

News bytes



Liquidnet appoints Oz sales manager

Trading network Liquidnet has appointed a sales and relationship manager in Australia to manage the growing demand for the company's pool of liquidity to source and execute block trades.

As Liquidnet sales and relationship manager, Tristan Baldwin will report to head of Liquidnet Australia James Chatfield.

Baldwin has 15 years of sales experience and has worked at Deutsche Bank, UBS and, most recently, Instinet.

The appointment follows consecutive record-breaking quarters for Liquidnet Asia Pacific, with over \$5 billion traded across ten markets in the region during the March and June quarters.

For the June 2013 quarter, Liquidnet Australia's average daily liquidity pool was \$2 billion, and average trade size was \$1.5 million.

AUI launches non-aligned platform

Australian Unity Investments (AUI) has partnered with newly-created Federation Alliance to launch a non-aligned investment platform.

The Federation Managed Accounts platform offers access to a range of investment options and provides investment administration including consolidated reporting, tax management and online content management.

The platform will provide managed fund, wrap and model portfolio capabilities as well as separate platforms for superannuation, non-superannuation and corporate superannuation.

Platform investors can also apply for shares in Federation Alliance, which was recently formed by industry experts John Morrison, Stephen Reed, Jan Morrison and John Grainger.

Shares representing a 90% interest in Federation Alliance will be offered to investors, based on their usage of the platform and the remaining 10% indirectly shared between the Federation Alliance key principals and Australian Unity.

The platform will be administered by Linear Asset Management, an established provider of platform and administration services to the financial services industry.

Wealthtrac steps up SMSF campaign

Platform provider Wealthtrac has appointed a self-managed superannuation fund (SMSF) sales specialist to develop its business in the potentially lucrative, but hard-to-access DIY super market.

As business development manager – SMSF, James Macken will be responsible for the online SMSF administration service Wealthtrac SMSF platform.

Macken's most recent position was at Bendigo and Adelaide Bank where he was responsible for offering SMSF solutions to accountants and financial advisers. He has also worked at BT Funds Management and Perpetual Funds Management.

"The growth in SMSFs over the past decade has been phenomenal," Wealthtrac chief executive Matthew Johnson said. **FS**

Coin acquisition drives Rubik profit

Mark Smith

Financial software provider Rubik attributed its return to profit in 2013 to its acquisition of financial planning software manufacturer Coin.

Rubik reported a net profit after tax of \$857,000 for the 12 months to 30 June, reversing a loss of \$790,000 in 2012.

After adjusting for a one-off transaction and transition costs relating to acquisitions and the one off profit on divestment of Shelf Companies Australia, the underlying NPAT increased to \$3.03 million.

The wealth segment, which includes Rubik's advice software and services, contributed revenues of \$12.6m and EBITDA (earnings before interest, tax, deductions and amortisation) of \$6.5m for the year as a result of the acquisitions

of Coin and Provisio.

Corporate and shared services, which supports the hosting infrastructure and corporate costs required to support the banking and wealth segments costs, increased to \$3.7 million from \$2.8 million in 2012 as a consequence of the increase in size and complexity of the enlarged business.

Rubik attributed just over \$1 million per annum of this cost to the direct and third party cost of its hosting infrastructure.

Turning to its outlook for next year, Rubik director Andrew Moffat said the company expects to achieve a material increase in underlying operating EBITDA to at least \$8 million, driven by the full year ownership of Coin and Provisio. **FS**



The numbers

\$857k

Rubik's net profit after tax

Xpress Super adds direct property

James Fernyhough

Self-managed superannuation fund (SMSF) platform provider Xpress Super has added direct property to its suite of investments.

The new option will allow SMSF trustees to access limited recourse borrowing arrangements (LRBAs) through two lenders, St George Bank and Macquarie Bank. Xpress Super will provide the tax and accounting components of these investments.

Xpress Super chief executive Olivia Long said there would be no stipulations on the type of property investment.

"Direct property investment is an option that's very popular with the self-directed investors as they understand the nature of direct property ownership," Long said.

"With ongoing equity market uncertainty, trustees are looking for assets that are perceived to offer reliable income and longer term capital growth.

"This is reflected in recent ATO figures that indicate direct property in SMSF is a growing asset sector, up from 10.7% in June 2006 to 14.7% as at March 2013. According to the ATO property

values grew over this period by 230% to more than \$73 billion – a higher growth rate than any other asset class."

These figures differ markedly from research by Investment Trends. According to the latter, in April 2013 SMSFs had 13% of their investments in property – including direct investments, REITs and LPTs. The research shows a steady fall in SMSF allocation to property since 2007, when the figure was 26%.

Access to the Xpress Super's direct property service comes as part of the complete SMSF service for \$799 a year. It includes access to cash with Commonwealth Bank, online trading with CommSec, compliance, term deposits with Australian Money Market, separately managed accounts with Macquarie's Personal Portfolio, and insurance with Australian Group Insurances Australia Limited.

Xpress Super is the low-cost offering of SuperGuardian Pty Ltd, whose more expensive, varied platform goes by the name SuperGuardian. Together, around 2,000 SMSF trustees use the two platforms. **FS**

Australia outstrips US in online trading take-up

Australia's adoption of online share trading platforms is outstripping the US and UK, according to a recent Investment Trends report.

More than 530,000 Australians placed at least one share trade in the 12 months to June 2013, equating to 3.2% of the population. The figure compares to a 2.4% adoption rate in the US and just 1.4% in the UK.

Of the six countries included in the study, only Singapore had a higher adoption rate with 4.7% of the population placing trades over the period.

The number of online share traders in Australia fell 4% from 550,000 in the 12 months to June 2012.

The number of frequent traders – those placing more than four trades per month – was steady at 40,000, for the first time in the history of the study after a continuous decline from Jun 2009 to Dec 2012.

Investment Trends said 34,000 new investors placed their first online share trade in the six months to June 2013 – the largest number since the inception of the study.

The five largest online brokers by number of primary client relationships were CommSec (51%), E*TRADE (17%), Westpac Online Investing (7%), nabtrade (5%) and CMC Markets Stockbroking (4%). **FS**