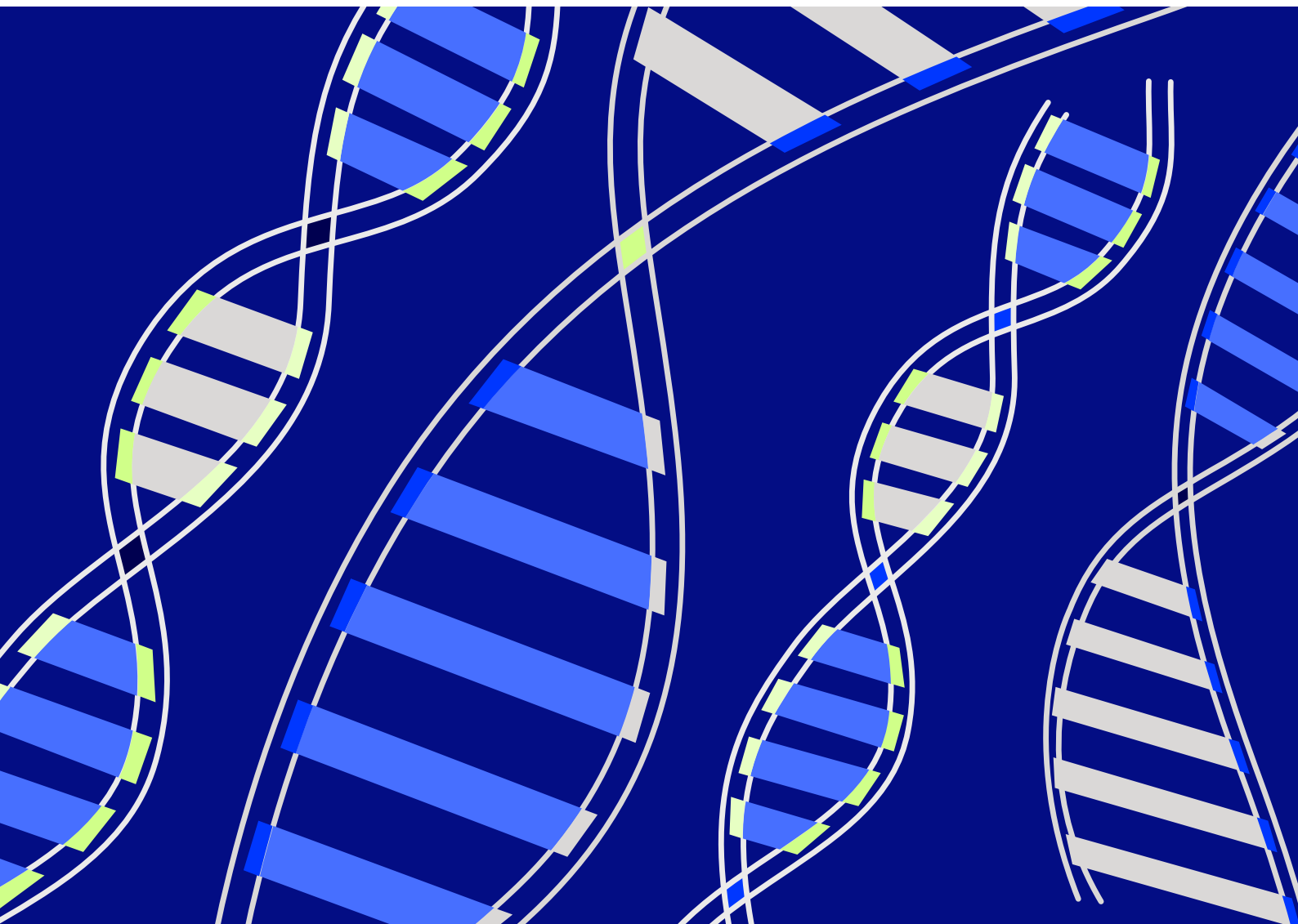
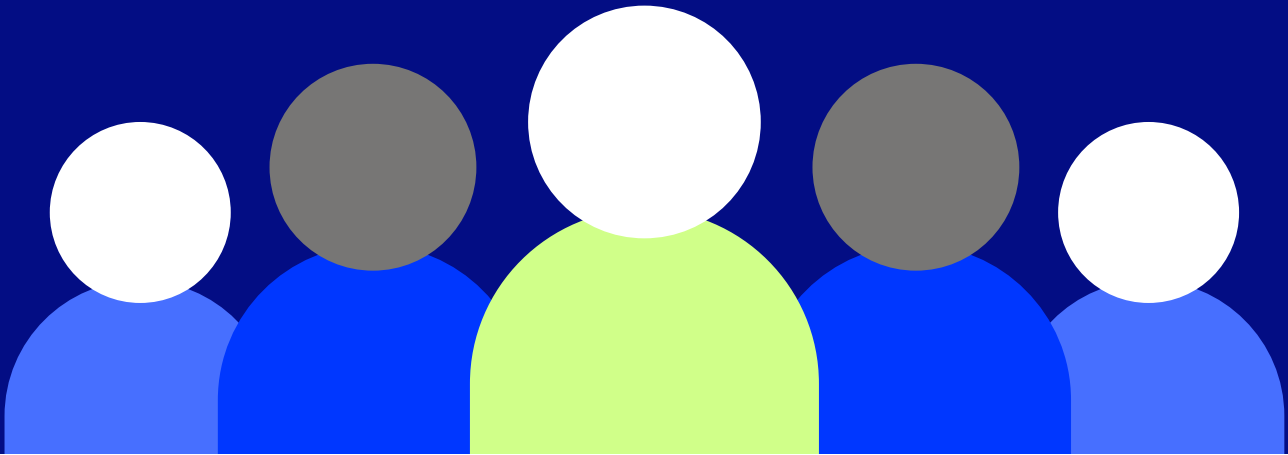


SMSFs Under Advice

A comparative analysis of advised and self-directed SMSF accounts

February 2025





In challenging trading conditions marked by geopolitics, the US election and interest rate uncertainty, advised SMSF accounts continued to thrive through 2024. Most negotiated this environment by maintaining a diverse mix of asset classes, securities and sectors, to once again display the hallmarks of professional investment advice.

AUSIEX is pleased to once again share the findings of our annual paper *SMSFs Under Advice*, a comparative analysis of the profile, trading activity and holdings of advised SMSF clients.

Despite concerns about the future of the wholesale investor test, the potential Division 296 superannuation tax, compliance requirements and cost of advice, SMSFs remain in favour with distinct groups of investors and advisers who value greater flexibility when it comes to growing and protecting wealth.

Recent data prepared by the Australian Taxation Office (ATO) shows that as at September 2024 there were almost 622,000 SMSFs comprising over 1.15 million members¹, up approximately 1.8% and 0.7% on September 2023 respectively.

In the 12 months to September 2024, the total asset value of SMSFs surged 16.4% to \$1.02 trillion. This represents approximately one quarter of the estimated \$4.1 trillion in the superannuation system, according to the latest statistics from the Australian Prudential Regulation Authority (APRA)².

Our annual data analysis focuses on a large sample of AUSIEX SMSF accounts and examines the profile of existing and new SMS trading accounts across advised and self-directed (non-advised) segments³ for the 2023 and 2024 calendar year period. The analysis also compares SMS trading account holdings in January 2025 with January 2024 and observes trading behaviours across asset classes, sectors and locally-listed securities.⁴

A year of continuity and contrast

Our previous analysis of 2023 data showed the number of new advised SMSF accounts had remained steady against the backdrop of the collapse of Silicon Valley Bank, the merger of Credit Suisse with UBS, and elevated inflation and conflict in Ukraine and Gaza – while self-directed SMSF account numbers had reversed.

In addition, after a surge in interest among younger generations during COVID-19, Baby Boomers returned to make up a stronger proportion of new SMSF accounts, and the gender ratio for new accounts increased to a 5-year high. Trading activity was subdued, with volumes and value declining, and fewer SMSF accounts trading overall.

¹ [SMSF Quarterly Statistical report September 2024](#)

² [APRA releases superannuation statistics for September 2024 | APRA](#)

³ Analysis is based on the profile of the primary account holder

⁴ Analysis includes trading and holdings of domestic equities (excludes direct international equities).

The year that was 2024 offered a mix of continuity and change. Geopolitical risks remained, with the conflicts in Gaza and Ukraine continuing, but a new set of challenges and opportunities emerged. The US federal election and AI-driven surge in enthusiasm for US tech stocks with the strong performance of the S&P/ASX200, while boosting returns overall, also stretched the

valuations of some major stocks (such as CBA).

Against this backdrop however, we saw advised SMSFs, the focus of this paper, growing in number, trading more actively, remaining diversified and exhibiting unique characteristics in terms of investment approaches and behaviours.

SMSF account numbers rise, retail rebounds

In contrast with the previous year, total SMSF trading accounts grew 1.52% in number from 2023 to 2024, mirroring the growth in SMSFs overall from the ATO's official data over this period⁵. This was driven largely by advised SMSFs (up 1.98%), while self-directed SMSFs also grew 0.92% over the year overall.

Also in contrast with 2023, newly-established SMSF trading accounts (across both advised and self-directed segments) grew a significant 14.5% year on year in number.

Advised SMSFs drove most of this new account growth in absolute numbers, rising 12.3% year on year, but it was also supported by a significant rebound in self-directed SMSFs from the prior year, up 19.8% following a 21.8% fall from 2022 to 2023.

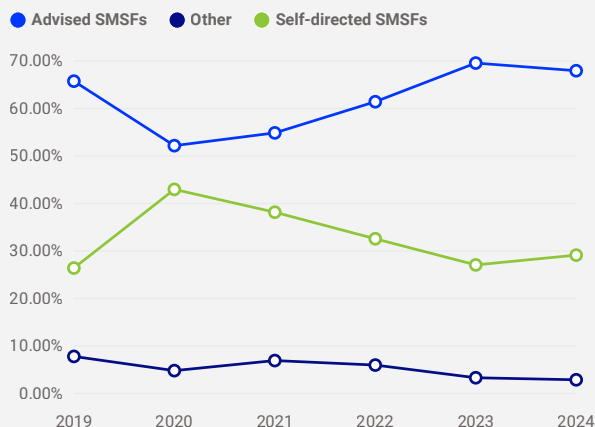
The increase in self-directed SMSFs in 2024 drove the retail share of total new AUSIEX accounts to just over 29% (figure 1), at the expense of advised SMSFs which fell from just under 70% to approximately 68%

of all new SMSF accounts. Historically however, this was well down on the COVID-19 peak of the over 40% share experienced in 2020. Looking at intra-year trends, the last seven months of the 2024 calendar year were significantly stronger than the preceding five months in terms of the rate of new SMSF account creation, appearing to coincide with stronger local share market performance.

Looking at the geographic profile of new SMSF accounts established in 2024 (figure 2), we again saw Victoria with the highest contribution of all states at just over 34% of new SMSF accounts from (up from 30% in 2023). New South Wales remained in second place while marginally increasing its share from just under to just over 25% of new SMSF accounts. Queensland also increased its share to just over 20% new SMSF accounts, with the increases in Victoria, New South Wales and Queensland coming at the expense of all other states and territories which saw year on year declines.

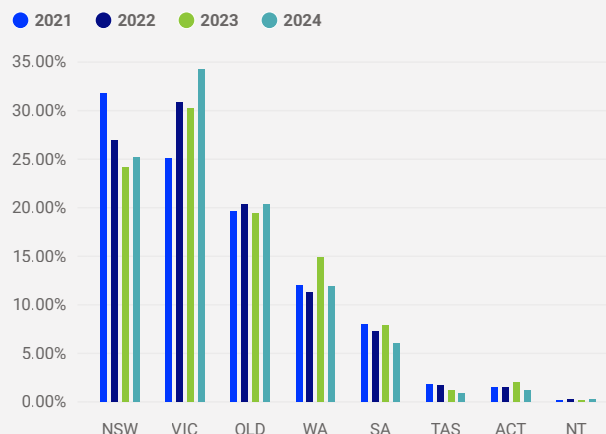
⁵ ATO Self-managed super fund quarterly statistical reports September 2023 to September 2024

Fig 1: New SMSF Accounts Created by Segment - Trend



Self-directed SMSF accounts rebounded from 2023 as a proportion of total new SMSF accounts established, with advised SMSFs slightly declining (Source: AUSIEX)

Fig 2: New SMSF Accounts Created by State - Year on Year

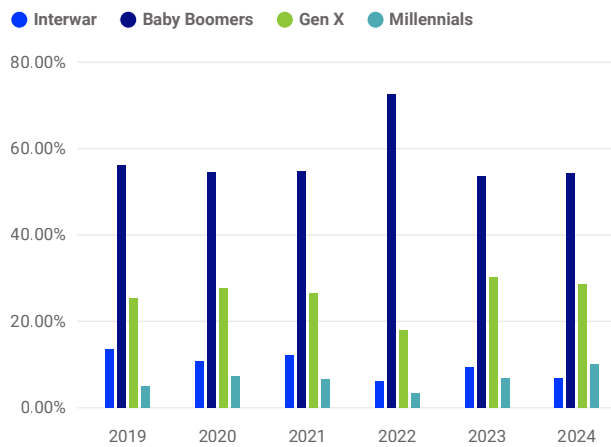


Victoria saw the largest year on year increase in terms of the proportional growth in SMSF accounts from 2023 to 2024, with all states (ex NSW and QLD) seeing declines. (Source: AUSIEX)

SMSF's 'gen next' taking the wheel

The prevailing narrative in recent years has been the emergence of Millennials and Generation X as a larger group among new SMSF trustees, and though there has been year to year volatility in the data from recent years, our data from 2024 (figure 3) shows this transition with a little more clarity.

Fig 3: New Advised SMSF Accounts by Generation (2019-2024)



Millennials saw a significant year on year increase in terms of their proportion of new advised SMSF accounts originated, while Boomer and Gen X maintained share. (Source: AUSIEX)

Baby Boomers continued to account for just over 50% of new SMSFs overall (both advised and self-directed) and increased in number by 10.5% year on year, but the Baby Boomer share of new SMSF accounts declined from almost 54% to 52.14%, while Generation X share increased from 30.3% to just over 31%.

The most significant movement overall came from Millennials, who increased their share of total new SMSF accounts from 6.7% to 9.8% year on year. This result appears to support the picture that this cohort are looking at SMSFs with greater interest, driven to some degree perhaps (as has been surmised recently by the CEO of SMSF service provider, Class, in comments relating to its Annual Benchmark Report on SMSFs⁶), by the ability of SMSFs to be used to invest in residential property which they may otherwise not be able to do outside the superannuation system.

⁶ 2024 Class Annual Benchmark Report

Fig 4: Year on year movement in proportion of new SMSF accounts - 2024 v 2023

| | Baby Boomer | Generation X | Interwar | Millennials | Total % Change |
|---------------------|-------------|--------------|----------|-------------|----------------|
| Advised SMSFs | -0.71% | -0.40% | -2.44% | 3.54% | 7.09% |
| Self-Directed SMSFs | -3.82% | 3.09% | -1.28% | 2.01% | 10.20% |

There were differences between in the year on year trends in share growth between generations, suggesting segments may be evolving in different ways and at different rates. (Source: AUSIEX)

In terms of advised SMSFs specifically, from the same data (figure 3) we also saw a broadly similar theme of 'transition' play out. Baby Boomers' share of new accounts marginally declined, and Millennial share increased significantly from 6.53% to just over 10%. Interestingly, however, the Generation X share of new accounts actually fell marginally in 2024.

While the overall directional trends in the changing profile of new SMSF accounts are broadly similar across segments, there is some divergence. On the self-directed side, Generation X increased its share of new accounts year on year, while it fell marginally year on year on the advised side.

When we look deeper at the degree to which the profile of new SMSF accounts is changing year on year for each generation (figure 4), we see that the difference in share of new accounts from 2023 to 2024 for advised Millennial SMSFs is notably higher for advised SMSFs than for self-directed SMSFs, suggesting that Millennials as a group are more quickly taking their place in the overall profile of advised SMSFs. The rate of growth in the overall proportion of new Generation X accounts year on year was also notably higher for self-directed SMSF accounts than for advised SMSFs (3.09% compared with -0.40%).

In addition, the difference in share from year to year for Baby Boomers amongst new advised SMSFs accounts was notably shallower (-0.71%) in comparison with self-directed SMSFs (-3.82%). In other words, they appear to be 'holding court' as the primary force making up new advised SMSFs. However, comparing both segments, another way to interpret this result is that the generational profile may be changing more rapidly (away from the Baby Boomers) in self-directed SMSFs than it is for advised SMSFs. Comparing the total degree of change for each segment across all generations appears to show this to be more generally true.

Gender ratio of new SMSF trading accounts retreats

Where the immediate post-COVID years of 2021 to 2023 saw an increase in interest in SMSFs among female investors⁷, our analysis showed the gender ratio for new SMSF accounts fell overall in 2024.

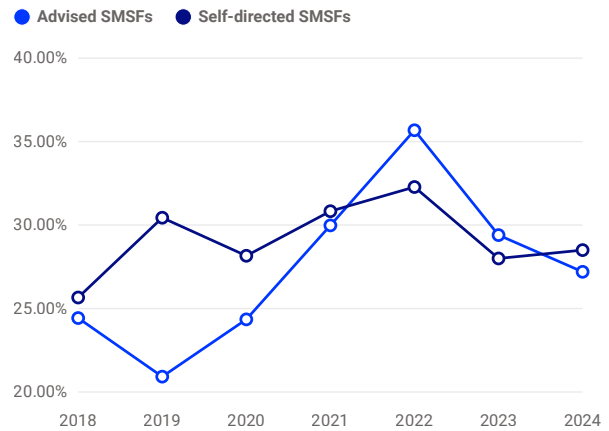
This was most pronounced among advised SMSFs (figure 5) which fell year on year (for the second consecutive year) from 29.4 to 26.8, while also falling from 28.00 to 27.6 for self-directed SMSFs.

Looking closely at the gender ratio of new advised SMSFs (figure 6), this result appears to have been driven primarily by steep declines among Millennials but more significantly Baby Boomers, which make up a large proportion of new accounts. In contrast, the gender ratio increased for new Generation X and Interwar SMSFs, where females made up 1 in 3 and almost 1 in 2 new SMSF accounts respectively.

Examining new self-directed SMSF trading accounts (figure 7), we see a similar result year on year, however there was a notably higher gender ratio for new Millennial self-directed accounts, and a significantly lower ratio for Interwar accounts.

It is challenging to offer any commentary on the

Fig 5: Gender Ratio Trend for New SMSF Accounts

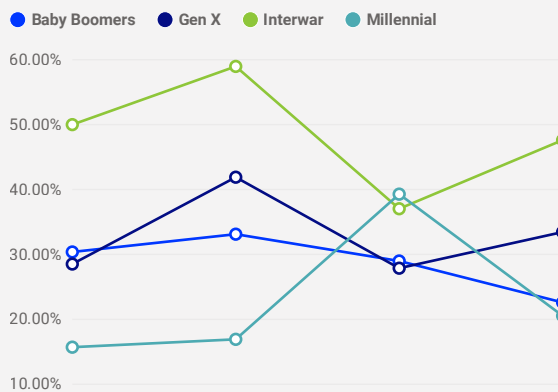


The gender ratio of new Advised SMSFs declined for the second consecutive year after peaking in 2022, while it remained steady for self-directed accounts. (Source: AUSIEX)

drivers of these results, but it is noteworthy that they appear to have moved against the general trend in the rise of female investors and should encourage SMSF advisers to consider how well they are positioned to take advantage of this opportunity.

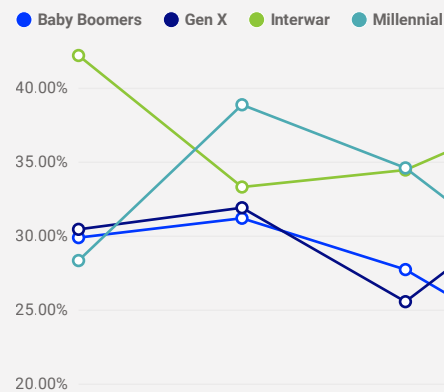
⁷ AUSIEX SMSFs Under Advice 2023.

Fig 6: Gender Ratio of New Advised SMSF Accounts by Generation



The gender ratio of new advised Gen X and Interwar SMSF accounts increase year on year, yet fell for Millennials and Baby Boomer SMS accounts. (Source: AUSIEX)

Fig 7: Gender Ratio of New Self-Directed SMSF Accounts by Generation



The gender ratio for Millennial self-directed SMSFs fell year on year, but is notably higher than for advised SMSF millennials. (Source: AUSIEX)

Emerging forces in new account growth

Considering both generation and gender together brings these trends into sharper focus.

In 2024, over 42.6% (figure 8) of total new SMSFs trading accounts (across both self-directed and advised segments) were accounted for by Boomer males, with the next-most prominent segment being Generation X males. These proportions were only slightly lower than in 2023. There was a notable decline in the proportion of new female Baby Boomer SMSFs from year to year, falling from 12.08% in 2023 to just under 9.5% in 2024.

Fig 8: New SMSF Accounts by Generation and Gender

| | Male | | Female | |
|--------------|--------|--------|--------|-------|
| | 2023 | 2024 | 2023 | 2024 |
| Baby Boomer | 42.69% | 42.64% | 12.08% | 9.48% |
| Generation X | 22.69% | 23.21% | 6.20% | 7.81% |
| Interwar | 7.02% | 4.77% | 2.69% | 2.15% |
| Millennial | 4.82% | 8.07% | 1.80% | 1.78% |

Generation X and Millennial males are making up a higher proportion of new SMSFs, driven by male account holders. (Source: AUSIEX)

Drilling down further to look at the segments (figure 9), starting with new self-directed SMSFs, perhaps unsurprisingly we saw an increase in

the proportion of new accounts by Generation X and Millennial males and females while the Baby Boomer and Interwar male and female cohorts fell – but it is the magnitude of the increases and decreases which is more telling. Although Generation X females only made up just less than 10% of new self-directed accounts, the year on year increase was approximately 35%, as it was for the Millennial male group.

In contrast, we see that the only groups to increase their share are Millennial males, Baby Boomer males and Generation X females, with all other groups declining year on year, most notably Generation X males.

Comparing both segments, all in all we appear to see that new advised SMSFs are more likely to be Baby Boomer (both males and females), but significantly less likely to be Generation X males in comparison with new self-directed SMSF accounts. We also see that self-directed Generation X and Millennial females are also growing as a proportion of all new SMSF accounts more quickly than they are on the advised side.

Fig 9: Profile Trend of New SMSF Accounts by Generation and Gender

| | | Advised SMSFs | | | Self-Directed SMSFs | | |
|--------------|--------|---------------|--------|--------|---------------------|--------|--------|
| | | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| Baby Boomers | Female | 14.03% | 12.08% | 11.68% | 10.44% | 11.04% | 8.25% |
| | Male | 42.01% | 42.69% | 45.28% | 33.28% | 39.79% | 38.77% |
| Generation X | Female | 7.48% | 6.20% | 6.86% | 8.48% | 6.88% | 9.30% |
| | Male | 18.79% | 22.69% | 20.03% | 27.08% | 26.88% | 27.54% |
| Interwar | Female | 4.00% | 2.69% | 2.10% | 3.10% | 2.08% | 1.93% |
| | Male | 7.14% | 7.02% | 4.55% | 9.46% | 6.04% | 4.91% |
| Millennial | Female | 0.94% | 1.80% | 1.70% | 2.28% | 1.88% | 1.93% |
| | Male | 5.61% | 4.82% | 7.81% | 5.87% | 5.42% | 7.37% |

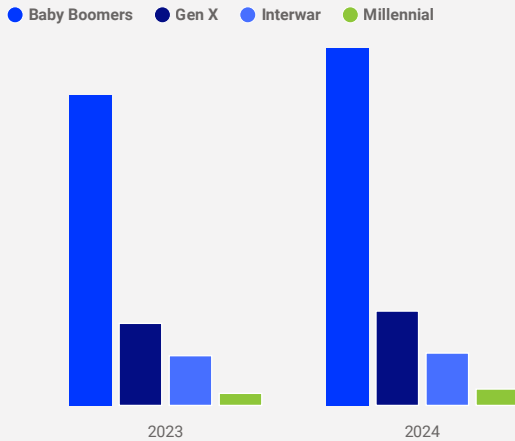
Advised SMSFs seize opportunities through active trading

Where trading activity in 2023 was relatively subdued in comparison with the prior year, advised SMSF investors took a more active approach in 2024.

Drawn to local and global markets by the solid performances of key indices (the S&P/ASX 200 finished 2024 up 11.2% and the S&P 500 and Nasdaq up 25% and 31% respectively⁸), the number

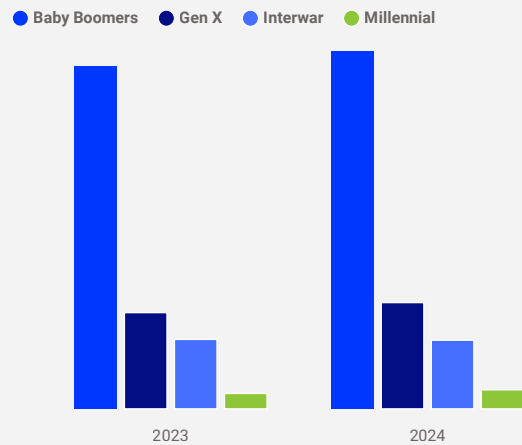
⁸ Motley Fool, December 2024

Fig 10: Advised SMSF Trades by Generation - 2024 v 2023



Advised Millennial SMSFs stepped up their trading in 2024, with Gen X and Boomer SMSF accounts making a greater number of portfolio adjustments relative to the prior year. (Source: AUSIEX)

Fig 11: Advised SMSF Accounts Traded Activity by Generation - 2024 v 2023



Advised Millennial SMSFs stepped up their trading in 2024, with Gen X and Boomer SMSF accounts making a greater number of portfolio adjustments relative to the prior year. (Source: AUSIEX)

of trades by SMSF accounts overall increased 7.52% year on year, while the number of SMSF accounts which traded increased 3.63%.

Taking a closer look, much of this increase was due to advised SMSF accounts stepping up their trading, (figure 10) placing 14.5% more trades in 2024 over the prior calendar year. In addition, the number of advised SMSF accounts which traded increased 5.36% year on year, suggesting this was a considerably broad-based change. The buy sell ratio (the percentage of buy trades of total trades) for 2024 also revealed advised SMSFs held a slight 'sell' preference (49% of trades were buys), where self-directed SMSFs had a net buy preference (55%) in 2024 overall.

Examining this buy sell ratio across segments for the generations generally considered to be in the 'accumulation' phase (essentially Generation X and Millennials) for a more direct comparison, we saw advised SMSF accounts with notably higher buy sell ratios than self-directed accounts, another likely indication of a greater willingness to actively take buying opportunities through uncertain market conditions.

In contrast, self-directed SMSFs overall placed only 1.57% more trades by number year on year and only 1.18% more accounts placed trades, showing a significantly different, arguably more passive, approach to market conditions (figure 11).

Examining the data by generation, while Baby Boomer and Generation X accounts both increased their trading volume year on year (by 15.05% and 19.95% respectively), it was the advised Millennial SMSF cohort which had the largest year on year increase in trades, with 23.82% more accounts placing 35.54% more trades (figure 10).

Focusing on the generation and gender profiles of SMSF traders in 2024, Generation X females were found to have lifted their activity the most, placing 28.54% more trades than the prior year (Generation X males placed 12.21% more trades).

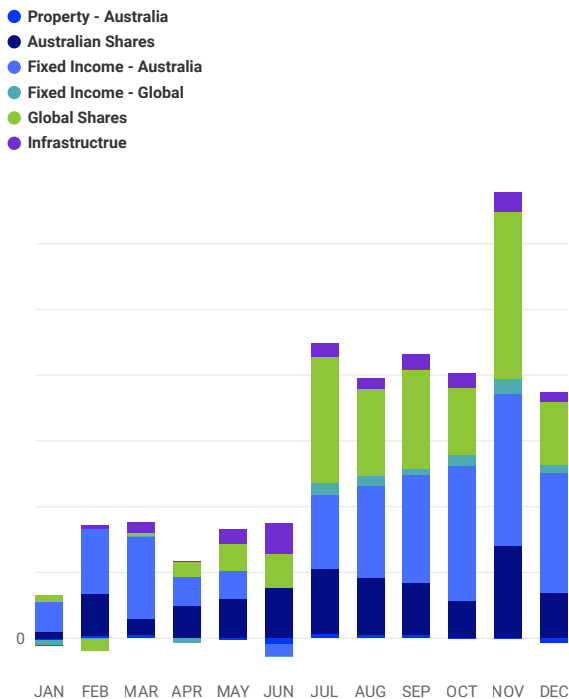
Fig 12: Top SMSFs Trades of 2024

| Advised SMSFs | | | Self-Directed SMSFs | | |
|---------------|----------|-------------------|---------------------|----------|-------------------|
| Security | Buy/Sell | % of Traded Value | Security | Buy/Sell | % of Traded Value |
| CBA | Sell | 3.99% | WBC | Sell | 3.89% |
| NAB | Sell | 2.11% | CBA | Sell | 2.93% |
| CBA | Buy | 1.89% | BHP | Buy | 2.77% |
| MQG | Sell | 1.81% | FMG | Buy | 2.75% |
| WES | Sell | 1.47% | BHP | Sell | 2.37% |
| WBC | Buy | 1.20% | WDS | Buy | 2.28% |
| BHP | Sell | 1.16% | FMG | Sell | 2.15% |
| ANZ | Sell | 1.14% | ANZ | Sell | 1.69% |
| VGS | Buy | 1.09% | NAB | Sell | 1.63% |
| NAB | Buy | 1.03% | WBC | Buy | 1.61% |

The selling down of CBA was a common trade across advised and self-directed SMSFs in 2024, but some accounts also saw buying opportunities (Source: AUSIEX).

Much of the trading activity took place in the second half of the year as a growing number of advised SMSF accounts traded, coinciding with the periods of strong market performance and the period prior to, during and post the US

Fig 13: 2024 Advised SMSF Monthly Net Traded Value 2024 - ETPs by Strategy



Advised SMSFs traded heavily into fixed income and global share ETFs on a net value basis (total buy value less total sell value) through the latter half of the 2024 calendar year (Source: AUSIEX, using AUSIEX ETP classifications).

federal election, as advisers appeared to actively reposition and rebalance client portfolios.

Much of the trading activity of advised SMSFs in 2024 centred around ASX20 securities (figure 12 (page 7) and appendix 6), with significant proportions of advised and self-directed SMSFs selling off Commonwealth Bank stock (CBA) as the price surged and valuations became more stretched. Appendix 4 shows the relative trading activity of the most traded securities (by number of trades) in 2024.

Examining the trading of exchange traded products (ETPs⁹) through 2024 (figure 13) provides us with some indication of the sentiment of advised SMSFs around particular exposures. Overall, we see consistent monthly in-flows into ETPs on a net traded value basis¹⁰, with significantly higher in-flows in the period July to December overall. There was significantly stronger interest in domestic fixed income ETPs and global shares ETPs (also see Appendix 5), particularly in November 2024 and coinciding with the US federal election, which seemed to act as a catalyst for advised SMSFs to focus their gaze on international exposures in search of growth.

In terms of trading activity by sectors, the most significant theme in 2024 was the selling down of financials, as investors watched all major bank stocks climb led by CBA and appeared to rotate out of materials stocks (Appendix 7).

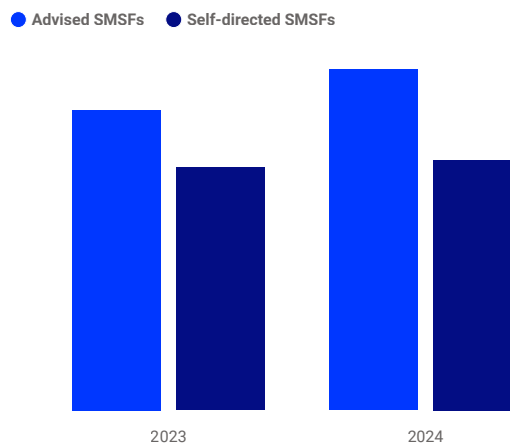
Solid market performance, global exposures drives SMSF holdings growth

With the strong growth of local and global markets in 2024 it is perhaps not surprising that total advised SMSF holdings rose significantly, up 8.8% at 1 January 2025 versus 1 January 2024.

However, when we break down this result, we see that the increase was quite disproportionate, driven largely by advised SMSFs where total holdings started 2025 13.47% up on the preceding January, while self-directed SMSF holdings were only 3.05% higher (figure 14).

Looking at intra-year trends, we saw much of the growth in the value of advised SMSF accounts occurring from July to November

Fig 14: SMSF Holdings Growth by Segment - Year on Year



Advised SMSF account holdings were 13.47% higher at the end of December 2024 than the same time the prior year, while self-directed SMSFs were just over 3% higher. (Source: AUSIEX)

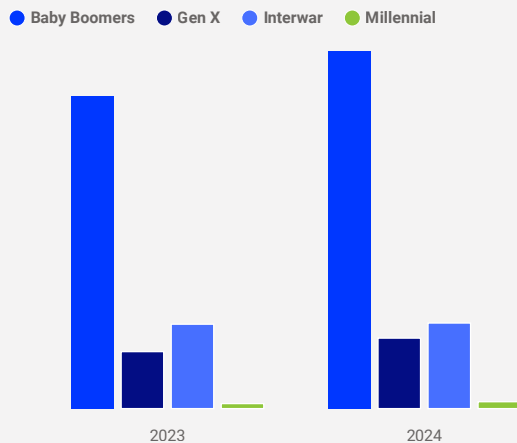
⁹ Comprising passive and active exchange traded funds
¹⁰ Calculated as total buy traded value less sell trade value.

2024 in line with strong market performance.

Concerning the drivers of holdings growth by segment and generation (figure 15), we also notice significant growth in the value of advised millennial SMSF accounts (up 36.89% from 1 January 2024 from a lower base), with Generation

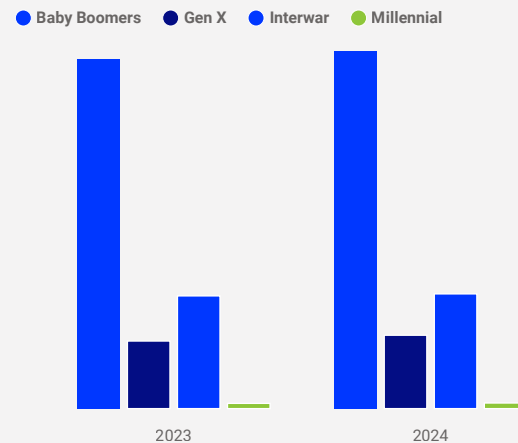
X and Baby Boomer accounts up 23.67% and 14.45% respectively. By contrast, on the self-directed side (figure 16) we saw Generation X with the strongest increase in holdings among self-directed SMSF investors (up 8.58%), followed by Millennials (6.54%) and Baby Boomers (2.23%).

Fig 15: Advised SMSF Holdings by Generation - Jan 2025



Millennial advised SMSFs saw the most significant year on year growth in holdings value followed by advised Generation X SMSF accounts. (Source: AUSIEX)

Fig 16: Self-Directed SMSF Holdings by Generation - Jan 2025



Millennial advised SMSFs saw the most significant proportional year on year increase, followed by advised Generation X SMSF accounts. (Source: AUSIEX)

Diversification remains a hallmark of advised SMSFs

Strong diversification across asset classes and sectors continues to be a hallmark of advised SMSF accounts.

Examining the holdings of advised SMSFs accounts by asset type in January 2025 (figure 17), we find a strong allocation to passive ETFs, accounting for almost a third (32.68%) of total portfolio value, with direct equities just over 50%. Self-directed SMSFs were more concentrated in their asset preferences, with direct equities making up over 86% of total portfolio value and ETFs just over 8.4%.

Advised SMSFs are more likely than self-directed SMSF to have holdings in hybrids, active ETFs, LICs, LITs and AREITs than self-directed SMSFs.

The confirmed phasing out of bank hybrids following APRA's announcement¹¹ in December 2024 may disproportionately impact SMSFs,

Fig 17: Portfolio Comparison - Jan 2024 v Jan 2025

| Asset Type | Advised SMSFs | | Self Directed SMSFs | |
|------------------|---------------|--------|---------------------|--------|
| | Jan-24 | Jan-25 | Jan-24 | Jan-25 |
| Equities | 56.22% | 50.91% | 86.36% | 85.17% |
| ETF | 26.47% | 32.68% | 6.79% | 8.46% |
| Hybrid | 6.75% | 5.77% | 2.08% | 1.79% |
| ETMF | 4.98% | 5.63% | 0.76% | 0.86% |
| LIC/LIT/AREIT | 5.35% | 4.89% | 3.68% | 3.46% |
| Other | 0.13% | 0.11% | 0.12% | 0.18% |
| Options | 0.02% | 0.00% | 0.02% | 0.01% |
| Warrants (Calls) | 0.01% | 0.00% | 0.02% | 0.00% |
| Fixed Interest | 0.08% | 0.01% | 0.15% | 0.08% |
| Warrants (Puts) | 0.00% | 0.00% | 0.00% | 0.00% |

Advised SMSFs show a significantly stronger preferences for ETFs and ETMFs and continued to allocate towards them over direct equities and other listed structures, while self-directed SMSFs also allocated more in 2024 than the prior year. (Source: AUSIEX)

¹¹ APRA to phase out AT1 as eligible bank capital | APRA

and what they are replaced with is an area which will continue to attract significant industry attention going forward into 2025 and beyond.

The ETF holdings¹² of advised SMSFs also showed a stronger preference for international exposures (57% of ETF holdings value) in comparison to that of self-directed SMSFs (54.34%).

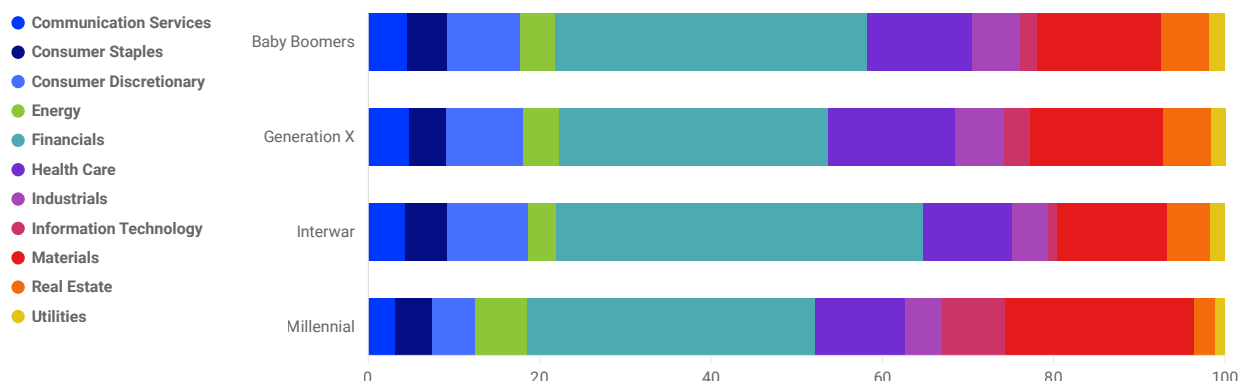
Advised SMSFs are more diversified across sectors. From figure 12 we can see self-directed SMSF portfolios generally more concentrated in financials and materials stocks, while advised SMSFs have higher allocations to other sectors, most notably consumer staples, consumer discretionary, health care and industrials. Self-directed SMSFs were more likely to prefer information technology stocks in comparison.

There were noticeable differences in sector diversification across generations as well (figure 18).

Interwar-generation SMSFs allocated the most of any generation to financials (self-directed Interwar SMSFs more than advised). Advised Generation X SMSFs allocated significantly more to healthcare stocks than their self-directed counterparts and less to industrials. Millennial SMSFs showed significant differences, with advised Millennial SMSFs allocating significantly more than their self-directed SMSF counterparts to healthcare, industrials, real estate and consumer discretionary stocks.

Of the accounts analysed in January 2025, we found advised SMSFs to be more diversified in terms of the number of unique securities held. Advised SMSF accounts held 15 securities on average, in comparison to 12 for self-directed SMSFs. In addition, it was we also found that the largest holding in advised SMSF accounts (on aggregate) accounted for 29% of portfolio value, yet it was 44% for self-directed SMSFs.

Fig 18: SMSF Direct Equity Portfolio Sector Allocations



Each generation of Advised SMSF accounts had clear preferences in terms of their sector allocations (Source: AUSIEX 2025, using AUSIEX classifications data)

The onward march of ETFs in SMSF portfolios

The surging interest in passive ETFs by SMSF accounts, which has been observed in our previous analyses from 2022 and 2023, continued into 2024.

Comparing January 2024 and 2023 portfolios (figure 17, page 9), our data shows advised SMSFs increased their allocations to ETFs from 26.47% of total portfolio value to 32.6% (it was 22.23% in January 2022). This was also noted in self-directed SMSF accounts, increasing

from 6.79% to 8.46% over the same period.

In terms of ETF strategies (figure 19), advised SMSFs were weighted mostly to global strategy ETFs (ETFs with a more specific strategy as opposed to broad index tracking ETFs), broad Australian equity ETFs and Australian fixed income ETFs.

In contrast, self-directed SMSFs favoured broad Australian equity ETFs, US-focused ETFs and global strategy ETFs.

¹² Australian-domiciled ETFs traded on local exchanges

Fig 19: SMSF ETF Holdings by Strategy

| Advised SMSFs | | Non-SMSF Self-Directed Accounts | | Self-Directed SMSFs | |
|----------------------------------|---------------|----------------------------------|---------------|----------------------------------|---------------|
| Strategy | % of Holdings | Strategy | % of Holdings | Strategy | % of Holdings |
| Equity - Global Strategy | 18.74% | Equity - Global | 11.23% | Equity - Global Strategy | 12.29% |
| Equity - Australia | 14.62% | Equity - Australia | 27.46% | Equity - Australia | 24.63% |
| Fixed Income - Australian Dollar | 14.43% | Equity - Australia Strategy | 7.98% | Equity - Australia Strategy | 8.66% |
| Equity - Global | 11.72% | Equity - USA | 19.21% | Equity - USA | 18.40% |
| Equity - USA | 9.31% | Equity - Global Strategy | 10.33% | Equity - Global | 11.34% |
| Equity - Australia Strategy | 6.87% | Equity - Global Sectors | 5.28% | Equity - Global Sectors | 6.57% |
| Equity - Global Sectors | 4.91% | Mixed Asset | 4.11% | Fixed Income - Australian Dollar | 4.43% |
| Property - Australia | 4.05% | Fixed Income - Australian Dollar | 3.84% | Cash | 2.37% |
| Fixed Income - Global | 2.36% | Property - Australia | 1.50% | Equity - Asia | 2.22% |
| Mixed Asset | 1.82% | Cash | 1.47% | Property - Australia | 1.78% |

Advised SMSFs showed a slight preference for domestic markets in their ETF portfolio strategies and were more diversified across strategies, with fixed income allocations notably higher relative to self-directed SMSFs. (Source: AUSIEX)

Fig 20: Top International ETPs by Holdings Value (February 2025)

| Advised SMSFs | Self-Directed SMSFs | Advised Non-SMSFs |
|---------------|---------------------|-------------------|
| VGS | IVV | VGS |
| IVV | NDQ | IVV |
| QUAL | VGS | QUAL |
| IOO | VTS | IOO |
| MGOC | IOO | MGOC |
| VGAD | MGOC | VGAD |
| VTS | VEU | VTS |
| VEU | QUAL | IFRA |
| IFRA | VGAD | VEU |
| NDQ | HACK | ETHI |

Advised SMSFs appeared to show a stronger interest in more diversified international ETFs, while self-directed SMSFs sought more focused exposure to the US market. (Source: AUSIEX)

Looking closely at the international ETF holdings of SMSF accounts specifically (figure 20), advised SMSFs appeared in general to prefer broader exposures across multiple markets, while self-directed SMSFs sought more concentrated exposure to the US market, dominated of course by the 'magnificent 7' technology stocks.

It is difficult to provide any general explanation for this ongoing upward trend in allocation to ETFs from the raw numbers alone considering the sheer diversity of SMSF investors, however it would seem the cost-effective diversification benefits, transparency, relative liquidity, tax efficiency and the flexibility of ETFs in providing easier access to more targeted exposures may be resonating particularly strongly with these longer-term investors.

Crypto, Thematics & ESG ETFs finding roles in advised SMSF portfolios

The US election appeared to provide a springboard for a general surge in interest in cryptocurrency assets, as the price of Bitcoin surged from \$67,000 on 5 November to \$98,000 on 23 November, according to cryptocurrency price website CoinGecko (it is currently over \$97,000 US Dollar as at 6 February 2025).

This general enthusiasm saw traded value in cryptocurrency ETFs (spot price) and crypto-infrastructure ETFs together more than double (218%) across all SMSF accounts in the final

quarter of the 2024 calendar year (figure 21, page 12). The rapid price growth in Bitcoin also contributed to holdings surging by over 420% in advised and 380% in self-directed SMSF portfolios, albeit from a low base.

Similarly, thematic ETFs also appear to also be taking their place in SMSF portfolios (figure 22, page 12). From comparing January 2024 with 2025, the number of advised SMSF accounts holding thematic ETFs focused on current and emerging trends was up 13.15% for advised SMSFs and

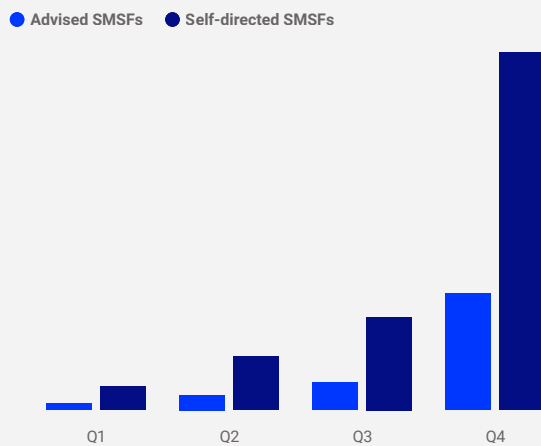
15.7% for self-directed SMSFs. Global healthcare, cybersecurity and battery technology were among the top themes across both segments (figure 23).

Our analysis (figure 24) also showed holdings value of ETPs with various claimed 'ESG' characteristics¹³ (such as 'sustainability' and 'ethical' factors) within SMSF portfolios continuing to grow from a low base comparing January 2024 to the prior year, up 16.84% and 22.85% for advised and self-directed SMSFs

respectively. Advised SMSFs appeared to find ESG characteristics more attractive, allocating 2.66% of their total ETP portfolio value and 0.86% of total portfolio value to ESG ETPs, compared to only 2.01% and 0.16% for self-directed SMSFs respectively. Two of the top 10 international ETFs for advised SMSFs (ranked 6th and 10th respectively) were 'ESG' ETFs, these being BetaShares Global Sustainability Leaders ETF (ETHI) and Vanguard's Ethically Conscious International Shares Index ETF (VESG).

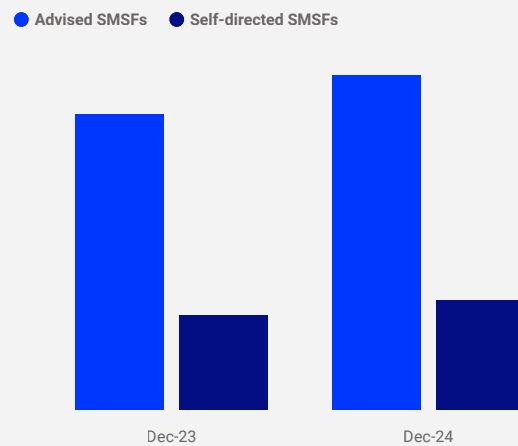
¹³ Derived from AUSIEX classifications based on available public information from product issuers.

Fig 21: SMSF Crypto ETF Holdings Trend 2024



Both advised and self-directed SMSFs saw increased holdings in crypto-focused ETFs though 2024 and the September quarter in particular. (Source: AUSIEX)

Fig 22: Thematic ETF holdings



Holdings in thematic ETFs were significantly higher at the end of December 2024 than the prior year for both advised and self-directed SMSFs. (Source: AUSIEX)

Fig 23: Advised SMSF Top 5 Thematic ETP Themes by % of Holdings

| Advised SMSFs | Self Directed SMSFs |
|------------------------------|---------------------|
| Global Healthcare | Cybersecurity |
| Cybersecurity | Global Healthcare |
| Battery Technology & Lithium | Cryptocurrency |
| Global Disruption | Asia Technology |
| Asia Technology | Battery Technology |

Top Thematic ETP themes Source: AUSIEX, using AUSIEX classifications' at end of caption.

Fig 24: Advised SMSFs v Self-Directed SMSFs - ESG ETF Holdings (Jan 2025)

| | % of Holdings | % of Accounts Holding | % of ETF Portfolio Value |
|---------------|---------------|-----------------------|--------------------------|
| Advised | 0.86% | 6.51% | 2.66% |
| Self-Directed | 0.16% | 1.71% | 2.01% |

Advised SMSFs show stronger interest in ETFs with ESG characteristics in comparison to self-directed SMSFs. (Source: AUSIEX)

2025 and beyond

As we look ahead into the 2025 calendar year, a looming federal election, threatened trade tariffs, potential rate cuts and a record high S&P/ASXASX200 mean that SMSF advisers and trustees have much to grapple with.

However, our analysis continues to paint a picture of advised SMSFs as well-diversified, active, agile and forward-looking investors, well-positioned to navigate challenging conditions and grow their wealth.

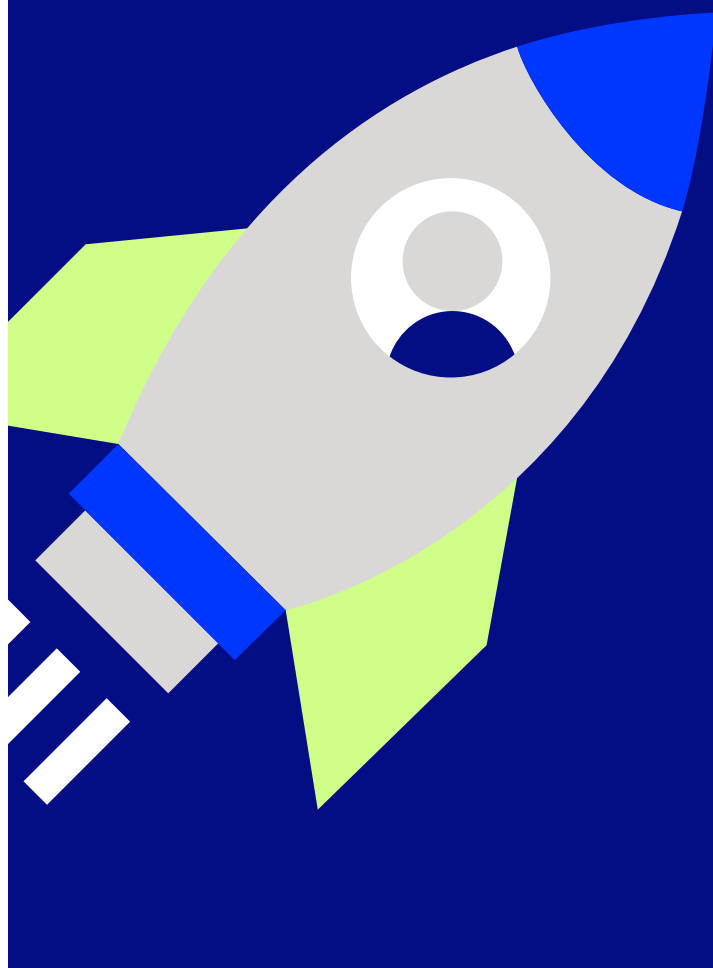
But these latest findings do provide some food for thought.

The rebound in self-directed SMSFs may point to a longer term resurgence of non-advised SMSFs, and serve as a general reminder to advisers of the continual need to ensure their value proposition is well known and understood. This is also important when considering the year on year fall in the proportion of new advised Generation X accounts, when the broader trend (and that on the self-directed side) is towards this generation growing in terms of its significance as a controller of overall wealth in the system.

It appears from our data that the generational profile of new self-directed SMSFs may be changing more rapidly than it is for advised accounts. This does raise the question as to why, and whether SMSF advisory firms are seizing the opportunities of this intergenerational transition in equal measure to self-directed SMSF providers.

Additionally, the year on year decline in the gender ratio of new advised SMSF accounts may also be cause to question whether more can be done to address the specific needs of this growing cohort of investors given their growing significance as custodians of wealth more generally. Further, the year on year decline (for the second consecutive year) in the gender ratio of new accounts run by Baby Boomer females may also indicate the opportunity presented by the general rise of female investors may not be being fully grasped. We explored aspects of this in our 2024 paper Preparing for Intergenerational Wealth Transfer¹⁴.

The rise and rise of passive ETFs, strongly favoured by advised SMSFs in comparison with



self-directed (and non-SMSF) investors, also points to the need for SMSF advisers to remain informed about the rapidly-evolving ETF product market place generally, but also more specifically international, thematic, crypto and ESG ETFs, which this analysis shows are being increasingly utilised in portfolios. At a more practical level, having the technical knowledge, skills and technology to ensure precise ETF execution may need to become a priority considering the growing significance of these securities to longer-term investors.

We hope this analysis helps bring the changing profile of today's SMSFs and their investment behaviours into clearer view to assist advisers and trustees of this vital pillar of Australia's retirement system to continue to grow and protect wealth.

For more information about AUSIEX trading and technology solutions for SMSFs, please visit www.ausdex.com.au.

¹⁴ [2024-ausdex-intergenerational-wealth-transfer-rgb.pdf](https://www.ausdex.com.au/2024-ausdex-intergenerational-wealth-transfer-rgb.pdf)

Appendix

Appendix 1: % Holdings by Asset Class - Advised v Self-Directed

| | Year | Equities | ETFs | Hybrids | ETMFs | AREITs/LICs/LITs | Other |
|---------------|------|----------|--------|---------|-------|------------------|-------|
| Advised | 2024 | 50.99% | 32.55% | 5.80% | 5.57% | 4.91% | 0.18% |
| | 2023 | 57.34% | 25.34% | 6.61% | 4.86% | 5.35% | 0.50% |
| | 2022 | 56.93% | 22.23% | 6.37% | 5.10% | 8.92% | 0.45% |
| Self-Directed | 2024 | 85.08% | 8.37% | 1.81% | 0.92% | 3.49% | 0.33% |
| | 2023 | 86.53% | 6.58% | 2.07% | 0.77% | 3.63% | 0.42% |
| | 2022 | 84.51% | 5.78% | 2.02% | 0.74% | 6.59% | 0.36% |

Advised SMSFs are more diversified across asset classes in comparison with their self-directed counterparts and diversification away from ordinary domestic equities continued in favour of ETFs. (Source Data: AUSIEX, Feb 2022).

Appendix 2: Top 10 ETP Security Holdings by Value

| Advised SMSFs | | Self-Directed SMSFs | |
|---------------|---------------|---------------------|---------------|
| Security Code | % of Holdings | Security Code | % of Holdings |
| VGS | 5.03% | VAS | 13.41% |
| VAS | 4.37% | IVV | 6.47% |
| IVV | 3.99% | STW | 6.05% |
| QUAL | 3.89% | NDQ | 5.90% |
| IOO | 3.65% | VGS | 5.57% |
| VAP | 3.05% | VTS | 4.82% |
| MVW | 2.95% | VHY | 4.10% |
| VGAD | 2.88% | IOO | 3.00% |
| VHY | 2.85% | AAA | 2.04% |
| MGOC | 2.74% | MGOC | 1.86% |

Advised SMSFs show interest in a greater number of variety of ETPs and strategies in comparison with self-directed SMSFs. (Source: AUSIEX)

Appendix 3: Crypto ETF Holdings in SMSF Accounts

| | Advised SMSFs | Self-Directed SMSFs |
|------------------------------|---------------|---------------------|
| Allocation % | 0.018% | 0.081% |
| % of Total Accounts Holdings | 0.41% | 0.85% |

Self-directed SMSFs appear to have slightly stronger preference for Crypto ETFs than advised SMSFs, but both are cautious. (Source: AUSIEX)

Appendix 4: Top Traded Stocks - Advised SMSFs 2024

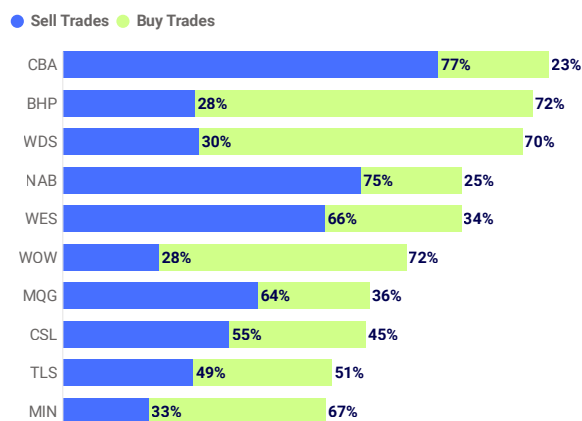
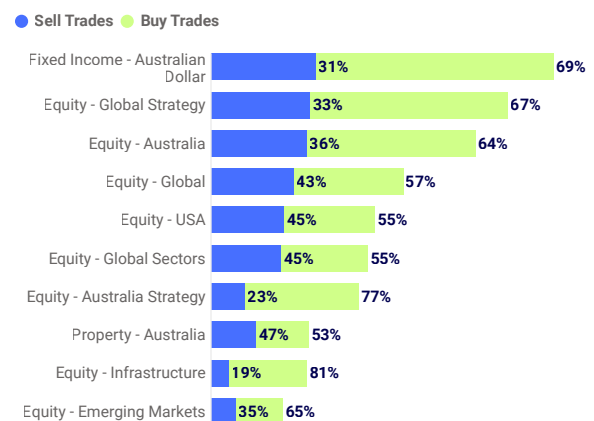


Figure 31 shows the top trades (by number of trades) by Advised SMSFs in 2024. (Source: AUSIEX)

Appendix 5: Advised SMSF ETF Trading Strategies 2024



Advised SMSFs had a strong appetite for fixed income, global strategy and Australian equity ETFs through 2024 (by number of trades). (Source: AUSIEX, using AUSIEX classifications.)

Appendix 6: Top Trades 2024 (Number of Trades) - Advised and Self Directed SMSFs

| Advised SMSFs | Buy | | Sell | |
|---------------|---------------------|---------------|---------------------|---------------|
| | Self-Directed SMSFs | Advised SMSFs | Self-Directed SMSFs | Advised SMSFs |
| BHP | FMG | CBA | WBC | |
| WDS | WDS | NAB | FMG | |
| WOW | BHP | WES | CBA | |
| APA | WBC | MQG | BHP | |
| MIN | PLS | WBC | WDS | |
| XRO | MIN | ANZ | NAB | |
| TLS | RIO | CSL | ANZ | |
| WES | ANZ | RMD | PLS | |
| CSL | BOE | GMG | MQG | |
| VGS | TLS | WDS | BOE | |

Appendix 7: SMSF Domestic Equities Sector Allocations

| | Advised SMSF | | Self-Directed SMSF | |
|------------------------|--------------|--------|--------------------|--------|
| | Jan-24 | Jan-25 | Jan-24 | Jan-25 |
| Financials | 34.21% | 36.62% | 35.82% | 39.40% |
| Materials | 17.11% | 14.42% | 20.68% | 18.71% |
| Health Care | 12.24% | 12.08% | 7.68% | 8.19% |
| Other | 10.72% | 7.99% | 10.60% | 5.56% |
| Consumer Staple | 8.04% | 4.50% | 6.16% | 3.66% |
| Energy | 5.26% | 4.08% | 6.68% | 5.33% |
| Communication Service | 3.41% | 4.46% | 3.17% | 4.20% |
| Consumer Discretionary | 2.95% | 8.61% | 3.43% | 7.91% |
| Industrials | 2.90% | 3.76% | 2.34% | 3.17% |
| Information Technology | 2.47% | 1.83% | 2.87% | 2.56% |
| Utilities | 0.56% | 1.00% | 0.48% | 1.06% |
| Real Estate | 0.13% | 0.63% | 0.09% | 0.23% |

Advised SMSFs were overweight on healthcare and consumer staples in comparison with Self-directed SMSFs. (Source: AUSIEX) Note: Based on available AUSIEX classifications.

Appendix 8: Top 20 Domestic Equity Holdings - January 2025

| Advised SMSFs | | | Self-Directed SMSFs | | |
|---------------|---------------|-----------------------|---------------------|---------------|-----------------------|
| Security Code | % of Holdings | % of Accounts Holding | Security Code | % of Holdings | % of Accounts Holding |
| CBA | 5.38% | 32.51% | CBA | 8.70% | 59.90% |
| NAB | 3.38% | 34.66% | WBC | 7.77% | 39.95% |
| WBC | 3.20% | 36.00% | NAB | 5.37% | 29.17% |
| BHP | 2.96% | 40.02% | BHP | 4.26% | 35.42% |
| WES | 2.92% | 31.28% | ANZ | 4.12% | 28.73% |
| CSL | 2.68% | 28.39% | WES | 3.73% | 22.39% |
| ANZ | 2.47% | 32.61% | MQG | 3.04% | 12.93% |
| MQG | 2.17% | 20.67% | CSL | 2.49% | 14.11% |
| VGS | 1.88% | 15.87% | WDS | 2.36% | 37.08% |
| VAS | 1.67% | 11.56% | TLS | 2.28% | 29.29% |
| IVV | 1.49% | 9.70% | RIO | 1.66% | 13.69% |
| QUAL | 1.47% | 12.90% | FMG | 1.56% | 15.18% |
| TLS | 1.43% | 30.64% | VAS | 1.21% | 5.81% |
| IOO | 1.35% | 9.22% | WOW | 1.20% | 18.38% |
| WDS | 1.32% | 35.21% | COL | 0.89% | 17.06% |
| VAP | 1.13% | 17.04% | PME | 0.73% | 1.96% |
| MVW | 1.12% | 12.37% | AFI | 0.73% | 4.91% |
| VHY | 1.09% | 9.13% | SUN | 0.68% | 7.21% |
| VGAD | 1.08% | 8.43% | STO | 0.67% | 11.70% |
| MGOC | 1.01% | 9.44% | IVV | 0.59% | 3.41% |

Advised SMSF holdings were more diversified across securities and showed a greater preference for holding ETFs (Source: AUSIEX).

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