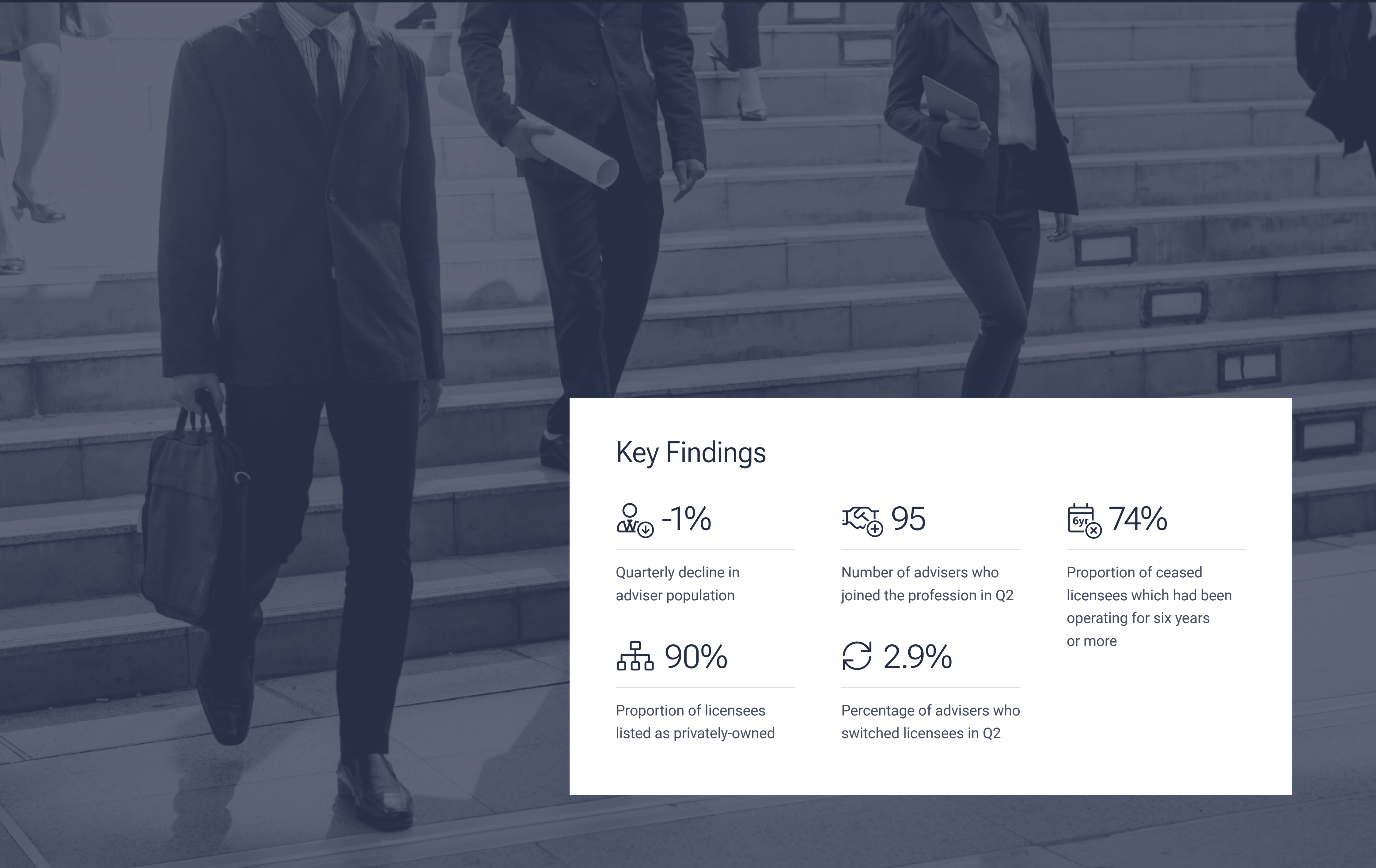
Q2
2024

Adviser Musical Chairs Report

Industry research on financial adviser and licensee movement

This research report offers insights that will help key market players, such as fund managers, super funds, life insurers, platform and software providers, to identify key focus areas to improve sales and marketing strategies. The financial planning and investment advice industry has undergone significant changes over the past ten years with the implementation of the Future of Financial Advice (FOFA) reforms. Financial advisers continuously enter and exit the industry, as well as switch from one licensee to another. This report shows some of Adviser Ratings' analysis and insight into these movements, for the benefit of those providing products and services to the industry.

BT | AR data | Adviser Ratings



Key Findings

-1%

Quarterly decline in adviser population

95

Number of advisers who joined the profession in Q2

74%

Proportion of ceased licensees which had been operating for six years or more

90%

Proportion of licensees listed as privately-owned

2.9%

Percentage of advisers who switched licensees in Q2

How platforms can help advisers with meeting business challenges

At BT, our mission is to enable quality advice to thrive. Every year, we conduct research as part of the BT Adviser Sentiment Index[1] to gain insights into the challenges advisers are encountering, so we can identify how we can support them.

This year's Index sheds light on how advisers are grappling with cost pressures, evolving compliance requirements, and a labour shortage – making it more essential than ever for them to drive operational efficiencies in their business.

As highlighted by my colleague Zac Leman in his article, the time savings for advisers afforded by managed accounts are substantial and well-documented,[2] and so have emerged as the favoured solution for many businesses looking for efficiencies.

Interestingly, the growth in first-time users of managed accounts appears to be tapering across the industry, falling behind the number of advisers who intend to adopt them.[3] A likely reason for this gap is that advisers are juggling many competing business priorities, such as those identified in our Index, leaving them with limited capacity for implementing structural changes. For these advisers, the value of managed accounts needs to be clearly defined.

Education continues to play a vital role in this process. BT has a wealth of online educational materials on what the move to managed accounts involves. Our Distribution team also stand ready to guide advisers on transitioning to using managed accounts.

Similarly, advisers looking for information on the evolving compliance landscape can consult our Technical Services team, who answer around 8,000 adviser queries a year on regulatory and advice topics.

> *We aim to be advisers' platform partner of choice, and we are committed to understanding advisers' needs, and offer support where we can make an impact.*

Matt /.

BT

Matt Rady
CEO, BT

Sources:

1. BT Adviser Sentiment Index. Source

2. According to the SPDR ETFs / Investment Trends 2024 Managed Accounts Report.

3. According to Investment Trends, 18% of advisers said they intended to use managed accounts in 2022. However the growth in the number current users in 2023 was flat. SPDR ETFs / Investment Trends Managed Accounts Report, 2023 and 2024.

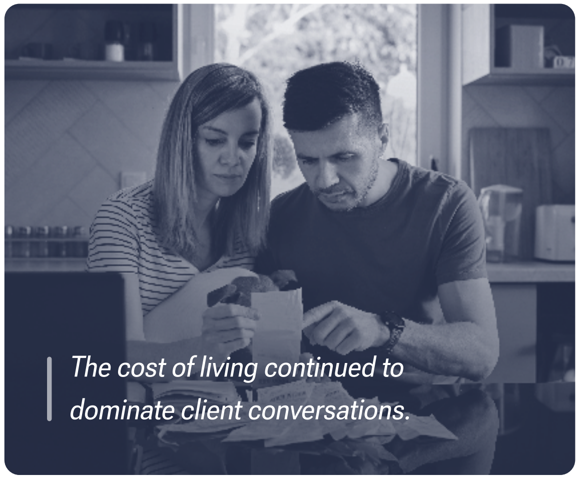
Industry overview

As the 2023-24 financial year came to a close, we saw a seasonal jump in the number of advisers exiting the profession. It's a trend we've been observing for several years now, as retiring advisers and career-changers seek to depart before the next bill arrives for the annual Australian Securities and Investments Association (ASIC) levy, which is charged on a licensee headcount basis. In Q2, 2024, 433 advisers exited, which pleasingly is the lowest number for the year's second quarter in six years.

As higher costs continued to be a frontline concern for practices, the chorus of voices disheartened by the prospect of picking up the costs for Dixon Advisory's failures grew louder. Financial Adviser Association of Australia (FAAA) policy manager Phil Anderson estimated it could cost the profession $135m through the Compensation Scheme of Last Resort (CSLR). The FAAA has now called for a public inquiry into the beleaguered former practice, which has attracted more than 2,700 complaints to the regulator.

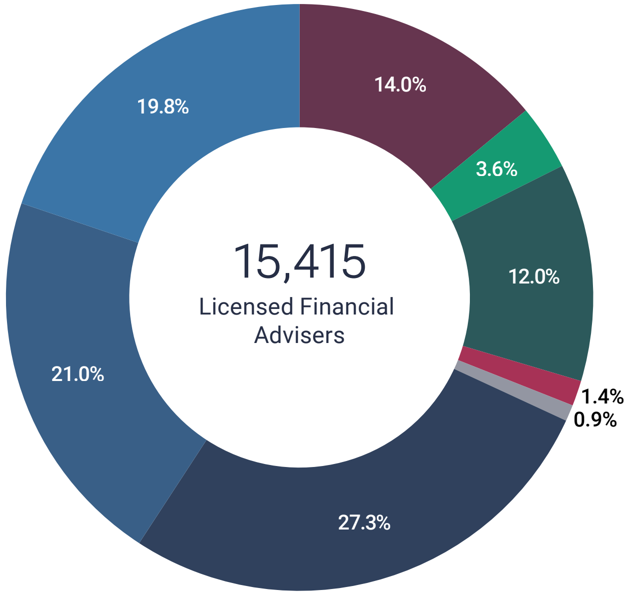
Amid this, and with inflation and higher interest rates persisting, insights from our annual *Landscape Report* show most advisers have lifted their fees. The median fee increased 60 per cent between 2018 and 2023 to just under $4,000. While fee increases may be a necessity for businesses, it also put financial advice further out of reach for more consumers.

However, with legislative efforts to make one-off, digital and scaled advice more widely available, we expect to see both new providers and white-label adviser partnerships quickly move into the market to help more Australians access advice. Late last year, the Federal Government said it would introduce a new class of adviser – which it called "qualified advisers" – to advise on less complex matters. While the final details are still being ironed out, large corporations are preparing their offerings to help plug the advice gap.



Industry overview Q2, 2024

Source: Adviser Ratings



Diversified	2,155	14.0%
Industry super fund / Not-for-profit	557	3.6%
Stockbroker	1,848	12.0%
Bank	213	1.4%
Limited licensee	146	0.9%
Privately-owned (1 - 10)	4,207	27.3%
Privately-owned (11 - 100)	3,242	21.0%
Privately-owned (100+)	3,047	19.8%

Adviser movements

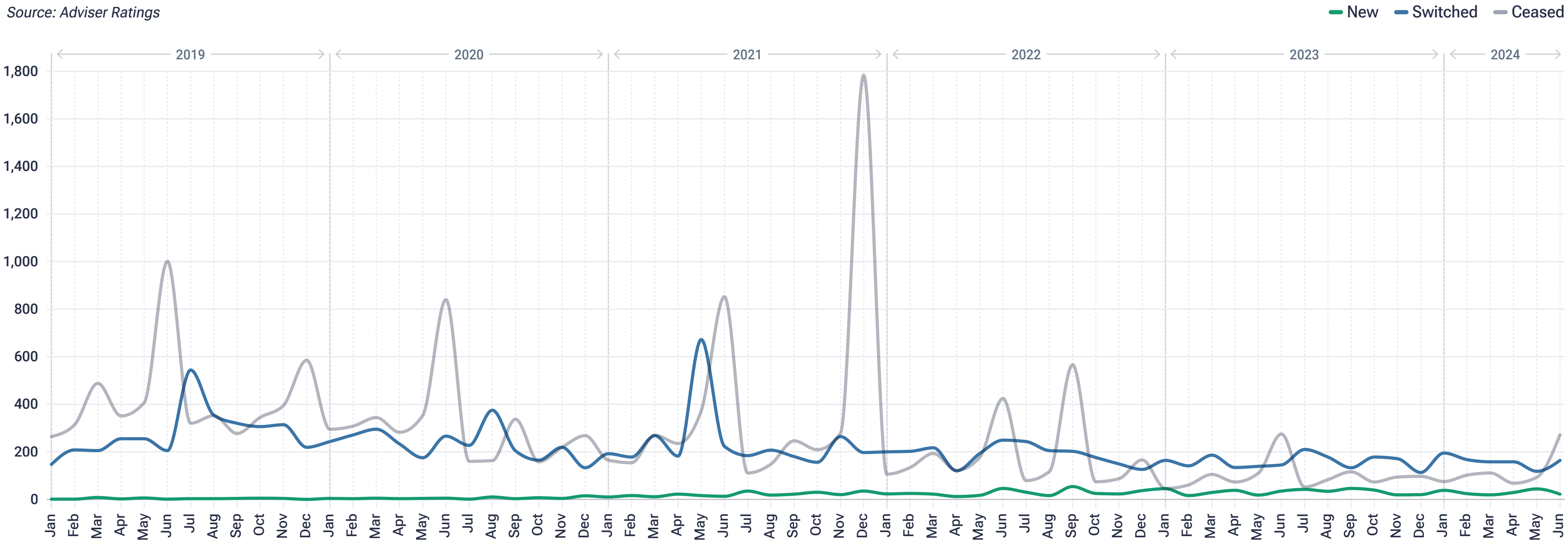
Across Q2, we saw more than four adviser exits for every new entrant. Again, there's a seasonal effect here, with a higher departure rate typically seen in June. This year, June exits were on par with last year's figures, with 272 leaving in June, 2024, compared to 275 in June, 2023.

While new adviser numbers have been hovering close to the three figure mark each quarter, we are still not seeing enough volume to replenish the profession, especially with dozens of advisers still departing each month. We are yet to see a month where new adviser entries outpace exits.

As we've seen in previous quarters, licensees existing outside of the private universe lost a higher proportion of advisers than their privately-owned counterparts. The already-tiny limited licensee segment contracted 4.6 per cent, while the diversified segment fell 4.5 per cent.

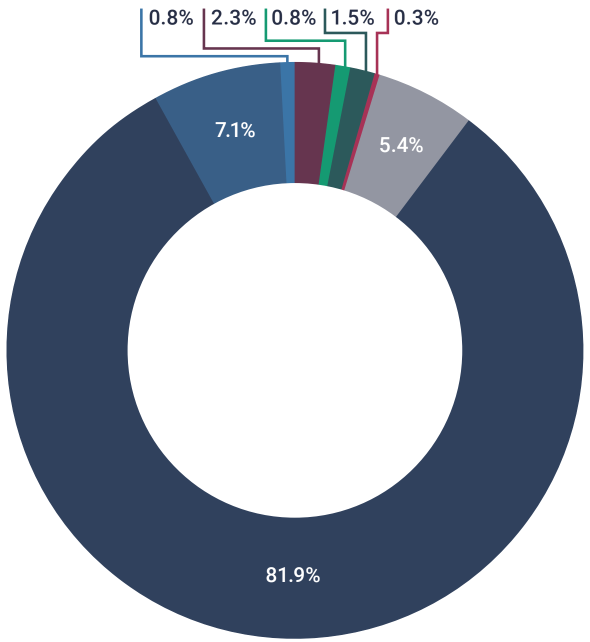
Adviser movements by type

Source: Adviser Ratings



Current licensee distribution by segment

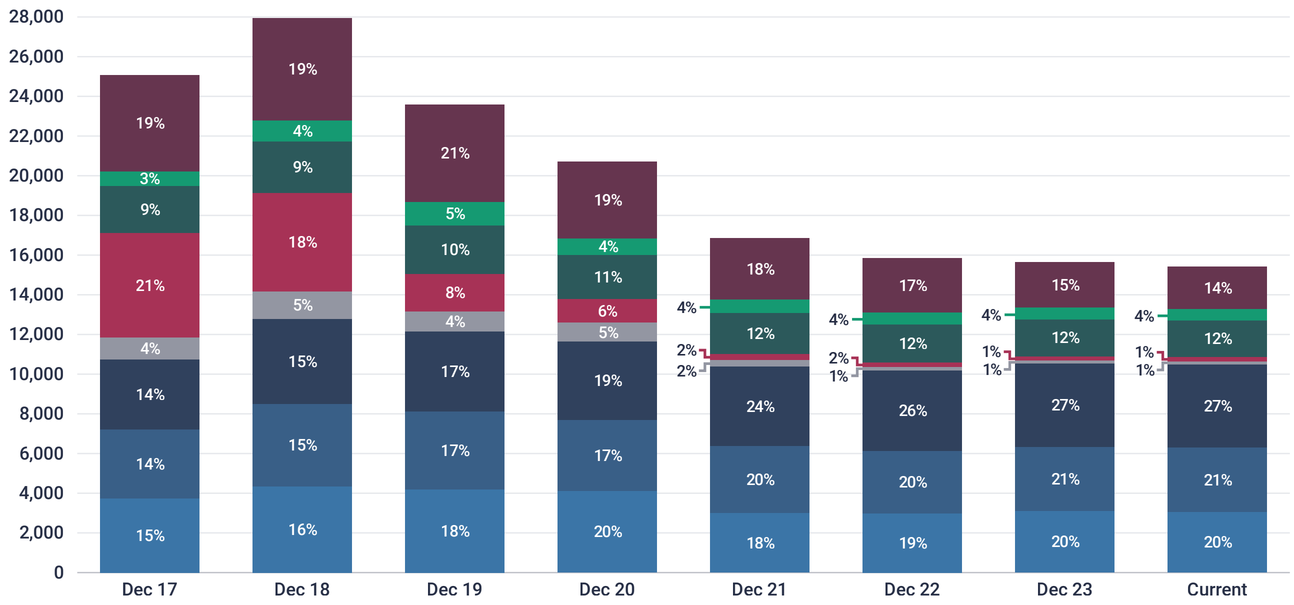
Source: Adviser Ratings



Diversified	43	2.3%
Industry super fund / Not-for-profit	14	0.8%
Stockbroker	28	1.5%
Bank	5	0.3%
Limited licensee	100	5.4%
Privately-owned (1 - 10)	1,525	81.9%
Privately-owned (11 - 100)	133	7.1%
Privately-owned (100+)	15	0.8%

Change in number of advisers by licensee segment

Source: Adviser Ratings



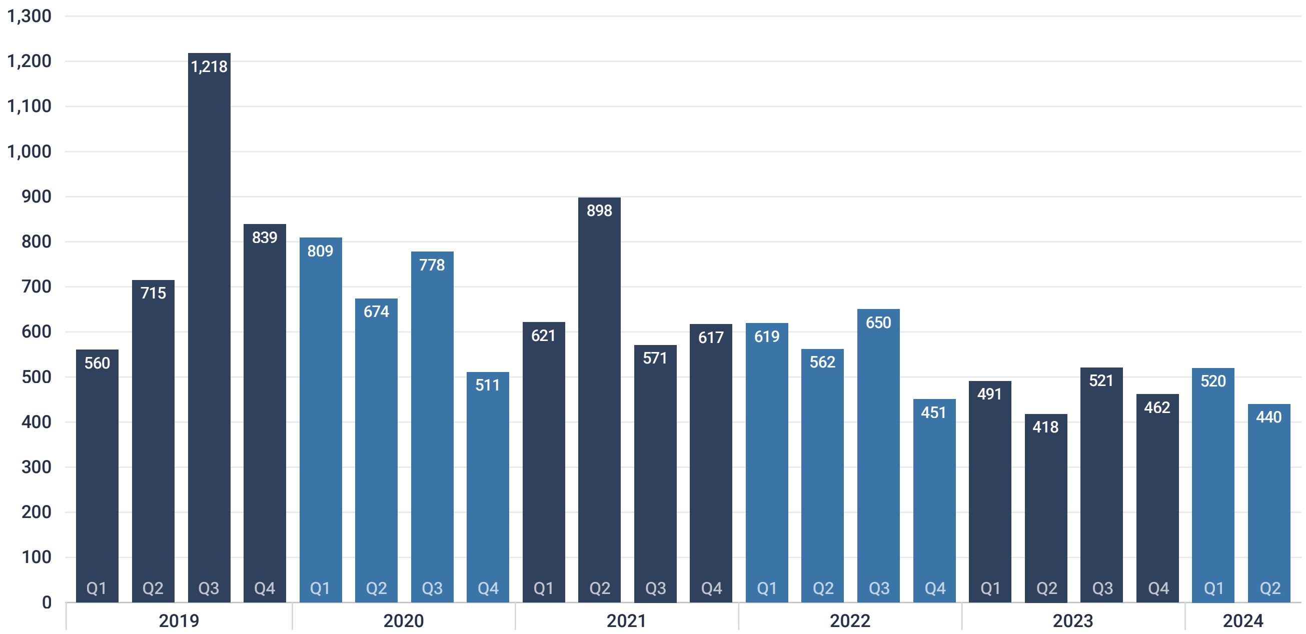
	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Current
Diversified	4,860	5,179	4,912	3,900	3,102	2,727	2,280	2,155
Industry super fund / Not-for-profit	753	1,050	1,191	808	665	610	592	557
Stockbroker	2,370	2,600	2,430	2,230	2,054	1,899	1,863	1,848
Bank	5,256	4,960	1,912	1,192	327	247	220	213
Limited licensee	1,104	1,385	1,013	940	320	172	156	146
Privately-owned (1 - 10)	3,531	4,295	4,017	3,956	4,014	4,052	4,193	4,207
Privately-owned (11 - 100)	3,477	4,143	3,932	3,588	3,380	3,152	3,235	3,242
Privately-owned (100+)	3,732	4,341	4,183	4,101	2,984	2,974	3,095	3,047

Switching advisers

The second quarter of the calendar year saw a lower volume of switching activity than we've seen historically, with 440 advisers finding new licensees. It was just the fourth time licensee switches sat below the 500 mark since 2019. With less corporate movement, most of the change involved individual advisers moving to new licensees which represented a better fit for their goals and growth plans. Licensees in the insurance space lost several-dozen advisers across the quarter, with the majority landing at privately-owned boutique licensees.

Switching advisers

Source: Adviser Ratings



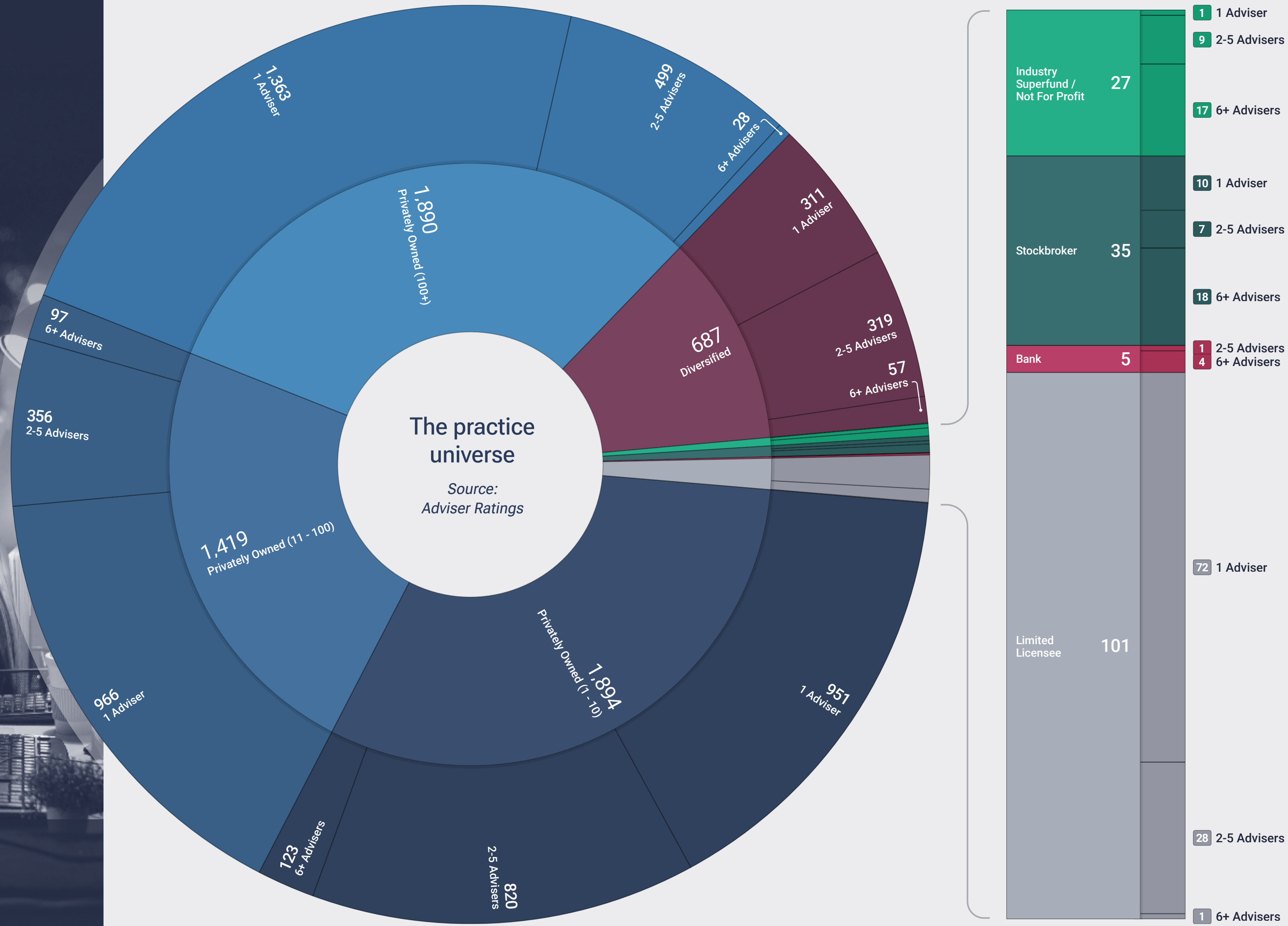
Most of the switching activity occurred at an individual level.

Focus on practices

At the start of this year, *Adviser Ratings* launched a new section where we zoom in on the changing practice universe. Within this section, the charts displayed demonstrate the emergent dominance of privately-owned practices, which are especially favoured by solo operators.

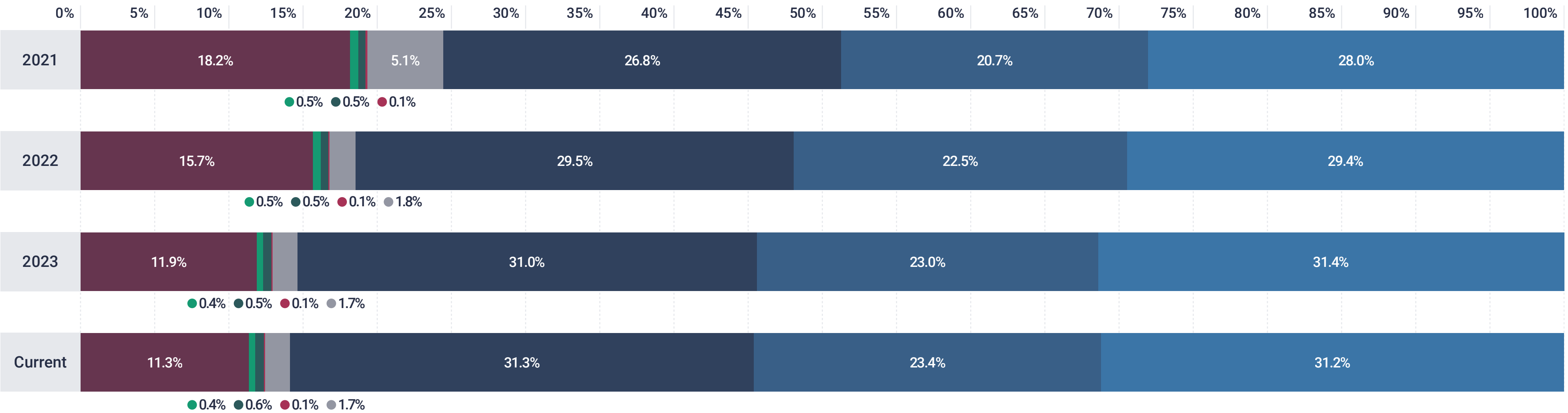
6,058

Total practices as at Q2 2024



Practice change by licensee segment: 2021-Current

Source: Adviser Ratings



	2021		2022		2023		Current	
Diversified	1,260	18.2%	995	15.7%	725	11.9%	687	11.3%
Industry super fund / Not-for-profit	38	0.5%	33	0.5%	27	0.4%	27	0.4%
Stockbroker	34	0.5%	32	0.5%	33	0.5%	35	0.6%
Bank	8	0.1%	5	0.1%	5	0.1%	5	0.1%
Limited licensee	355	5.1%	113	1.8%	103	1.7%	101	1.7%
Privately-owned (1 - 10)	1,858	26.8%	1,874	29.5%	1,890	31.0%	1,894	31.3%
Privately-owned (11 - 100)	1,434	20.7%	1,427	22.5%	1,405	23.0%	1,419	23.4%
Privately-owned (100+)	1,942	28.0%	1,869	29.4%	1,917	31.4%	1,890	31.2%

The pace of change is particularly notable in the diversified space, which now accounts for 11 per cent of practices compared to 18 per cent two years ago. Conversely, the greatest gains can be seen in the privately-owned boutique market, which has grown by 4 per cent in the same two-year period.

Sponsored feature

BT FEATURE ARTICLE

The next frontier for managed accounts

BT's Head of Managed Accounts Zac Leman looks at key trends for this investment management solution

Managed accounts had another strong year in 2023 and continue to gain momentum in 2024. BT's experience aligns with the growth of the broader managed accounts sector.[1] Funds under administration (FUA) in BT's managed portfolios increased by 32% to $16.8bn in the 12 months to June 2024, and we have added over 100 new options this year, bringing the total number of managed accounts on BT Panorama to over the 400 milestone.

The most compelling argument for advisers to switch to managed accounts is the significant time savings they offer: advisers report saving an average of 22.8 hours per week by using managed accounts as part of their client offering.[2] As scalable investment solutions, managed accounts enable financial advisers to focus on their core strengths and what they do best – providing quality, goals-based advice, deepening client relationships, and growing their business.

The widespread adoption of managed accounts has been a notable success story in wealth management, with one in two advisers now utilising them and the total number more than tripling over the past decade. However, while current users plan to increase their usage, the growth rate of new users appears to be tapering.[3]

Adopting managed accounts requires a significant upfront time investment. Advisers face many competing priorities, and moving to a new investment management solution is a fundamental structural change with wide-ranging impacts. This transition often requires retraining staff on new processes, managing client stakeholders, and handling change communications, as well as the potential effects on long-term relationships with current investment managers. These factors are among the critical considerations for advisers when contemplating the switch to managed accounts.

1. The Institute of Managed Accounts Professionals notes in its latest report on the Australian market that, in the 6 months to 31 December 2023, FUM in managed accounts increased by 20.47% to $194.85 bn.

2. SPDR ETFs / Investment Trends 2024 Managed Accounts Report

3. According to the SPDR ETFs / Investment Trends 2024 Managed Accounts Report, 56% of financial advisers use managed accounts; this percentage was the same in 2023 and has increased by three percentage points since 2022. Longer term, the proportion of advisers using managed accounts grew from 16% of advisers in 2012 to 53% in 2022. Adviser Ratings' Australian Financial Landscape Report 2024 shows that 62.5% of advisers currently using managed accounts are planning to increase their usage.

Sponsored feature

Identifying the value of managed accounts to advisers

We have observed that a primary focus for the platform industry is understanding the barriers to using managed accounts and helping advisers identify the precise value managed accounts can offer to their businesses. However, making resources available to guide advisers through the process of transitioning to managed accounts is crucial.

We are also seeing an expanding range of options on platforms to meet adviser and client demand, the evolving relationship between advisers and investment managers, and the growth of managed accounts focused on environmental, social and governance (ESG) investment factors. Finally, further customisation of managed account portfolios to meet adviser and client demand is an emerging trend.

1 Education to appeal to new adopters

A third of active advisers on BT Panorama currently use managed accounts, and we continue to see solid growth in usage on our platform. In the 12 months to June 2024, the number of advisers utilising managed accounts rose by 11%, reaching around 1,800 advisers.

With regards to the advisers still considering whether to adopt managed accounts, education is fundamental to instilling confidence in the value that moving to a managed account solution represents.

According to advisers who participated in the 2024 BT Adviser Sentiment Index, legislative change, cost pressures, and staff recruitment are the biggest challenges they are currently facing. For busy advice practices attending to these pressing priorities, the value of managed accounts has to be clear.

We actively engage with advisers to understand how we can help them achieve greater efficiencies. Our Distribution team are ready to assist advice practices and provide practical guidance on what the move to managed accounts involves. We also have a range of webinars, case studies and other educational materials on managed accounts bt.com.au.[4] Our goal is to highlight where efficiencies can be found and demonstrate that the return from advisers' upfront time investment in implementing the switch to managed accounts is worthwhile in the long term.

4. BT Managed accounts. Source

2 More managed accounts options

With 134 new managed portfolios added to BT Panorama in the first six months of this year, there are now over 420 managed accounts on the platform. Across the industry, the managed accounts landscape is continuing to expand rapidly. We have observed that a focus for platforms is on raising awareness of the range of options available to advisers – and that the breadth of solutions can cater to boutique practices as well as larger advice practices.

In addition to managed portfolios, Tailored and Adviser Portfolios are available on BT Panorama, and some advice practices prefer these as they are better suited to the unique needs of their businesses and their client bases.

Sponsored feature

BT

By Zac Leman

Head of Managed Accounts, BT

3 Increased role of investment managers

A major industry trend we have observed is the evolution of the relationship between adviser and investment manager. Beyond the day-to-day portfolio management, investment managers have become trusted sources of information on markets which advisers can then disseminate to clients. Investment managers have become experts on emerging trends, such as the role of private markets in portfolio construction.

Furthermore, investment managers possess a unique perspective on the platform market as they are likely to have relationships with a number of platforms. Their interactions with advisers can play a crucial role in influencing advisers' decisions when selecting the most suitable platform.

4 ESG-focused options

Advisers' and their clients' interest in ESG-focused investment options continue to gain traction. In the 12 months to June 2024, 10 ESG-focused managed accounts were added to BT Panorama, representing a FUA increase of 101%, to $179 million. We expect this demand to grow in line with research, such as that conducted by the Responsible Investment Association of Australasia showing that Australians are increasingly demanding their investments and superannuation funds to be aligned to their values.[5]

5. From Values to Riches 2024: charting consumer demand for responsible investing in Australia. Source

5 Customised managed accounts

Investment technology is allowing managed portfolios to evolve, and investment managers are answering the call from advisers for further customisation of portfolios. The next phase of growth for managed accounts will be exciting, and at BT we look forward to helping more advisers understand managed accounts and gain efficiencies for their business.

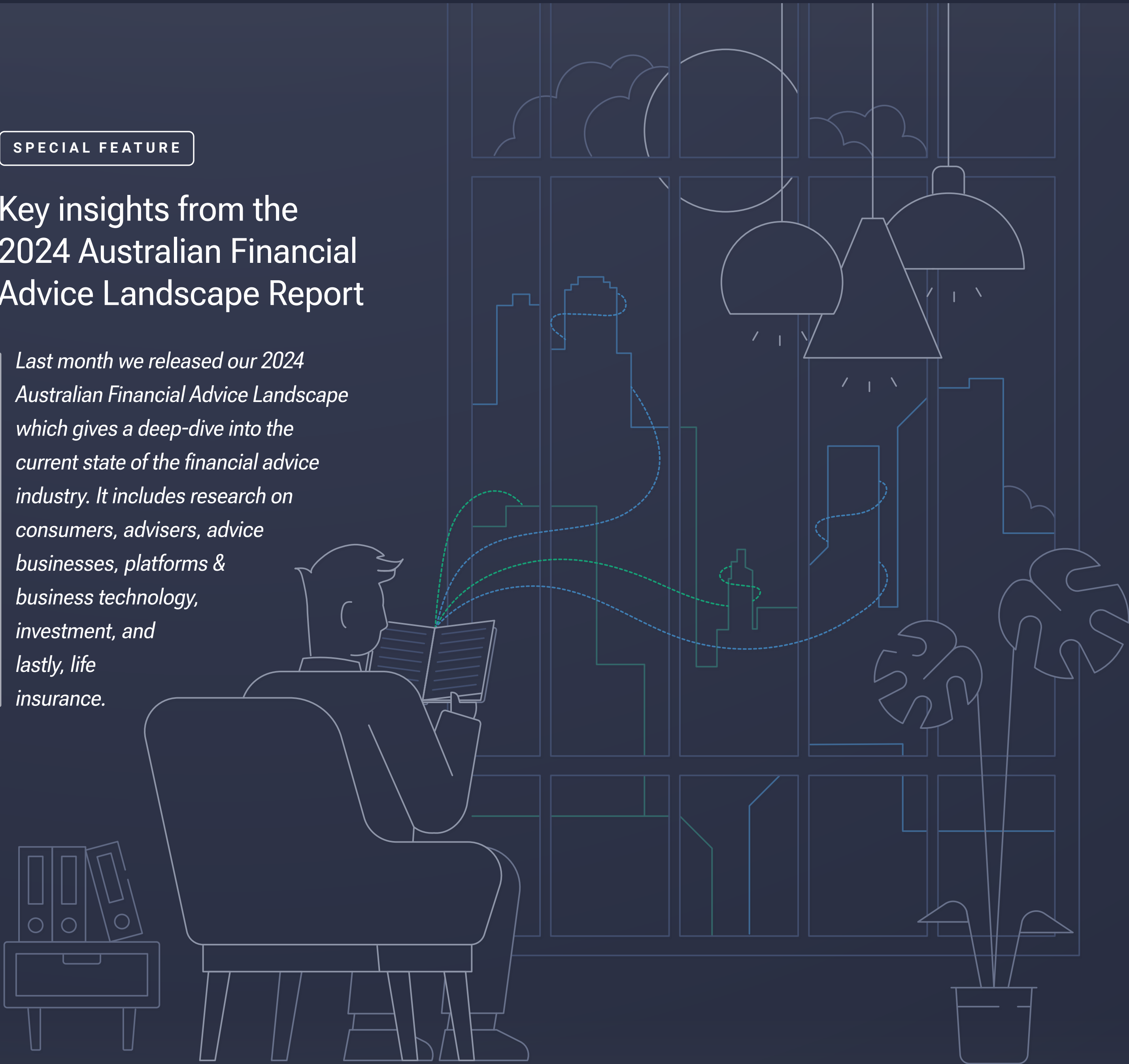
For more information, visit BT's dedicated managed accounts page:

View Managed Accounts

SPECIAL FEATURE

Key insights from the 2024 Australian Financial Advice Landscape Report

Last month we released our 2024 Australian Financial Advice Landscape which gives a deep-dive into the current state of the financial advice industry. It includes research on consumers, advisers, advice businesses, platforms & business technology, investment, and lastly, life insurance.



Consumers

The demand for financial advice is rising as escalating living costs increasingly put pressure on household budgets. We are seeing this play out in the form of a 36% increase in the number of leads to advisers across Adviser Ratings' Find An Adviser platform, and Find An Adviser white label arrangements. Meanwhile, an increasing proportion of unadvised consumers surveyed say they are considering getting advice (24% in 2024 vs 22% a year ago). This shift likely reflects the heightened concerns of Australians about their ability to fund their retirement amid the rising costs of food and groceries, mortgage debt, rents, and medical expenses.

1 in 4 unadvised consumers

...are thinking of getting advice - translating to 2.3m Australians - but most are not willing to pay the current advice fees.

Advisers

After a rapid contraction in the advice market in recent years, we are thankfully seeing confirmation that the number of advisers in the industry has stabilised, albeit at low levels. Those advisers remaining in the market are now increasing their client numbers, with the help of technology and outsourcing to help manage a larger workload. As reforms stemming from the Quality of Advice Review give super funds the green light to increase the provision of financial advice, we expect these organisations will start setting up third-party referral relationships and look for support from the advice community to build out their holistic elements. There's a fresh opportunity for advisers and funds to pair up and build new, sustainable revenue sources.

Advice Business

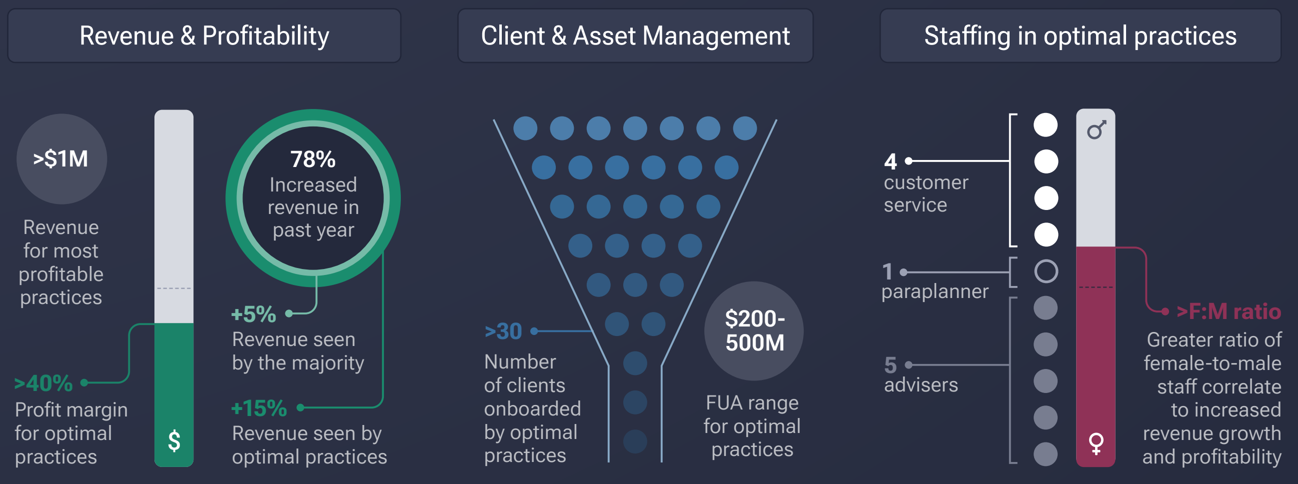
As the Federal Government bedded down its response to the Quality of Advice Review last year, practice confidence soared and translated to improvements in both revenue and profitability. Most practices are now actively growing their client base and finding new ways to reduce their costs. Technology is playing an expanding role on this front, as practices test the waters with artificial intelligence and continue to find ways to improve efficiency.

The Advice Market Ecosystem

Source: Adviser Ratings

An optimal financial advice practice in 2024

Source: Adviser Ratings



Platforms

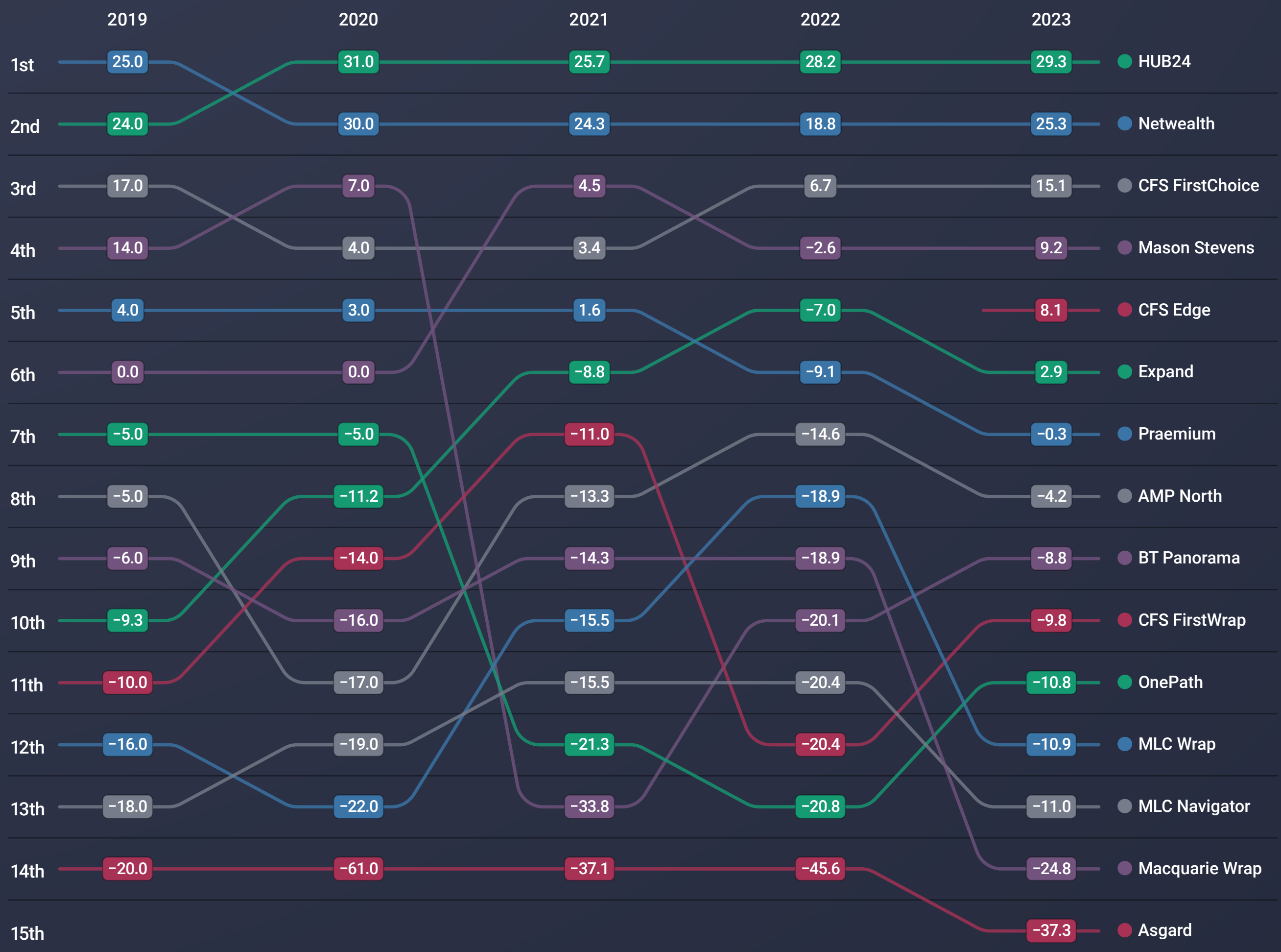
The Quality of Advice Review emphasised the potential for technology to enhance the client experience and improve access to quality advice for those who want and need it. And with an increasing array of options, increased investment, enhanced features and a new player in CFS Edge, usage has grown and is expected to continue to rise.

In 2023, on average 79% of funds under advice were invested through platforms, up from 77% in 2022. The platform market has experienced a significant shake up in the past 12 months, with the industry comfortably sitting in the tailwinds of regulatory change, increased adviser technology awareness and use of AI, mandated superannuation flows, and an uplift in outflows from super funds, as the Baby Boomer generation retires.

Major changes in the industry in the last 12 months have resulted in fiercer competition and improved satisfaction levels with the weighted average Net Promoter Score (NPS) increasing from -6 to +2. Apart from the launch of CFS Edge, the other significant milestone in the platform space was the $39 billion migration of MLC Wrap and Navigator in March to Expand by Insignia.

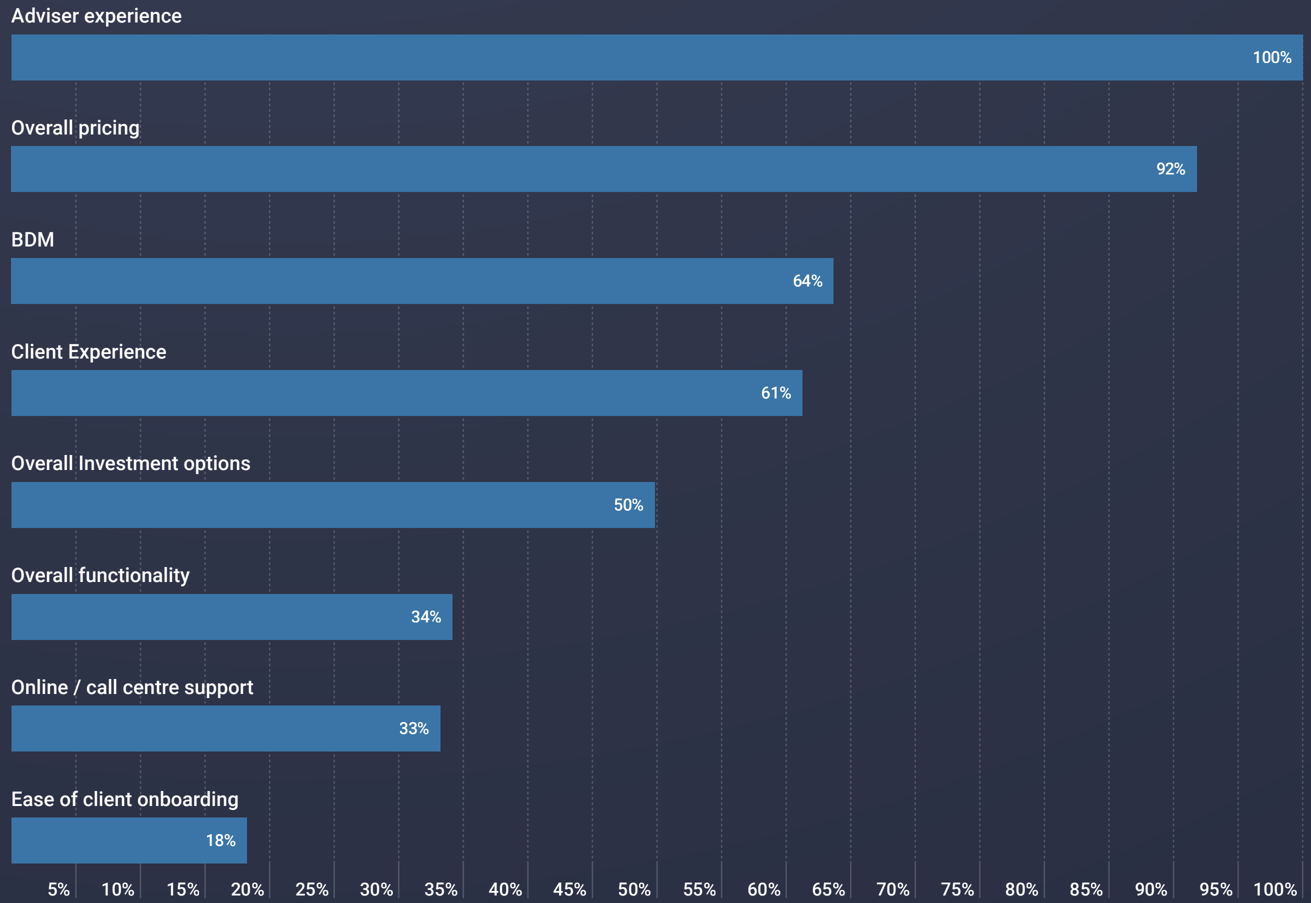
NPS ranking by platform (2020 – 2024)

Source: Adviser Ratings. 2,747 reviews (n = 1,302 advisers)



Key drivers and comparative impact for advisers

Source: Adviser Ratings



There are eight major drivers behind advisers' decisionsto switch platforms. As platform features become more homogenous, platforms can guide their investment decisions by comparing these drivers. Analysing 2,747 quantitative ratings and qualitative comments, including sentiment bias, reveals that adviser experience, particularly user experience and interface, is a key driver for platform switching.

Pricing remains a crucial factor for advisers. Surprisingly, the role of BDMs (Business Development Managers) in supporting advisers is also significant. Their product, industry, and competitor knowledge, along with "on-call" technical assistance, are essential for advisers considering to stay or switch.

Regarding investment options, commentary focuses on the availability of Separately Managed Accounts (SMAs). Additionally, advisers are increasingly aware of the differences between full-service platforms and more bespoke platforms, with functionality being more critical for existing clients who were dissatisfied with promised features or frustrated by full-service platforms lagging behind peers.

Software

Software systems are many and varied, ranging from customer relationship management (CRM) systems to portfolio management tools, but they all play a role in delivering efficiencies for users. As the reliance on technology increases, advisers are seeking further integration between their software solutions.

There is the broad realisation that an all-in-one software platform may not be the answer, as the needs of the practice and client sets evolve. As such, the demand for disparate tech stacks that communicate with one another will only grow with time.

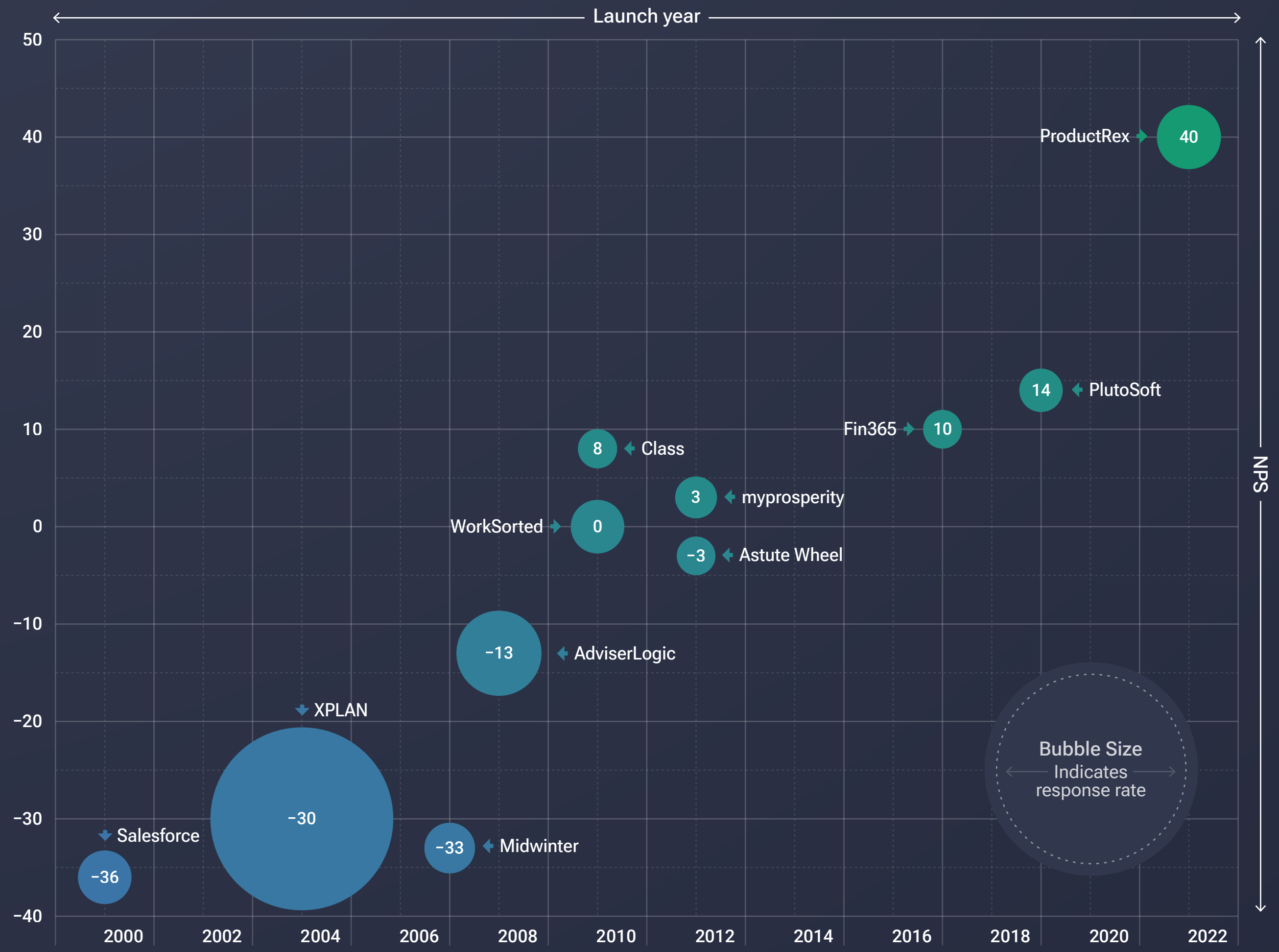
The favoured tech stacks of the future will be the ones that will enable advisers to provide the best service to their clients, with real-time insights, seamless communication and the ability to meaningfully customise advice.

IRESS's dominance in the Australian advice software market has posed significant challenges for CRM competitors to achieve profitable growth.

Note: The publisher of this publication, Adviser Ratings Pty Ltd, is a 100% owner of ProductRex (effective May 2023). The adviser reviews have been independently assessed in terms of data collection, veracity of results and the application of ratings

Software NPS

Source: Adviser Ratings

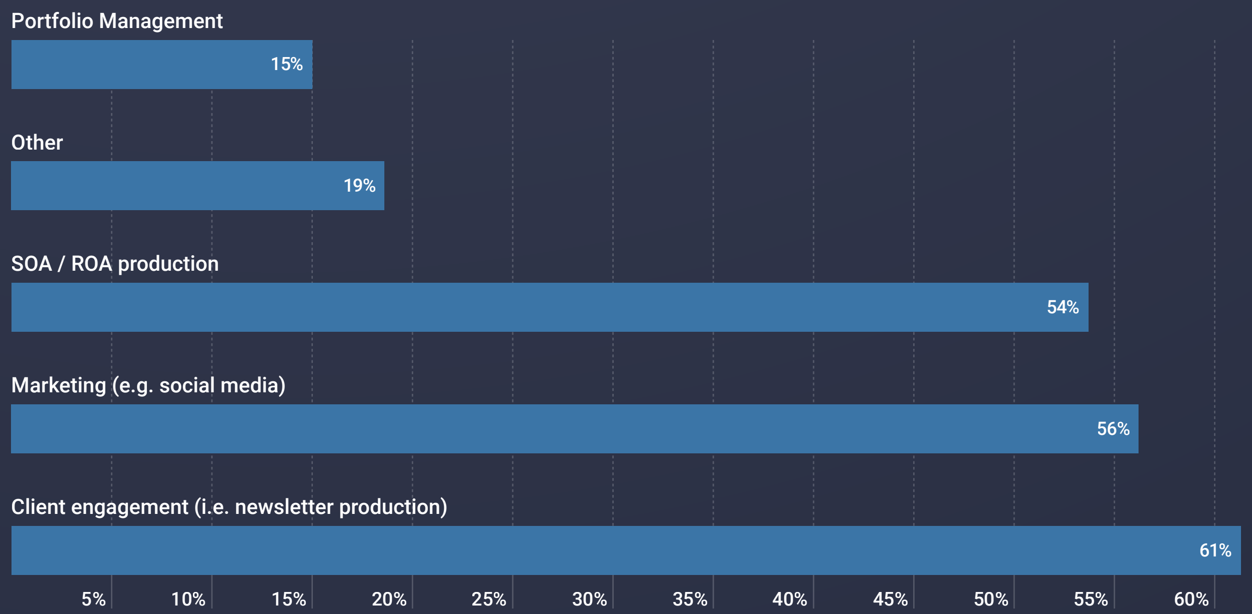


Additionally, advisers are increasingly creating their own software, with several licensees engaging with Microsoft Copilot and other AI tools to enhance their existing processes or support their current technologies.

Currently almost half of advice practices are using or planning to use AI in their business. Emphasising their utility in client engagement, marketing and SOA production, as opposed to the function of advice.

Areas with AI impact

Source: Adviser Ratings



2024 Australian Financial Advice Landscape Report

Please refer the 2024 Australian Financial Advice Landscape Report for further insights and detail on the topics covered in this article.

The report is available as a free download via the link below.

Download the report

Corporate actions

While there were few big winners on the licensee front this quarter, Alliance Wealth topped the additions table, with a dozen advisers joining across Q2. Notably, the advisers came from a number of different licensees, primarily in the privately-owned and diversified markets.

As Count and Diverger join forces, Diverger-owned Merit Wealth accounted for the most losses of the quarter, while a handful also said goodbye to Count. AMP Financial Planning and Charter Financial Planning also collectively lost more than two dozen advisers to a variety of licensees.

Finally, one big changed occured in Insignia that finally separated some of the licensees in a partnership with Rhombus Advisory which now controls RI Advice Group, Consultum Financial Advisers, and TenFifty. Secondly, AMP announced that it will sell a majority stake of its advice licensees to Entireti and a minority stake to AZ NGA. Both changes will affect not only the landscape on licensee group sizes, but also, changes in service models given the current difficulty in profitability that these groups have with competing product lines and listed requirements to adhere to.

Licensees with most adviser additions and reductions in Q2 2024

Source: Adviser Ratings

	Licensee	Segment	Number of Advisers
Most Additions	ALLIANCE WEALTH PTY LTD	Privately Owned (100+)	12
	QINVEST LIMITED	Industry Superfund / Not For Profit	8
	VINCENTS ADVISORY PTY LTD	Privately Owned (1 - 10)	7
	FF FINANCIAL SERVICES PTY LTD	Privately Owned (1 - 10)	7
	BOUTIQUE ADVISERS PTY LTD	Privately Owned (1 - 10)	7
	AHR PRIVATE WEALTH PTY LTD	Privately Owned (1 - 10)	6
	PSK ADVISORY SERVICES PTY LTD	Diversified	5
	SPARK ADVISORS AUSTRALIA PTY LTD	Privately Owned (11 - 100)	5
	LAMBOURNE FINANCIAL SERVICES PTY LTD	Privately Owned (1 - 10)	5
	THE WEALTH EMPORIUM PTY LTD	Privately Owned (1 - 10)	4
Most Reductions	COUNT FINANCIAL LIMITED	Privately Owned (100+)	-7
	CONSULTUM FINANCIAL ADVISERS PTY LTD	Diversified	-7
	BOUTIQUE ADVISERS PRIVATE WEALTH PTY LTD	Privately Owned (1 - 10)	-8
	INTERPRAC FINANCIAL PLANNING PTY LTD	Privately Owned (100+)	-9
	PERSONAL FINANCIAL SERVICES LTD	Diversified	-9
	FORTNUM PRIVATE WEALTH LTD	Privately Owned (100+)	-10
	MILLENNIUM 3 FINANCIAL SERVICES PTY LTD	Privately Owned (100+)	-11
	SUNSUPER FINANCIAL SERVICES PTY LTD	Industry Superfund / Not For Profit	-18
	AMP FINANCIAL PLANNING PTY LIMITED	Diversified	-19
	MERIT WEALTH PTY LTD	Privately Owned (100+)	-21

Licensee movements

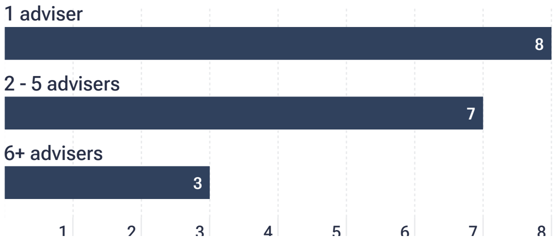
The popularity of boutique licensees continued in Q2, with most new AFSLs set up for a single or small number of advisers. The majority of these advisers had come from a larger, privately-owned licensee.

Once again, a high proportion of ceased licensees had been around for six years or more, with 10 operating for more than 15 years before the voluntarily closed. Much like set-ups, most of the closures were among privately-owned boutique licensees.

> *Most of the licensee movement occurred in the private, boutique market*

Size of new licensees

Source: Adviser Ratings

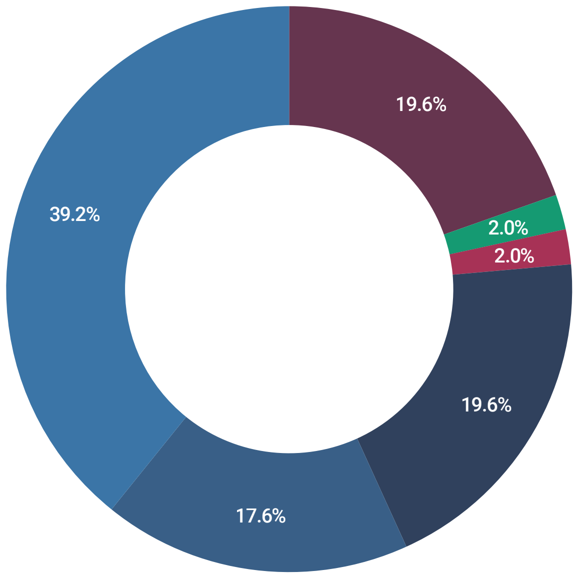


Licensees: newly registered vs discontinued

Source: Adviser Ratings

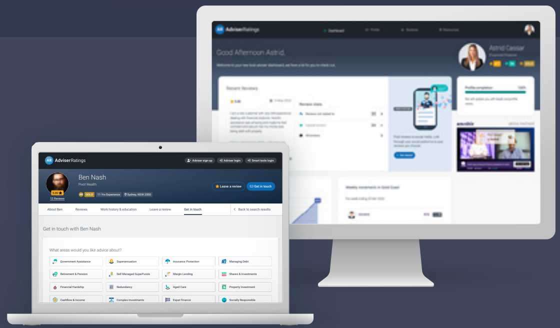
Where advisers were before going to a new licensee

Source: Adviser Ratings



Diversified	10	19.6%
Industry Superfund / Not For Profit	1	2.0%
Bank	1	2.0%
Privately Owned (1 - 10)	10	19.6%
Privately Owned (11 - 100)	9	17.6%
Privately Owned (100+)	20	39.2%

Our products



Consumer Marketplace

A public website that connects consumers with 17,000 financial advisers, through articles or research, and lead generation.

Nightingale Analytics

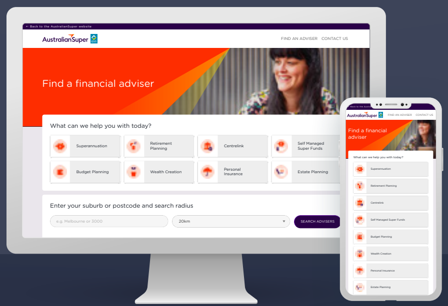
A customisable data service comprising contact and insight intelligence on the universe of advisers, practices and licensees for growth and compliance applications. Data is supplied via various means, including API and SFTP flat files.

Market Research

Essential fact-based research powered by our unique data insights. Featuring staple industry reports (free and paid), including the Financial Advice Landscape report and the quarterly Musical Chairs report.

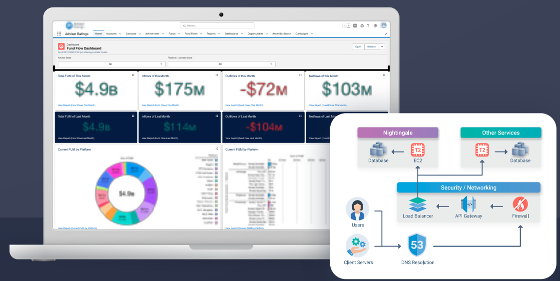
White-Label “Find An Adviser”

A customisable web service including design, hosting and data to help clients with customer retention and acquisition.



CRM integration

Certified CRM experts that use inhouse solution design packages that fully leverage the Nightingale Analytics and Fund Flow data. Data updates can be automated via our API. Tactical, specialist and flexible CRM support is available with long term agreements.



Adviser Quality Scores

A proprietary scoring systems to determine “quality of advice” benchmark and standard on financial advisers. The ‘credit score’ of the financial advice industry.

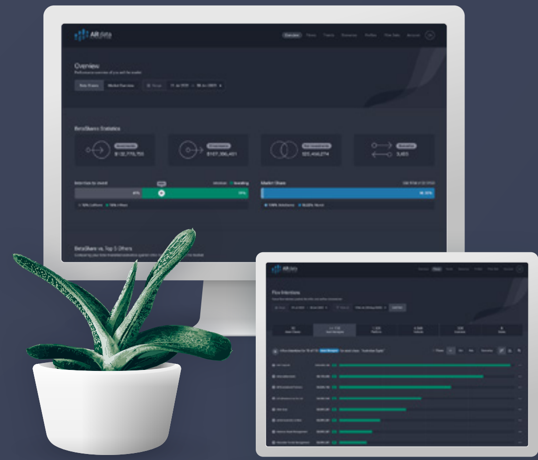
Our products

Life Insurance Barometer

An industry led and supported data sharing proposition that allows participating life insurers deep actionable insights into the retail advice market, advisers writing risk and where the opportunities reside. Under the remit of ARdata considerable investment is being undertaken in this Beddoes product to provide unique actionable data and link system growth to its consumer proposition to benefit the overall retail life industry.

Fund Flow Intention

Australia's first predictive model for investment fund flows. Harnessing the Product Rex modelling tool, it facilitates the creation of dynamic, adviser-driven scenarios to optimize client portfolios across asset classes and platforms. This robust tool correlates strongly with real investment outcomes, empowering sales, marketing, product, and research teams with actionable insights and real-time feedback on targeted campaigns.



ProductRex

ProductRex is now Australia's largest portfolio construction tool, utilised by 5,500+ advisers. It is embedded in multiple software CRMs and applications with open API access. For vendors, it is the only place in the market that has dynamic ad serving capability at the time a portfolio is being constructed.

Fund Flow Reporting

An outsourced solution for fund managers for preparation of monthly reporting on financial adviser applications and redemptions through fund products held on investment platforms and delivered through client's CRMs or external interfaces, such as PowerBI.

Quotable Quotes

April

"We know that if you engage early and see an advisor you typically save more for retirement through making additional contributions, allocating your assets more appropriately with an investment strategy that's optimised for your age and maximising your tax benefits and pension entitlements.

- Colonial First State Superannuation chief executive Kelly Power told Money Magazine Australians who have an adviser fare better in retirement.

"Many younger people are turning to what is often unregulated financial and investment advice from financial influencers or 'finfluencers' on social media, instead of reaching out to financial advisers.

- RACQ Bank spokeswoman Melissa McGrath said younger Australians could be making themselves more vulnerable to scams or risky decisions by turning to social media for financial advice.

May

"Minister Stephen Jones has acknowledged the importance of financial advice, but there is little remedy for the skyrocketing costs that advisers have been and will continue to pay.

- Financial Advice Association of Australia chief executive Sarah Abood was disappointed the Federal Budget did not offer advisers' any relief.

"AI-based financial modelling can instantly provide the couple with the relevant strategies by simulating thousands of scenarios and determining which is best.

- Financial Services Council expert working group on digital advice member Jacqui Henderson told The AFR AI is likely to play a bigger role in the future of advice.

May

"Good financial planning is about determining goals and priorities, developing strategies that provide the greatest certainty for achieving of those goals, and then executing on the plan, with plenty of course corrections along the way.

- Certified financial planner and SMH "Ask the Expert" columnist Paul Benson wrote successful planning is about more than wealth accumulation, tax minimisation and earning the best interest rate.

June

"The idea of the intel loop is simple, it is all about putting forward a united, coordinated front so scammers can't reach their victims.

- Assistant Treasurer and Minister for Financial Services Stephen Jones said a new intel exchange program will allow banks and other companies to share real-time updates on scam activity.

Weekly Adviser Movements

Adviser Ratings has a Weekly Adviser Movement video series that keeps you up to date with the latest statistics on advisers joining, switching and leaving the industry.

These videos are posted on the Adviser Ratings YouTube channel each Thursday / Friday. You can also **link to the videos below:**

April 2024	May 2024	June 2024
04 Apr	02 May	19 Jun
11 Apr	09 May	
18 Apr	16 May	
25 Apr	23 May	

Glossary of Terms

Adviser Movements

New adviser
A new entrant who is newly registered as a financial adviser on ASIC's financial adviser register (FAR) in the sample period.

Ceased adviser
A financial adviser whose AFSL Authorisation with a licensee has ceased during the sample period.

Switched adviser
An existing or previously licensed financial adviser who has switched-in to a new practice/licensee in the sample period.

Returning adviser
A financial adviser whose AFSL Authorisation was de-registered prior to the sample period and has switched-in to a new practice/ licensee in the sample periods.

Licensee Types

Bank
Where a bank owns the advice licensee although advisers can be self-employed.

Stockbroker
Where stockbroking is the primary business line even if owned by a bank.

Industry Superfund / Not for Profit
Includes mutual building societies, credit unions and banks.

Diversified
Where other core business lines exist within the broader group.

Limited Licensee
As defined through their ASIC registration under specific "classes of securities".

Privately owned (100+ advisers)
Any firm not captured in the other categories with 100+ advisers.

Privately owned (11-100 advisers)
Any firm not captured in the other categories with 11-100 advisers.

Privately owned (1-10 advisers)
Any firm not captured in the other categories with 1-10 advisers.

Note: *Licensee type, and accordingly adviser type, is defined by its ability to authorise products and its ownership structure (we note many accountants reside in a full licence)*

ARdata

ARdata provides insights to the financial services ecosystem. We operate as a stand alone service to assist fund managers, super funds, platforms, insurers, and other industry service providers reach advisers they want to work with.

Consolidating ASIC information with our proprietary methods, our data is the most valuable, up to date, and accurate in the market.

Our Nightingale data service can be customised to any specific scope, including monthly reports on advisers switching, entering or exiting the industry.

Learn more about ARdata

2024 Australian Financial Advice Landscape Report

Key insights within this edition of the Musical Chairs Report has been taken from the 2024 Australian Financial Advice Landscape Report. This report gives a deep-dive into the current state of the financial advice industry. This report is available as a free download via the link below.

Download the report

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