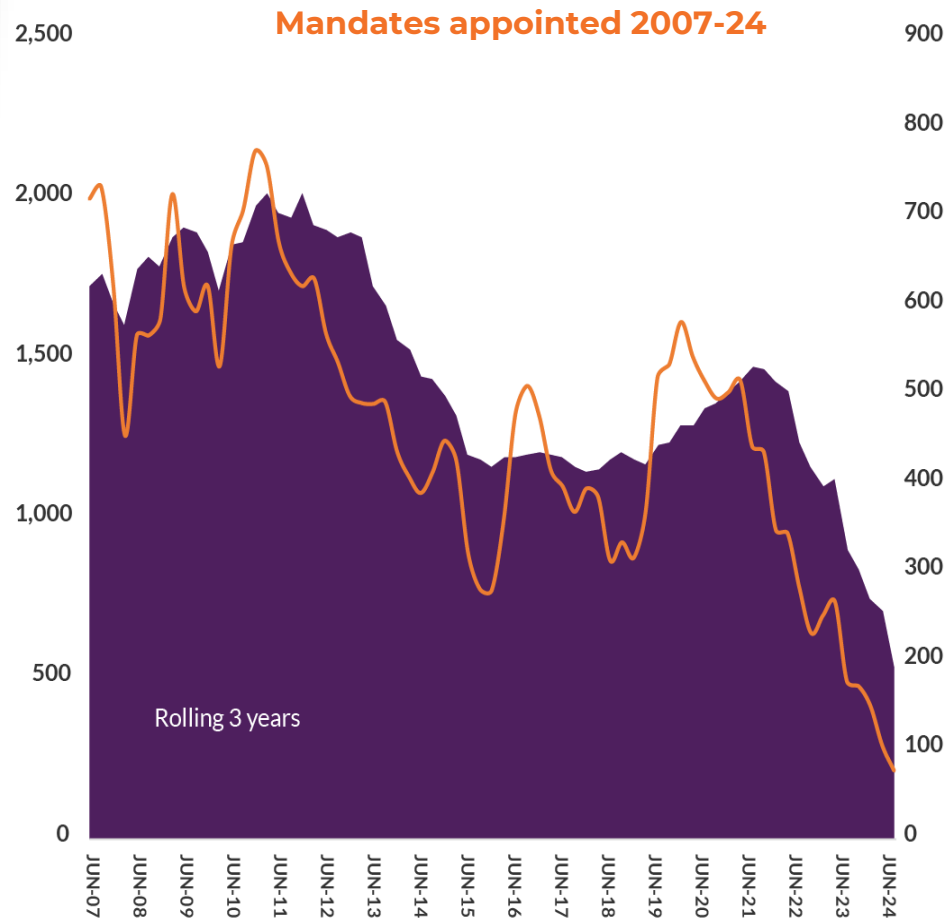
**Fairlight Global Small & Mid Cap Fund**  
5 years size and flows



**VanEck MSCI International Small Companies Quality ETF**  
5 years size and flows



# Mandates



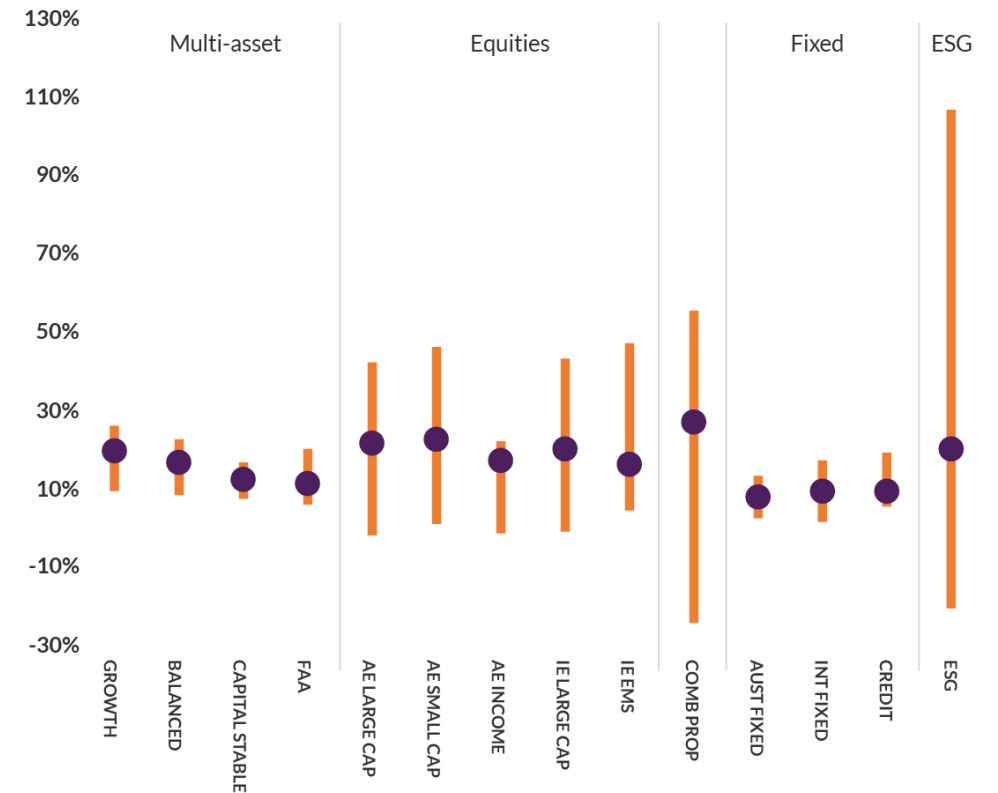
**Investment managers winning most mandates**  
Past 12 months, by asset



# Managed fund performance

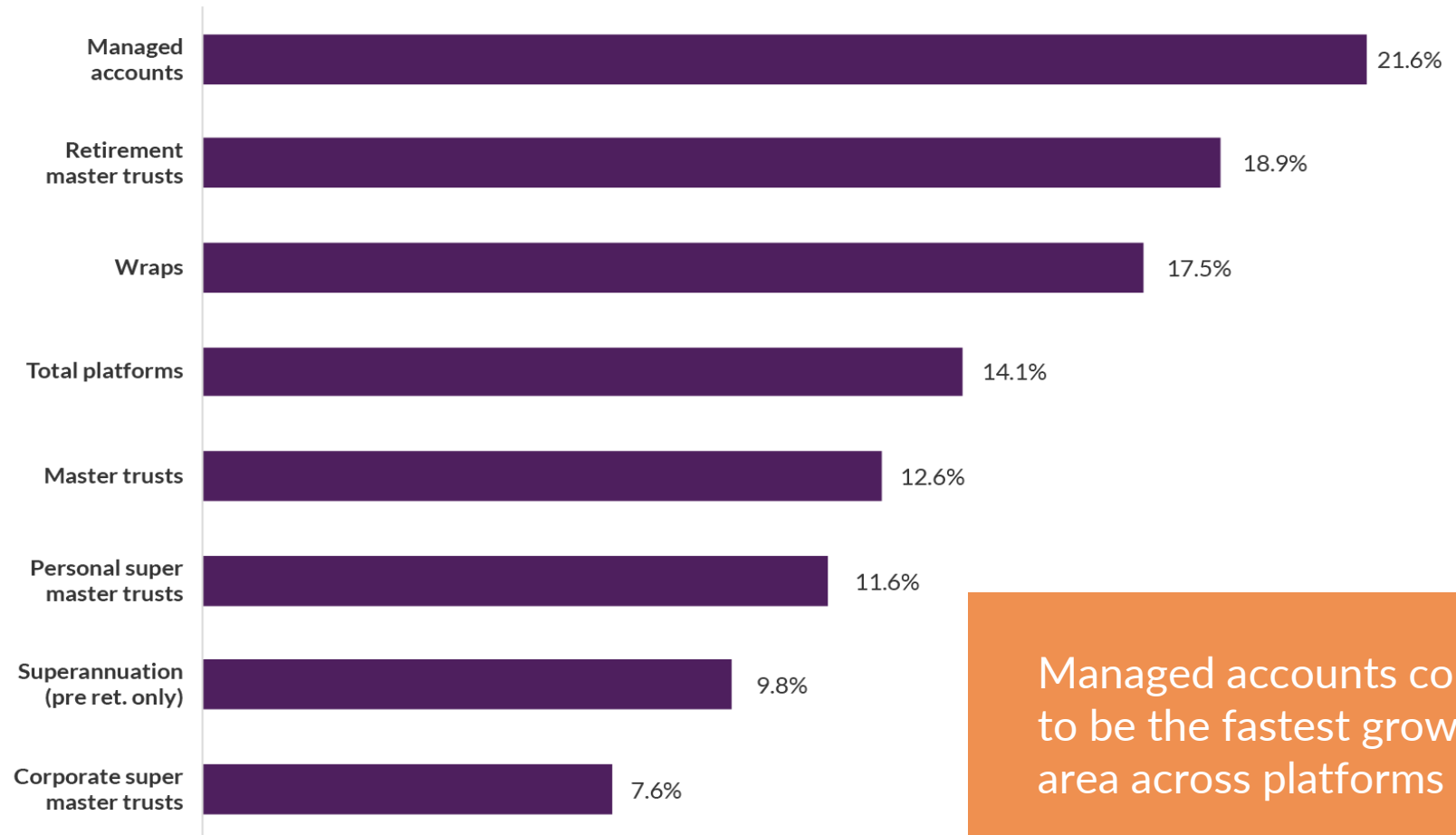
- Australian equities large cap okay. Small cap beating benchmarks.
- Australian and international fixed income around benchmark.
- Large cap international equities the laggard.

Returns ranges over the past 12 months to 30 September 2024 by sector



# Managed accounts

Platform FUA growth – over last 12 months, June 2024

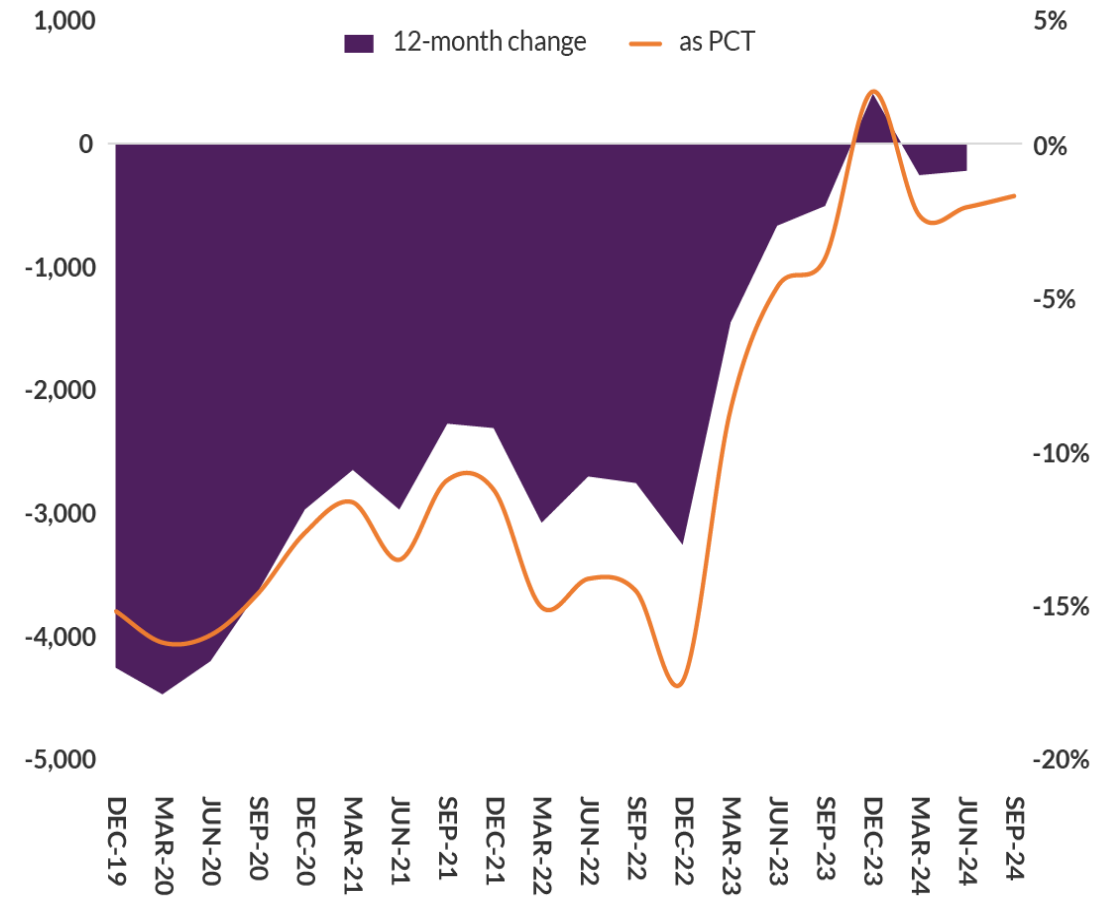


Managed accounts continue to be the fastest growth area across platforms

# Advisers

- Adviser numbers plateaued
- Redefine aligned and non-aligned

Rate of adviser numbers falling has fallen



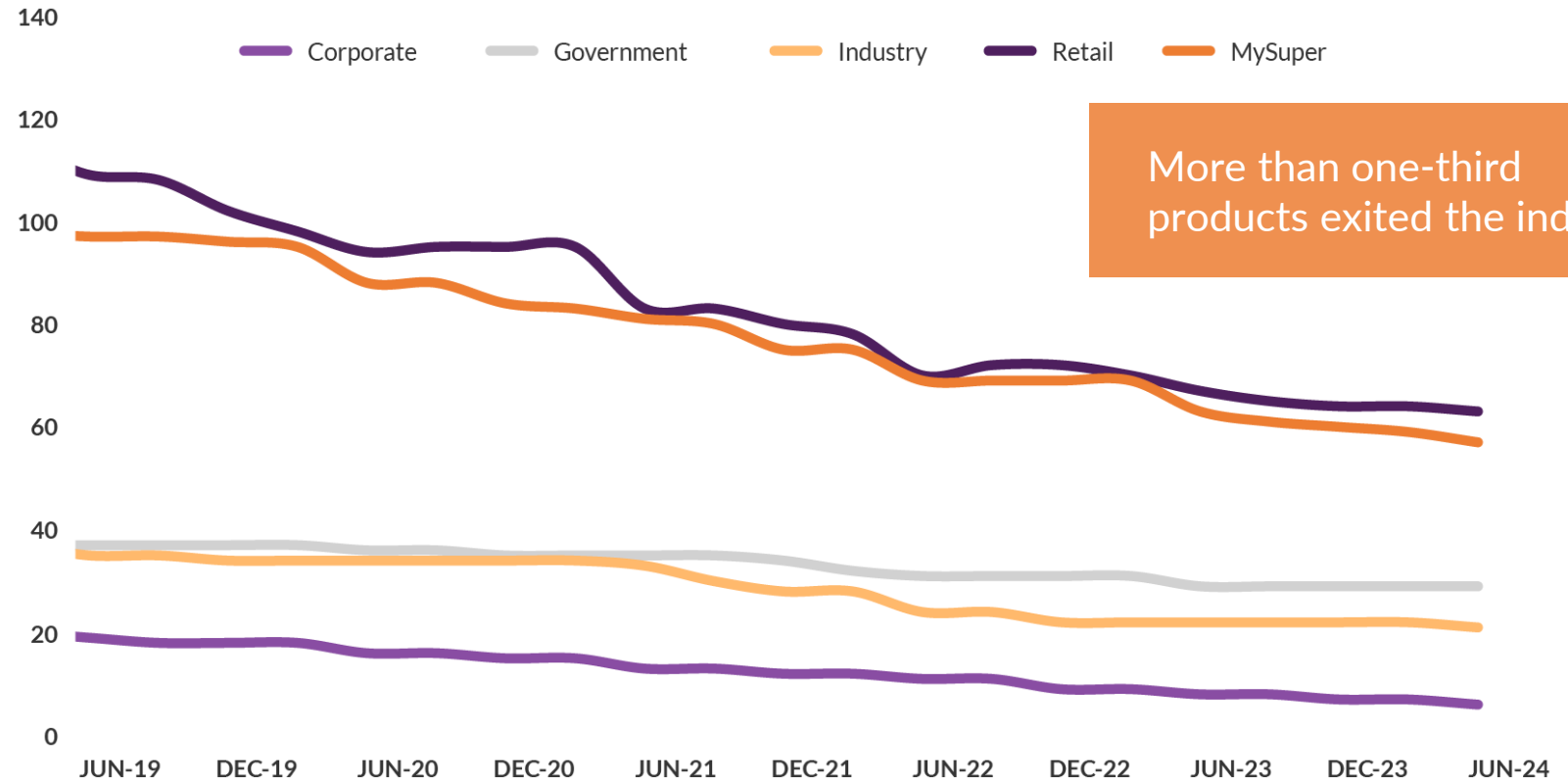
# Insurance

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- Distribution shift continues
  - Advisers recommending insurance continues to drop
  - Superannuation still the main source of insurance
- Life insurance inflows fell by 3.4% over the year to June from \$24.6bn to \$23.7bn.
- Risk inflows were down 0.6% over the year to June from \$18.3bn to \$18.2bn.

# Superannuation

## Super fund industry consolidation 2014-2024



More than one-third  
products exited the industry

# APRA performance test

MySuper products pass rate – 100%

TDP non-platform product pass rate – 100%

TDP platform products pass rate – 81%

## Annual returns to June 2024

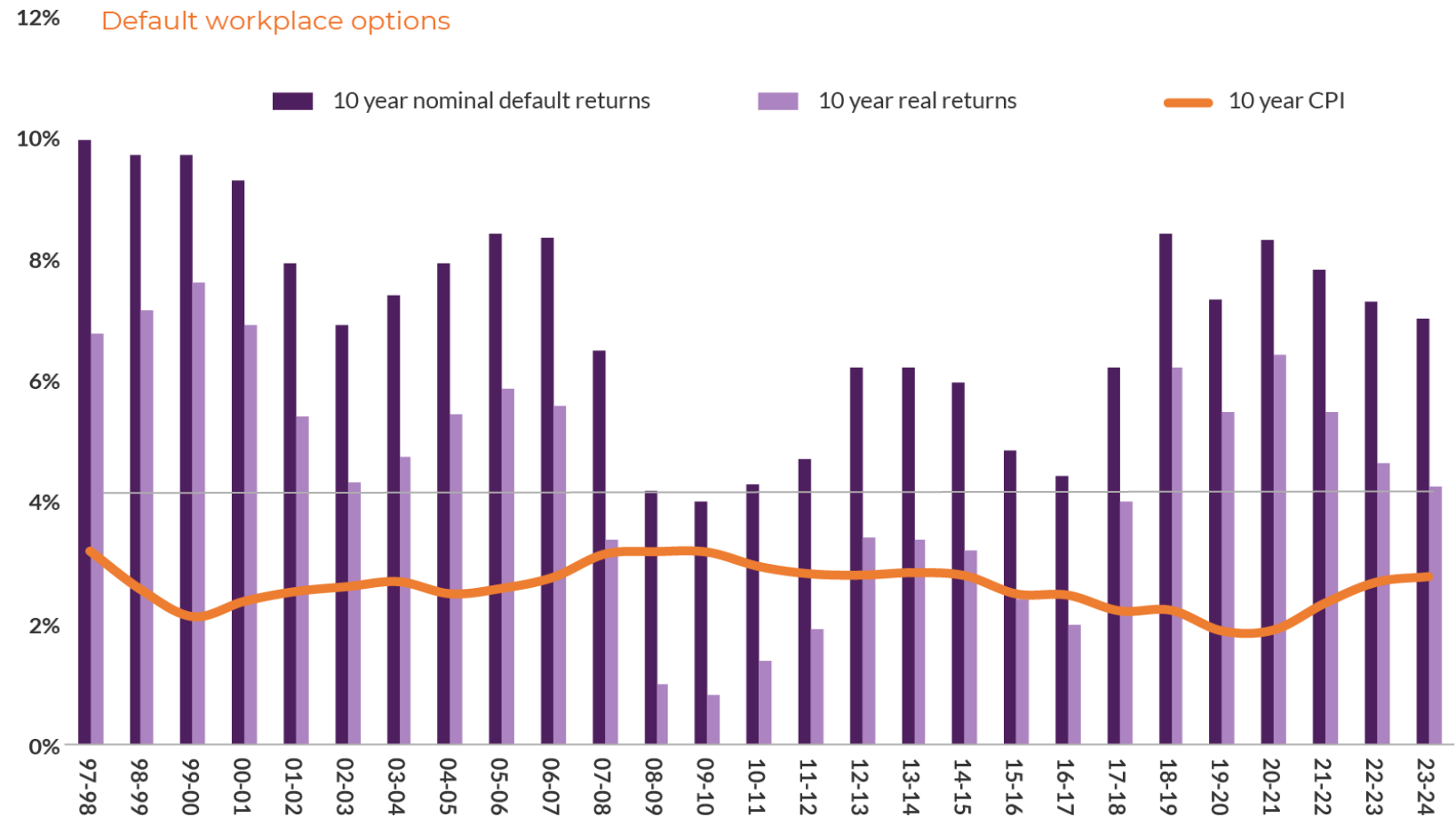
	Highest	Lowest
MySuper single strategy	10.1%	5.7%
MySuper lifecycle*	14.6%	6.2%

\*Applicable to a 40-year-old member



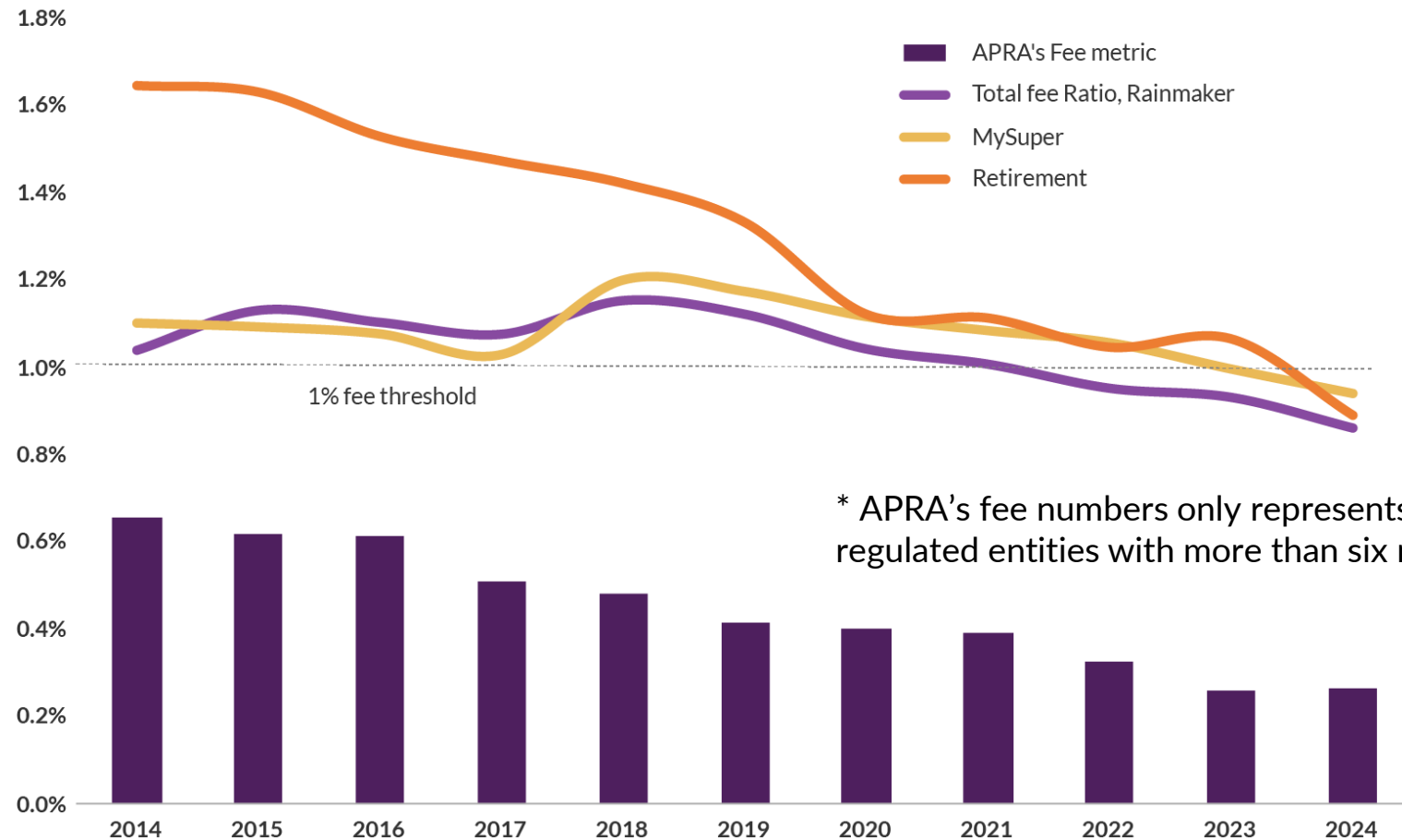
# Long term performance

## Rolling 10-year returns after inflation



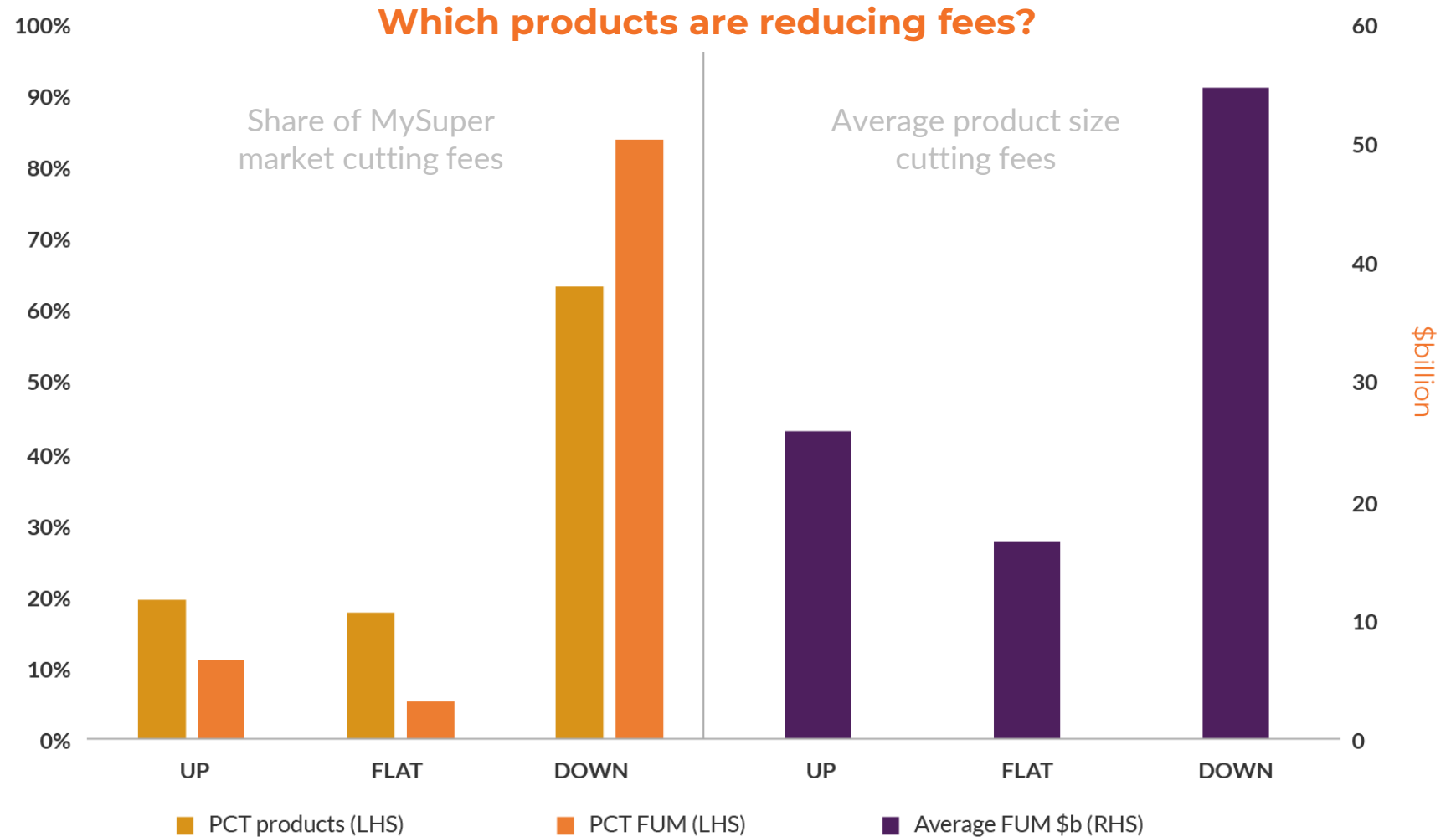
# Fees are falling

## Super fees 2014-2024

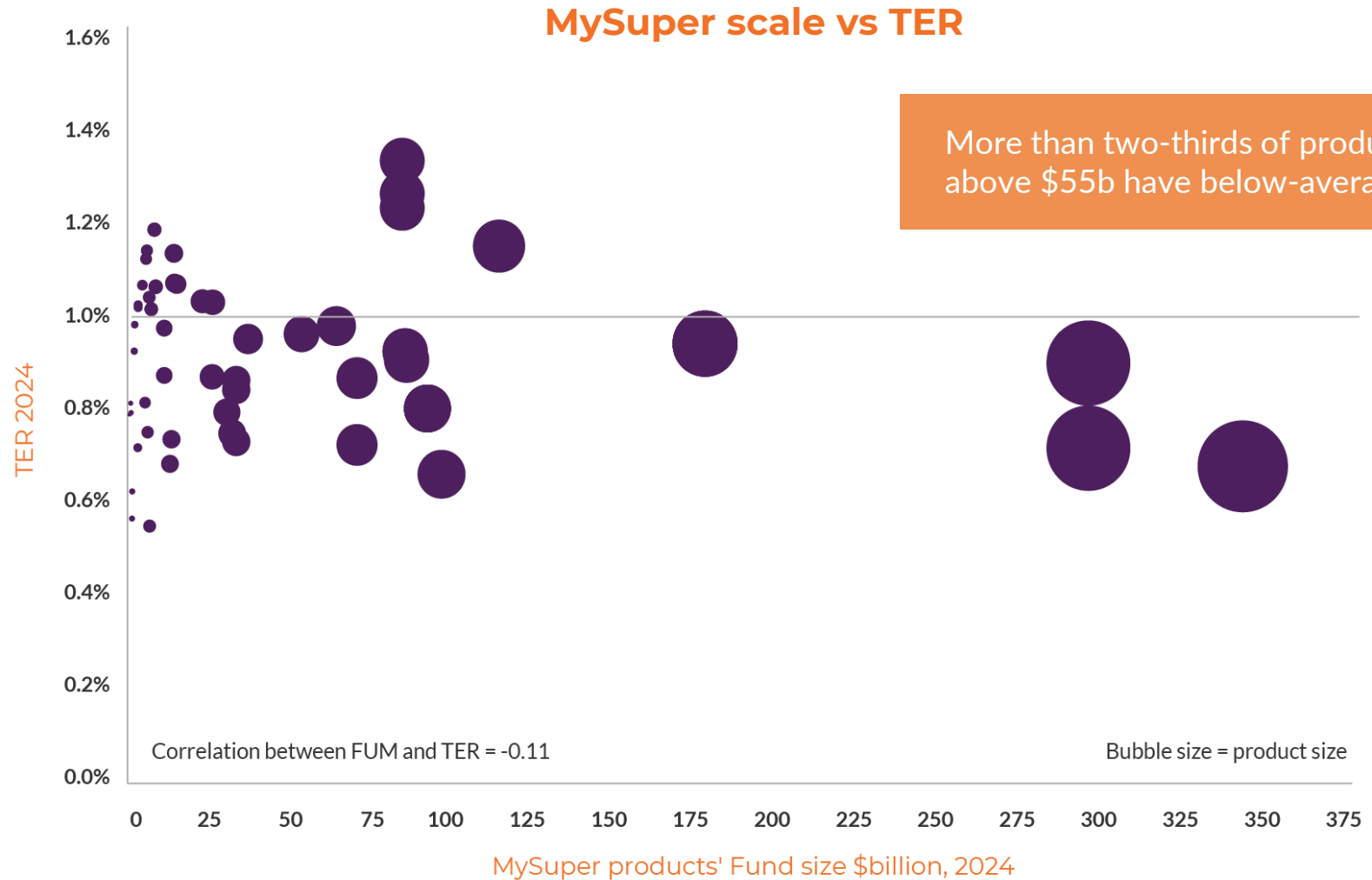


\* APRA's fee numbers only represents fees for regulated entities with more than six members.

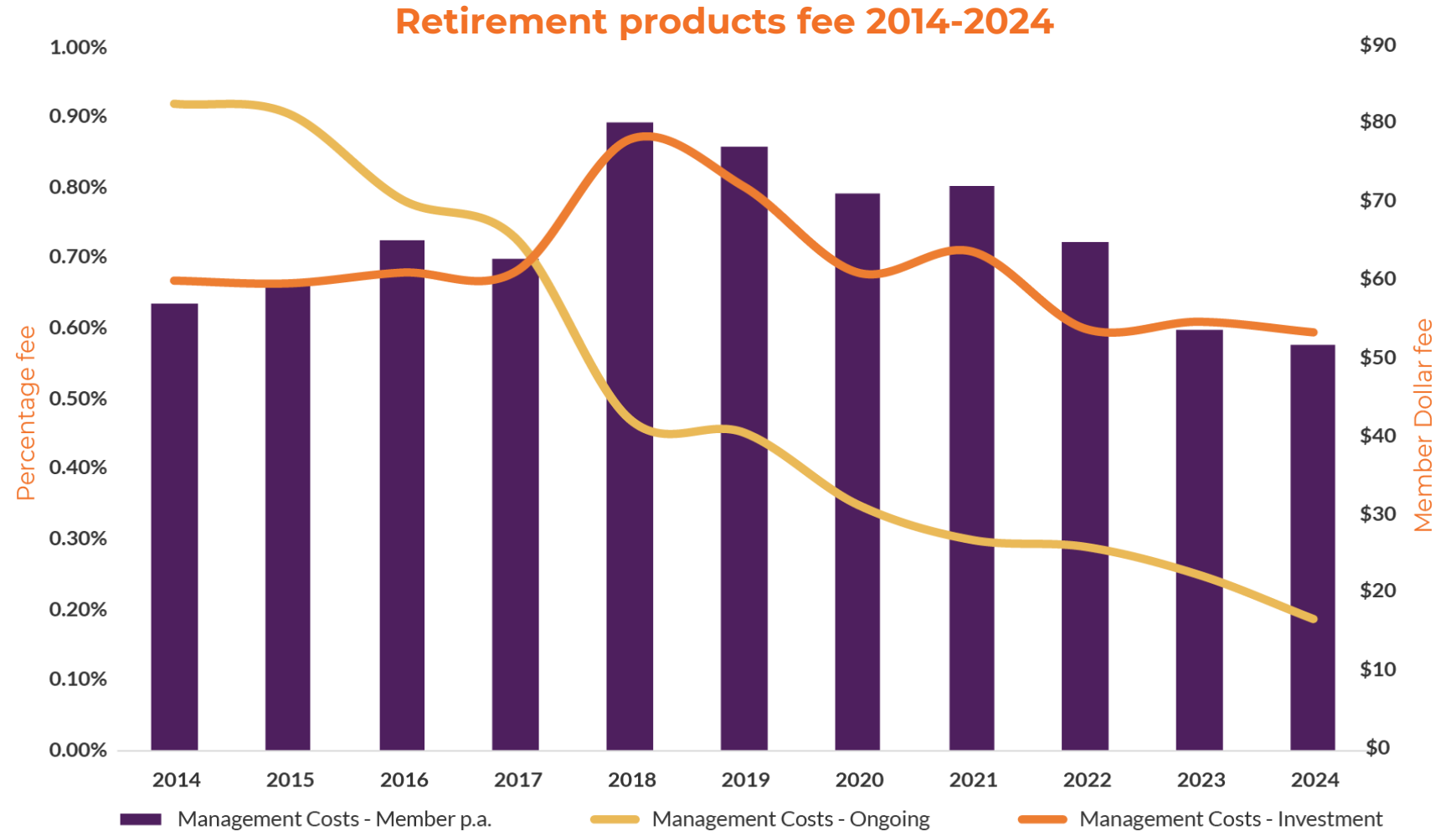
# Products reducing fees



# Scale effect



# Retirement products fee 2014-2024



# Retirement Income Covenant

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- Member's retirement income success metrics
    - Retirement product
    - Retirement income outcomes
    - Services offered
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- Key challenges
    - Advice framework uncertainty
    - Lack of member data
    - Lack of engagement and literacy

# Regulator's 2024 enforcement priorities

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- Member services failures;
  - Misleading conduct, including greenwashing; and
  - Failure to protect superannuation balances.
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- Cases: Greenwashing, fee for no service, systemic claim mishandling, failure to address multiple member accounts

If you have further questions, contact us at:

+61 2 8234 7500 | [rainmaker.com.au](http://rainmaker.com.au)  
[clientservices@rainmaker.com.au](mailto:clientservices@rainmaker.com.au)

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