

MEDIA RELEASE

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New research challenges the myths of Self-Managed Super Funds

Research presented at the Annual Colloquium of Superannuation Researchers (CPS) on self-managed superannuation funds (SMSF) challenges some pre-conceptions.

Andrea Slattery, Chief Executive Officer of SMSF Professionals Association of Australia, presented the results of recent research during the Colloquium held at the University of New South Wales.

“The SMSF sector accounts for nearly 80% of voluntary contributions in Australia with average balances per member of approximately \$500,000 and average fund balances of approximately \$1 million,” Ms Slattery said.

“One third of superannuation funds assets in Australia are held in SMSFs. SMSF trustees are generally self-employed, small business owners, professionals, executives and retirees.

“With 27.1 % of trustees having completed a trade or Diploma qualification and 13.7% only completing high school, the balance has achieved a higher education level and they are interested in controlling the decision making process,” Ms Slattery said.

The role of professional advice for trustees was also interesting said Ms Slattery: “In the majority of cases, professionals are providing advisory services and also there has been an increase in advisors building mentoring relationships with their clients to assist in managing the funds. According to ATO statistics, in 2012 SMSFs had average fees of 0.5% per fund.”

“But while the trustees get advice from a range of professionals, 68% say they also conduct their own research to build their investment strategy and drive their asset allocation mix. 77% indicated they were prepared to pay for value added advice particularly in retirement.

“Approximately 46% of trustees are women and they are interested in getting valued and specialised advice to assist them in growing their balances.

“Much of the sector invests their money in the Australian market, with only 2% of investment going offshore. Trustees’ appetite for greater transparency and control is reflected in the figures of 77.7% of trustees looking to buy assets such as shares and property directly.

Ms Slattery said that trustees in SMSFs looked to drive good long term returns: “This research shows trustees are motivated to manage their financial assets in conjunction with a range of professional advisors.

“Approximately 24% of people still think SMSFs are too complicated. But as more and more financial advisers provide value added advice there is a shift in how people are approaching their financial decision making,” Ms Slattery said.

Now in its 21st year, the Annual Colloquium of Superannuation Researchers is being held at the University of New South Wales, July 9-10.

For the full program visit the [website](#).

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