



news release

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AXA first to launch a fully integrated SMSF service

To cater for investors seeking greater investment control and access to tax planning and wealth transfer strategies, AXA has launched a comprehensive, fully integrated self-managed super fund (SMSF) service, AXcess self-managed super.

“One of the unique features of AXcess is consolidated reporting based on data integrated on a daily basis between the administrator, cash management trust and wrap. It’s the first fully-integrated SMSF solution in the industry,” explains AXA’s Head of Superannuation and Retirement Incomes, Mr Andrew Barnett.

“There are many compelling reasons for a client to choose an SMSF over other super funds including greater investment control and flexibility. However the corollary is that they also have greater responsibility – as each member of an SMSF is a trustee, and the legal and regulatory requirements rest with the trustee. That’s where AXA can help alleviate some of the administrative and compliance burdens.”

AXcess self-managed super uses best of breed administration which includes fund establishment; online and paper-based reporting for SMSF trustees and advisers; online access to up-to-date portfolio information 24/7; trust deed reviews and amendments; SMSF compliance activities which might otherwise be done by the adviser or accountant; payment of pensions; and assistance with legislative reporting and preparation of fund accounts and regulatory returns.

SMSFs are the second largest sector by assets according to DEXX&R, a funds management research company, and are predicted to reach \$232 billion by year 2010, or growth of 62% from 2004. “This forecast of growth may be understated,” said Mr Barnett “in light of growth of assets in SMSFs of 28% in the year to September 2005. Further, market dynamics are favourable for continued strong growth. Moderating market returns over the next year will prompt individuals to seek control over their investments through an SMSF. Recent legislative changes such as the abolition of the superannuation surcharge and spouse contribution splitting will also encourage contributions from high net-worth individuals.”

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“SMSFs are generally ad-hoc constructions based on multiple product and service providers with unique combinations of administrator, auditor, investments, Cash Management Trust, broker and insurance arrangements, with few providers achieving scale or industrialised processes,” explains Mr Barnett. “Our analysis shows that specialist SMSF administrators account for less than 7% of the total number of SMSF funds.”

Most accounting and adviser practices provide administration and audit services for fewer than 20 funds. This lack of specialisation leads to a greater degree of compliance, administration and legal risk in the SMSF market; which in turn creates an opportunity for an SMSF offer that helps mitigate these risks.

A core of the service is AXcess Managed Portfolio, a competitively priced investor directed portfolio service (IDPS) with over 200 managed funds from which members can choose.

“The AXcess self-managed super service was piloted over the past few months by a group of SMSF accredited advisers who operate in the SMSF market,” said Mr Barnett. “This pilot, coupled with the in-depth research, due diligence and review process that was undertaken as part of the development of AXcess self-managed super, positions this service as a leader in the SMSF market and addresses the unmet needs of both advisers and clients.”

“AXcess self-managed super enhances AXA’s positioning as a leading provider of superannuation and retirement income solutions by extending our market reach to those individuals who seek a greater degree of control and flexibility,” explained Mr Barnett.

AXA will be launching its streamlined SMSF service from 20 February with a national roadshow and comprehensive workshops.

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Media enquiries: Mr. Joe Perri

Telephone: 0412 112 545