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## Platforms closing innovation gap

### Cost savings and efficiency gains sought

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Fri 06 May 2011

Australia's investment platforms are offering more innovation as financial planners scramble for cost savings and other efficiency gains ahead of upcoming reforms, the 2010 Investment Trends Platform Report has shown.

"The arms race between platforms intensified in 2010, with a range of providers developing significant new functionality," Investment Trends analyst Recep Peker said.

The independent financial services researcher's 2010 report on investment platforms covers 440 key aspects of each platform.

"I would say investment platforms have been at least as innovative as they have been in past years - if not more so," Peker said.

The platforms aim to support planners who want to deliver a rapid business response to the federal government's proposed Future of Financial Advice (FOFA) reforms, set to take effect from 1 July 2013.

"We are likely to see rapid development continue as platforms move to address new planner needs arising from the FOFA reforms," Peker said.

According to the report, platforms focused on setting up sophisticated model platforms that could be linked to clients in bulk, broadening the range of investment types included in the models, and supporting bulk rebalancing of model portfolios.

Peker said Investment Trends' research had seen portfolio management tools as a gap in platforms' offering.

"But in 2010 providers moved to close that gap," he said.

"Tools like these allow planners to manage multiple client portfolios very effectively. They are especially important given the FoFA reforms, with our research showing that around half of planners intend to look for platform cost savings in the future," Peker said.

MLC Wrap and Navigator led the pack for a second straight year in terms of overall functions, followed by Colonial First State's Firstwrap and the privately owned

netwealth.

The product's improvements include a broad range of adviser fee options and its My Client Leads function, which Investment Trends called "a super relationship-management tool".

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