CLASS

2025 Annual Benchmark Report

Built to last: Continued growth in a mature SMSF sector

September 2025

Simplify. Automate. Connect.

Table of contents

Foreword from the SMSF Association

Peter Burgess
Chief Executive Officer,
SMSF Association

Self Managed Super Fund Association

The continued growth and evolution of the self-managed super fund (SMSF) sector presents significant opportunities for advisers with the right expertise. As the sector becomes more complex and sophisticated, so too does the need for high-quality, specialist advice.

The 2025 Class Annual Benchmark Report highlights the ongoing expansion of the SMSF sector, driven by strong member engagement and a growing appetite for tailored financial strategies—particularly among older Australians planning for a secure retirement.

Encouragingly, the report shows that advisers with deep SMSF knowledge are well placed to support this growing demand, offering valuable guidance in areas such as tax efficiency, estate planning, and compliance.

At the same time, the report reinforces the importance of removing the barriers that continue to limit access to advice—including adviser shortages, cost pressures, and ongoing regulatory uncertainty. These challenges remain central to the Association's advocacy agenda.

Now in its fifth year, the report provides vital insights that help practitioners stay informed and better understand the shifting landscape of SMSFs. We commend Class for its continued investment in evidence-based research and for making this valuable data available to the wider industry.

Welcome and CEO update

Tim Steele

Chief Executive Officer,
Class Pty Limited

Welcome to the Class Annual Benchmark Report for 2025.

I'm pleased to share this year's insights drawn from more than 180,000 SMSFs on Class. The analysis is based on anonymised data from funds utilising Class Super for administration, enabling us to identify emerging trends and highlight opportunities for SMSF professionals.

Amid ongoing legislative and macroeconomic uncertainty, the SMSF sector continued to grow as more Australians look for solutions that will enable them to have a secure retirement. Total assets reached $1.05 trillion in FY25 and average member balances on Class rose 4.3% to just under $1 million per member. The average SMSF balance on Class is now $1.9 million.

Longevity of funds remains a defining feature. The average SMSF on Class has been established for 15.6 years, and around two-thirds have been established for more than a decade. When funds wind up, the average age from establishment is 16.8 years with an average balance of $781,000. The data indicates that SMSFs are delivering as a solution to enable Australians to work towards their retirement objectives.

As the sector continues to grow, so do the opportunities for SMSF professionals to support the needs of members and trustees. On Class, the share of funds receiving advice rose to 26.8% in FY24, from 26.0% in FY23. In contrast, the number of non-advised SMSFs industry-wide increased to about 483,000 in 2024, while adviser numbers fell to 15,477. The demand for advice is increasing, with 34.0% of non-advised trustees industry-wide indicating they plan to seek advice, up from 25.0% in 2023. By leveraging technology to scale and create efficiencies, there is an opportunity for SMSF professionals to service the needs of more clients.[1,2]

For members likely to be affected by the proposed Division 296, early conversations on liquidity and tax planning will be critical. Although not yet legislated, if Division 296 had applied in FY24, the average liability for affected members on Class would have been about $51,700. For Class SMSFs with at least one affected member, 6.7% of funds did not hold sufficient cash or term deposits inside the SMSF to meet the liability, up from 5.0% in FY23. Notably, just over one in three affected funds held direct property, which can be challenging to liquidate quickly.[3]

Direct property remains popular on Class, with 29.8% of all SMSFs having an allocation to direct property and total holdings of approximately $74.0 billion. In FY25, fund exposure eased slightly, with asset allocation declining by 1.1 percentage points and popularity down by 0.9 percentage points, signalling some trustees may be reducing holdings ahead of potential Division 296 changes.

[1] *New SMSF trustees propel uptake of financial advice, but $1 trillion sector still has significant advice gaps, Vanguard, published on 28/05/25, https://www.vanguard.com.au/corporate/media-centre/2025/new-smsf-trustees-propel-uptake-of-financial-advice-but-sector-still-has-advice-gaps*

[2] *Advice analysis is based on FY24 Class general ledger data as most complete dataset available*

[3] *Class Benchmark Division 296 analysis is based on Class tax return data – latest available information is FY24*

Welcome and CEO update

In FY24, funds holding residential property had average total assets of about $1.4 million with the property component averaging $749,000; and commercial property was typically held in larger balance funds, with average total assets of about $3.0 million and the property component averaging $1.2 million. Consequently, residential holdings tend to make up a bigger share of smaller funds, around half of total assets, while commercial exposure in larger funds is closer to one-third, which has implications for diversification and liquidity.[4]

SMSF members often take action early as retirement nears. On Class, those aged 60 to 64 were more than twice as likely as APRA fund members to start a Transition to Retirement Income Stream (TRIS) or move into a Retirement Phase Income Stream (RPIS) in FY24. For advisers, there is an opportunity to guide members through TRIS and RPIS to maximise tax savings and improve outcomes.

Consistent with FY23, SMSF members are more active in transitioning to, and remaining in, pension phase. In FY24, 93.0% of Class SMSF members aged 65 and over were in pension phase, compared with 49.2% in APRA funds, indicating APRA-regulated funds still have work to do to engage members and meet the intent of the Retirement Income Covenant (RIC).[5] [6]

SMSFs offer families flexibility and control when it matters most—especially during the vulnerable period following a member's death. About three in ten deceased members had a reversionary pension processed from a Class SMSF across FY22 to FY24, allowing payments to start immediately, and where a new death-benefit pension was needed, roughly two in five commenced within 30 days of death. Lump sums take longer, with the median wait time improving to 162 days in FY24, from 196 days in FY22.

For context, ASIC's review of ten large APRA funds in March this year found most death benefit claims were still unresolved after 90 days. While Class SMSFs are generally prompt in making initial death benefit payments, the full settlement of death benefits can take longer, with a median completion time of 196 days for deaths occurring in FY22.[7] [8]

This report presents several key findings, which are discussed further by our expert contributors who provide additional analysis and perspectives on their implications for members, trustees, and SMSF professionals. I would like to acknowledge and thank all of the contributors to this report.

To our clients and partners: thank you for your ongoing support. On behalf of the team at Class, we hope you find the insights in this report both informative and actionable, helping you to grow your business and provide outstanding service to your clients in the year ahead.

[4] *Average property value and LRBA analysis is based on Class tax return data – latest available information is FY24*

[5] *Class and APRA TRIS and RPIS analysis is based on FY24 as latest available data set*

[6] *Class Benchmark data for Members over 65 who are purely in pension phase is FY24 to compare against latest available APRA data which is FY24*

[7] *FY22 data provides the most reliable analysis, as enough time has passed for most death benefits to be fully processed*

[8] *Super industry hit with long list of actions in landmark death benefit claims handling report, ASIC, published 31/03/25, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-049mr-super-industry-hit-with-long-list-of-actions-in-landmark-death-benefit-claims-handling-report/*

Key SMSF industry insights

1. SMSFs going the distance

The modern SMSF was established in 1999, to allow small businesses and the self-employed to establish and manage their own superannuation accounts. On average SMSFs administered on Class have been established for 15.6 years in FY25, with around two-thirds in place for more than a decade. When funds are closed, it is typically much later in the journey, with an average wind-up age of 16.8 years and an average balance of $781,000. Together with average fund balances of about $1.9 million and average member balances of $990,000 in FY25, the data indicates that SMSFs are delivering outcomes for trustees and members over the long term.[9]

For SMSF professionals, there is an opportunity to deliver a service model for SMSF trustees through their lifecycle, including proactive deed reviews, guidance through TRIS and RPIS and the transition from accumulation to retirement, timely ongoing compliance, and early preparation for eventual wind-up.

15.6 years

Average length of time Class SMSFs have been established (FY25)

16.8 years

Average Class SMSF age at windup (FY25)

66.5%

Share of Class SMSFs established for over 10 years on average (FY25)

7.1%

Share of Class SMSFs wound-up that closed within 5-years establishment (FY24[10])

2. Opportunities for advisers as SMSF numbers grow

With the SMSF sector continuing to grow, there is increasing demand for professional financial advice. On Class, the share of funds receiving advice rose to 26.8% in FY24, up from 26.0% in FY23. Across the industry, the number of non-advised SMSFs increased to about 483,000 in 2024, while adviser numbers fell by 145 to 15,477.[11]

Encouragingly, demand for advice is increasing industry-wide, with 34% of non-advised SMSF trustees indicating they plan to seek advice (up from 25% in 2023), representing about 164,000 funds.[12] [13]

As demand builds and capacity continues to be limited there is an opportunity for SMSF professionals to leverage technology to increase productivity and support more clients preparing for retirement.

26.8%

Class SMSFs receiving advice (FY24)

483,000

Industry-wide non-advised SMSFs 2024

34%

Industry-wide non-advised SMSF trustees planning to seek advice

[9] *Superannuation in Australia: a timeline, APRA, n.d., https://www.apra.gov.au/superannuation-australia-a-timeline*

[10] *Wind-up age distribution analysis is based on FY24 as latest available dataset*

[11] *New SMSF trustees propel uptake of financial advice, but $1 trillion sector still has significant advice, Vanguard, published 28/05/25, https://www.vanguard.com.au/corporate/media-centre/2025/new-smsf-trustees-propel-uptake-of-financial-advice-but-sector-still-has-advice-gaps*

[12] *Advice analysis is based on FY24 Class general ledger data as most complete dataset available*

[13] *New SMSF trustees propel uptake of financial advice, but $1 trillion sector still has significant advice, Vanguard, published 28/05/25, https://www.vanguard.com.au/corporate/media-centre/2025/new-smsf-trustees-propel-uptake-of-financial-advice-but-sector-still-has-advice-gaps*

Key SMSF industry insights

3. Proposed Division 296: assessing impacts and liquidity requirements

Although Division 296 hasn't been legislated at the time of writing this report, Class Benchmark data indicates an average liability of about $51,700 per impacted member, with a total potential impact of $940.9 million across 18,198 Class members in FY24. At the fund level, just over one in three affected SMSFs held direct property, which can be challenging to unwind quickly, and 6.7% did not hold enough cash or term deposits inside the fund to meet the liability.[14]

Together, these results point to the need to identify potentially affected members, keep asset valuations and records current, and plan liquidity options early – particularly where property is involved.[15]

$940.9m
Total modelled Division 296 liability (FY24)

$51,702
Average liability per affected member in (FY24)

6.7%
Affected funds with insufficient cash/liquidity to pay (FY24)

35.2%
Affected funds holding direct property (FY24)

[14] *Pressure to axe tax on unrealised super gains and index $3m threshold, AFR, published on 05/09/25 by Phillip Coorey, https://www.afr.com/politics/federal/pressure-to-axe-tax-on-unrealised-super-gains-and-index-3m-threshold-20250905-p5msm9*

[15] *Division 296 tax modelling is based on Class tax return data – latest available information is FY24*

[16] *Average property value and LRBA analysis is based on Class tax return data – latest available information is FY24*

$1.4m
Average fund balance where residential property is held (FY24)

$3.0m
Average fund balance where commercial property is held (FY24)

$749k
Average residential property value among invested funds (FY24)

$1.2m
Average commercial property value among invested funds (FY24)

4. Direct property remains popular: proposed Division 296 prompts closer review

Direct property remains a popular asset for SMSFs on Class, with 29.8% of SMSFs holding it and total holdings of approximately $74.0 billion. In FY25, fund exposure decreased slightly, with asset allocation down 1.1 percentage points and the share of funds holding property down 0.9 percentage points, suggesting some trustees may be reducing allocations ahead of potential Division 296 changes.

In FY24, funds holding residential property had average total assets of about $1.4 million with the property component averaging $749,000; commercial property was typically held in larger balance funds, with average total assets of about $3.0 million and the property component averaging $1.2 million. Consequently, residential holdings tend to make up a bigger share of smaller funds, around half of total assets, while commercial exposure in larger funds is closer to one-third. Borrowing is also concentrated in residential assets, with about 92% of LRBAs tied to residential property.[16]

This concentration in lower-balance funds can affect diversification and liquidity, so keeping valuations and property documentation current will help with planning.

Key SMSF industry insights

5. SMSF members maximising tax savings as they transition to retirement

Class SMSF members continue to show higher engagement in transitioning from accumulation to retirement income streams than members in APRA funds. Members aged 60–64 in SMSFs are 2.3 times more likely to commence a Transition to Retirement Income Stream (TRIS) or Retirement Phase Income Stream (RPIS) than members of APRA-regulated funds in FY24.[17 18]

This trend has held even three years after the introduction of the Retirement Income Covenant. Notably, 93.0% of Class SMSF members over 65 are already in retirement phase, compared to 49.2% of APRA fund members. SMSFs also tend to hold higher balances at this stage, reinforcing the value of timely retirement strategies. By guiding members through to retirement phase, SMSF professionals can help maximise tax savings and retirement income, ensuring the full benefits available under superannuation rules are captured.

2.3x

SMSF members aged 60–64 more likely to use TRIS or RPIS than APRA members FY24

93.0%

Proportion of Class SMSF members aged 65+ in pension phase in FY24

49.2%

Proportion of APRA fund members aged 65+ in pension phase in FY24

6. SMSF death benefits: where flexibility and control pay off

SMSFs offer families flexibility and control when it matters most, especially during the vulnerable period following a member's death. About three in ten deceased members had a reversionary pension processed from a Class SMSF across FY22 to FY24, this enabled their death benefits to flow seamlessly as continuous income streams to the nominated beneficiaries without interruption. Where a new death-benefit pension was required, close to two in five commenced within 30 days of death. Lump sums take longer, with the median wait for the first lump-sum payment improving to 162 days in FY24, down from 196 days in FY22.[19]

Initial death benefit payments are only part of the story, because finalising a death benefit can take longer. For deaths in FY22, the median time for a Class SMSF to fully settle the benefit was 196 days. For context, ASIC's 2025 review of ten large APRA funds found most death-benefit claims were still unresolved after 90 days. The message is clear: SMSFs trustees can control death benefit outcomes and move promptly when arrangements are set up early, particularly with reversionary pensions, although completion of the full process often takes significantly longer.[20]

30.0%

Percentage of deceased members with a reversionary pension across FY22-FY24

>40%

Percentage of death benefit pensions started within 30 days of a member's death across FY22-FY24

2x

Number of reversionary pensions vs death benefit pensions in FY22

[17] *Class and APRA TRIS and RPIS analysis is based on FY24 as latest available dataset*

[18] *Annual Superannuation Bulletin June 2015 to June 2024 - Superannuation Entities, APRA, published 30/01/25, https://www.apra.gov.au/annual-superannuation-bulletin*

[19] *FY22 is used, as most death benefits are now finalised, providing the most reliable period for full payment analysis*

[20] *Super industry hit with long list of actions in landmark death benefit claims handling report, ASIC, published 31/03/25, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-049mr-super-industry-hit-with-long-list-of-actions-in-landmark-death-benefit-claims-handling-report/*

With thanks to our industry experts

At Class, we're committed to collaborating with industry leaders and our clients to grow the SMSF sector. We'd like to thank our industry experts who have contributed to this report.

Each contributor has focused on one key insight to provide their perspective on what this means for financial professionals, their clients, and the broader industry. The opinions and views expressed by our industry experts are their own.

Melanie Dunn
Principal and Senior Actuary, Accurium

Shelley Banton
Head of Technical, ASF Audits

Neil Sparks
Associate Partner, Findex

Meg Heffron
Managing Director, Heffron

Angus Moore
Executive Manager, Economics, PropTrack

Mat Kerr
Head of Client Advisory and Analytics, PropTrack

Ciara Conway
General Manager, Super, Stake

Our methodology

The Annual Benchmark Report analyses anonymised, aggregated data from SMSFs on the Class Super platform. This dataset serves as a representative sample of the broader Australian SMSF market. No individual trustees, members, funds, or their associated financial services or administration providers can be identified in this analysis. From the sampled customer data, only active and unrestricted funds are analysed. Active funds are those that were active at the time of data sampling with opening balances as at the effective date. Restricted funds are those where clients have opted to exclude their data from benchmarking analysis.

All individual asset investment balances are included for all active funds, except where investment holdings have a market value at the effective date of $50 million or more. These exceptionally large balances are excluded as outliers.

Here is how we treated the remaining dataset:

- A fund investment balance is defined as the total of all investment balances for that fund.
- SMSFs are included in counts if they were active at the effective date, and if the absolute value of the investment balance at the effective date was at least $1.
- Members are counted where the related fund is counted, and where the member was active at the effective date.
- Average and median concessional, non-concessional, catch-up concessional and downsizer contribution values are derived from the subset of non-zero values within the population.
- Individual member balances are included if the member is counted, even if the member balance is zero. Note that the sum of all member balances in the dataset may not equal the sum of all investment balances, due to the timing of transaction processing and running period updates.
- A fund balance is calculated as the total of all counted member balances for that fund. As per the note above, this may be different from the fund's investment balance in the sample dataset.
- Pensions are counted in the data if there is a counted member balance of type 'pension'.
- Pensioners are counted if the related member has a pension.
- 'Mixed' phase is only where there is at least one member that is entirely in the 'accumulation' phase, and at least one member that has some of their balance in the 'pension' phase.
- Securities are grouped by security issue code in each fund, i.e. multiple investment balances of the same security are counted as one.
- The super gender gap expressed in percentage is defined as averaged male balance for a particular financial year (FY) less average female balance for a particular FY, the net amount then divided by average male balance for the same FY.
- When gender is listed as 'other' or not stated according to ATO specifications, it is proportionately allocated into the 'male' and 'female' categories for historical comparison, as the sample size is presently not statistically significant.
- Division 296 tax liability estimates are based on FY24 SMSF annual return data. Past tax estimates do not accurately reflect future tax liabilities.
- The process of the fund expense analysis involved aggregating both deductible and non-deductible components, with expenses sourced from SMSF annual returns lodged through Class. Instances where the reported amount was nil have been deliberately omitted from the calculation of both average and median values.
- This report primarily uses current Financial Year (FY) data (as at 30 June) where available and reliable. However, because many funds' current-year financial statements are not yet finalised or audited and annual returns have not yet been lodged, we use previous FY data for certain metrics, particularly contributions, to ensure completeness. Where comparisons are made with the Australian Taxation Office (ATO), Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC) statistics, we reference previous FY (or earlier periods) to align with the timing of official publications.
- "Funds in transit" are newly established SMSFs that are less than 6 months old with balances under $50,000. These funds are deliberately excluded from the asset value distribution analysis, as their current balances are not reflective of their true position as they are typically awaiting large rollovers or contributions.

CLASS

The state of the SMSF industry

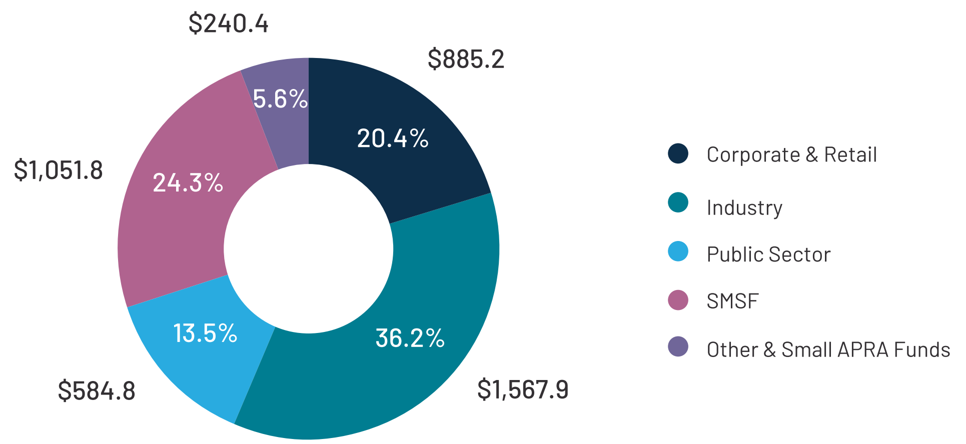
Size of the super industry

The Australian superannuation industry continued to grow in FY25, bolstered by another increase in the superannuation guarantee on 1 July 2024 from 11.0% to 11.5%. With total industry assets now at $4.3 trillion, SMSFs remain a crucial component of Australia's retirement landscape, representing 24.3% of all superannuation assets with $1.05 trillion under management.[21]

Key statistics for the superannuation industry as at 30 June 2025
(Source: APRA Quarterly Superannuation Statistics)

	Jun-24 ($ billion)	Jun-25 ($ billion)	Change
Total superannuation assets	$3,943.0	$4,330.1	9.8%
Total APRA-regulated assets	$2,721.4	$3,039.5	11.7%
Other	**$224.6**	$238.8	6.3%
Total self-managed super fund assets	**$997.0**	**$1,051.8**	**5.5%**
No. of SMSFs	**614,613**	**653,062**	**6.3%**

Total assets by superannuation entity fund type June quarter 2025 ($ billion)



[21] *Quarterly superannuation performance statistics - December 2004 to June 2025, APRA, published 27 August 2025, https://www.apra.gov.au/quarterly-superannuation-statistics.*

Key statistics from Class

There were 199,007 SMSFs and 368,613 SMSF members on Class as at 30 June 2025. For the purposes of this report, Class measures Benchmark data across 189,046 SMSFs and 352,483 SMSF members.[22]

1.9

Average number of members per fund (no change in FY25)

121

Average number of SMSFs per business (+3.4% in FY25)

$351.5bn

Total value of net assets administered on Class Super (+7.9% in FY25) across 189,046 SMSFs (+4.0% in FY25) and 352,483 SMSF members (+3.4% in FY25).

$1.9m

Average SMSF balance (+3.9% in FY25) with average assets per member balance of $997,728 (+4.3% in FY25)

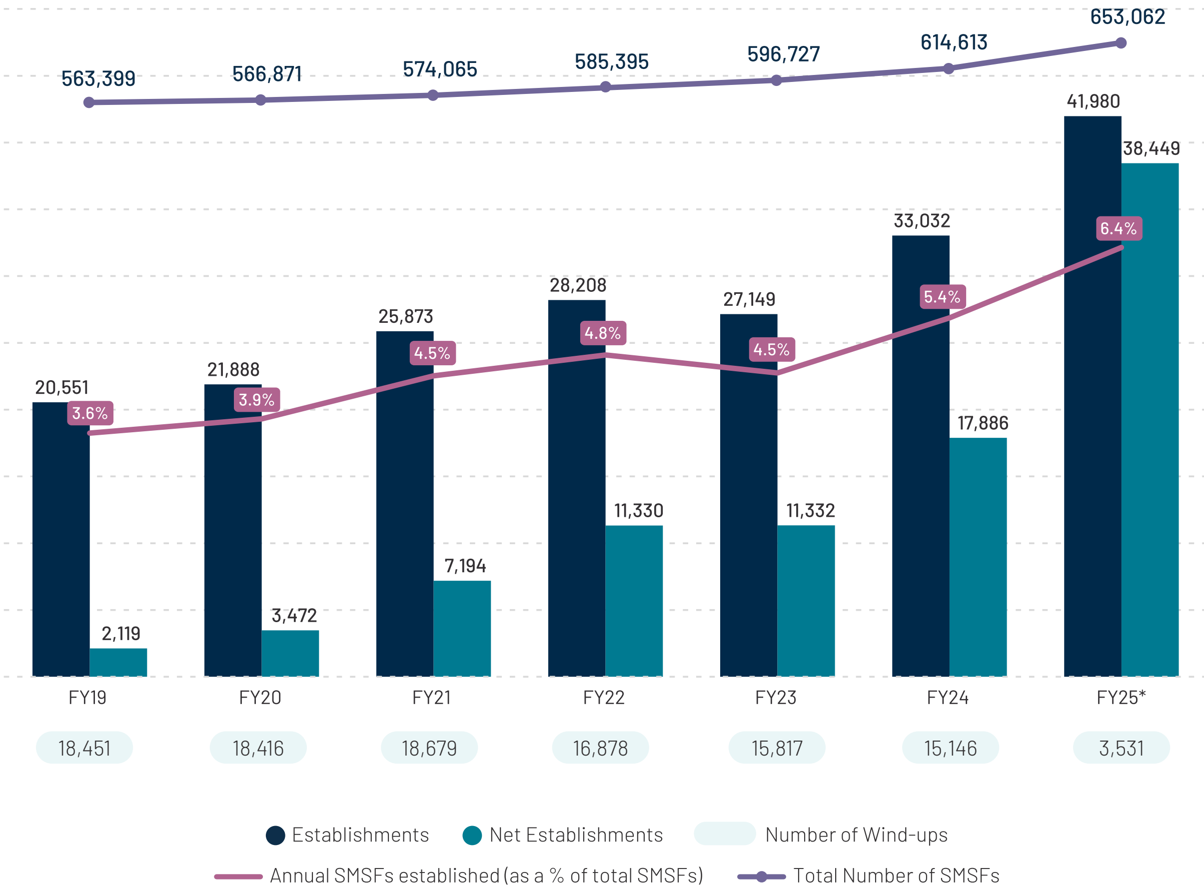
[22] *SMSFs with zero assets and SMSFs that requested to be excluded were removed from the total SMSF count for Benchmark reporting purposes.*

Establishments and wind-ups

SMSF establishments grew strongly in FY25, with total funds increasing by 6.4% (41,980 new funds) to reach 653,062. This marked the highest gross fund establishment rate since 2017. Simultaneously, fund wind-ups continued their downward trajectory since FY21, further strengthening the sector's expansion momentum.[23]

Number of SMSFs established

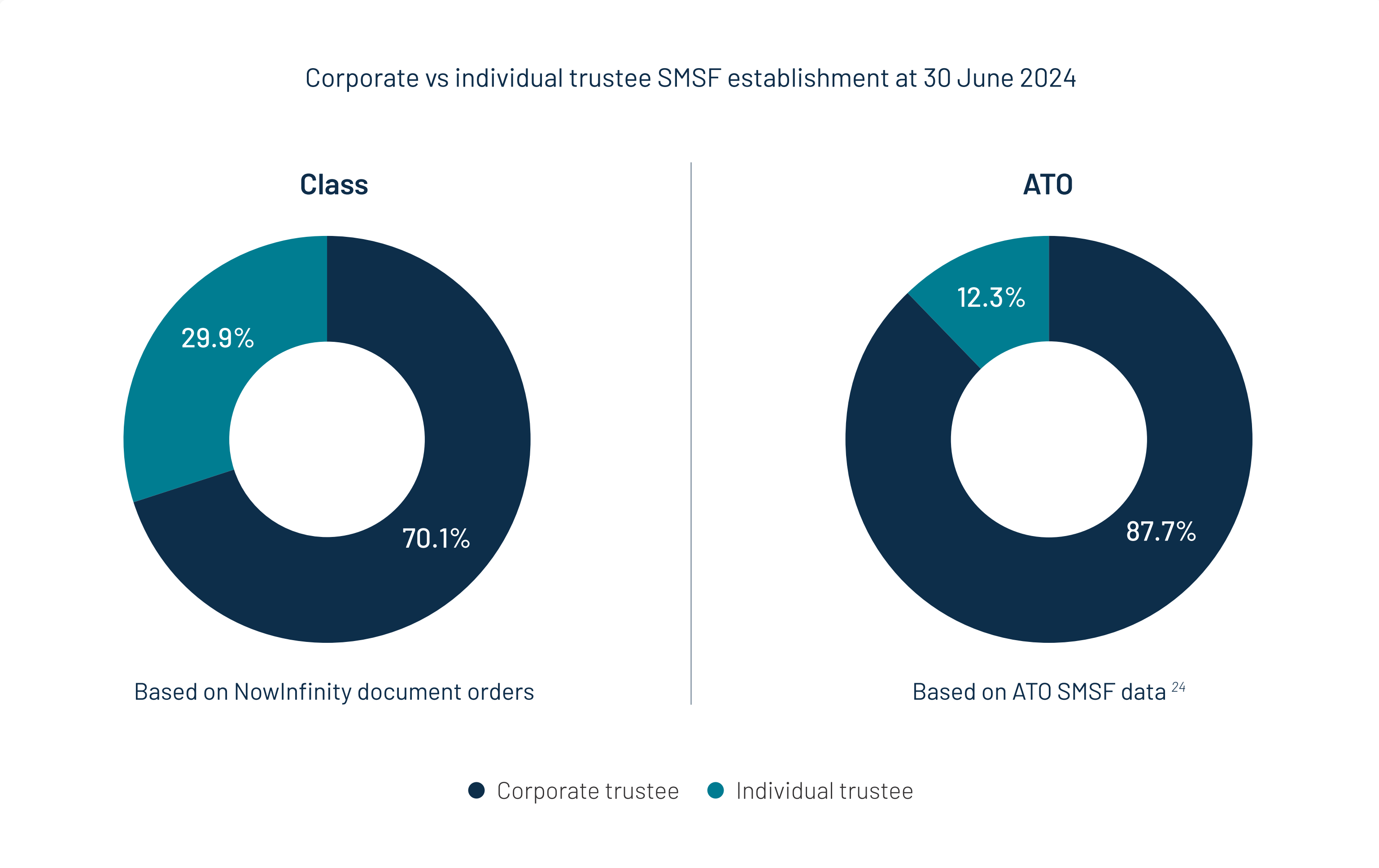
(Source: ATO SMSF Quarterly Statistical Report)



*In FY25, the net establishment figure is significantly inflated because many funds wound up by 30 June 2025 have not yet lodged their final return with the ATO.

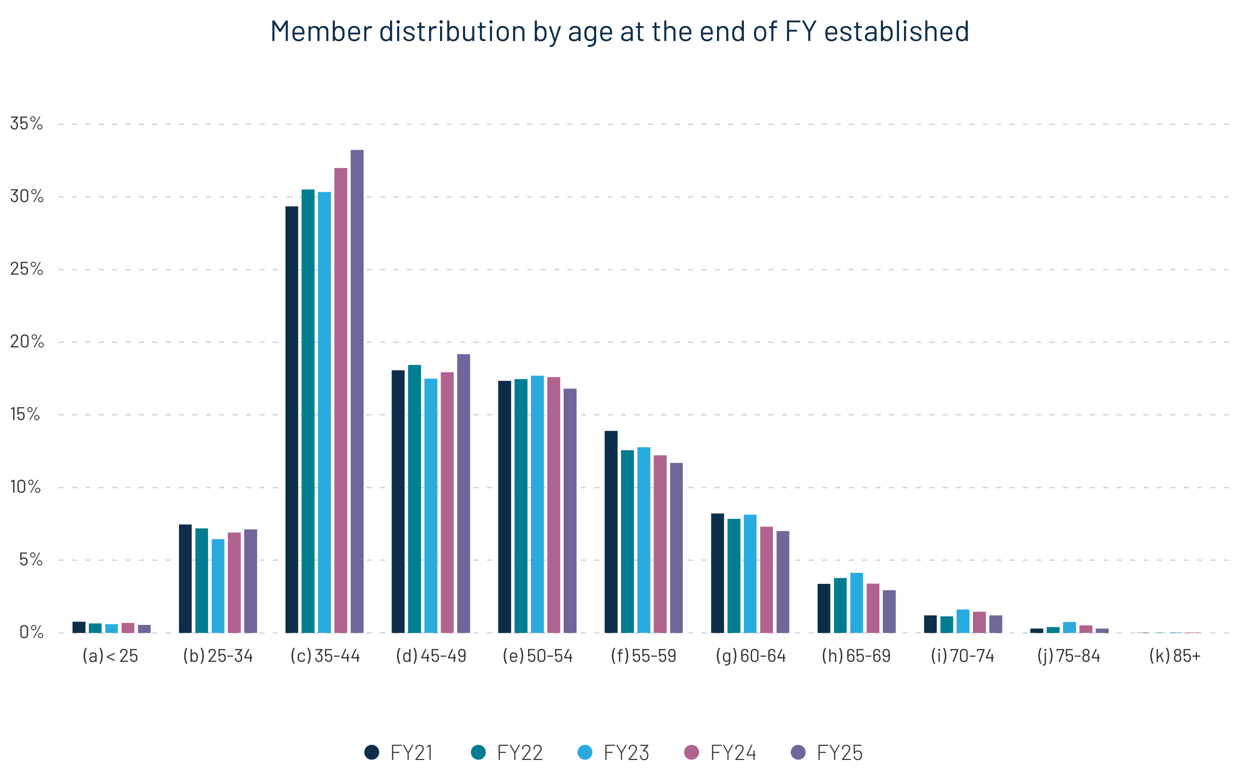
[23] *SMSF quarterly statistical report June 2025, ATO, published on 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

Establishments and wind-ups



[24] *SMSF annual statistics overview 2022-23, ATO, published on 26 March 2025, https://data.gov.au/data/dataset/self-managed-superannuation-funds/resource/753f96c7-709a-4627-b8b8-af0e97377b9d*

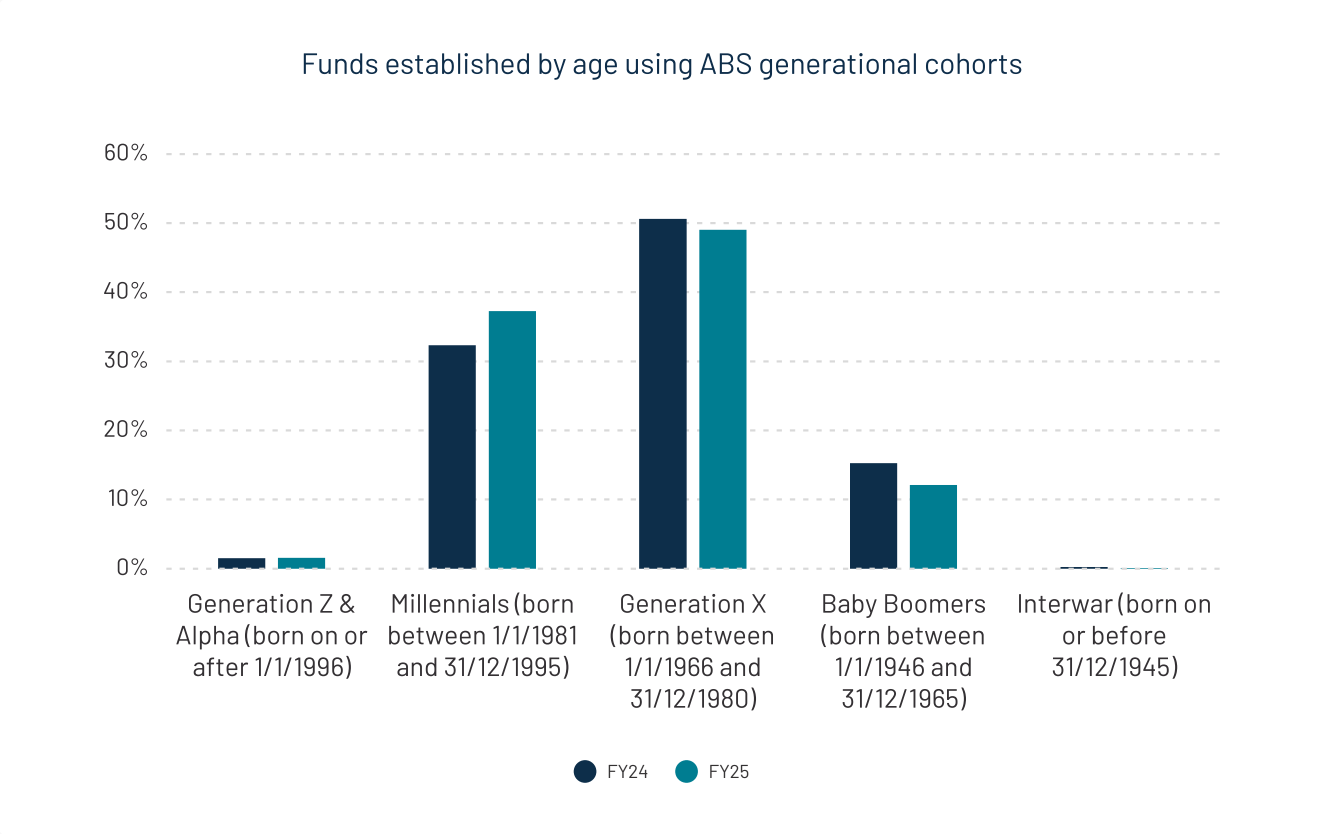
Establishments and wind-ups



Among Class SMSF members in FY25, 59.5% of newly established funds in FY25 were set up by people aged 25 to 49. Within this cohort, the 35 to 44 age group accounted for the largest share of establishments at 33.2%. The share for this age group has steadily increased from 29.4% in FY21. People in this age group may be starting to seek financial advice and realise the benefits of an SMSF for building retirement wealth.

The increased representation of younger cohorts in our data partially reflects an expansion of our measurement methodology. The report now includes funds administered on a fully digital platform offering low-fee SMSF administration and investment services, which were not included in prior years. These funds typically have younger members earlier in the accumulation phase, and lower balances than the longer-established SMSFs historically represented on Class.

Establishments and wind-ups



Generation X (now aged 44 to 58) continued to account for most new fund establishments in FY25, however their overall share of establishments dropped slightly from 50.6% to 49.0%. Millennials, on the other hand, saw their share of new fund establishments increase from 32.4% to 37.3%. The oldest Millennials are now 43 and of an age to be seriously thinking about their retirement and the most effective superannuation vehicles for their needs.[25]

Millennials are also finding themselves increasingly locked out of the property market, but as they get older they are improving their understanding of superannuation and how they might be able to maximise wealth through avenues beyond property.

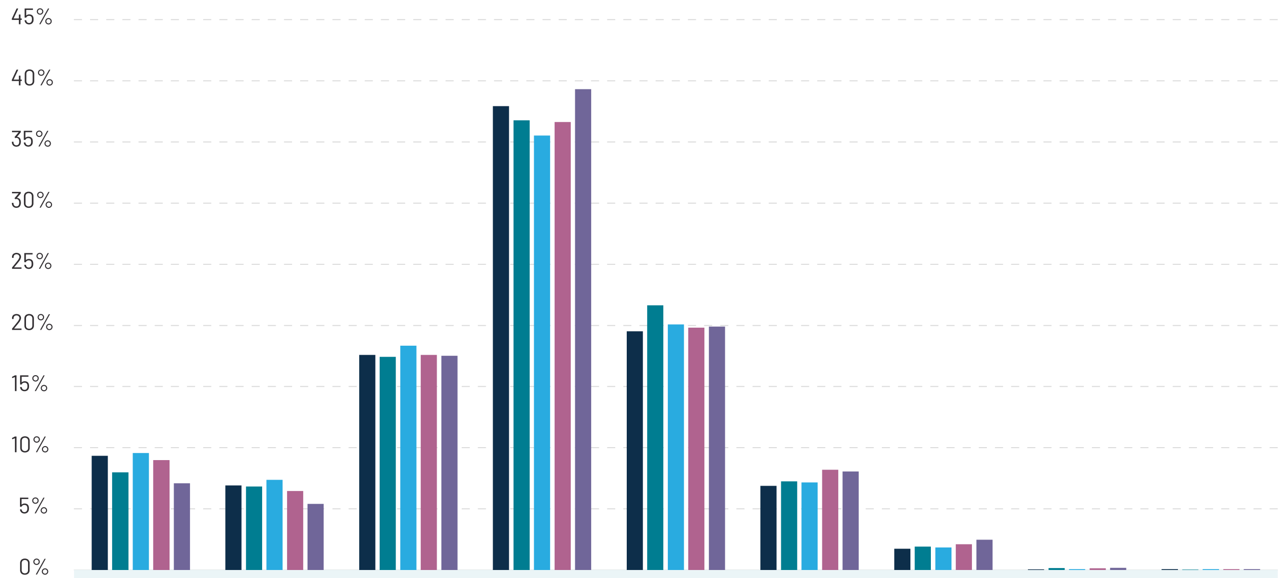
[25] *How Australian generations spent their time on recreation and leisure, Australian Bureau of Statistics, published on 16 April 2024, https://www.abs.gov.au/articles/how-australian-generations-spent-their-time-recreation-and-leisure*

Establishments and wind-ups

Establishments for funds with assets up to $200,000 fell in FY24, while fund establishments across balances between $200,000 to $500,000 increased. However, funds with larger establishment balances were steady or even dropped. This was particularly noticeable for funds established in the $1 million to $2 million category, where establishments dropped 2% after a 14% increase the previous year.

The attractiveness of establishing an SMSF with direct property is under threat with the introduction of the Division 296 tax, which is still slated to apply to unrealised capital gains, and could indicate why larger balance fund establishments are on the decline.

Distribution of funds by asset value at the end of FY established*



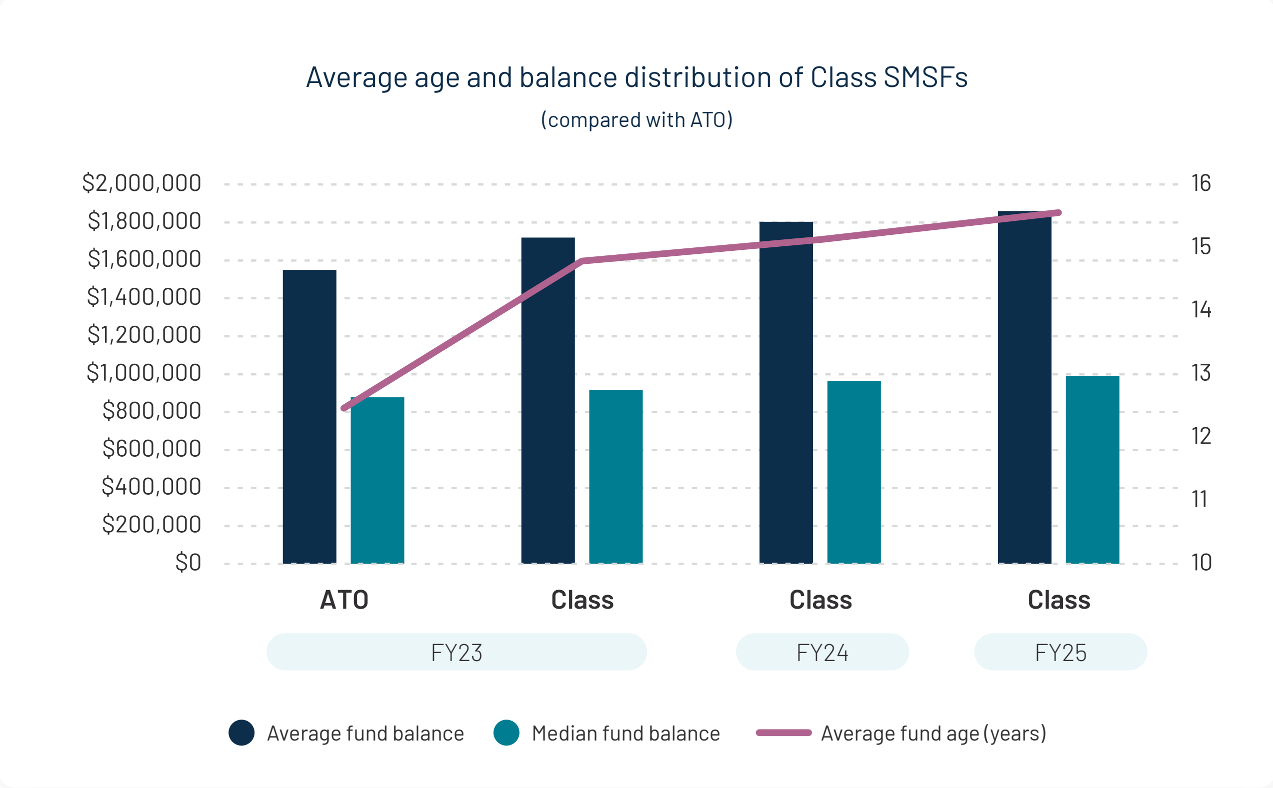
	$0-$50k	>$50k-$100k	>$100k-$200k	>$200k-$500k	>$500k-$1m	>$1m-$2m	>$2m-$5m	>$5m-$10m	>$10m
Est. in FY20	9.3%	6.9%	17.6%	37.9%	19.5%	6.9%	1.7%	0.0%	0.1%
Est. in FY21	8.0%	6.8%	17.4%	36.8%	21.6%	7.2%	1.9%	0.2%	0.0%
Est. in FY22	9.6%	7.4%	18.3%	35.5%	20.1%	7.2%	1.8%	0.1%	0.1%
Est. in FY23	9.0%	6.5%	17.6%	36.6%	19.8%	8.2%	2.1%	0.1%	0.1%
Est. in FY24	7.1%	5.4%	17.5%	39.3%	19.9%	8.1%	2.5%	0.2%	0.1%

*The chart shows balances of funds established in a FY as at 30th June of that FY. Data for newer funds at end of FY25 is insufficient to accurately represent the total balances so is not shown.

Establishments and wind-ups

Average age from establishment and balances

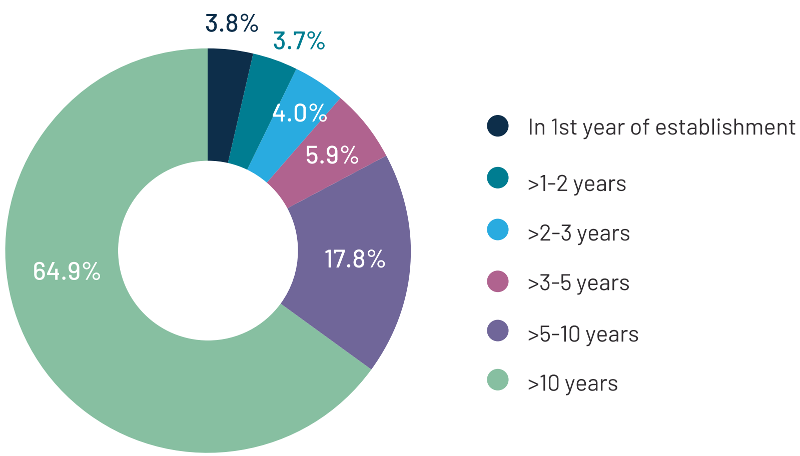
In FY25, Class SMSFs have been established for 15.6 years on average, and around two-thirds have been in place for more than a decade. The average fund balance is about $1.9 million and average member balance is $990,000. The data indicates that SMSFs are delivering outcomes for trustees and members over the long term. Rather than treating SMSFs as a short term experiment, trustees are setting up funds with intent and using them through accumulation and into retirement.[26]



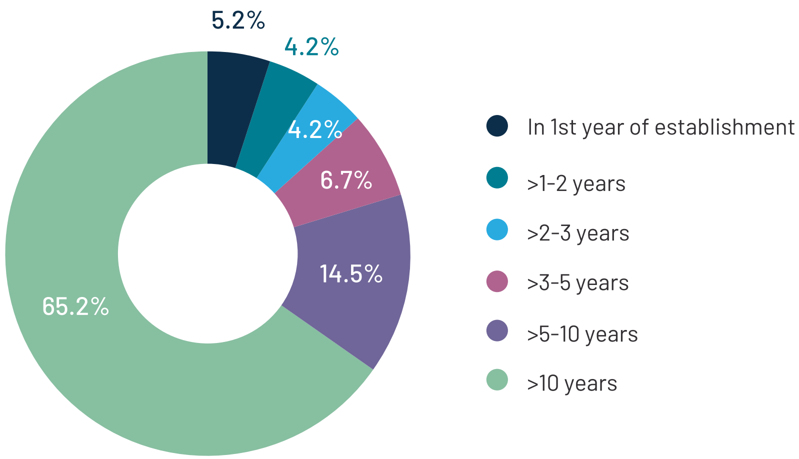
[26] *Super fund statistics for Taxation statistics 2022–23, ATO, published on 27/06/25, https://www.ato.gov.au/about-ato/research-and-statistics/in-detail/taxation-statistics/taxation-statistics-2022-23/statistics/super-fund-statistics*

Establishments and wind-ups

Class SMSF age distribution by years since establishment FY24



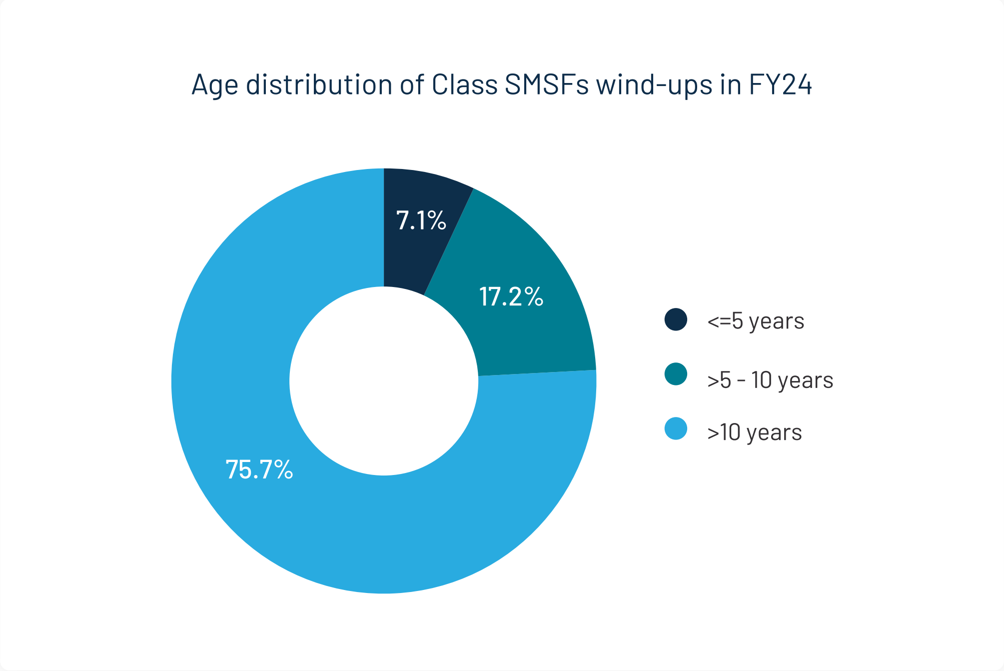
ATO SMSF age distribution by years since establishment FY24



Establishments and wind-ups

Average age from establishment at wind-up and balances

At wind-up in FY25, Class SMSFs had been established for an average of 16.8 years, and the average balance in the financial year before wind-up was $781,282. These figures provide further evidence that SMSFs are established and run for the right reasons and are not a short-term solution for most trustees. This also suggests firms may need to adjust their service offerings for relationships lasting a decade or longer.



Contributions

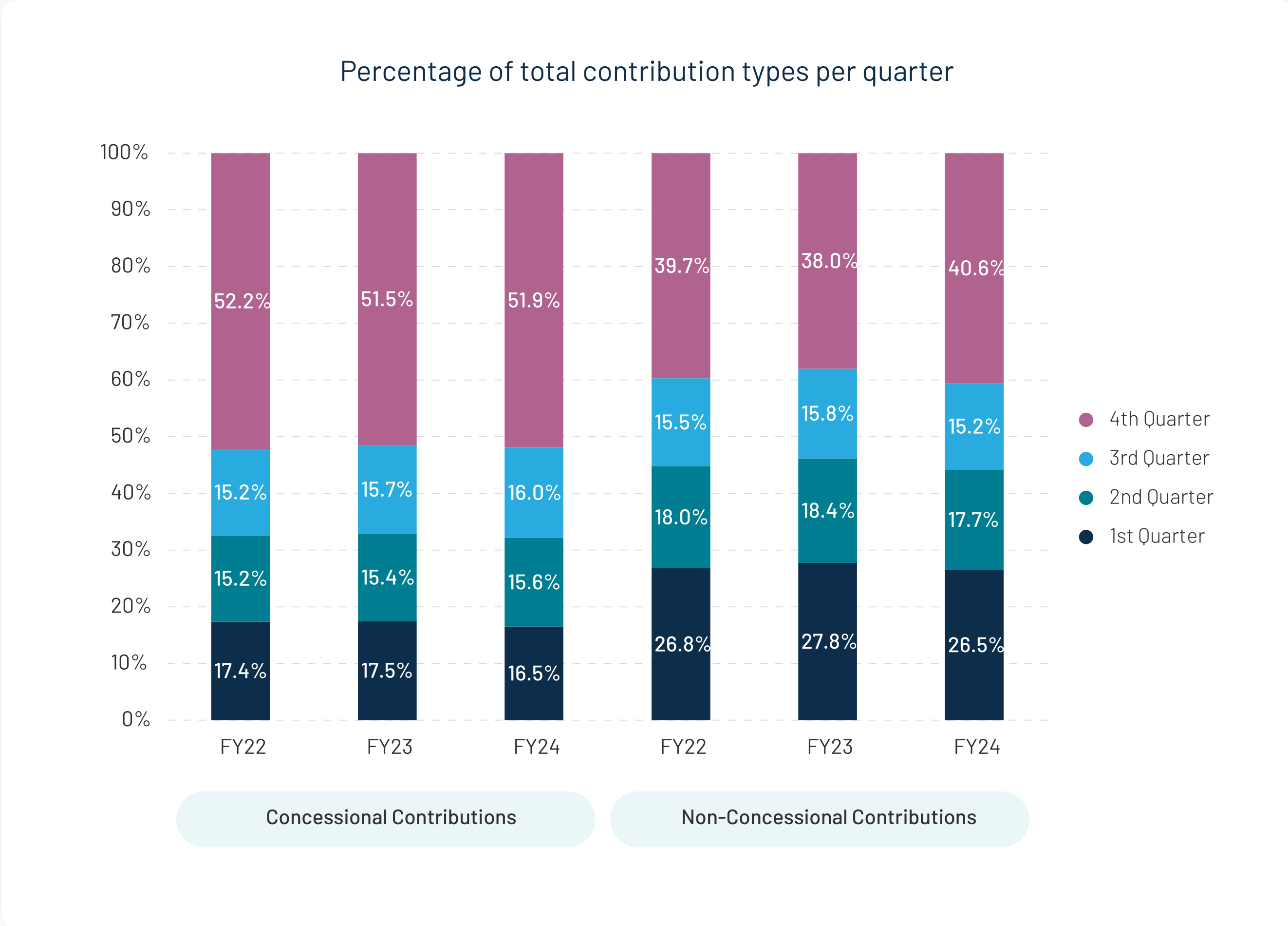
Concessional vs non-concessional

Concessional and non-concessional contributions were concentrated in the fourth quarter of FY24. This is usually the time when members review their tax planning strategies and take advantage of favourable tax benefits.

Non-concessional contributions grew in the fourth quarter of FY24 compared to the previous year, but dipped in the first quarter of FY24.

Concessional contributions are usually made for tax reasons before 30 June, which accounts for the larger share (more than half) made in the fourth quarter.

Non-concessional contributions are less predictable and depend more on cash flow, but are still concentrated in the fourth and first quarters of the financial year.

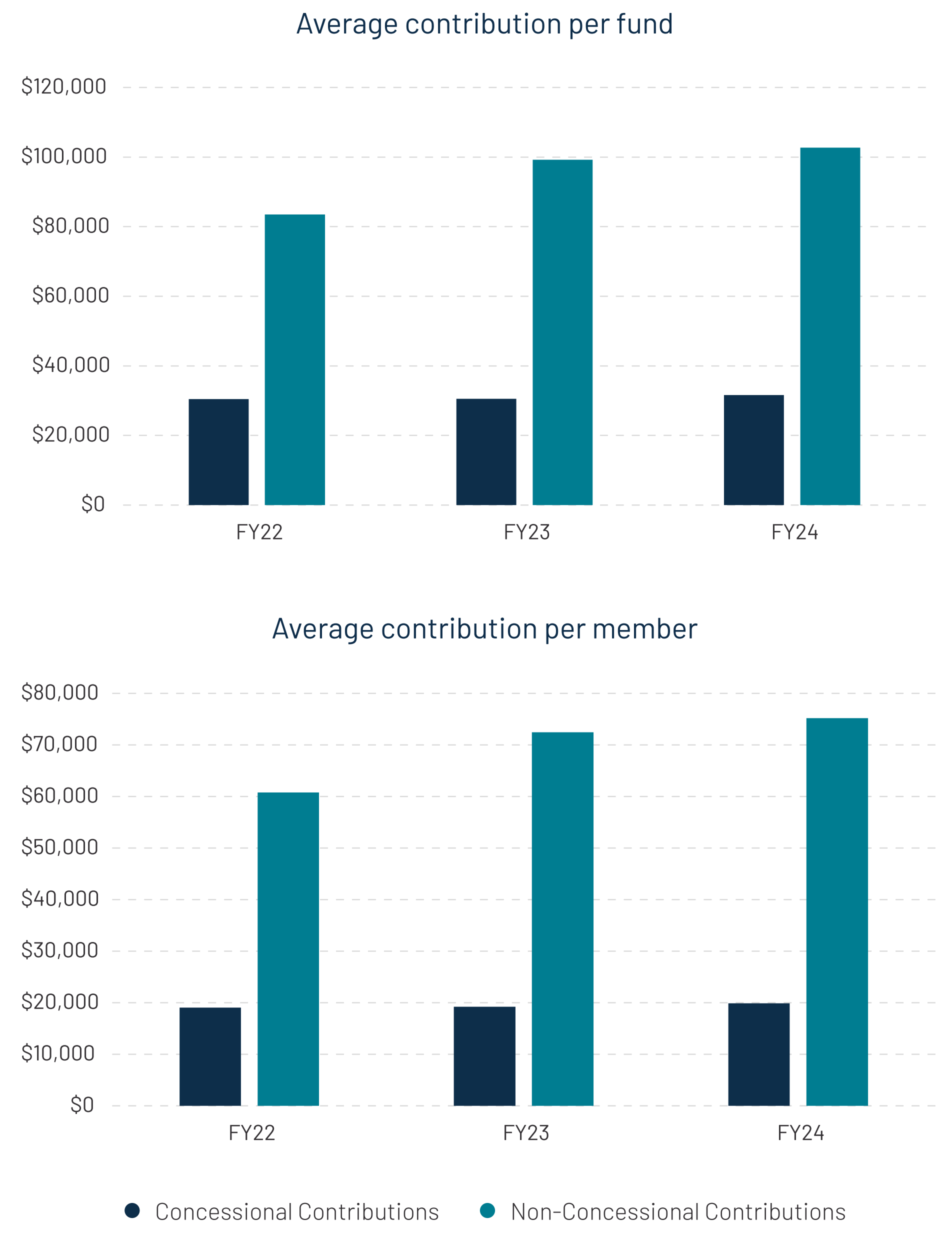


Contributions

Average concessional contributions per member and per fund continued to rise slightly in FY24, as the Superannuation Guarantee increased from 10.5% to 11.0% on 1 July 2023. Concessional contributions rose by 3.5% per member and 3.4% per fund.

After increasing sharply in FY23 when eligibility to make non-concessional contributions increased from age under 67 to age under 75, effective 1 July 2022, non-concessional contributions in FY24 increased at similar rates to concessional contributions.

Non-concessional contributions rose by 3.5% per fund to $102,698 and by 3.7% per member to $75,205.



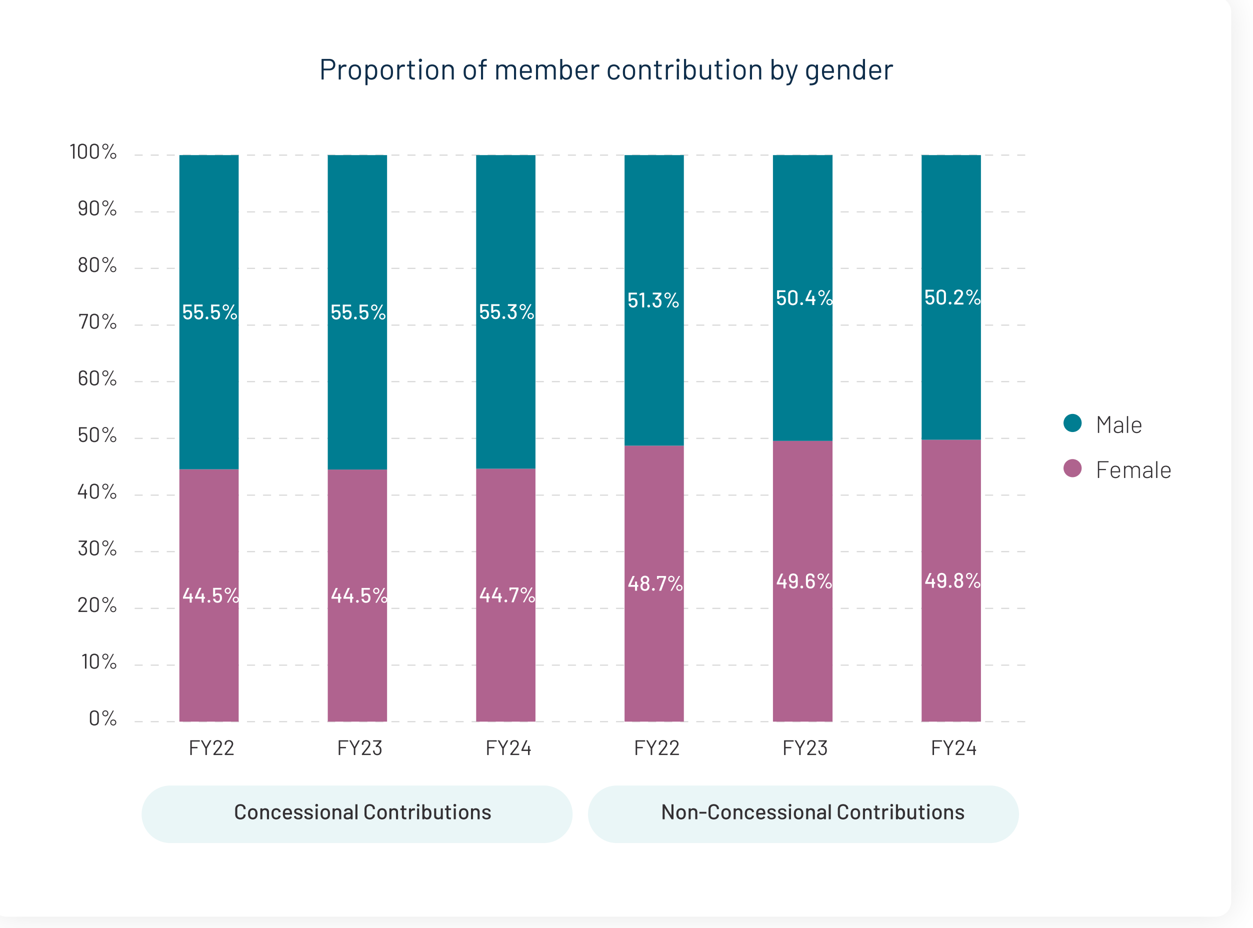
Contributions

Proportion of member contribution by gender and age

The gender gap in superannuation contributions on Class continues to narrow, with non-concessional contributions moving closer to an even split in FY24. This increase in contributions is helping narrow the gap between male and female superannuation balances on Class, with the average female balance as a percentage of the average male balance rising from 85.6% in FY23 to 86.9% in FY24.

The increasingly even split in non-concessional contributions between women and men suggests couples are continuing to use recontribution strategies to increase the balance of the partner with the lower balance, who is typically female.

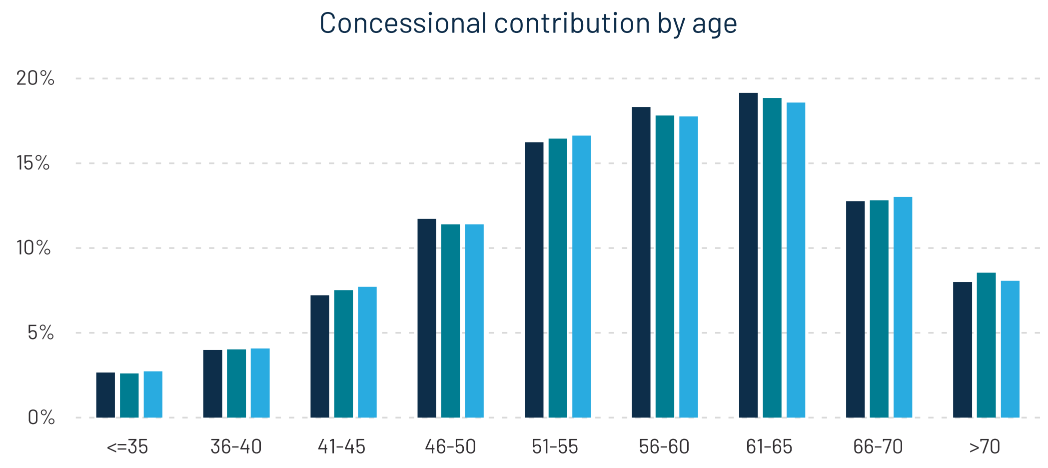
The proportion of women making concessional contributions increased only marginally in FY24.

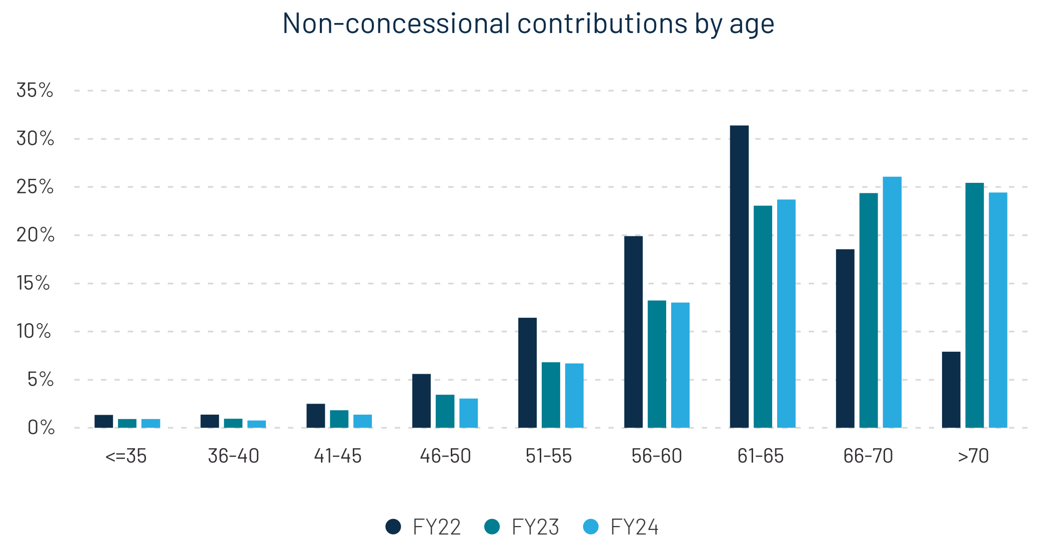


Contributions

While concessional contributions declined slightly in the older age brackets in FY24, of note are the marked increases in non-concessional contributions in the 66 years and over age brackets. This trend, first observed in FY23, suggests older members are continuing to take advantage of the increase in the age limit for accessing the bring-forward arrangement for non-concessional contributions. In FY23, the age limit for accessing this arrangement increased from 67 to 75.

Class Benchmark data highlights the popularity of this strategy, with 50.5% of non-concessional contributions attributable to members aged 65 and over in FY24, up from 49.8% in FY23.





Contributions

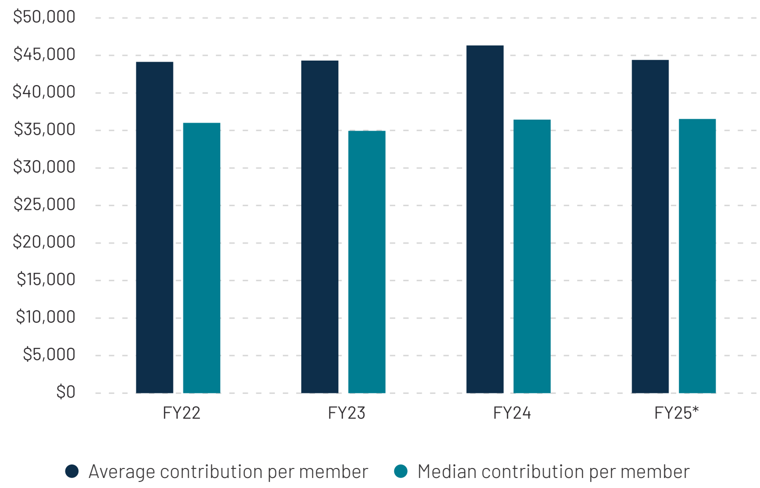
Catch-up concessional contributions

After a slight increase in FY24, average catch-up concessional contributions declined in FY25. Although the FY25 figures are not fully finalised, cost-of-living pressures continued through the last financial year and may have impacted members' decisions to make extra superannuation contributions.

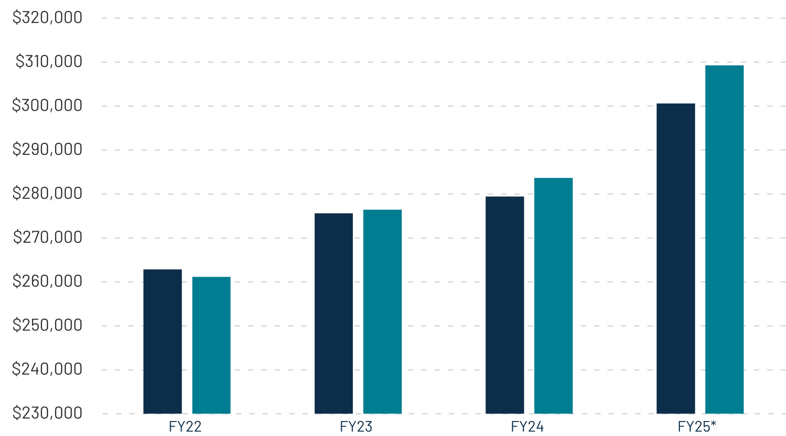
The median catch-up concessional contribution remained essentially unchanged, despite an increase in the annual concessional contributions cap from $27,500 to $30,000 on 1 July 2024

Only members with total superannuation balances below $500,000 as at 30 June of the previous financial year are eligible to make catch-up concessional contributions, and this wealth demographic is far more likely to be impacted by cost-of-living pressures than those with higher superannuation balances.

Average and median catch-up concessional contribution per member



Average and median member balance (latest balance) making a catch-up contribution



	FY22	FY23	FY24	FY25*
Average Member Balance (latest balance)	$262,844.71	$275,600.63	$279,436.35	$300,620.73
Median Member Balance (latest balance)	$261,171.74	$276,436.48	$283,641.78	$309,262.30

*Not all balances and contributions have been processed in Class for FY25

Contributions

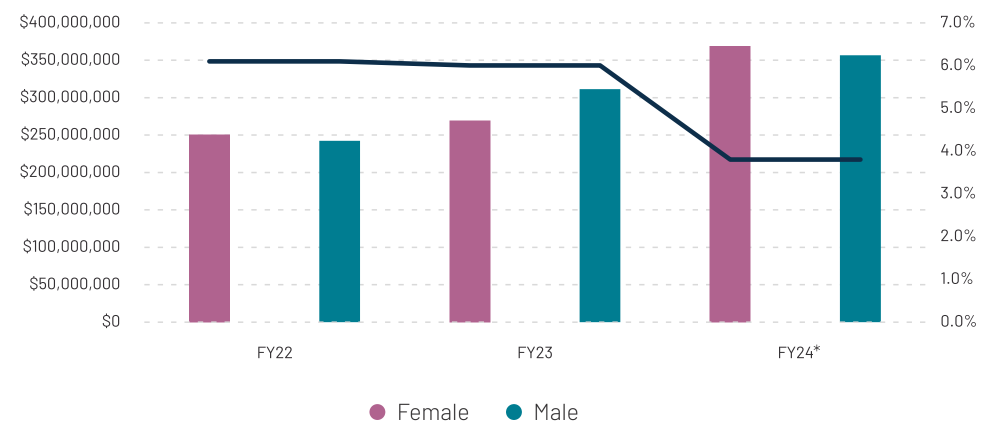
Total estimated catch-up concessional contributions across all SMSFs by gender increased again in FY24, with women making larger contributions overall. Since FY22, and the end of the COVID-19 lockdowns, total catch-up contributions have been increasing, with women making sizeable contributions, resulting in a narrower gender gap.

Catch-up contributions increased in the younger age brackets in FY25, with total contributions in the 36 to 40 age brackets rising by 0.9% and in the 41 to 45 age bracket by 1.4%. Despite rising inflationary pressures, younger Australians are seeing the benefits of contributing to their superannuation. As property becomes more expensive, some may be seeking to use the favourable tax treatment of superannuation to increase their savings.

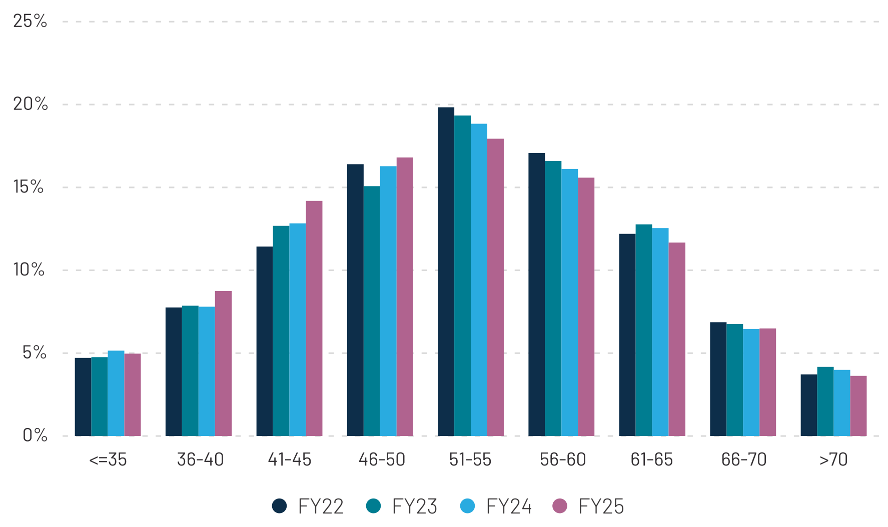
The 66 to 70 demographic was the only older demographic that did not see a decline in total catch-up contributions in FY25. This age group can take advantage of the removal of the work test for those aged 67 and 74.

Total catch-up contributions may be slightly down for older age brackets, as the age at which three years of contributions could be brought forward also increased from 67 to 74 in 2022, if certain eligibility requirements around total superannuation balance were met. If the bring-forward rule was used in 2022, for example, people would not be able to make contributions in the next three years.

Total estimated catch-up concessional contribution across all SMSFs by gender with annual all group CPI inflation (based on market share)



Total Class catch-up contributions by member age brackets



*Market estimates based on FY24 as latest available full year data on Class

Contributions

Downsizer contributions

Downsizer contributions continue to be attractive for SMSFs where members are eligible. Preliminary data for FY25 suggest the number of downsizer contributions by Class members fell by 42%. However, preliminary data for FY24 also suggested a similar downward trend, but the final data reported an increase of 7.9% in the number of contributions.

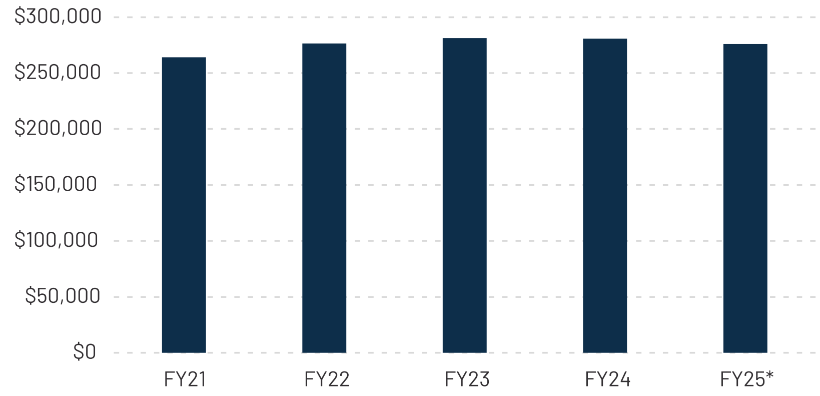
The average downsizer contribution was $275,979 in FY25, compared with $280,844 in FY24. The limit on downsizer contributions remains $300,000, which is the median downsizer contribution made by Class members.

55 to 60-year-olds have now been able to make downsizer contributions for two years, since the age limit was lowered from 60 to 55 on 1 January 2023.

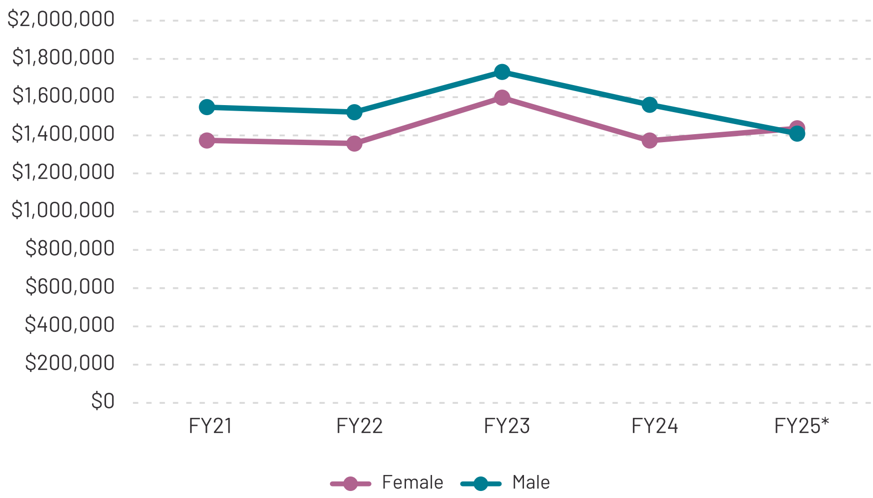
Median house prices continued to rise over the past year and are now $1.72 million in Sydney, $1.1 million in Melbourne, and $1 million in both Canberra and Brisbane as at June 2025. These prices make the downsizer contribution strategy particularly attractive for anyone looking to sell a large home in a major capital city and move to something smaller.[27]

Interestingly, in FY25 the average member balance of women making a downsizer contribution surpassed that of men for the first time, at $1,436,833 compared with $1,409,265.

Average downsizer contribution per member



Average member balance (latest balance)



*Not all balances and contributions have been processed in Class for FY25

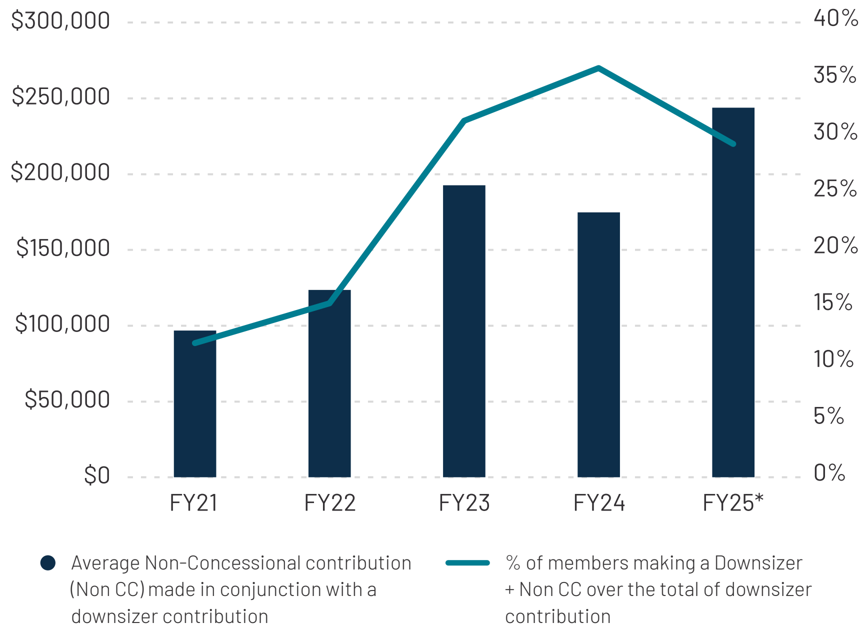
[27] *June 2025 House Price Report, Domain, published on 24/7/2025, https://www.domain.com.au/research/house-price-report/june-2025/*

Contributions

The percentage of SMSF members making a downsizer contribution together with a non-concessional contribution fell in FY25 from 36.0% to 29.3%. Cost-of-living pressures may have led some people to put making both contributions on hold during FY25, preferring to free up cash flow rather than make an extra contribution to superannuation.

Those who did make both kinds of contributions were able to make larger non-concessional contributions, with the average non-concessional contribution made alongside a downsizer contribution rising by nearly 40% to $243,884.

Average and % of members making a downsizer contribution in conjunction with a personal non-concessional contribution



*Not all balances and contributions have been processed in Class for FY25

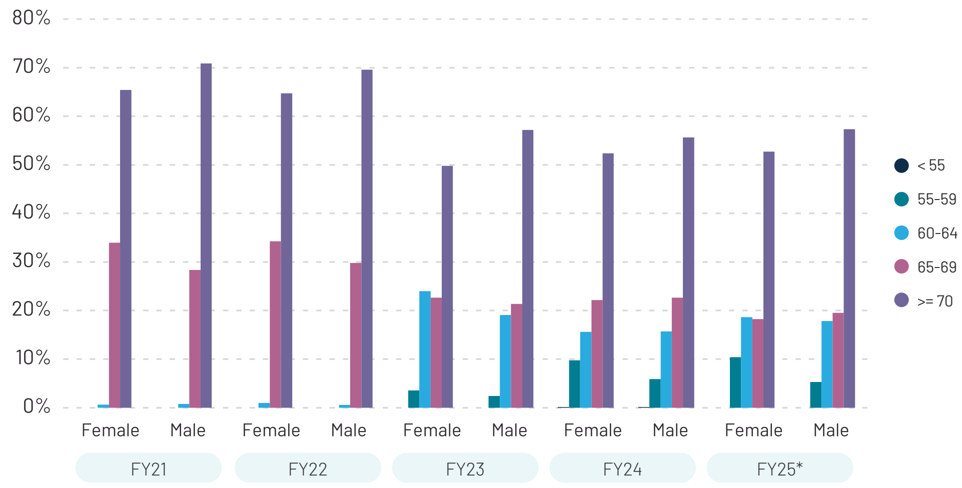
Contributions

The average downsizer contribution for both men and women decreased slightly in FY25, from $281,322 to $276,944 for men, and $280,544 to $274,854 for women.

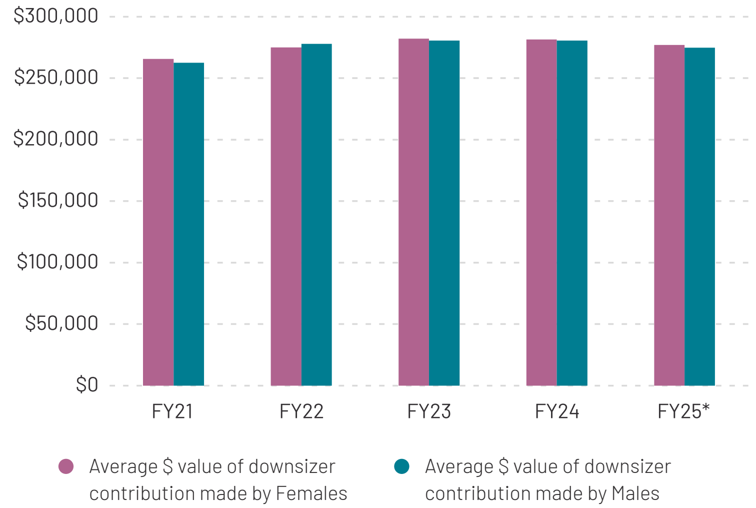
Those aged 70 and over continue to make the largest proportion of downsizer contributions across both genders. This is the demographic that is more likely to be looking to sell larger properties for more manageable smaller homes or units.

Women continued to account for more downsizer contributions in the 55 to 65 age group, at 29.1% versus 23.1% for men. While both members of a couple can each make a $300,000 downsizer contribution to their superannuation from the proceeds of the sale of a home, it would be more beneficial to boost the balance of the partner with the lower balance, which is often the woman.

Member distribution for downsizer contribution by age and gender



Average downsizer contributions by gender



*Not all balances and contributions have been processed in Class for FY25

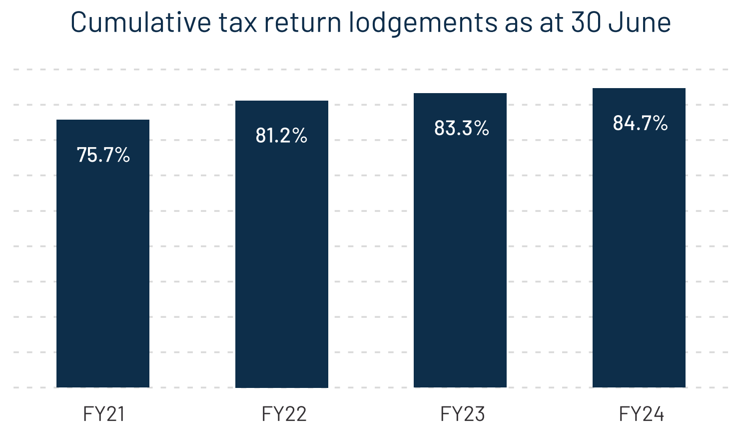
Lodgement statistics

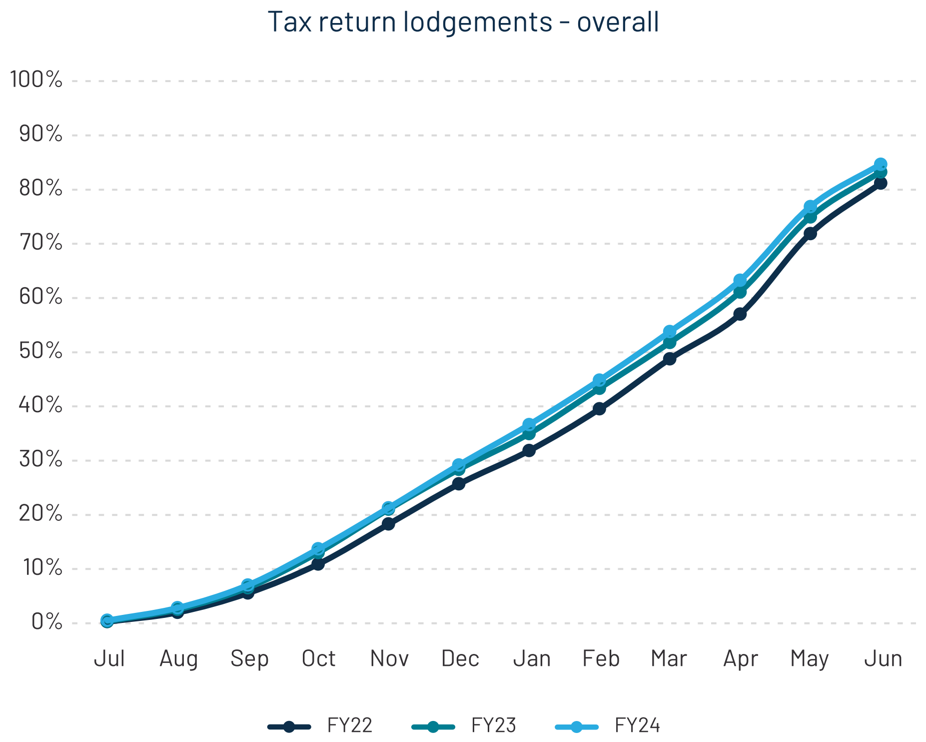
On-time lodgements for Class SMSFs are now returning to pre-COVID-19 levels. The rate increased from 83.3% in FY23 to 84.7% in FY24. In FY20, it was 86.0%

Some of the staffing challenges experienced by accountants and auditors who finalise annual returns have stabilised, with the ATO reporting early in 2025 that auditor numbers had settled at around 4,100. All SMSFs need an independent auditor's report to finalise their annual return.[28]

The Australian Taxation Office (ATO) continues to issue reminders for SMSF trustees to lodge their SMSF annual returns (SAR), noting that "lodging the SAR is the most essential compliance obligation trustees must meet".[29]

The regulator also continues to police SMSF auditors, reviewing more than 200 auditors in 2024-2025 and referring 41 to ASIC.





[28] *Auditor numbers looking healthier, selfmanagedsuper, published on 10/2/2025, https://smsmagazine.com.au/news/2025/02/10/auditor-numbers-looking-healthier/*

[29] *Lodge SMSF annual returns, ATO, last updated 8/7/2025, https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/smsf-administration-and-reporting/lodge-smsf-annual-returns*

More SMSF data findings and insights

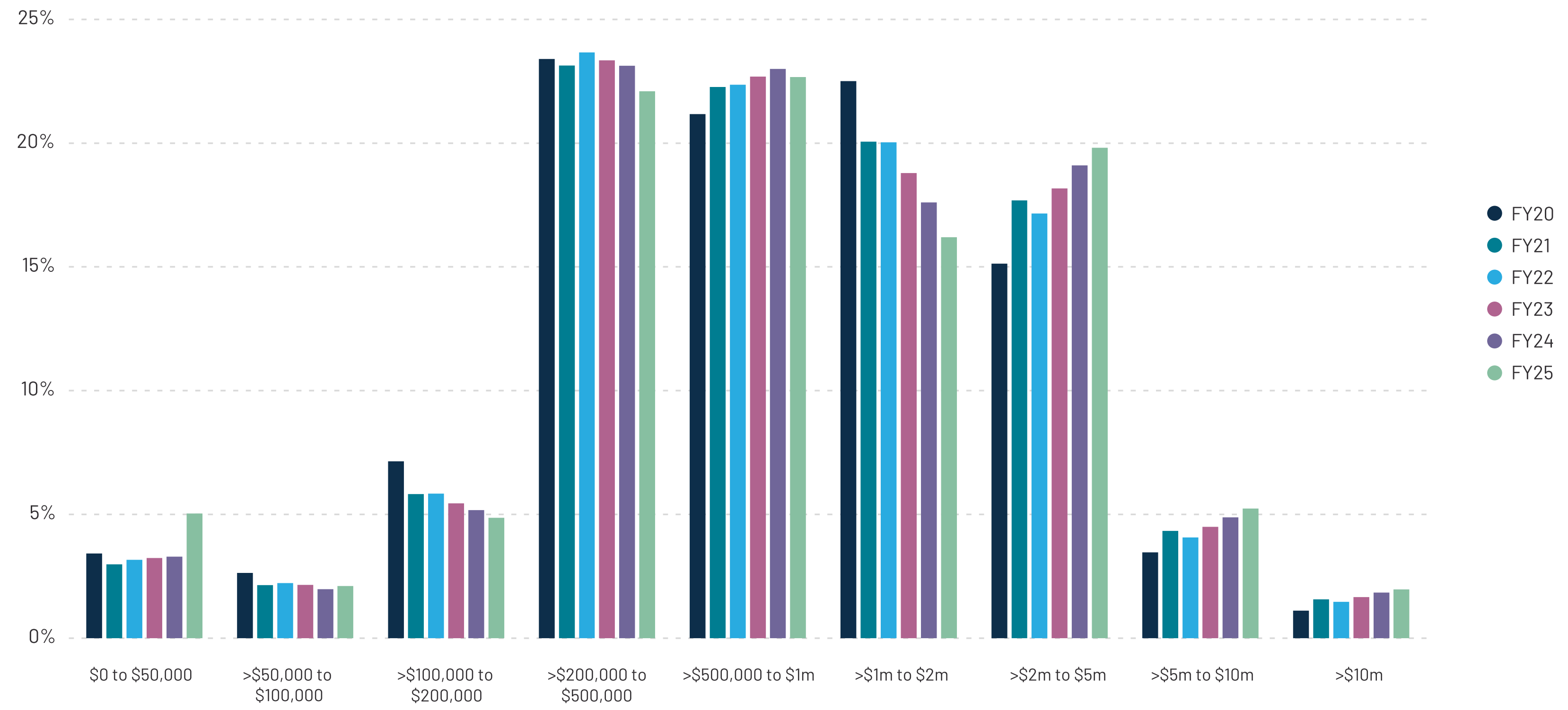
Balances and demographics

Large balance funds continue to grow

SMSFs with balances exceeding $2 million continued to grow in FY25, and now account for 27.0% of all funds, compared with 25.8% in FY24. The proportion of funds with less than $500,000 fell, despite a slight increase in very small-balance funds.

Funds in the $1 million to $2 million range also fell and now make up 16.2% of all funds, compared with 17.6% in FY24. Many of these smaller funds may be moving into the $2 million-plus ranges as their investment returns and contributions increase.

Distribution of funds by net asset value (at 30 June 2025)

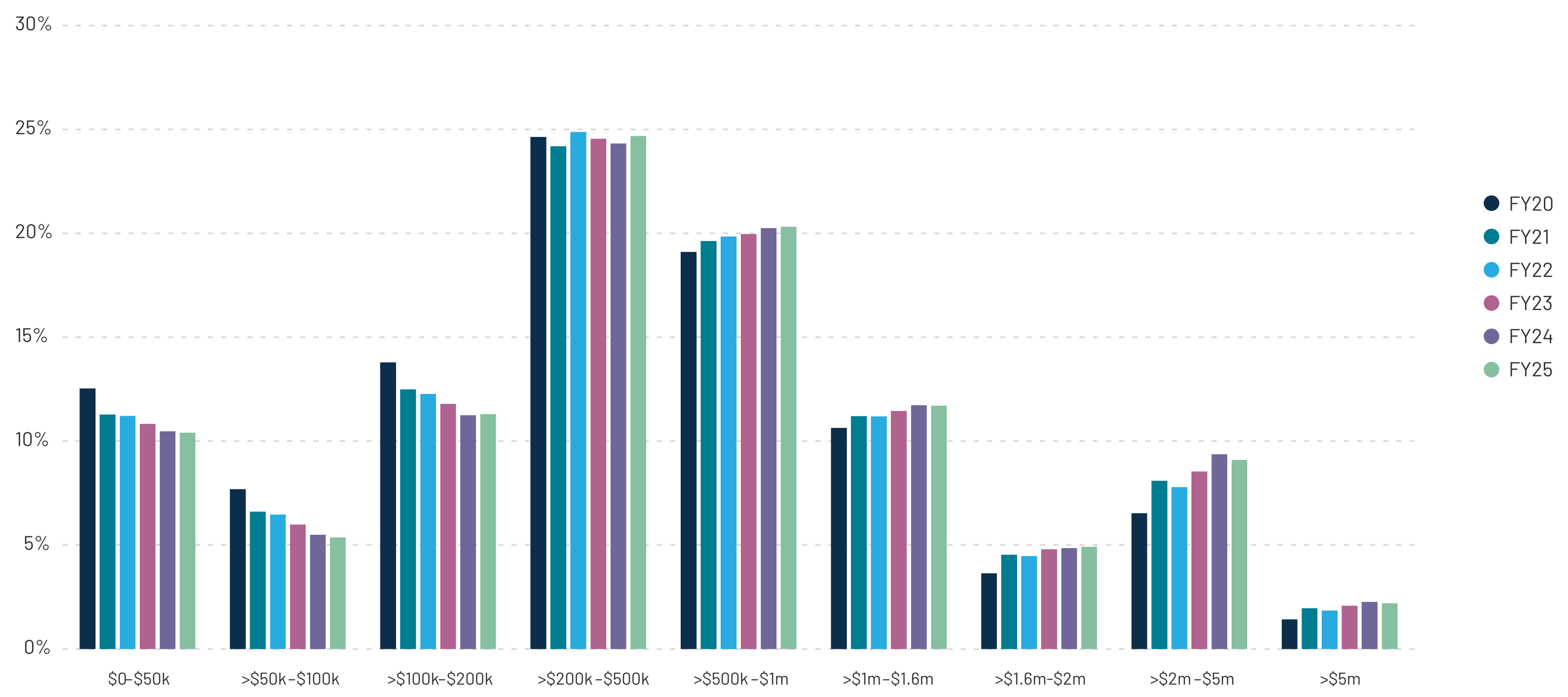


Balances and demographics

Members prepare for Division 296

The steady rise in member balances of $500,000 and above continued in FY25. There was a slight decrease in member balances in the $2 million to $5 million range. Some SMSF members may be shifting funds out of superannuation in preparation for the proposed Division 296 tax, which in its current form would apply an additional 15% to earnings attributable to the portion of a member's total superannuation balance above $3 million.

Distribution of SMSF members by account balance (at 30 June 2025)



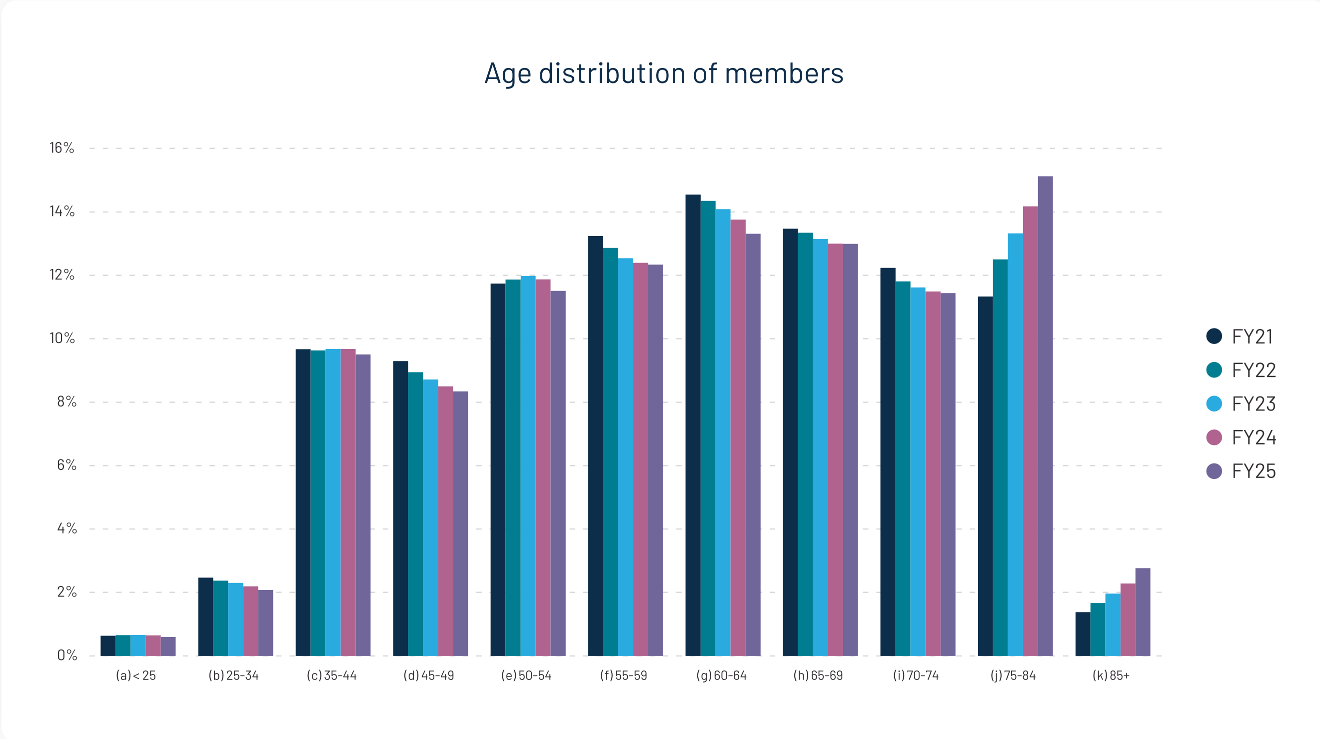
Balances and demographics

Number of members aged 75 and over continues to grow

The percentage of SMSF members aged 75–84 grew again in FY25 by 1.0%, and this group now represents 15.1% of all SMSF members.

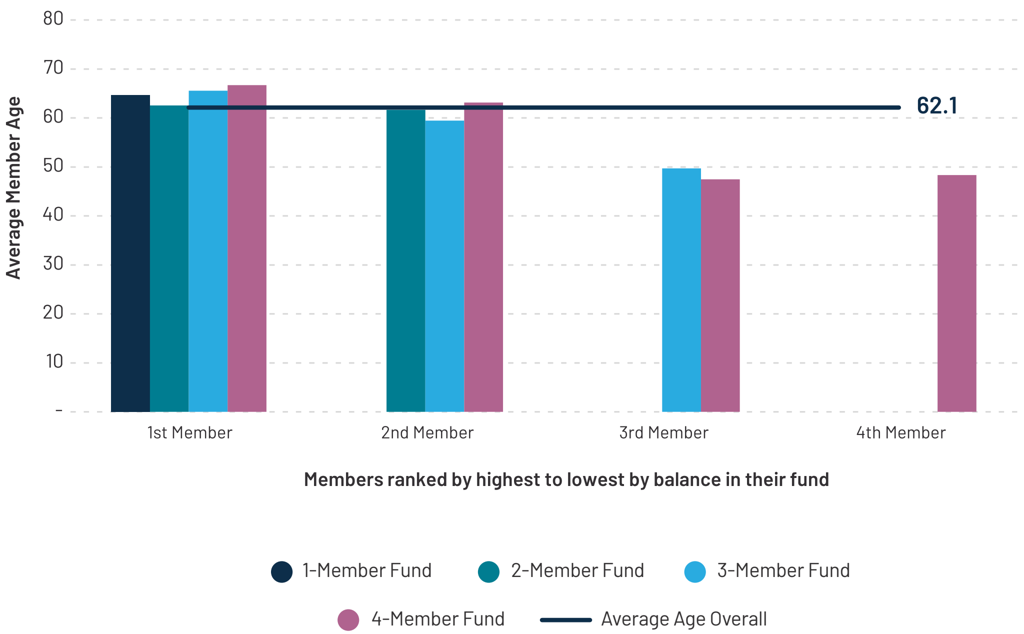
As most members in this older age group are in retirement phase, they are likely finding the SMSF structure conducive to providing them with a tax-effective income stream as they age.

The number of SMSF members aged 85 and over also increased in FY25, while all other age groups decreased. The average age of members of SMSFs on Class is 62.1, but it is higher for funds with fewer members, and single-member funds have an average age of 65.

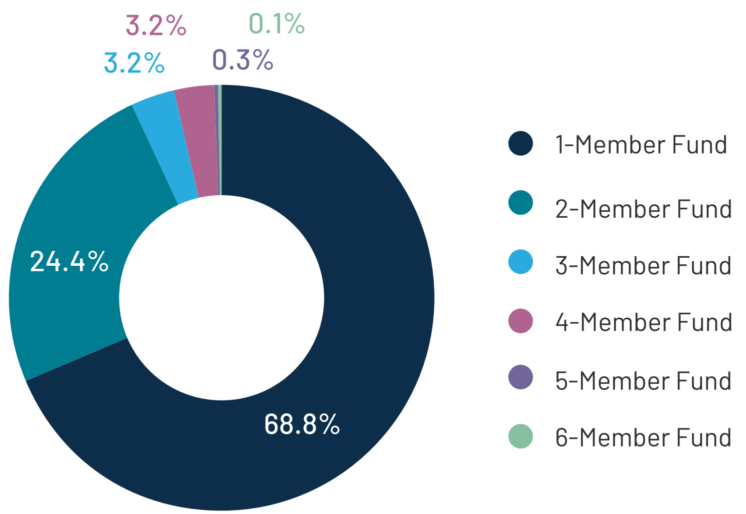


Balances and demographics

Multi-member fund average balance and age rank



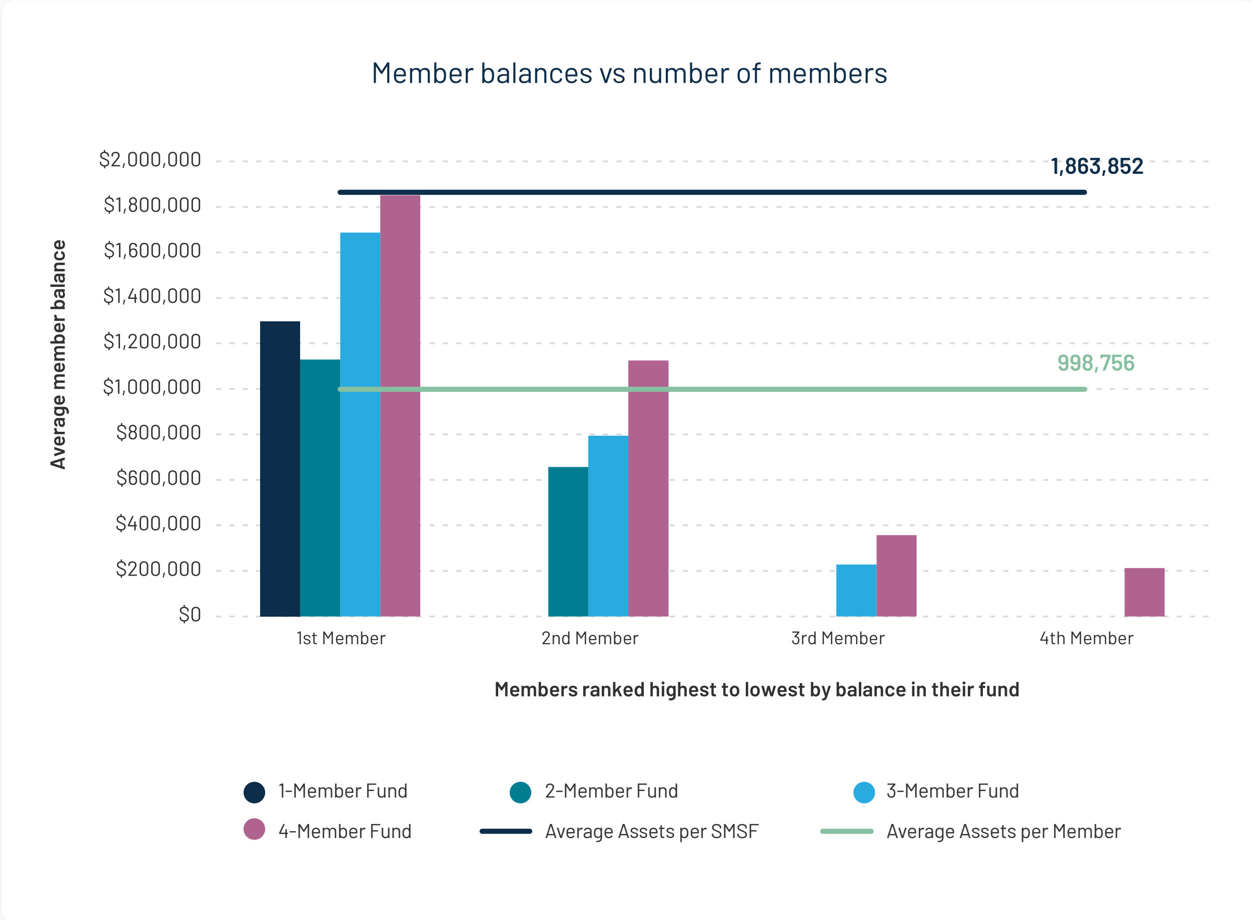
Proportion of funds with different member size



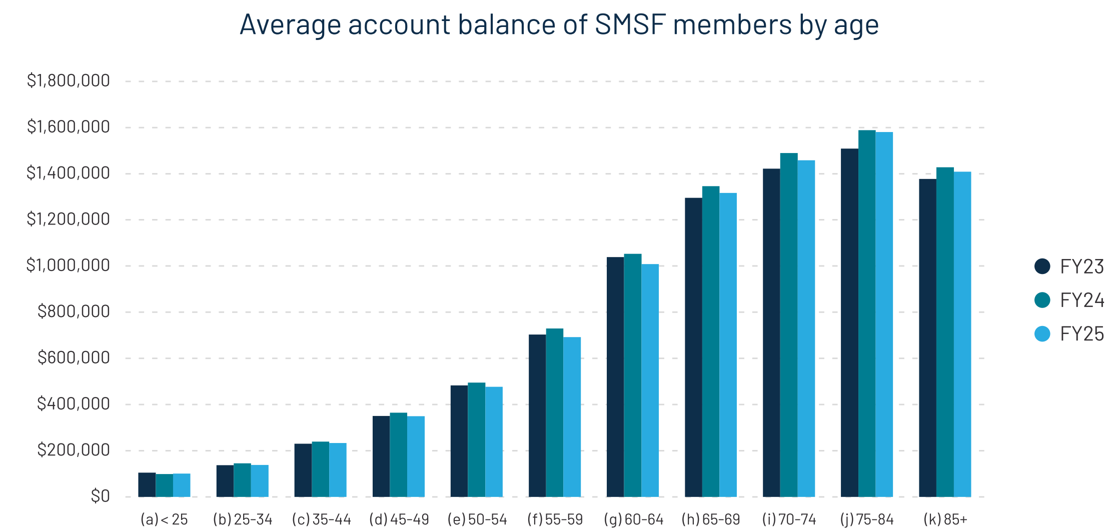
Balances and demographics

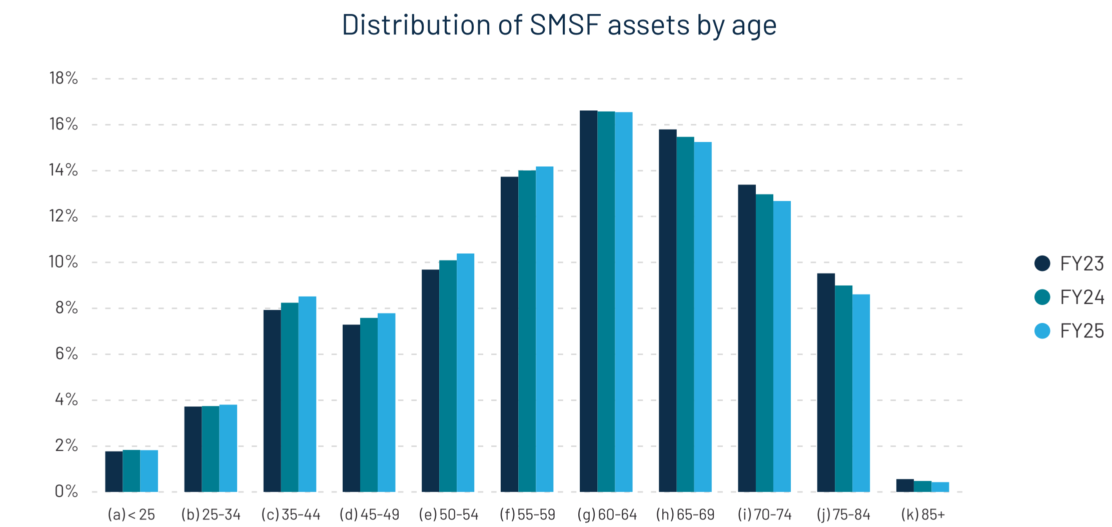
SMSF balances vary with the number of fund members. In three- and four-member funds, the third and fourth members—often the children of the original members—typically have lower balances because they are younger.

In four-member SMSFs, the first member's average balance is $1.85 million and the second member's is $1.13 million, while the third and fourth members average $357,484 and $212,100. The third and fourth members' average ages are 47 and 48, compared with 67 and 63 for the first and second members, which helps explain the tapering balances.



Balances and demographics





High balance members

The proposed Division 296 tax on earnings on superannuation balances over $3 million is not yet legislated. Although the original start date was set to be 1 July 2025, at the time of the publication there was no bill before Parliament. The Government was reported to be reconsidering key elements, including the treatment of unrealised gains and the unindexed $3 million threshold, though ministers indicated the policy still stands.[30]

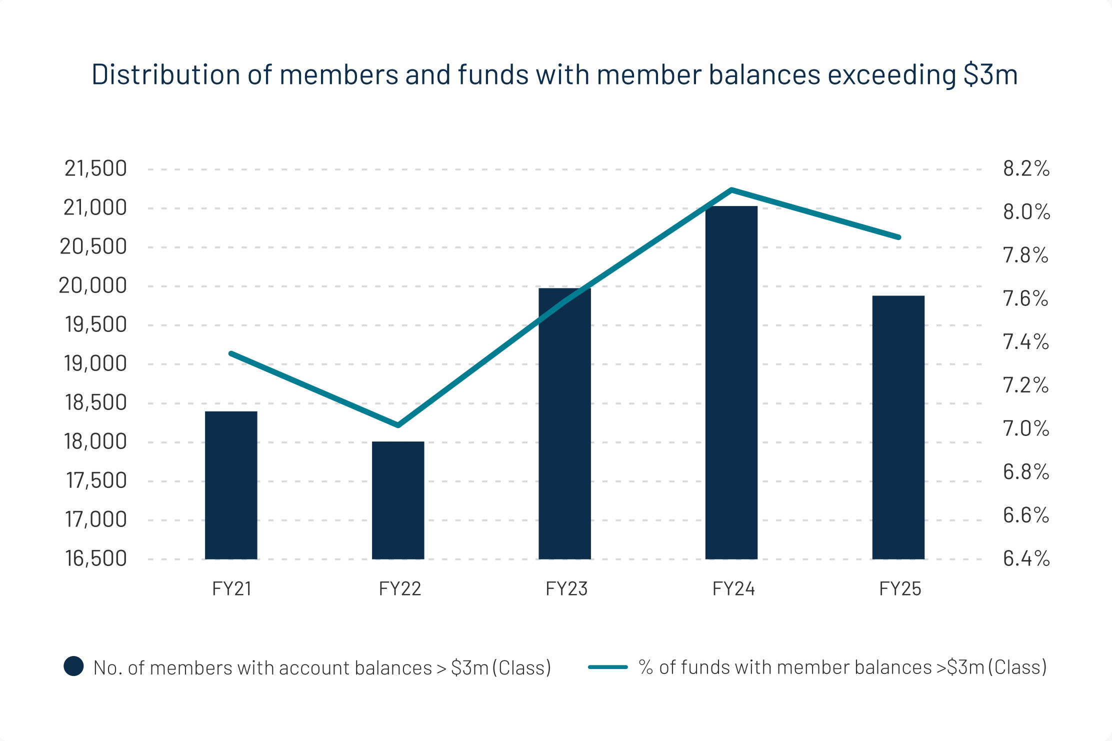
Earnings = Total Super Balance Current Financial Year – Total Super Balance Previous Financial Year + Withdrawals – Net Contributions
Proportion of Earnings = (Total Super Balance Current Financial Year – $3 million) / Total Super Balance Current Financial Year
(New) Tax Liability = 15 per cent x Earnings x Proportion of Earnings

Members with balances over $3 million

Class Benchmark data for FY25 reveals that 19,881 SMSF members hold balances of $3 million or more, representing 7.9% of Class SMSF members. Notably, 80.3% of those members with balances over $3 million are aged 65 or older. These members would have the tax rate on earnings over $3 million increase from 15% to 30% under the proposed Division 296 tax.

Members with balances between $2 million and $3 million

Further analysis of Class members reveals that in FY25, 21,141 members hold account balances between $2 million and $3 million, representing approximately 8.7% of Class SMSF members. An increasing number of members may be impacted by the Division 296 tax as assets appreciate and balances grow. It is anticipated that many members will start to implement strategies to reduce the impact of this tax.



[30] *Pressure to axe tax on unrealised super gains and index $3m threshold, AFR, published on 05/09/25 by Phillip Coorey, https://www.afr.com/politics/federal/pressure-to-axe-tax-on-unrealised-super-gains-and-index-3m-threshold-20250905-p5msm9*

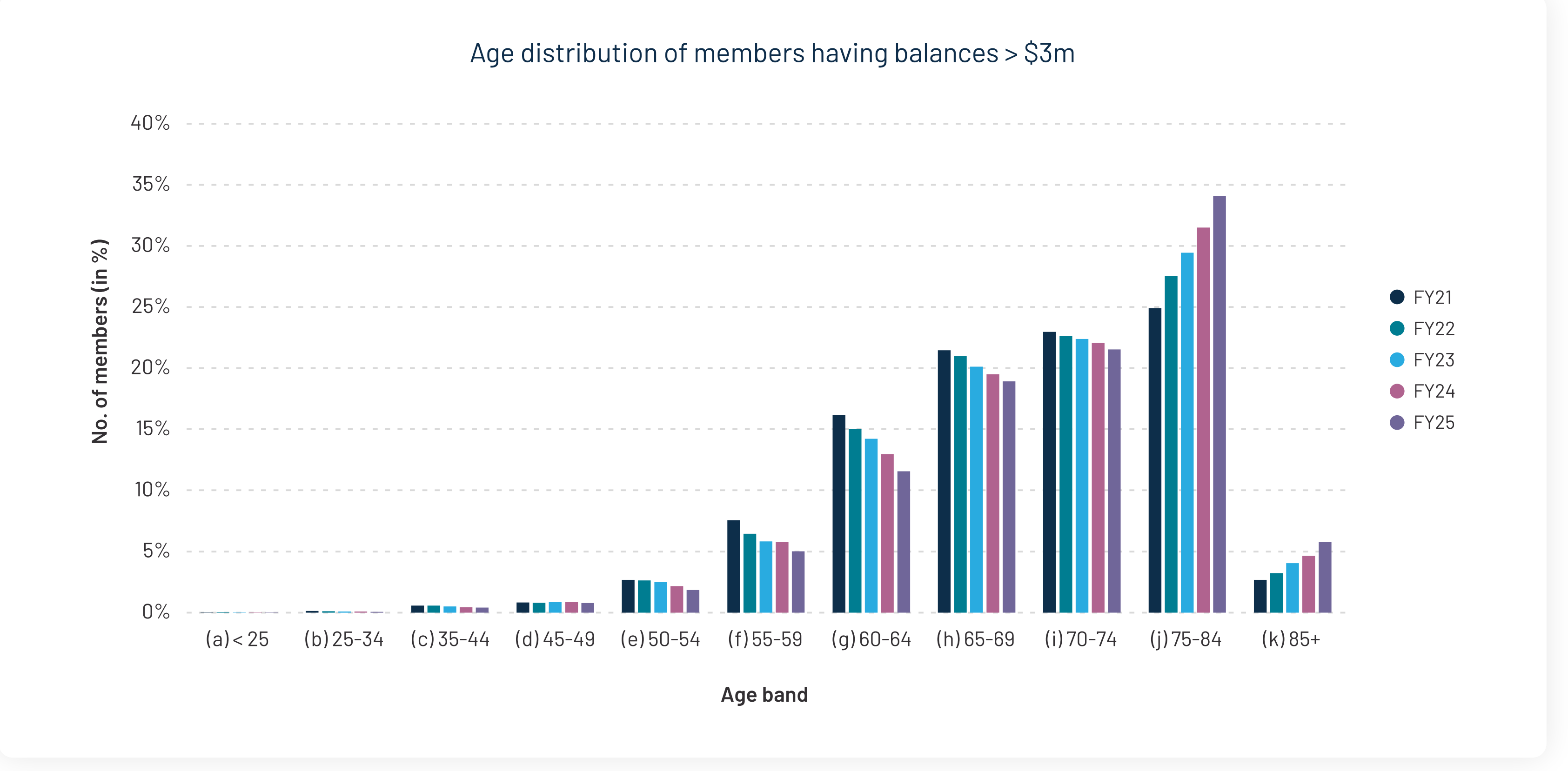
High balance members

Liquidity challenges under Division 296

This year we again analysed the total tax liability for Class SMSF members who would be subject to the proposed Division 296 tax. If the tax had been in place in FY24, the total tax liability on Class SMSFs would have been $940.9 million, a significant increase on last year's estimate of $825.3 million.

The average Division 296 liability per person also increased to $51,702 (from $49,925), and the share of impacted funds we estimate would lack sufficient liquidity to cover the liability rose from 5.0% to 6.7%. Among these funds, more than one in three hold direct property, making the tax particularly problematic given the illiquid nature of these assets.

These increases highlight a key issue: without indexation of the $3 million cap, more members are likely to be captured over time and liabilities would rise. Advisers will be instrumental in evaluating client portfolios and considering options such as rebalancing, diversification and reviewing alternative structures for managing wealth above $3 million outside superannuation.



High balance members

Division 296 tax modelling at 30 June 2024*

$940.9 mil

Total Div 296 tax liability for Class members

18,198

Number of affected Class SMSF members^

$51,702

Average Div 296 tax liability per member

6.7%

Liquidity Issues

Class SMSFs affected with insufficient cash to pay

35.2%

Property ownership in Class SMSFs with $3m+ member balances

*Division 296 tax modelling is based on Class tax return data – latest available information is FY24

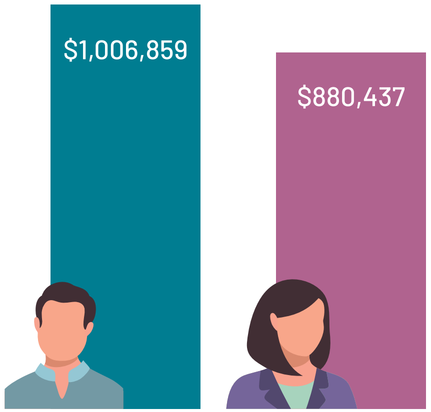
^Total affected members subject to Division 296 is 19,510. After reducing for negative returns affected members is 18,198 or 93.3% of members with balance >$3m at 30 June 2024.

SMSF gender gap

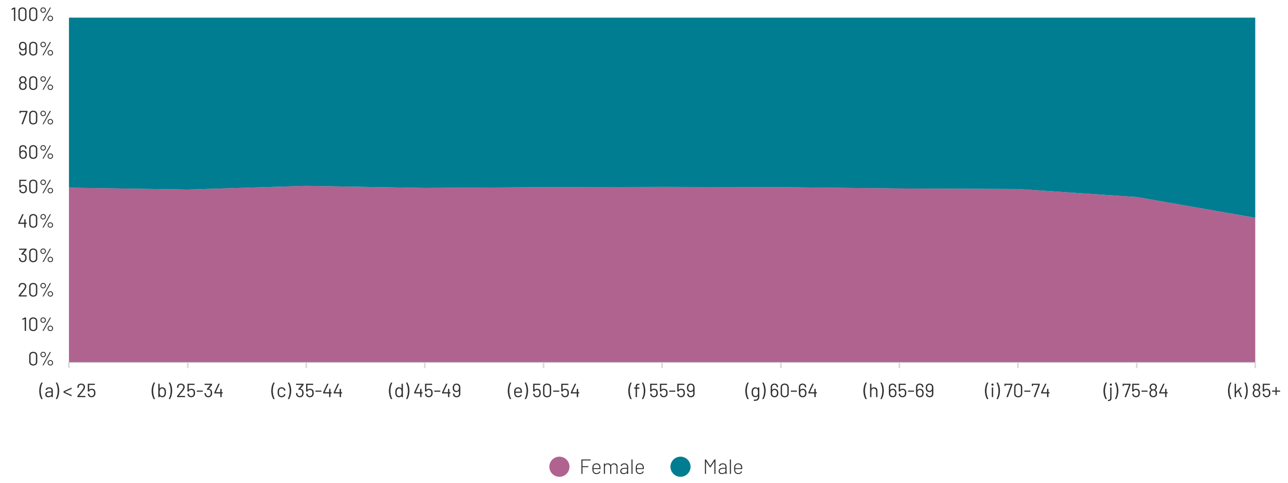
The gender gap between male and female balances continued to narrow in FY25, down 5.5% from $133,750 to $126,422. Average female balances as a percentage of male balances also increased by 0.5 percentage points to 87.4%.

As covered in our catch-up contributions analysis, women are increasing their contributions during their working and retirement journey, which is helping to reduce the gender gap in superannuation balances. Strategies such as contribution splitting and recontribution are becoming increasingly important, particularly if one member has a balance above $3 million and could be subject to the proposed Division 296 tax. In such cases, boosting the member with the lower balance may be an effective approach.

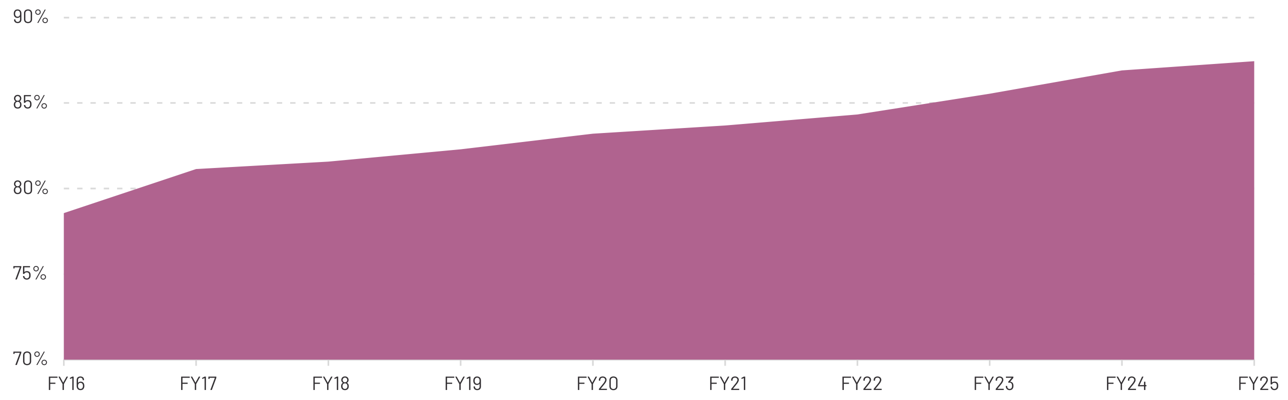
Average balance by gender



Percentage of members by gender in different age bands



Average female balances as a percentage of males'



SMSF gender gap

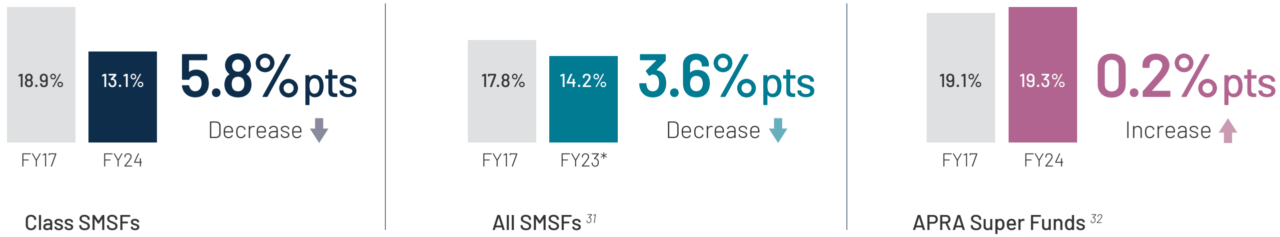
The super gender gap in Class SMSF member balances continued to narrow in FY24, decreasing by 1.4 percentage points. The gender gap in APRA funds also improved slightly, by 0.5 percentage points in FY24, but remains above pre-COVID-19 levels.

These improvements suggest that women are slowly closing the gap in superannuation balances. They should be helped further by the introduction of superannuation on government-funded parental leave pay from 1 July 2025. This should be particularly helpful for women in the 35 to 44 age group where the gender gap is greatest for those in Class funds at 23.4%, and high for those in APRA funds at 22.2%.

After peaking in the 35 to 44 age group, the gender gap for Class members gradually declines to 7.8% for those aged 85 and over. As they near and enter retirement, many women are likely to take advantage of the strategies available to boost their balances.

Super gender gap for Class SMSFs vs All SMSFs vs APRA funds between FY17 and FY24

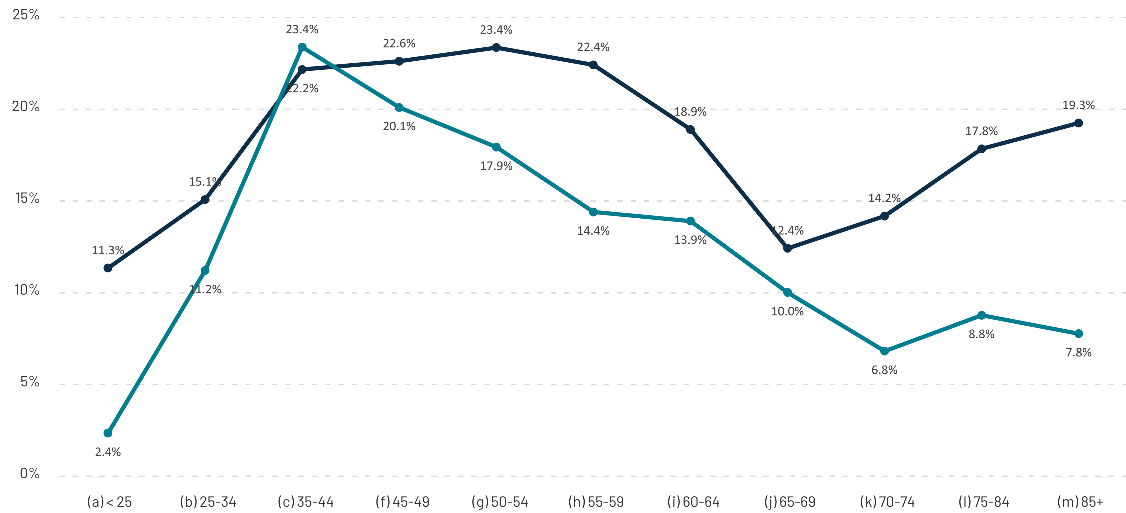
Super Gender Gap = (Av. Male Balance - Av. Female Balance) / Av. Male Balance



*ATO data only available through FY23

Super balance gender gap between APRA funds and Class SMSFs in FY24

Super Gender Gap = (Av. Male Balance - Av. Female Balance) / Av. Male Balance



	(a) < 25	(b) 25-34	(c) 35-44	(f) 45-49	(g) 50-54	(h) 55-59	(i) 60-64	(j) 65-69	(k) 70-74	(l) 75-84	(m) 85+
APRA Funds Gender Gap	11.3%	15.1%	22.2%	22.6%	23.4%	22.4%	18.9%	12.4%	14.2%	17.8%	19.3%
Class SMSFs Gender Gap	2.4%	11.2%	23.4%	20.1%	17.9%	14.4%	13.9%	10.0%	6.8%	8.8%	7.8%

[31] *SMSF statistical overview 2022-23, ATO, published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/753f96c7-709a-4627-b8b8-af0e97377b9d/download/smsf-annual-overview-2022-23.xlsx*

[32] *Annual superannuation bulletin June 2015 to June 2024 – superannuation entities, APRA, published 30 January 2025, https://www.apra.gov.au/sites/default/files/2025-01/Annual%20superannuation%20bulletin%20June%202015%20to%20June%202024%20-%20Superannuation%20entities.xlsx*

Phases and drawdowns

Fund phases

For the third year in a row, we compared the phase (accumulation or retirement) of Class SMSF members aged 65 and over with that of members in APRA funds.

The percentage of Class SMSF members aged over 65 and over in pension phase in FY24 was 93.0%, slightly lower than 93.2% in the previous year. The percentage of APRA fund members in pension phase aged 65 and over fell from 51.2% to 49.2% in FY24, suggesting these funds still have work to do to help members take advantage of tax-efficient retirement strategies.[33 34]

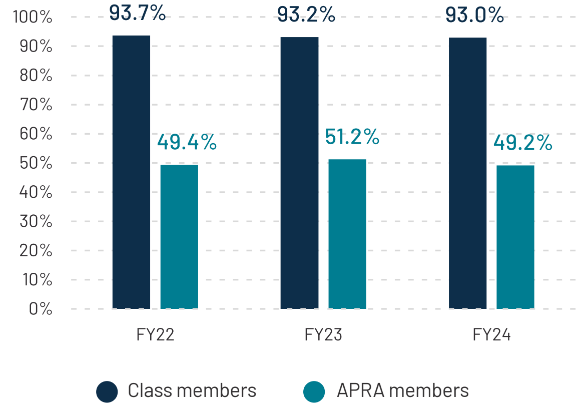
One of the simplest and most common conditions of release in superannuation is when members reach age 65, even if they have not yet retired from the workforce. At 65, members can start a retirement-phase income stream, where earnings on assets supporting this income stream are tax-exempt. Therefore, if they remain in accumulation phase, they may be paying more tax than necessary.

It has now been three years since the introduction of the Retirement Income Covenant (RIC), which requires APRA funds to develop a strategy for their retired members and to measure and track its success. There continues to be regulatory pressure on super funds to ensure members are supported as they move into retirement.

ASIC and APRA conducted another pulse check on RIC progress in 2025, with final results to be published later this year. Preliminary findings indicate that nine out of ten trustees rate their progress in implementing the covenant as either "good" or "very good", and APRA noted that not a single trustee rated their progress as "excellent".

The Federal Government has also released two consultation papers focusing on retirement strategies: *Guidance on best practice principles for superannuation retirement income solutions and Retirement Reporting Framework: Increasing transparency for members.* Treasurer Jim Chalmers said the papers, and the reforms they outline, are about ensuring there is as much policy and product focus on the retirement phase as on accumulation.

Class SMSF members vs APRA members over 65 in pension phase



"Despite the progress to date, a substantial gap remains between where the industry is today and where it needs to be to empower members to feel confident in making the critical financial decisions at the point of retirement."

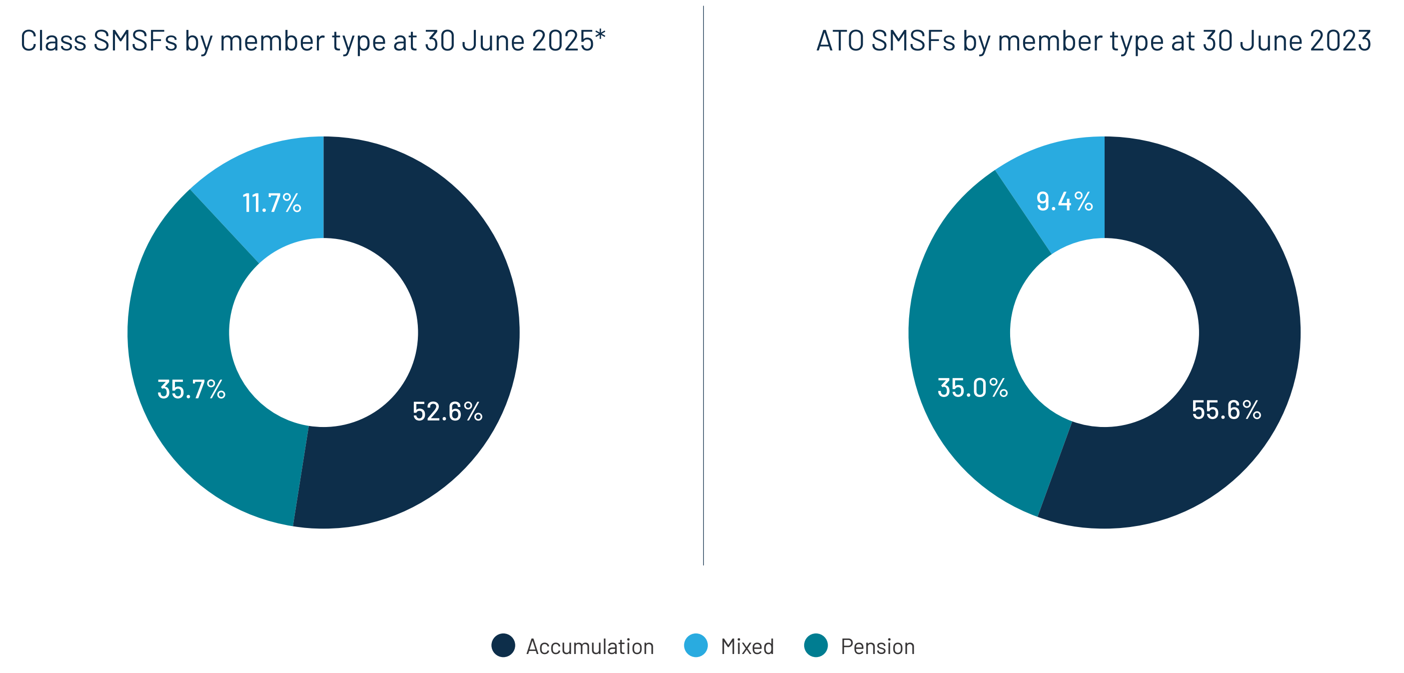
APRA Deputy Chair Margaret Cole, August 2025[35]

[33] *Annual superannuation bulletin June 2015 to June 2024 – superannuation entities, APRA, published 30 January 2025, https://www.apra.gov.au/sites/default/files/2025-01/Annual%20superannuation%20bulletin%20June%202015%20to%20June%202024%20-%20Superannuation%20entities.xlsx*

[34] *Quarterly superannuation industry publication – June 2025, APRA, published on 9 September 2025, https://www.apra.gov.au/sites/default/files/2025-09/Quarterly%20Superannuation%20Industry%20Publication%20-%20June%202025.xlsx*

[35] *Remarks to the Conexus Retirement Conference, APRA, published on 13 August 2025, https://www.apra.gov.au/news-and-publications/apra-deputy-chair-margaret-cole-remarks-to-conexus-retirement-conference*

Fund phases



*Class data is FY25 to compare against latest available ATO data which is FY23

Transition to retirement income streams

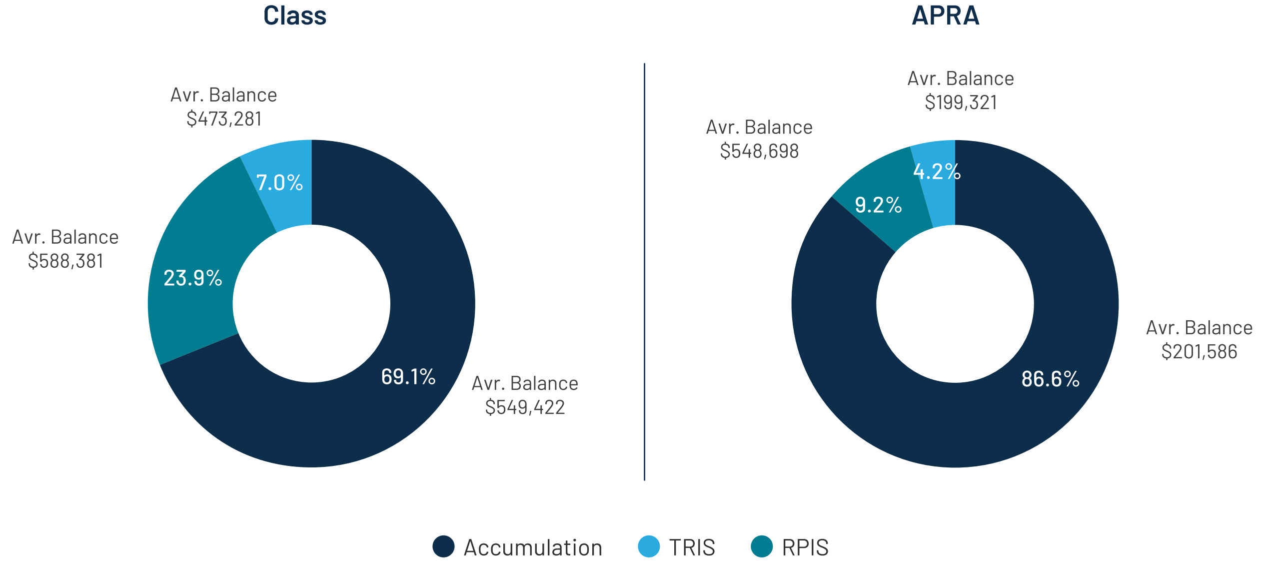
Transition to Retirement Income Streams (TRIS) can start before a member retires or turns 65 and can deliver meaningful tax advantages. They are often used by SMSF members aged 60 to 64, as pension payments to members over 60 are tax-free.

This year we compared the share of members aged 60 to 64 using a TRIS in Class SMSFs with those in APRA funds. 7.0% of Class SMSF members in this age group were using a TRIS, versus 4.2% of APRA fund members.[36 37]

Average balances also differ. The average balance of Class SMSF members with a TRIS was higher, at $473,281, compared with $199,321 for APRA fund members. For Retirement Phase Income Streams (RPIS) it was $588,381 versus $548,698. 23.9% of Class members aged 60 to 64 were using an RPIS, compared with 9.2% in APRA funds. Overall, SMSF members in this age bracket were 2.3 times more likely to be in either a TRIS or an RPIS than APRA fund members.

For the second year running, the data suggests SMSF members are more likely to recognise the tax advantages of income streams and to adopt or maintain them both before and after retirement. For advisers, it underlines the value of ongoing engagement and education around these strategies.

Member phases and average balances for ages 60-64: Class vs. APRA comparison



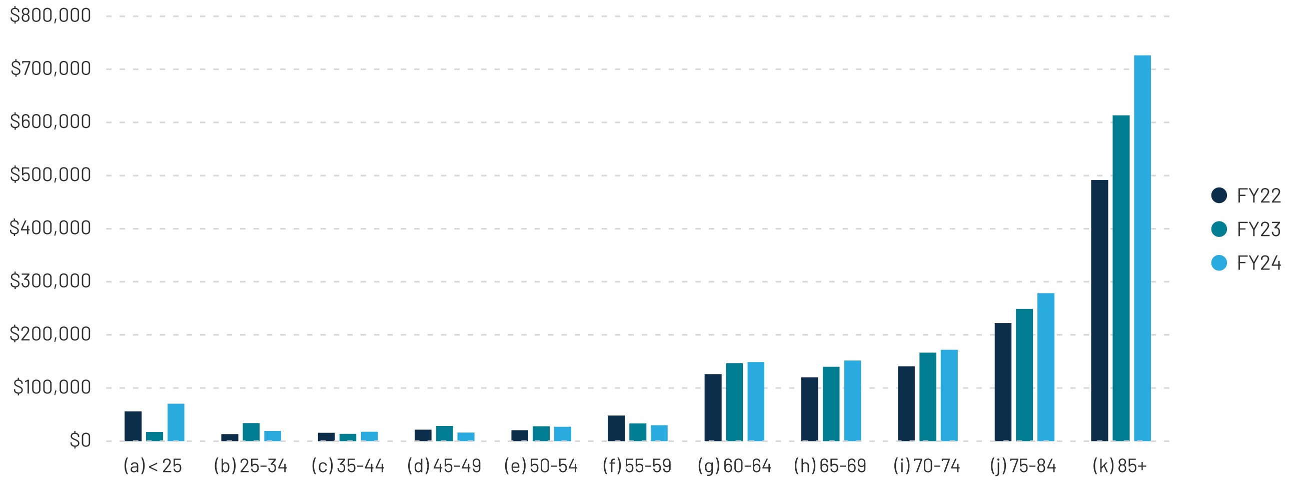
[36] Annual superannuation bulletin June 2015 to June 2024 – superannuation entities, APRA, published 30 January 2025, https://www.apra.gov.au/sites/default/files/2025-01/Annual%20superannuation%20bulletin%20June%202015%20to%20June%202024%20-%20Superannuation%20entities.xlsx

[37] Quarterly superannuation industry publication – June 2025, APRA, published 9 September 2025, https://www.apra.gov.au/sites/default/files/2025-09/Quarterly%20Superannuation%20Industry%20Publication%20-%20June%202025.xlsx

Benefit payments

Lump sum payments increased across all age groups for Class SMSF members aged 60 and over in FY24. The average lump sum peaked among those aged 85 and over, at just over $726,000.

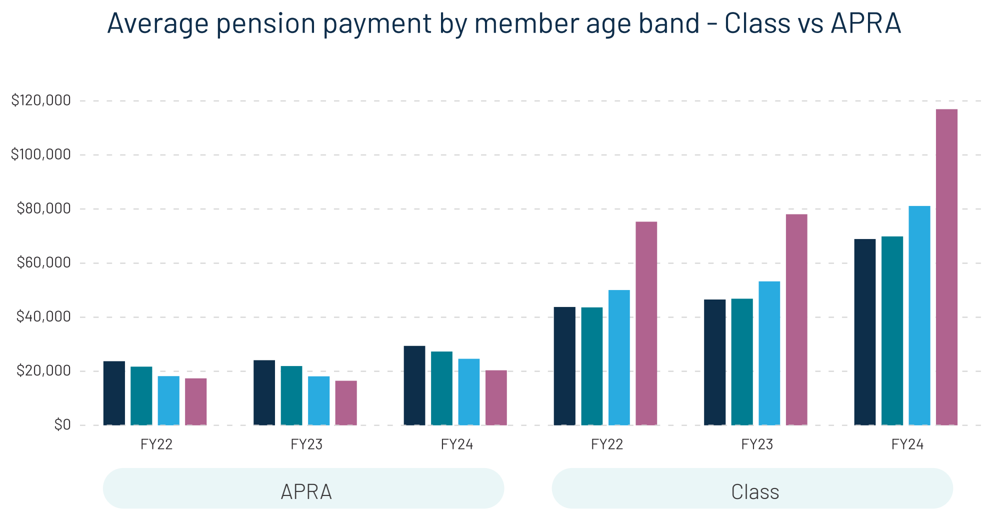
Average lump sum payment by member age band

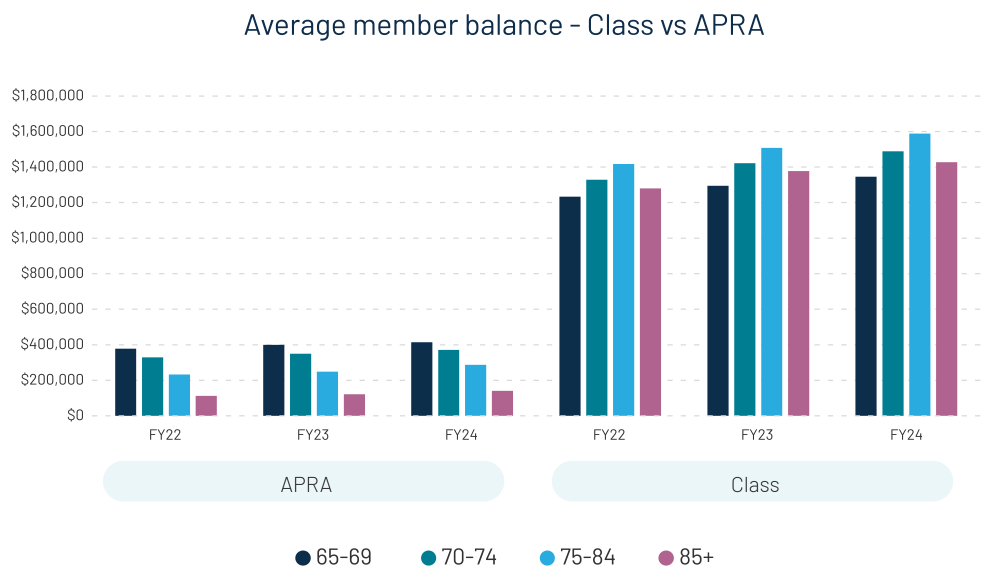


Benefit payments

The average pension payment for Class SMSF members aged 85 and over increased again in FY24, as the minimum pension drawdown requirements returned to their pre-COVID-19 levels on 1 July 2023. These requirements increase from 5.0% for 65 to 74 year-olds, to 9.0% for 85 to 89-year-olds, 11.0% for those aged 90 to 94, and 14.0% for those aged 95 and over. During the FY20 to FY23 income years, these levels were halved to provide some relief.[38 39]

Average member balances for those aged 65 and over increased across FY24 in all age groups in both APRA funds and Class SMSFs, but rose faster in SMSFs.





[38] *Annual superannuation bulletin June 2015 to June 2024 – superannuation entities, APRA, published 30 January 2025, https://www.apra.gov.au/sites/default/files/2025-01/Annual%20superannuation%20bulletin%20June%202015%20to%20June%202024%20-%20Superannuation%20entities.xlsx*

[39] *Quarterly superannuation industry publication – June 2025, APRA, published 9 September 2025, https://www.apra.gov.au/sites/default/files/2025-09/Quarterly%20Superannuation%20Industry%20Publication%20-%20June%202025.xlsx*

Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends

Melanie Dunn
Principal and Senior Actuary, Accurium

An examination of Class data in respect to member pension accounts shows an ongoing compliance risk is members failing minimum pension payments and losing entitlement to Exempt Current Pension Income (ECPI) under the ATO's updated TR 2013/15, and the data highlights that the risk of failure increases for older retirees.

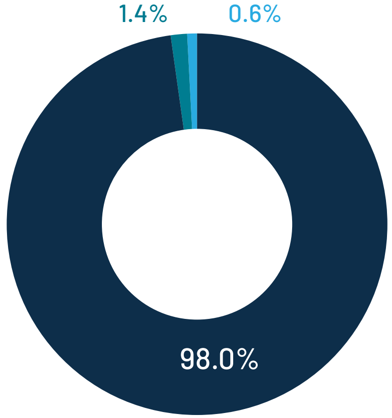
It is also found that there are over 1,000 legacy pensions in Class which may be eligible to take advantage of the regulatory change which now allows legacy pensions to be commuted and replaced with more flexible Account Based Pensions (ABPs). Class data also suggests SMSF retirees may live longer than average but often exit their fund before death, highlighting the need for retirement planning that accounts for longer lifespans.[40]

Overview of all pension accounts held by members in Class in 2025

The type of pensions held by members remains consistent with the 2024 analysis. Most pension accounts held by SMSF members are account-based pensions (ABPs), with only 1.4% of accounts in a transition to retirement income stream (TRIS).

The average member with a pension account in Class on 1 July 2024 had two account-based pension accounts, was aged 72, and had a total pension balance of $1.1 million.

Pension account types held by members in FY25



[40] *The results in this report section are based on analysis of pension account data from members in Class provided to Accurium. The data is relied upon as given and has not been independently verified. Data considers pension accounts from financial years 2020-21 to 2024-25. Data for the 2025 financial year represents about 70% of the final expected data points due to pension account details not yet entered in Class. We have assumed the data available for 2025 is representative of the full data for the 2025 financial year.*

Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends

Challenges with minimum pension payments

The ATO released the final updated version of their pension ruling *TR 2013/5: when a superannuation income stream commences and ceases* on 26 June 2024. It appears that the ATO has made it quite clear that for the failed pension to be fixed, the member must consciously commute the pension and commence a new pension. This means that a fund may not be eligible to claim ECPI on these pensions until such time as the new pension is recommenced. In practice this could be many months into the new financial year and so could have a material impact on the fund's ECPI claim over multiple years.

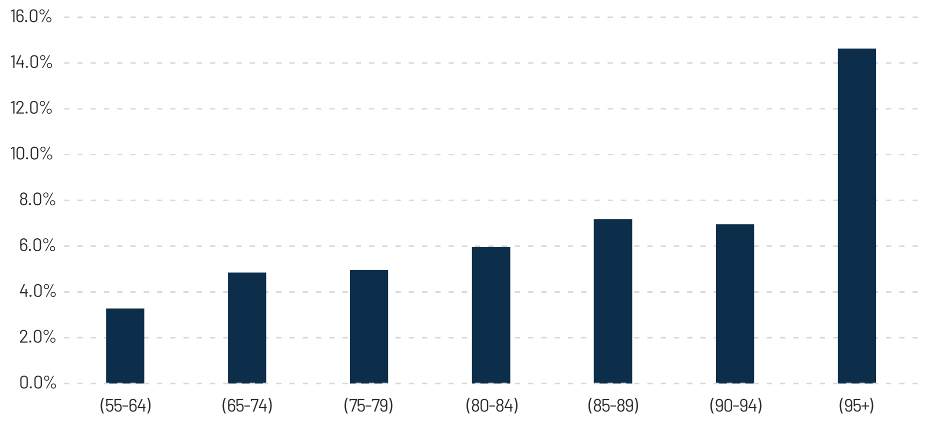
Class data completed so far for FY25 suggests that 4.9% of members with an ABP or TRIS account failed to meet the minimum pension requirements in FY25. The total balance of pensions held by members who failed to meet the minimums was $4.8 billion in 2024-25. This is 4.8% of all assets supporting ABP or TRIS accounts in 2024-25 and equates to an average total pension balance of $1.16 million per member which may not be eligible to claim ECPI in 2024-25 nor for part of 2025-26 until the member consciously commutes the pension and recommences a new pension. For illustration purposes if these funds had assessable income of 3.5% of assets for 2024-25 this could be $168 million in ECPI foregone, which at a 15% tax rate equates to $25 million in tax which could have been saved should the minimum pension standards have been met. [41]

It is found that in general the older the member, and so the higher their minimum pension rate, the more likely they are to fail the minimum pension requirements.

Members aged 90-94 with a minimum drawdown of 11% are more than twice as likely to fail the pension standards as a member aged under 65 with a minimum drawdown of 4%. At advanced ages over 95 with a minimum drawdown rate of 14% there are fewer members, but initial FY25 data suggests around 15% of these members failed to meet the pension standards.

SMSF professionals should be communicating with clients about their minimum pension payment requirements, and highlighting the potential significant implications for loss of ECPI should the pension standards not be met. This will be particularly important where a client moves up an age bracket and their minimum pension rate increases, as the data shows the risk of failure increases the higher the minimum pension requirement. With the new ATO view on when a pension which fails the minimums is recommenced, it is critical to ensure the correct minimum pension payment is paid in form and effect each financial year to avoid loss of ECPI.

Proportion of members who failed to meet the minimum payment requirements in FY25 by age bracket



[41] *The 4.9% of members who failed to meet their minimum pension requirements in FY254 are based on SMSFs with a period update run to 30 June 2025 and where the pension was in existence at 1 July 2025 and member was aged at least 55, serving as a tentative indication of finalised FY25 accounts. This percentage may be expected to decrease, as many SMSFs have yet to complete their audits or lodge their annual returns.*

Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends

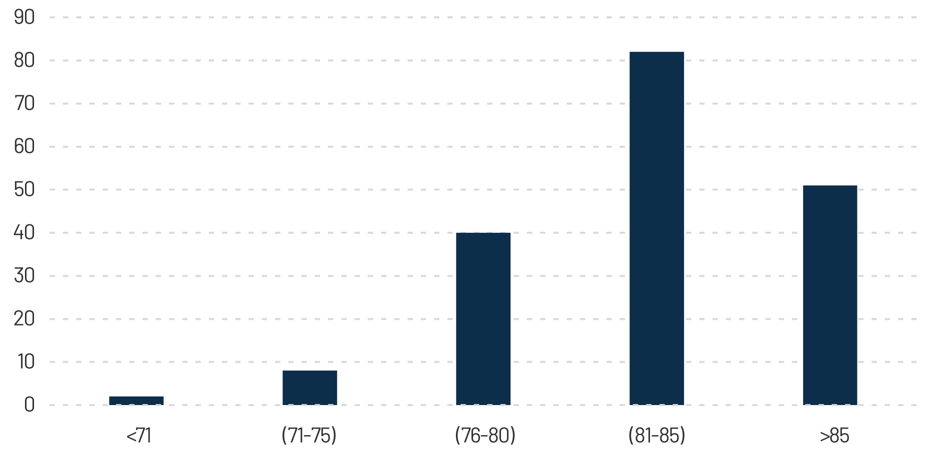
The legacy pension opportunity

New regulations applying from the 7 December 2024 paved the way for retirees with a legacy pension, for example a lifetime, life-expectancy or market-linked pension, to commute their pension in full and wind up any reserve, then subject to their personal transfer balance cap, commence a more flexible account-based pension.

For retirees with a complying defined benefit pension this presents an opportunity to move out of a pension which generally pays no death benefit and does not allow lump sum withdrawals, providing the retiree with more flexibility with estate planning and access to their savings. Class data shows in FY25 there were 199 complying pension accounts totalling $178 million across 183 members. This is a significant amount of money which will potentially be left in reserve in the SMSF upon the member's passing away, not being paid as death benefits and requiring use of the reserve allocation rules to distribute this money. The average complying pension member is 83 and has a complying pension balance of $1 million.

With most pensioners now in their 80s the opportunity is now to review clients with these legacy complying pensions, as in many cases the client is able to fully commute and recommence a new ABP with their entire balance.

Number of complying pension accounts in Class by age in FY25



The other common type of legacy pension is the market linked pension (MLP), also known as a term-allocated pension (TAP). These pensions are payable over a specified term and are designed to be drawn to zero over that time period. These pensions do pay a death benefit, but pensioners face restrictions on access to savings with a pension payment range specified each year, and lump sum withdrawals are not allowed. According to Class data there was $710 million in MLPs in FY25 across 926 pension accounts for 856 members. The average MLP member was 81 and had a pension balance of $843,900, although the pension balances varied greatly from nearly expired with balances near zero to balances of nearly $10 million.

A problem with MLPs is the transfer balance debit calculation formula can lead to scenarios where members with large balances, around and above the transfer balance cap, find that they cannot put all of the commuted pension back into retirement phase in an ABP and the majority of the balance needs to be retained in accumulation phase or withdrawn from the fund.

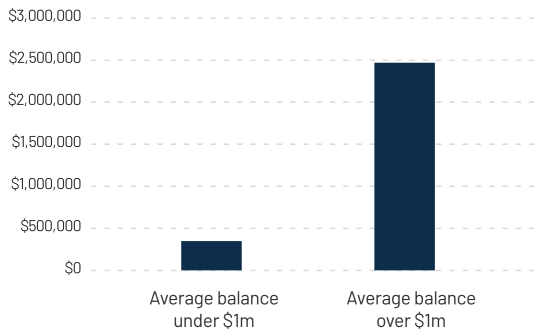
Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends

Examining the Class data, we find 653 members with MLP balances under $1 million have an average balance of $350,000, and 203 members with MLP balances in excess of $1 million with an average balance of $2.5 million. The opportunity to commute the MLP may still be valuable for these large balance members where they are looking to access their savings and implement estate planning decisions ahead of passing away.

Commuting legacy pensions is a complex area and there a range of considerations, such as Age Pension entitlements, exempt current pension income, tax and transfer balance implications, to review prior to recommending a commutation of a legacy pension. There also remains uncertainty about the treatment of reserve allocations upon commutation under the proposed transfer balance cap, with current rules leading to reserve allocations counted as superannuation earnings. We recommend speaking with your actuary to discuss your client's options.

Average MLP balance in Class in FY25 for members with under and over $1 million



Class retirees may live longer than average, but exit their SMSF before passing away

The life expectancy of an Australian retiree can be calculated as the number of years they are expected to live 'on average' from their current age, and statistically more than half of Australian retirees are expected to live beyond their life expectancy.[42]

It is important to recognise that most published life expectancies are based on the expected mortality of all Australians. However, different cohorts of the population can have a materially different life expectancy. Research has shown socioeconomic status and income brackets are positively correlated with lifespans. SMSF retirees may fall into this category, and our analysis of Class SMSF retiree data supports the hypothesis that Class retirees may have materially longer lifespans than the Australian population average.[43]

Examining the number of deaths of SMSF members reported in FY22, FY23 and FY24 compared to the total number of members of each age in FY22, FY23 and F24 it was found that materially fewer deaths were reported at each age than expected based on the latest Australia mortality rates.[44]

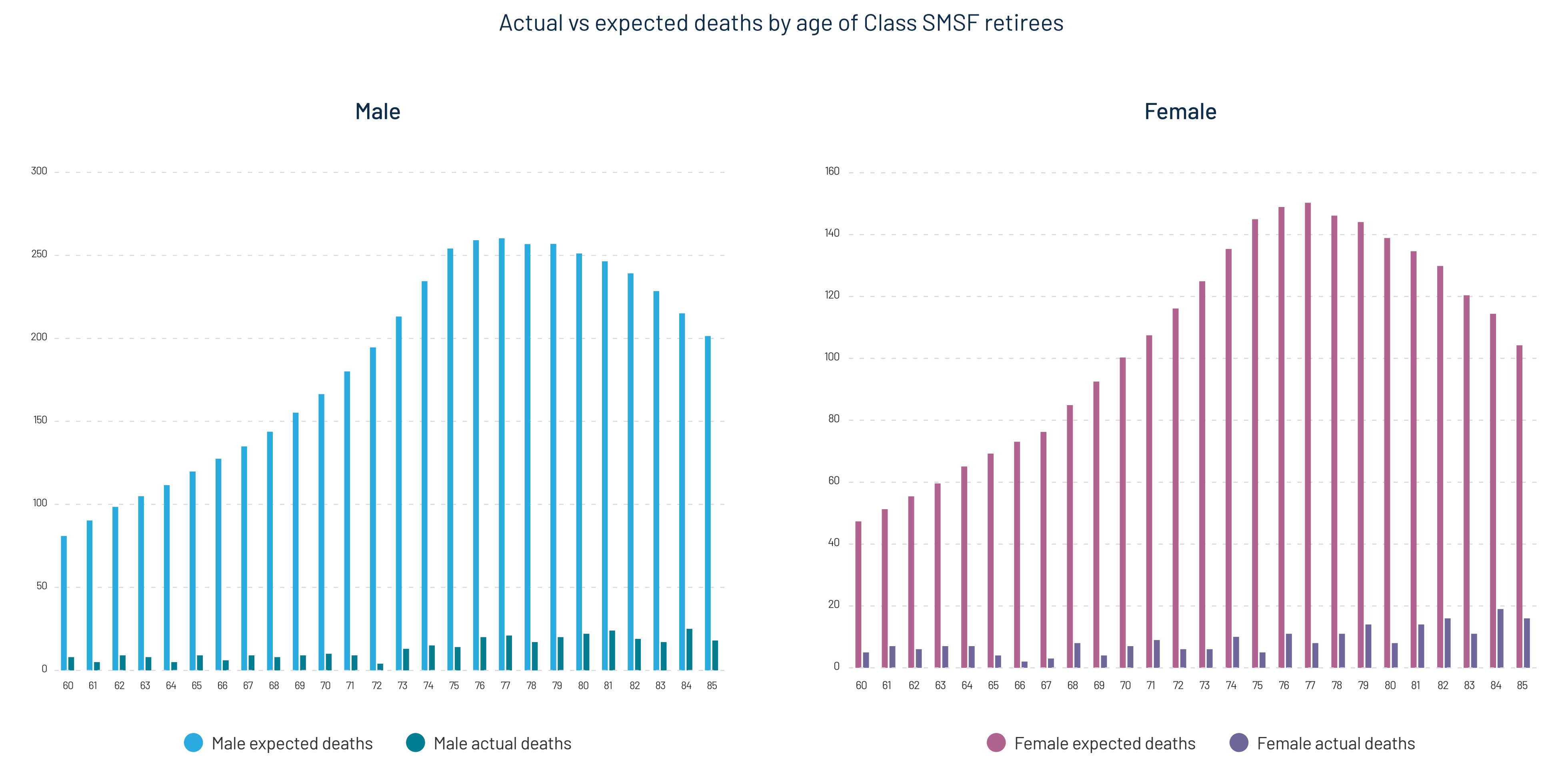
[42] *Australian Government Actuary life tables 2020-22 with 25-year mortality improvements*

[43] *Huang, F., Hui, F.K.C. and Villegas, A.M., 2025. Towards Fairer Retirement Outcomes: Socio-Economic Mortality Differentials in Australia. Presented at the All-Actuaries Summit 2025, 12 June.*

[44] *Australian Government Actuary life tables 2020-22 with 25-year mortality improvements*

Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends



Key client insights

Class pensions: minimum payment risks, legacy pension opportunities, longevity trends

For example, there were 1,840 female Class SMSF members aged 85 in this dataset and based on Australian mortality rates we would have expected 104 of these persons to pass away in the year they were aged 85, but in the Class data only 16 deaths were recorded for members of this age.

The differences are extremely large, and we expect this is in the most part due to retirees withdrawing their entire balance from the SMSF, for example by paying out all their benefits as a lump sum or rolling over benefits to a different fund, prior to their death and so we are not seeing a complete picture of the lives of Class SMSF retirees. It is an extremely common and effective strategy to pass on an inheritance to adult children prior to death, to avoid tax which may be payable on any taxable component when paid as a death benefit.

However, the significance of this difference in actual vs expected outcomes, combined with other research which correlates longer lifespans for higher wealth and socio-economic status cohorts, does signal that Class SMSF retirees may have significantly lower mortality than the population average. This means for an SMSF retiree who is in reasonable health, planning for retirement to last well beyond the standard life expectancy may be essential to ensuring their retirement planning horizon is appropriate for their expected longevity risk. Further research into the lifespans of SMSF retirees could be valuable to quantify the likely longevity risk faced by SMSF retirees to aid professionals and trustees with their retirement planning.

Death benefits

SMSFs offer families flexibility and control when it matters most, especially during the vulnerable period following a member's death. Across FY22 to FY24, about three in ten deceased members had a reversionary pension, which enabled their death benefits to flow seamlessly as continuous income streams to the nominated beneficiaries without interruption.

Where a new death-benefit pension was required, close to two in five commenced within 30 days of death. Lump sums take longer, although the time to first lump-sum payment is improving, with the median falling to 162 days in FY24 from 196 days in FY22.

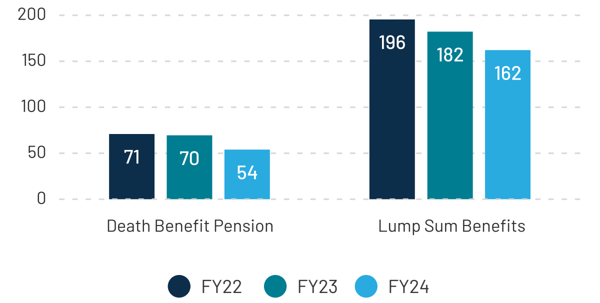
Initial payments are only part of the story, because finalising a death benefit can take longer. For deaths in FY22, the median time for a Class SMSF to fully settle the death benefit was 196 days. For context, ASIC's review of ten large APRA funds found most death-benefit claims were still unresolved after 90 days. The measures are different, but the message is clear: SMSFs trustees can control death benefit outcomes and move promptly when arrangements are set up early, particularly with reversionary pensions, although completion of the full process often takes significantly longer.[45 46]

Analysis of FY22 data reveals distinct payment types across the Class SMSFs. Lump sum payments made up just over half of distributions, reversionary pensions about 30%, and death-benefit pensions about 15%. In addition, 18% of SMSFs implemented multiple payment types to effectively allocate death benefits.

Strategic SMSF structuring, guided by professional advice, provides members with optimal control over their death benefit strategies. This approach enables tax-effective wealth transfer through tax-free income streams for dependents, while simultaneously implementing strategies to minimise tax obligations on lump-sum distributions to non-dependents.

These distribution patterns highlight the importance of comprehensive estate planning within the SMSF framework, enabling members to retain control over outcomes while navigating taxation rules that apply to different beneficiary categories.

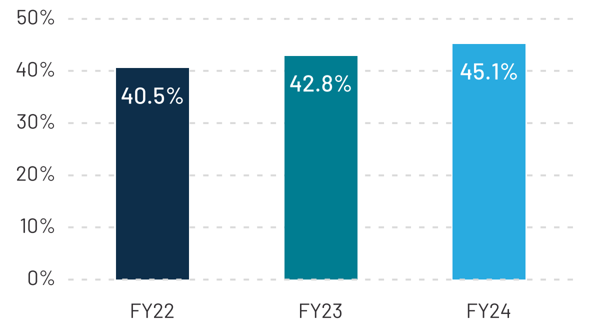
Median wait times for first death benefit (days)



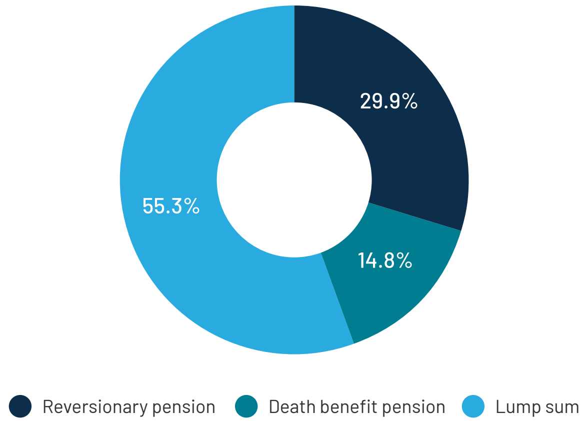
[45] FY22 is shown as sufficient time has elapsed for most death benefits to be finalised, making it the most reliable period for full payment analysis.

[46] Super industry hit with long list of actions in landmark death benefit claims handling report, ASIC, published 31/03/25, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-049mr-super-industry-hit-with-long-list-of-actions-in-landmark-death-benefit-claims-handling-report/

Death benefit pensions started within 30 days of members' death



Death benefit payments by type in FY22*



*FY22 is shown as sufficient time has elapsed for most death benefits to be finalised, making it the most reliable period for full payment analysis.

Key client insights

SMSF death benefits: 'as soon as practicable' – what the data shows

Meg Heffron

Managing Director, Heffron

As our clients age, dealing with death benefits is becoming an increasingly mainstream part of SMSF compliance work.

All super fund trustees have an obligation to deal with death benefits in full (i.e. ensure the whole amount is converted to a pension or paid as a lump sum) "as soon as practicable" after the member dies.[47]

Historically, the rule of thumb was that the ATO would consider anything within 6 months as reasonable whereas more than 6 months would require justification.

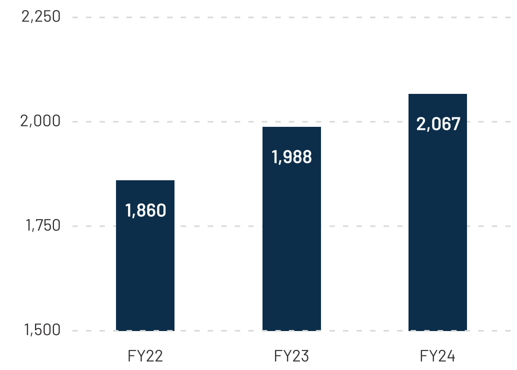
While the ATO recently removed the specific reference to 6 months from its web guidance, this doesn't mean SMSF trustees now have unlimited time. Instead, it probably reflects the fact that 6 months is not a blanket rule. In some cases, "as soon as practicable" might well be far less than 6 months – and the death benefit should be dealt with more quickly. In other cases, it might be longer. The appropriate time will depend on the individual circumstances of the fund.

So how are we going?

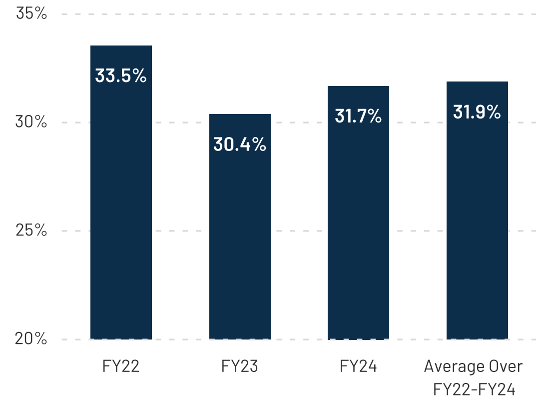
The Class data shows about 2,000 deaths occurred in each of the 2022, 2023 and 2024 financial years (1,860, 1,988 and 2,067 respectively).

Many SMSF members die with a reversionary pension in place – in each of these three years, for example, around 30% of the deceased members had this arrangement. Consequently, at least some of the death benefits were effectively paid out immediately – simply continuing the pension ensures that part of the deceased member's super has been "cashed".

Number of Class SMSF deceased members



Class SMSFs deceased members with reversionary pension as death benefits pension (%)



[47] SISR 1994 6.21 - … a member's benefits in a regulated superannuation fund must be cashed as soon as practicable after the member dies.

Key client insights

SMSF death benefits: ‘as soon as practicable’ – what the data shows

The timing challenge relates more to those for whom at least part of their super will be paid out as a new death benefit pension or a lump sum.

Let’s dig into the Class data for FY2022 death with benefits paid - this group provides the most reliable analysis as sufficient time has elapsed to ensure most death benefits have been fully processed. Around 73% of deceased members in this cohort had some or all of their super paid out as a death benefit pension or lump sum. While some of these members also had a reversionary pension in place, there was at least some (or even all) of the death benefit that required active trustee intervention and was not automatically paid out.

Looking across this group we see on average it took 279 days to fully pay out the death benefit. Notably, in some cases the final payments were in 2024/25 – suggesting perhaps some are not paid out in full even now. It’s often better to look at medians than averages when our statistics have some outliers that skew the results. But in this case, even the median is quite high – 196 days. That suggests that in more than half of all cases, it took longer to pay out the death benefit than the “6 month” guide.

The timeframe extends even further when examining cases involving only lump sum payments, where the median time to just the first payment increases to 278 days. Given that death benefits in an SMSF almost invariable require more than one payment, it’s likely fully dealing with the death benefit takes even longer. I did wonder if our death benefit pension figures were distorted by the fact that the transfer balance cap increased from $1.7m to $1.9m on 1 July 2023. Perhaps many of our trustees of funds with members dying in late 2021/22 realised the increase was likely by the time they got around to dealing with the death benefit (during 2022/23) and waited? The data doesn’t support this hypothesis– only a tiny number of pensions started on that date. More tellingly, approximately 30% of pensions did start on 1 July of various years (2022, 2023 etc). This clearly demonstrates our continued preference for administratively convenient commencement dates for pensions.

At the opposite end of the spectrum, a remarkable number of death benefit pensions commenced very soon after death. For example, of the 452 members who died in 2021/22 and whose death benefits were paid out – at least in part – as a death benefit pension, the pensions started within a month of death in around 40% of cases.

That highlights one of the compelling advantages of SMSFs during difficult times: the family has substantial control over death benefit arrangements and can implement them swiftly when desired.

It’s hard to imagine a public offer fund that could agree on the beneficiary and start a brand-new pension that quickly. Indeed, a recent ASIC review of 10 APRA-regulated funds (representing 38% of total superannuation assets) revealed that even the best performer only managed to process around half its death benefit claims within three months. Most funds completed less than 35% in that time.[48]

[48] *Report 806 Taking ownership of death benefits: How trustees can deliver outcomes Australians deserve, Australian Securities & Investments Commission, published in March 2025, https://download.asic.gov.au/media/edznpbwm/rep-806-published-31-march-2025.pdf*

Investments and asset allocations

SMSF asset investment snapshot

On Class, direct Australian shares remain the most popular investment, representing 27.5% of total assets as at 30 June 2025. Heavy weightings in Australian equities paid off over the last financial year, with the S&P/ASX 200 returning about 10%, despite periods of volatility.

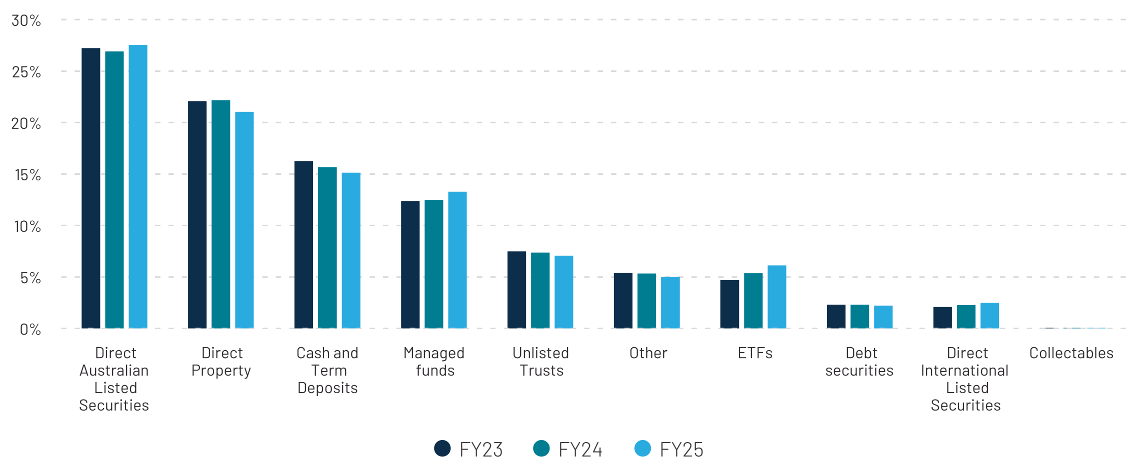
Direct property is the second-largest asset class by value, accounting for 21.0% of Class SMSF assets in FY25, down slightly from 22.2% in FY24.

According to the latest available industry-wide SMSF data from the ATO (as at June 2023), SMSFs had 27.5% of assets in Australian listed securities, 5.4% in residential property and 12.7% in domestic commercial property.[49]

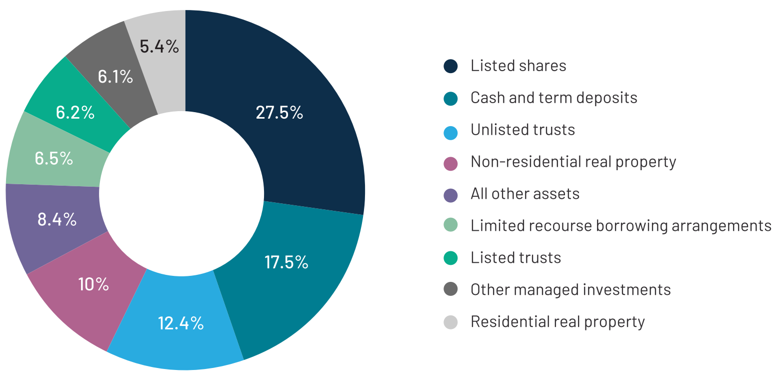
In terms of asset concentration, 84.1% of all Class SMSF assets are held in one of five categories: Australian listed shares, direct property, cash and term deposits, managed funds and unlisted trusts.

SMSFs often invest in direct Australian shares, partly due to refundable franking credits and home bias. Many also gain international exposure via managed funds or ETFs, so their overall international allocation is likely higher than the small direct holding in listed international securities suggests. Further details on these investments are provided in the top 20 managed funds and ETFs listed later in this report.

Class SMSF asset allocation by percentage



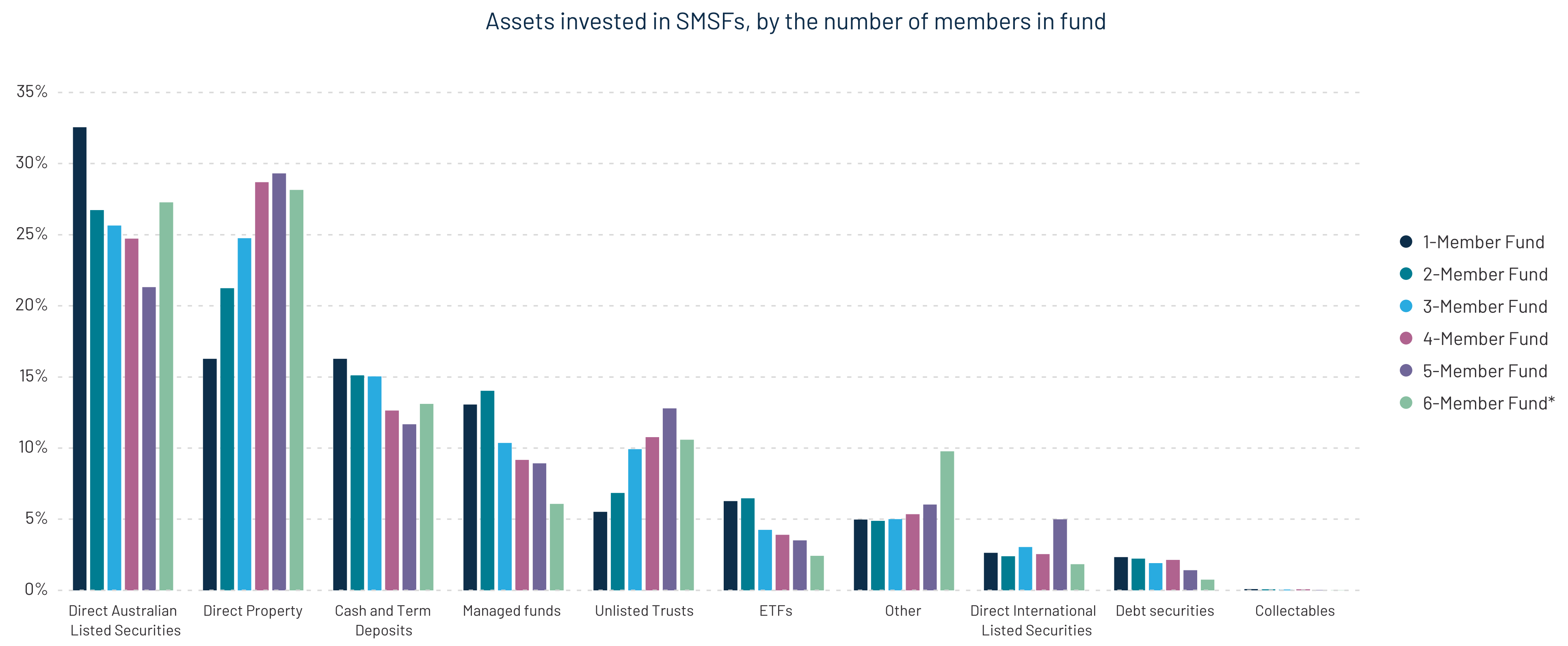
ATO SMSF asset allocation at 30 June 2023*



*Latest available ATO data is FY23

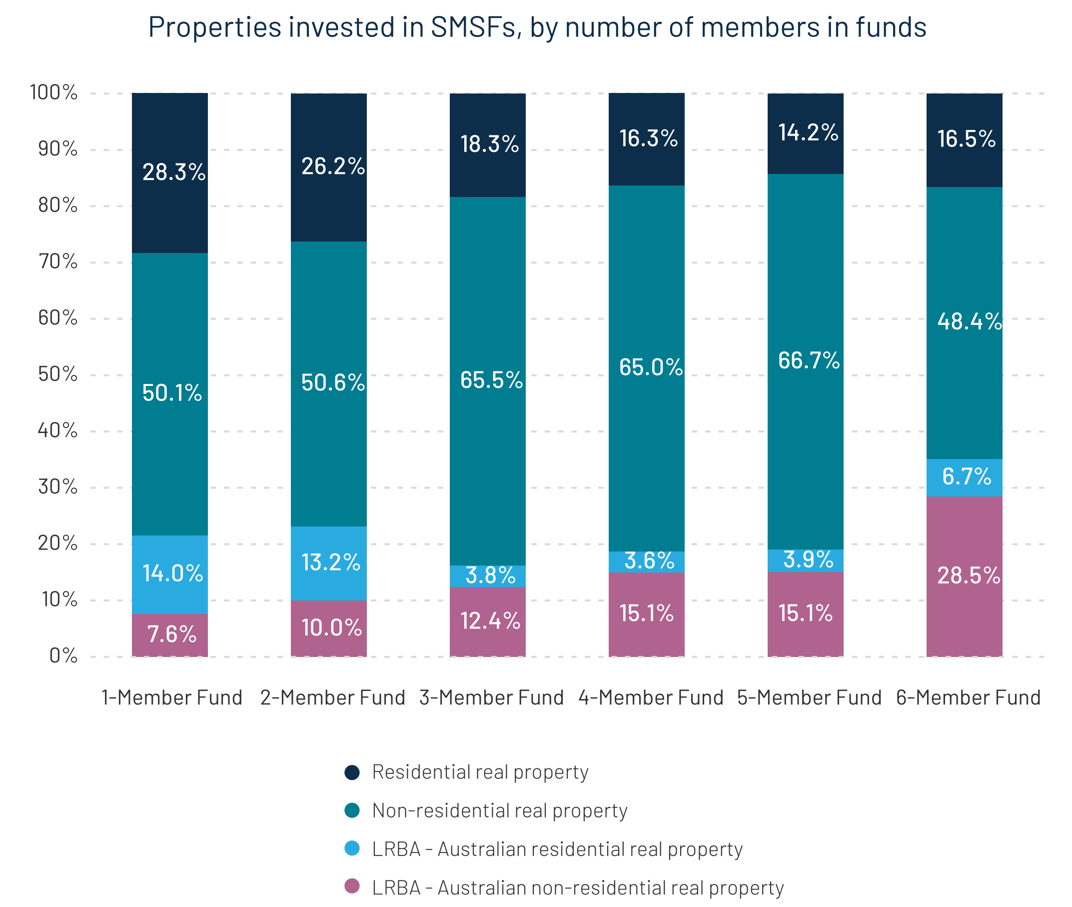
[49] *SMSF annual overview 2022-23, ATO, published on 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/753f96c7-709a-4627-b8b8-af0e97377b9d/download/smsf-annual-overview-2022-23.xlsx*

SMSF asset investment snapshot



*A 6+ member SMSF can occur when new members join and existing members leave during the same financial year, temporarily pushing total membership above 6 during the period.

SMSF asset investment snapshot

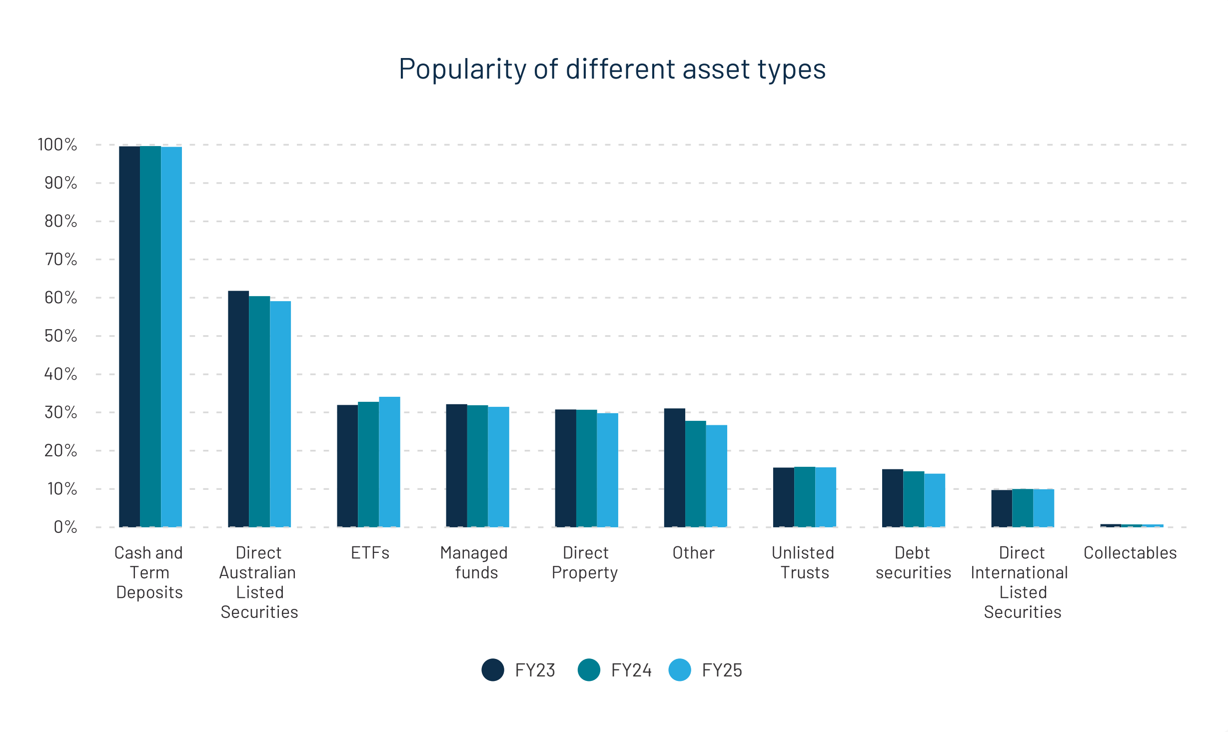


Changing SMSF asset preferences

ETFs remain a popular choice for SMSF trustees and were the only asset class to increase in popularity in FY25, with the proportion of Class SMSFs holding them rising from 32.8% to 34.1%.

By law, every SMSF must have a bank account, so almost all funds hold cash or term deposits. Direct Australian shares remain the next most popular holding at 59.1%. Managed funds are also widely used, with 31.5% of Class SMSFs holding them. Direct property is held by 26.7% of Class SMSFs, a slight decline from last year.

Collectables now represent a very small part of SMSF assets, at 0.7% by popularity and 0.1% by value. The days of buying a favourite artwork or jewellery in an SMSF are largely gone, as many trustees recognise these purchases rarely stack up as investments.

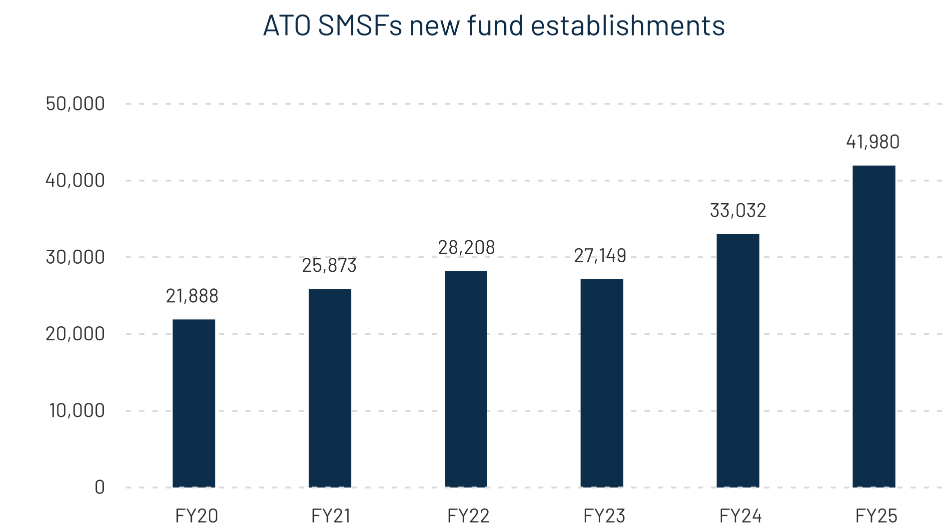


Key client insights

New players, new playbook: How Gen X and Millennials leverage ETFs and SMSFs to shape their retirement future

Ciara Conway

General Manager,
Super, Stake



As the establishment of new Australian self-managed superannuation funds (SMSFs) hits a record high, it's also revealing a profound generational shift. SMSFs are no longer the preserve of the older generation who've been involved with the stock market for decades. In the financial year ending June 2025 (FY25), the SMSF industry saw unprecedented growth with 41,980 new SMSFs established, and Generation X and Millennials being the primary drivers.[50 51]

And there's a second trend that's inextricably linked to this desire for SMSFs among younger cohorts: the rising popularity of Exchange Traded Funds (ETFs). These modern, accessible and cost-effective vehicles align perfectly with the preferences of more tech-savvy generations. Together, these two trends are reshaping the Australian superannuation landscape.[52]

The latest FY25 data from Class is clear: younger Australians are taking control of their retirement savings like never before. Of all new SMSF establishments, the 35-44 year-old cohort now makes up 33.2% (a jump from 32.0% in FY24), the 45-49 year-old group accounts for 19.2% (up from 17.9%), and the 25-34 year-old demographic represents 7.1% (a slight increase from 6.9%). This trend is in stark contrast to the dramatic drop in new fund establishments by Baby Boomers.

[50] *SMSF quarterly statistical report June 2025, Australian Taxation Office (ATO), published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

[51] *Gen X, Millennials driving SMSF growth, Accountants Daily, published 21 February 2025, https://www.accountantsdaily.com.au/super/20964-gen-x-millennials-driving-smsf-growth#:~:text=A%20recent%20analysis%20of%20the%20Class%20Benchmark,per%20cent%20of%20all%20new%20fund%20establishments.*

[52] *Younger SMSF trustees driving ETF investment, SMSF Adviser, published 27 May 2024, https://www.smsfadviser.com/news/23492-younger-smsf-trustees-drive-etf-investment*

Key client insights

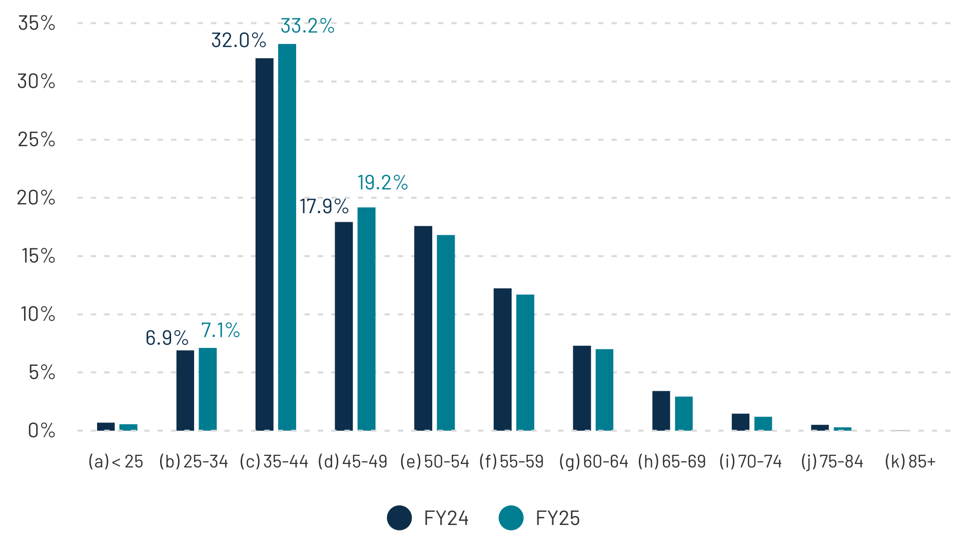
New players, new playbook: How Gen X and Millennials leverage ETFs and SMSFs to shape their retirement future

It's no surprise these generations are more open to SMSFs than ever before. They've grown up with unprecedented easy access to financial information and online trading in a way that would have been unthinkable when their parents were the same age. Not only has this technological shift empowered these generations to be more hands-on with their investments, but it's also given them an expectation of greater transparency and control in all aspects of their finances.[53]

Through platforms such as Stake Super, trustees are realising that the perception of an SMSF as complex and paperwork heavy no longer applies. Automated cloud-based administration software helps manage the compliance and tax preparation burden. The annual end-to-end service of preparing and lodging annual tax returns can all be done via a mobile app. It takes the hassle out of what used to be an expensive, onerous and even stressful part of running an SMSF.

And just as younger generations are embracing SMSFs, they're also adopting different investment habits from their parents, with ETFs front and centre. These are the cornerstone of many SMSF portfolios, especially for newly established funds. ETFs were also the only asset class to grow in popularity in FY25, with their presence across SMSF portfolios increasing by 1.3% year-on-year. So what type of ETF does this new generation favour? The data shows a clear preference for broad exposure to big blue chips at home and abroad. The most commonly held ETFs are the Vanguard Australian Shares Index (VAS), held by 13.5% of funds with ETFs, followed by VanEck MSCI International Quality (QUAL) and iShares Core S&P 500 (IVV), both held by 12.8%.

Class SMSFs member distribution by age for establishments

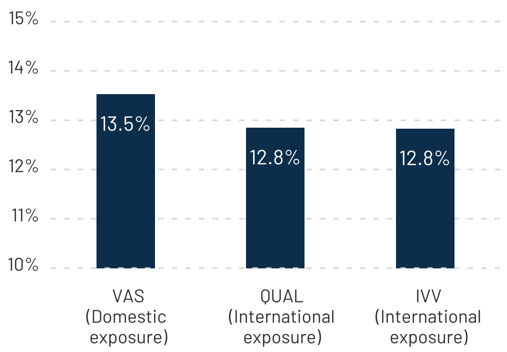


[53] *Setting up Millennials for super success, Australian Securities & Investments Commission (ASIC), published September 2024, https://download.asic.gov.au/media/p3fdyhhk/24-192mr-setting-millennials-up-for-super-success-summary-roundtable-report.pdf*

Key client insights

New players, new playbook: How Gen X and Millennials leverage ETFs and SMSFs to shape their retirement future

Top 3 Class SMSFs ASX ETFs invested by popularity in FY24



There are four key reasons why ETFs appeal so strongly to Gen X and Millennials.

- Diversification and accessibility: ETFs provide instant, low-cost exposure to a wide range of assets, including international and domestic shares, fixed income, and even emerging asset classes. This allows trustees to build a well-diversified portfolio without individually selecting and managing a large number of stocks.
- Cost-effectiveness: With typically low management fees, ETFs provide a competitive alternative to traditionally managed funds, helping trustees maximise their long-term returns by minimising costs.
- Transparency and control: Unlike opaque managed funds, the underlying assets of most ETFs are published daily. They're also liquid, trading on the stock exchange throughout the day, which gives trustees greater control over their investments.

Core-satellite strategy: Many trustees, both advised and self-directed, use a "core-satellite" investment strategy. ETFs, particularly those tracking major indices, serve as the low-cost, diversified core of the portfolio, while individual stocks or more niche thematic ETFs act as "satellites" to provide targeted exposure to specific trends or sectors.[54]

This trend of Generation X and Millennials establishing ETF-focused SMSFs is already reshaping how these generations approach their superannuation. Platforms such as Stake Super fulfills the demand for greater control over retirement savings, combined with the accessibility and efficiency that trustees have already come to expect from modern investment tools.

This advancement in simplified, transparent services is making self-management more attractive and viable for a new generation of investors. The upwards trend in SMSF adoption appears set to continue, benefitting both Australia's retirement savings system and the next generation of investors who stand to gain the most from early engagement with their superannuation.

[54] *What is an ETF? Explaining Exchange Traded Funds, Betashares, published on 14 March 2025, https://www.betashares.com.au/education/what-is-an-etf/*

Changing SMSF asset preferences

ETF adoption continues to grow among SMSFs

ETFs offer SMSFs affordable access to a range of asset classes, with almost one-third of SMSFs on Class now using this investment type.

ETFs account for 6.1% (or $21.5 billion) of Class SMSF assets and are the fastest-growing category, with allocations up 0.8 percentage points over the past year.

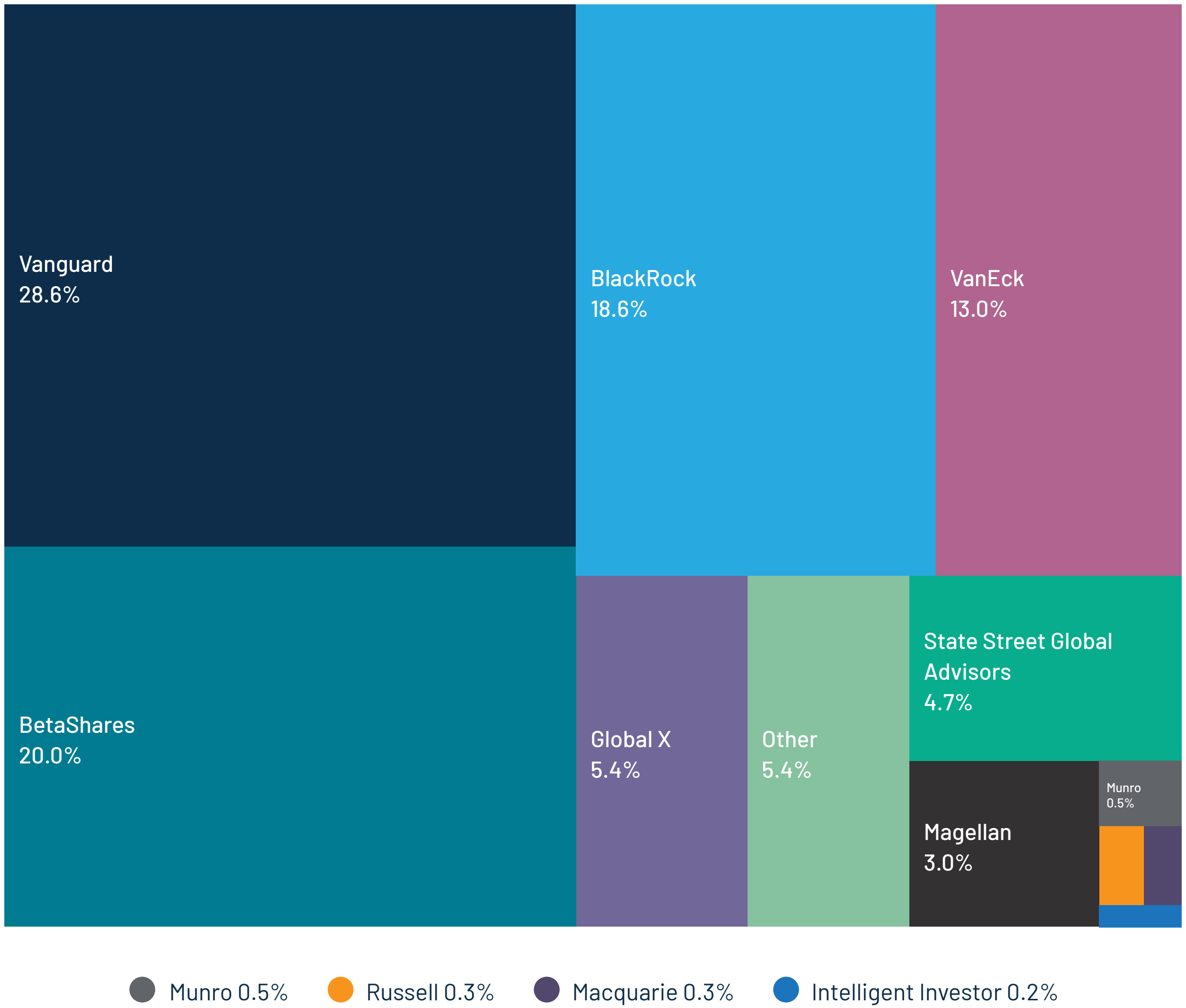
At 30 June 2025, there were 388 ETFs listed on the Australian Securities Exchange (ASX) and about 39 listed on Cboe Australia. ETFs now cover all major sectors, regions and management styles, so SMSFs could make up a diverse portfolio using ETFs alone.

Increased competition has driven fees lower, with the lowest-cost Australian equity ETF charging a 0.03% management fee.

The top ETF by Class assets remains Vanguard Australian Shares Index ETF, which held $1.4 billion of Class members' investments as at 30 June 2025. The ETF's market capitalisation was $20.7 billion at that date.

The second-largest ETF by Class assets is the iShares S&P 500 ETF, with $1.08 billion invested by Class members. The next three by value are also global ETFs, highlighting that many SMSF members use ETFs to gain international exposure.

Top ETF providers by market value



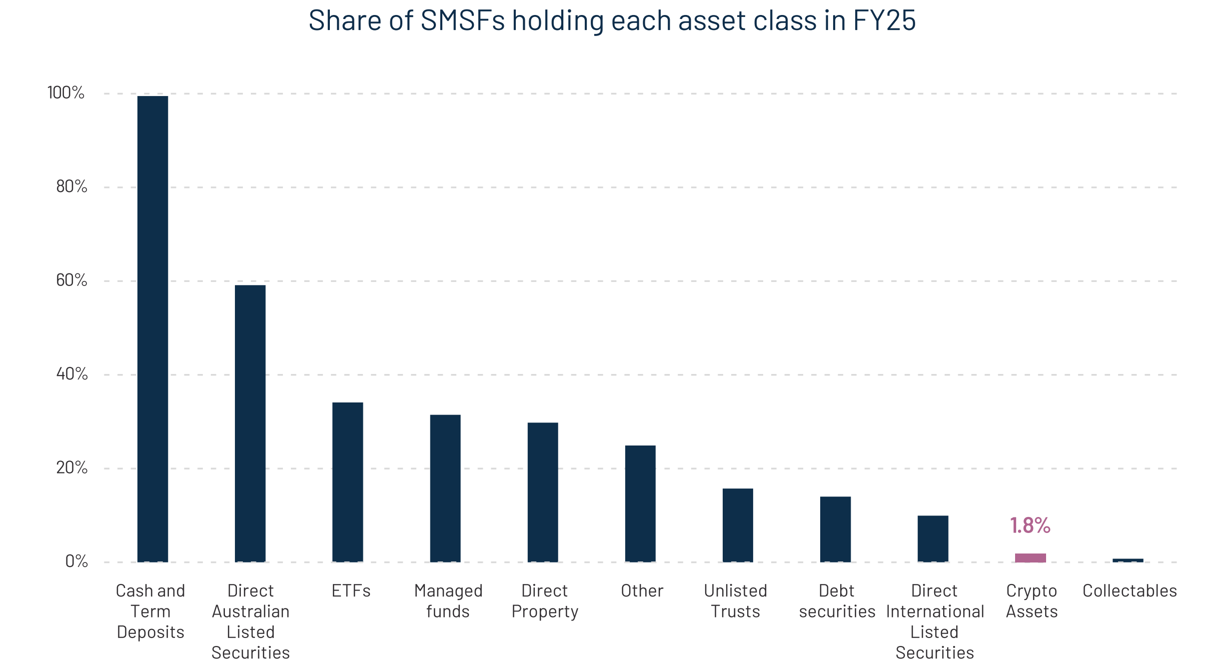
Changing SMSF asset preferences

Cryptocurrency assets

Cryptocurrency remains a niche asset for Class SMSFs. In FY25, 1.8% of funds held crypto assets, down slightly from 2.0% in FY24. The average age of members in funds with crypto was 49.3 years, compared with 61.7 years across all Class funds, indicating that uptake, while limited, is concentrated among younger members.

The average market value of these investments was $202,286. It is also worth noting that some SMSFs may have exposure via ETFs.

There has been recent industry commentary expressing concern that some people are establishing SMSFs solely to invest in cryptocurrency, which is often perceived as riskier than other asset classes. On Class, however, the proportion of funds invested in crypto assets remains low and, among those that do invest, most kept allocations below 40% of assets based on FY24 data.



Key client insights

Crypto assets in SMSFs: Navigating the new frontier

Shelley Banton

Head of Technical,
ASF Audits

The rise of crypto assets

Since the launch of Bitcoin in 2009, crypto assets have gained significant popularity. The ATO began reporting on crypto assets in SMSFs in 2019, where total crypto assets stood at $201 million. By June 2025, these assets had grown to $3.02 billion, representing 0.3% of total SMSF assets.[55][56][57]

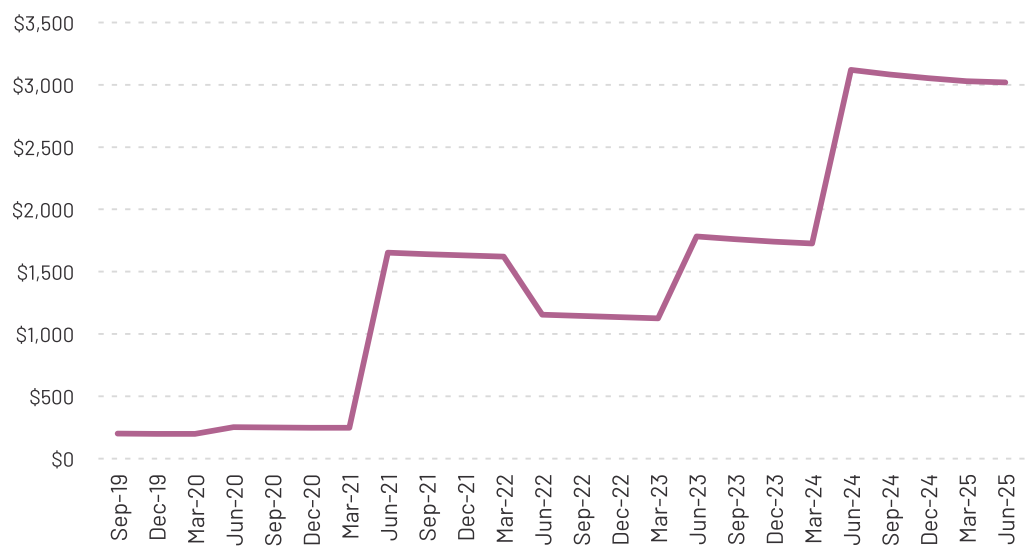
While this growth highlights the acceptance of crypto assets as a mainstream investment, what is most relevant is their increasing use by SMSFs as a satellite allocation in diversified portfolios, with some trustees using it as a hedge against assets such as gold.

SMSF trustees have traditionally exercised caution when considering crypto assets, given the inherent risks associated with this asset class.

As we have watched the industry mature, crypto assets, particularly cryptocurrencies, have become a staple component of the investment landscape, including within SMSFs.

While these assets present distinct opportunities for diversification and growth, they also introduce specific compliance and risk management considerations requiring careful attention.

ATO SMSFs crypto assets allocation ($m)



[55] *Digital Currencies, Reserve Bank of Australia (RBA), published on March 2022, https://www.rba.gov.au/education/resources/explainers/pdf/cryptocurrencies.pdf?v=2025-09-08-11-14-38*

[56] *SMSF quarterly statistical report March 2025, Australian Taxation Office (ATO), published 12 May 2025, https://data.gov.au/data/dataset/self-managed-superannuation-funds/resource/b545bf09-57a7-4684-b706-63c16f950e02*

[57] *SMSF quarterly statistical report June 2025, ATO, published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

Crypto assets in SMSFs: Navigating the new frontier

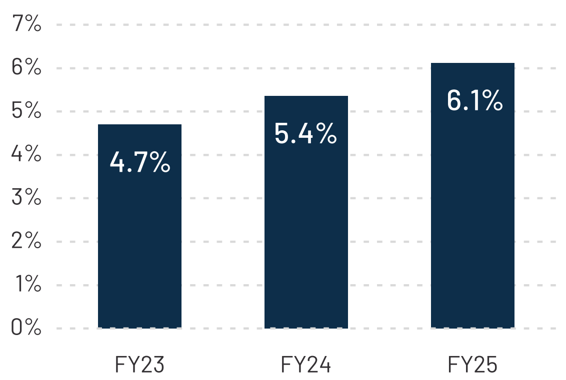
Investment in ETFs

Direct investment remains the predominant strategy among trustees, with 2% of all SMSFs allocating assets to crypto. The Class Benchmark data indicates that these SMSFs maintain an average balance of $202,000, with Bitcoin and Ethereum representing the most frequently held cryptos within these portfolios.

ETFs are the fastest-growing asset class, offering investment opportunities in cryptocurrencies.

The Class Benchmark data indicate that ETFs account for 6.1% of total SMSF assets. They are the fastest-growing asset class in FY25, experiencing 1.4 percentage points growth and were the only asset class that saw a 2.2 percentage points increase in popularity over two years.

Class SMSFs ETFs asset allocation



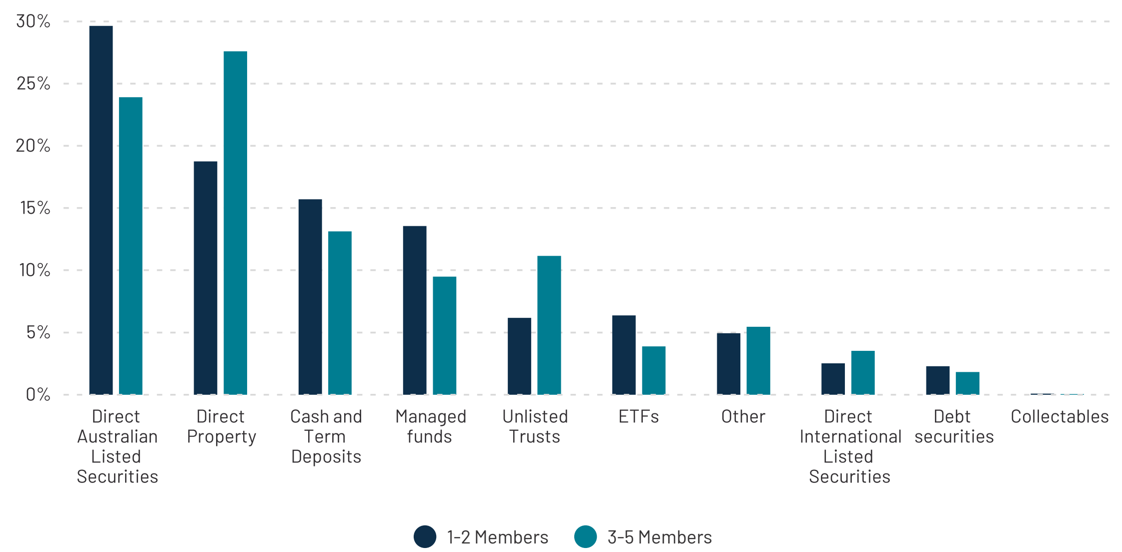
Interestingly, one- and two-member funds invested an average of 6.4% of total SMSF assets in ETFs. As the number of members increased to between three and five, the average investment declined to 3.9% of fund assets.

These results may reflect a shift towards a more conservative investment strategy among SMSFs with larger membership numbers.

The Class Benchmark data also shows that SMSFs have invested in the four crypto ETFs available in Australia that provide exposure to Bitcoin and Ethereum.[58]

SMSFs invested an average market value of $58,048 in these products, and the average market value of the top 10 ETFs is $118,014. The data indicates that SMSFs are allocating funds to both these products through ETFs as part of their overall investment approach.[59]

Class SMSFs average asset allocation between 1-2 members and 3-5 members in FY25



[58] ASX investment Products Australia's Home of Listed Investments, Australian Securities Exchange (ASX), accessed on 8 September 2025, https://www.asx.com.au/content/dam/asx/issuers/asx-investment-products-reports/2025/pdf/asx-investment-products-jun-2025.pdf

[59] Average market value of the top 10 ETF derived from the sum of top 10 ETFs market value divided by unique holdings as at 30 June 2025

Key client insights

Crypto assets in SMSFs: Navigating the new frontier

Risk management

All investments carry a degree of risk, and crypto assets are no exception. The risks associated with crypto assets include pricing risk, regulatory risk, custody risk, currency risk, counterparty risk, and forking risk, among others.[60 61]

There are also regulatory considerations that SMSF trustees must meet, which will depend on the nature of each SMSF's circumstances.

Some of the main risks include identifying the other party in the transaction as a related party, determining whether the member has contributed cryptocurrency, assessing whether the fund has borrowed money to purchase additional cryptocurrency, and evaluating whether there has been a charge over the fund's assets.[62]

Ensuring that SMSF trustees invest in cryptocurrency solely for the purpose of providing retirement benefits to members will enable crypto assets to comply with the legislation and maintain the integrity of the superannuation system.

ATO's approach to crypto assets

For tax purposes, the ATO treats crypto assets as a CGT event rather than a form of money. While there are no special tax rules for crypto assets, the tax treatment will depend on how they are acquired, held, and disposed of.[63]

In most cases, crypto is held mainly for investment purposes by SMSFs and is subject to CGT.

Where cryptocurrency is locked up in a staking program (that is, tokens are committed to a blockchain protocol for a period to help validate/secure the network in return for reward tokens), any rewards are treated as ordinary income at the time they are received.[64]

The reward tokens must be recorded at their market value to determine the correct tax when the assets are sold.

Crypto exchange security

According to Chainalysis, a blockchain data platform, USD $2.17 billion was stolen from crypto exchange services as of July 2025, which is more than the total amount stolen in 2024.[65]

The worst one was North Korea's Lazarus Group's USD $1.5 billion hack of ByBit, a Dubai-based cryptocurrency exchange, most of which has since been laundered.[66]

The exchange was hacked through multiple security and software protocols, as cybercriminals adapted and evolved their tactics to exploit system vulnerabilities.

The importance of a robust cryptocurrency exchange built on security, compliance and risk management protocols is critical to safeguarding SMSF assets.

With the Australian Government finalising the Digital Asset Platform framework, and AUSTRAC and ASIC increasing scrutiny on how platforms operate, compliance positioning is now a key differentiator for crypto exchanges.

Best practices should encompass comprehensive security measures, effective fraud prevention strategies, and adherence to established industry standards.

[60] *What are blockchain fork?, CMC Markets, accessed on 8 September 2025, https://www.cmcmarkets.com/en-sg/learn-cryptocurrencies/what-is-a-blockchain-fork*

[61] *Deciphering the crypto puzzle with bitcoin, ASX, accessed on 8 September 2025, https://www.asx.com.au/content/dam/asx/investors/investment-tools-and-resources/investor-day-nov-24/04%20VanEck.pdf*

[62] *Technically Speaking: The Perfect SMSF Storm: Options & Crypto, SMSF Association, published in November 2020, https://www.smsfassociation.com/wp-content/uploads/2021/02/Technically-Speaking-Issue-60-wo-quiz.pdf*

[63] *What are crypto assets? ATO, last updated 23 June 2025, https://www.ato.gov.au/individuals-and-families/investments-and-assets/crypto-asset-investments/what-are-crypto-assets*

[64] *Staking rewards and airdrops, ATO, last updated 23 June 2025, https://www.ato.gov.au/individuals-and-families/investments-and-assets/crypto-asset-investments/transactions-acquiring-and-disposing-of-crypto-assets/staking-rewards-and-airdrops*

[65] *2025 Crypto Crime Mid-year Update: Stolen Funds Surge as DPRK Sets New Records, Chainalysis, published 17 July 2025, https://www.chainalysis.com/blog/2025-crypto-crime-mid-year-update/*

[66] *Cryptocurrency theft of £1.1bn could be biggest ever, BBC, published 22 February 2025, https://www.bbc.com/news/articles/cx2844nvwx8o*

Crypto assets in SMSFs: Navigating the new frontier

The following key areas are relevant for SMSF trustees:

1. Does the exchange have a proof-of-reserves system in place? Is the crypto held in the exchange backed by customers' crypto deposits, and is that information published and publicly verifiable?
2. Is the exchange AUSTRAC registered, and do they hold an AFSL licence?
3. Do they comply with Australia's Anti-money laundering and counter terrorism financing requirements?
4. Do they provide multifactor authentication? Do they implement other protections to defend against fraud and cyber threats?
5. Is local customer support available? Can SMSF trustees' access educational tools to help them understand what they are investing in? [67] [68] [69]

[67] Digital currency exchange provider registration actions, Australian Transaction reports and Analysis Centre (AUSTRAC), last updated 30 June 2025, https://www.austrac.gov.au/digital-currency-exchange-provider-registration-actions

[68] ASIC moves to expand its oversight of crypto and digital assets, Financial Review, 4 December 2024, https://www.afr.com/companies/financial-services/asic-moves-to-expand-its-oversight-of-crypto-and-digital-assets-20241202-p5kv0w

[69] Digital currency (cryptocurrency), AUSTRAC, accessed on 8 September 2025, https://www.austrac.gov.au/business/your-industry/digital-currency-cryptocurrency

Cybercrime

Managing crypto asset risks requires understanding their unique challenges. SMSF trustees should be aware that losses can occur when they are deceived into investing in fake crypto, fraudulent platforms, or non-existent synthetic products promoted by criminals.

The types of scams include:

1. AI-generated deepfake scams utilise synthetic voice or video to impersonate trusted individuals, such as family members, friends, or celebrities. These scams are easy to create and highly convincing, often tricking people into sending cryptocurrency or sharing personal information. For example, in June 2024, a deepfake of Elon Musk was used to promote fake giveaways during a YouTube crypto stream, resulting in at least USD $5 million transferred to scammers over ten months.
2. Criminals posing as legitimate investment managers with well-designed websites and apps that are fake yet promise significant returns.
3. Phishing scams that impersonate banks and the ATO are designed to obtain personal information, which is then used to compromise login details.
4. Pump-and-dump schemes involve creating new cryptocurrency, implementing a social media marketing strategy to create hype, selling the cryptocurrency at its peak, and then vanishing. Chainalysis has estimated that 4.5% of all launched tokens may be linked to pump-and-dump scams.
5. Crypto Drainers trick investors into connecting their wallet to the internet and unknowingly authorise a transfer. Ready-made malware kits are being sold to criminals on the dark web to facilitate this type of scam. [70] [71] [72]

[70] AI-powered scams in the sights of banks, Australian Banking Association, published 4 September 2025, https://www.ausbanking.org.au/ai-powered-scams-in-the-sights-of-banks/

[71] 8 Crypto Scams to Be Aware of in 2025: A Guide for Businesses and Users, The Sumsuber, published 6 June 2025, https://sumsub.com/blog/crypto-scams-you-should-be-aware-of/

[72] On-Chain Analysis: Over 4.5% of Tokens Launched in 2024 Exhibit Pump-and-Dump Characteristics, Binance, published 31 Jan 2025, https://www.binance.com/en/square/post/19632987032417

Crypto assets in SMSFs: Navigating the new frontier

Cybersecurity

As a starting point, the secure storage of private keys and the use of hot and cold wallets are critical to safeguarding crypto investments. Hot wallets are internet-connected (e.g. exchange or app wallets) for day-to-day access, while cold wallets are offline (e.g. hardware or paper) for higher-security, long-term storage.

SMSF professionals should educate their trustee clients on adopting robust security measures to safeguard fund investments and personal data.[73]

Unfortunately, ASIC has said that these scams are like hydras; when one is shut down, two more take its place.[74]

The following security measures can help protect an SMSF's crypto asset investments:

- Avoid clicking on account sign-in hyperlinks received from SMS or emails.
- Do not share MFA codes or approve unknown sign-in attempts.
- Use MFA whenever possible.
- Select strong passwords.
- Regularly update computer software.
- Research websites before making any online payments.
- Review email addresses, bank statements and recipients of money beforehand.

Partnering with SMSF experts and crypto exchanges that utilise best-practice control technologies is the next step.[75]

Cyber resilience is most effective when it is a shared responsibility among all parties.

Future developments

With the crypto asset landscape rapidly evolving, new products and technologies are emerging. Stablecoins, pegged to traditional currencies, offer a more stable investment option and are expected to become more prevalent in SMSFs.

While they are commonly used as a bridge to facilitate trade between traditional currency and other crypto assets, stablecoins play an essential role in aiming to overcome the shortcomings of the price volatility of unbacked crypto assets, such as Bitcoin, which is yet another reason for SMSFs to invest in this newer asset class.

Tokenisation, the process of creating digital representations of real assets, is another development that may impact SMSFs in the future.

In June 2025, the Digital Finance Cooperative Research Centre (DFCRC), in collaboration with the Digital Economy Council of Australia (DECA), estimated that the total economic gain potential in existing markets and cross-border payments using stablecoins and tokenisation is worth $19 billion per year.[76]

The research underpins the opportunity for digital finance adoption, which could unlock gains of $1.8 billion by 2030 in Australia.

Conclusion

Crypto assets present both opportunities and challenges for SMSFs. By managing risks effectively and staying informed about future developments, trustees can successfully navigate this new digital asset frontier.

[73] Advisers need to educate SMSF clients on best security measures: technical expert, SMSF Adviser, published 11 April 2025, https://www.smsfadviser.com/news/24384-advisers-need-to-educate-smsf-clients-on-best-security-measures-technical-expert#:~:text=SMSF%20professionals%20should%20educate%20their,shared%20responsibility%20between%20all%20parties

[74] ASIC warns of threat from "hydra-like" scammers after obtaining court orders to shut down 95 companies, Australian Securities & Investments Commission (ASIC), published on 7 April 2025, https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-052mr-asic-warns-of-threat-from-hydra-like-scammers-after-obtaining-court-orders-to-shut-down-95-companies/

[75] From MFA to the Sock Drawer: Security in SMSFs, SMSF Connect, published on 2 May 2025, https://smsfconnect.com/article/from-mfa-to-the-sock-drawer-security-in-smsfs#:~:text=Partnering%20with%20SMSF%20experts%20who,as%20MFA%2C%20not%20sock%20drawers

[76] AU $19 billion per year economic impact could be unlocked through digital finance innovation: new research, Digital Finance CRC, published 16 June 2025, https://dfcrc.com.au/2025/06/16/au-19-billion-per-year-economic-impact-could-be-unlocked-through-digital-finance-innovation-new-research/#:~:text=%E2%80%9CWhile%20our%20research%20shows%20Australia,economic%20potential%20of%20digital%20technologies

Changing SMSF asset preferences

Direct property

Direct property continues to represent a significant allocation within SMSFs administered on Class. As of FY25, 29.8% of funds maintained direct property investments, totalling approximately $74.0 billion. However, fund exposure decreased modestly during the reporting period, with asset allocation declining by 1.1 percentage points and the proportion of funds holding property reducing by 0.9 percentage points. This moderate rebalancing may indicate strategic portfolio adjustments by trustees in anticipation of the proposed Division 296 tax changes.

The composition of property-holding SMSFs demonstrates distinct patterns based on property type. Analysis of FY24 data reveals significant differences in fund profiles:

- Residential property investments typically appear in funds with average total assets of $1.4 million, where the property component averages $749,000, representing approximately 50% of total fund assets. These funds tend to be held by younger members with an average age of 56 years. [77]
- Commercial property investments, by contrast, are predominantly found in larger funds with average total assets of $3.0 million, where the property component averages $1.2 million, constituting approximately one-third of total fund assets. Members holding commercial property tend to be older, with an average age of 61 years.

SMSF property investments: average property values and total fund balances

[77] *Average property value and LRBA analysis is based on Class tax return data – latest available information is FY24*

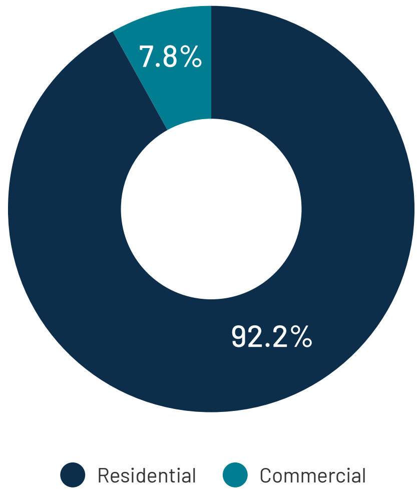
Changing SMSF asset preferences

These allocation patterns have important implications for diversification and liquidity management across different fund types. Additionally, borrowing activity shows strong concentration in residential assets, with approximately 92% of Limited Recourse Borrowing Arrangements (LRBAs) secured against residential property.

Implementation of Division 296 legislation may lead to further reduction in direct property allocations as trustees strategically manage portfolios to maintain balances below the $3 million threshold. Despite this potential shift, property investments are likely to remain attractive for SMSFs when incorporated as part of a well-considered investment strategy.

The regulatory environment suggests increased vigilance regarding asset valuations will be necessary. In its April 2025 guidance, the ATO emphasised that real property investments require heightened attention during end-of-year reporting. Trustees must ensure valuations are supported by objective and verifiable evidence reflecting market value as at—or in close proximity to—the 30 June reporting date.[78]

LRBAs in Class SMSFs at FY24 (% share by count)



[78] *Verifying the market value of fund assets, ATO, published on 2 April 2025, https://www.ato.gov.au/tax-and-super-professionals/for-superannuation-professionals/smsf-auditors/auditing-an-smsf/verifying-the-market-value-of-fund-assets*

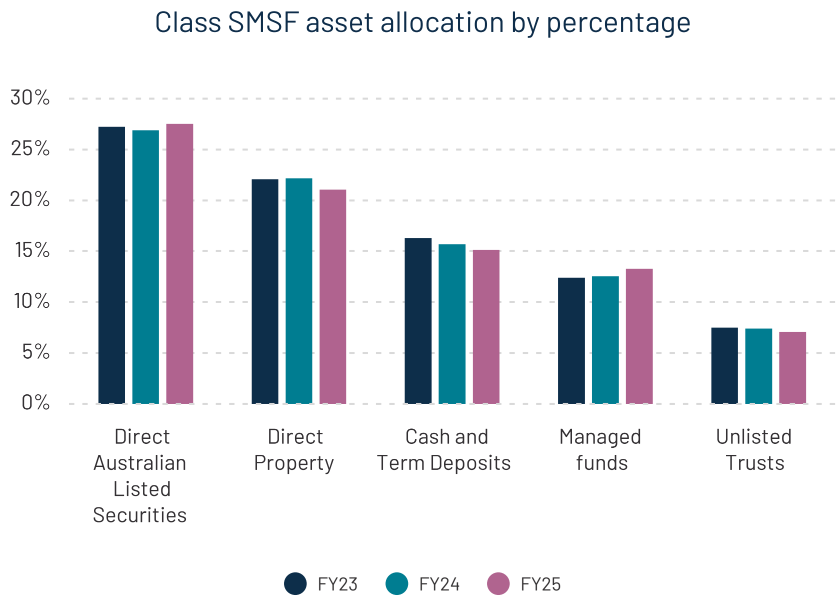
Key client insights

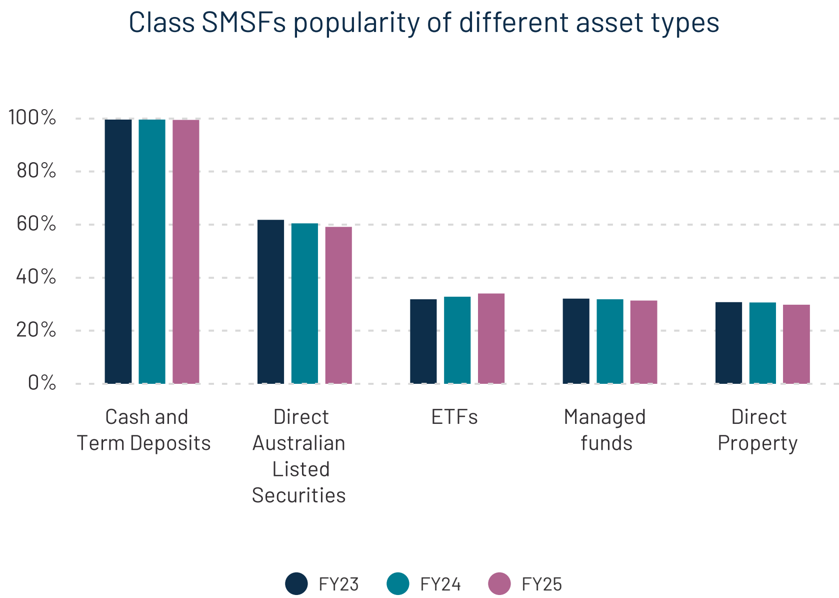
Residential property investment for SMSFs: Strong momentum, favourable rental conditions and solid returns

Angus Moore
Executive Manager, Economics, PropTrack

Mat Kerr
Head of Client Advisory and Analytics, PropTrack

An examination of Class Benchmark data reveals that SMSFs held over $74 billion in direct property investments at the conclusion of the 2025 financial year. This made direct property the second most prominent asset class across all funds, representing 21.1% of total asset allocation (a slight reduction from 22.2% in FY24), with property ownership present in almost 30% of funds at the end of FY25.





Residential property investment for SMSFs: Strong momentum, favourable rental conditions and solid returns

Non-residential property remained the dominant asset class. This isn't surprising given the compelling advantages it offers SMSF members: attractive taxation incentives, portfolio diversification beyond traditional shares and managed funds, and the ability to lease business premises to related parties. This unique structure allows business owners to simultaneously build retirement wealth through property ownership while supporting their ongoing business operations — effectively turning necessary business expenses into retirement savings.

Class data also shows residential property remains an attractive investment class for SMSFs, with strong growth in returns and increased use of Limited Recourse Borrowing Arrangements (LRBAs) for property purchases. Almost half (45.2%) of residential assets in FY25 were acquired through LRBAs, demonstrating the importance of leverage in SMSF property strategies.

This aligns with broader market trends. PropTrack data shows property investors are a large and important part of Australia's property market, with around one in seven Australians owning a rental property. Investor activity has been particularly strong in the past year, with investors making up their highest share of new lending since 2017. Given this momentum, residential property investment within a well-diversified strategy remains compelling for SMSF trustees.

Why residential property remains a compelling asset class for SMSFs

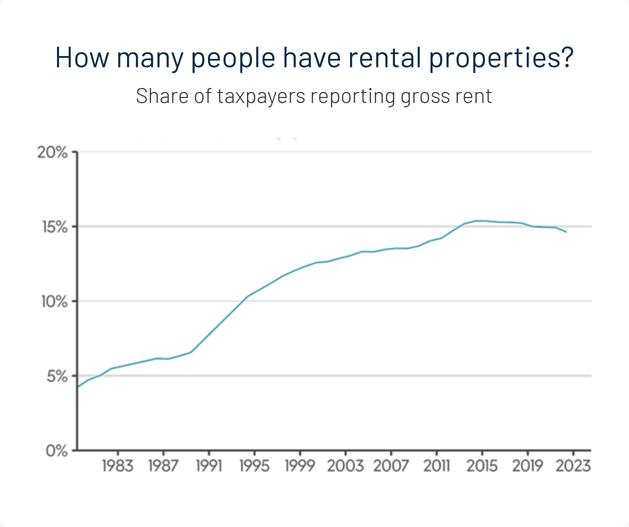
1. Evidence of surging investor confidence

Australia's residential property investor market is showing remarkable momentum, with lending data revealing the strongest investor participation in nearly a decade. Investors now represent their highest share of new lending nationally since 2017, while in Queensland, South Australia and Western Australia, investor lending shares are sitting around their highest investor lending shares ever recorded.

This surge is particularly significant as investor lending growth substantially outpaces owner-occupier lending, indicating that investors are driving a disproportionate share of current activity. The breadth of this engagement is striking: 14.6% of Australian tax filers now report rental income — representing one in seven Australians. This marks a near four-fold increase from the 4.1% recorded in 1978-79, demonstrating the long-term structural shift toward property investment.

This investor momentum creates an optimal environment for SMSF property investment. Strong market participation validates residential property as a robust asset class, while SMSFs enjoy unique advantages: LRBA financing access plus concessional tax treatment—15% in accumulation phase, 10% on discounted capital gains, and tax-free in pension phase. These favourable conditions, combined with strong lending data, position residential property as a compelling long-term investment strategy for SMSF trustees.

Source: ABS [79]



Source: ABS [80]

[79] *Lending indicators - Quarterly estimates of new borrower-accepted finance commitments for housing, personal and business loans, Australian Bureau of Statistics, published 13/08/25, https://www.abs.gov.au/statistics/economy/finance/lending-indicators/latest-release#housing-finance*

[80] *Individuals statistics for Taxation statistics 2022-23, ATO, published 27/06/25, https://www.ato.gov.au/about-ato/research-and-statistics/in-detail/taxation-statistics/taxation-statistics-2022-23/statistics/individuals-statistics*

Key client insights

Residential property investment for SMSFs: Strong momentum, favourable rental conditions and solid returns

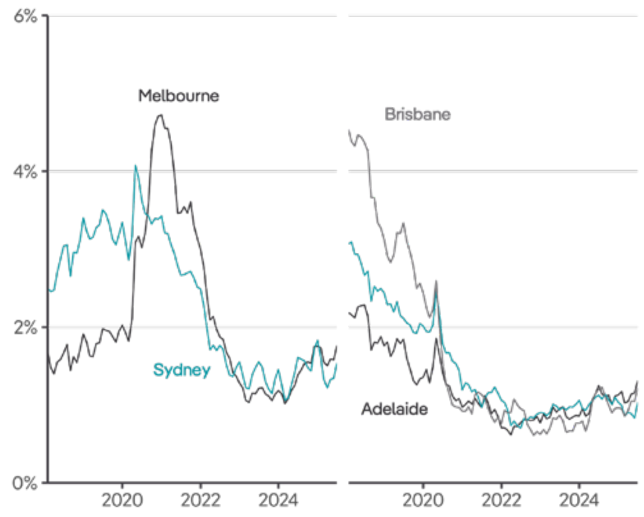
2. Rental market fundamentals drive dual return streams

PropTrack data reveals rental markets remain extremely competitive, with vacancy rates at historic lows. This severe shortage of available rental properties has intensified competition among tenants, driving rapid rent growth and improving gross rental yields. The tight supply-demand dynamic—sustained by chronic housing undersupply and strong population growth—delivers investors both immediate cash flow benefits and the prospect of continued rental appreciation.

The combination of rental yield and capital growth aligns perfectly with SMSF investment strategies, particularly for funds using LRBAs. Strong rental income services LRBA debt while building equity, and predictable cash flows support pension payments in retirement phase. Crucially, rental income taxed at just 15% in accumulation phase and 0% in pension phase delivers a significant advantage over individual investors facing marginal tax rates up to 47%.

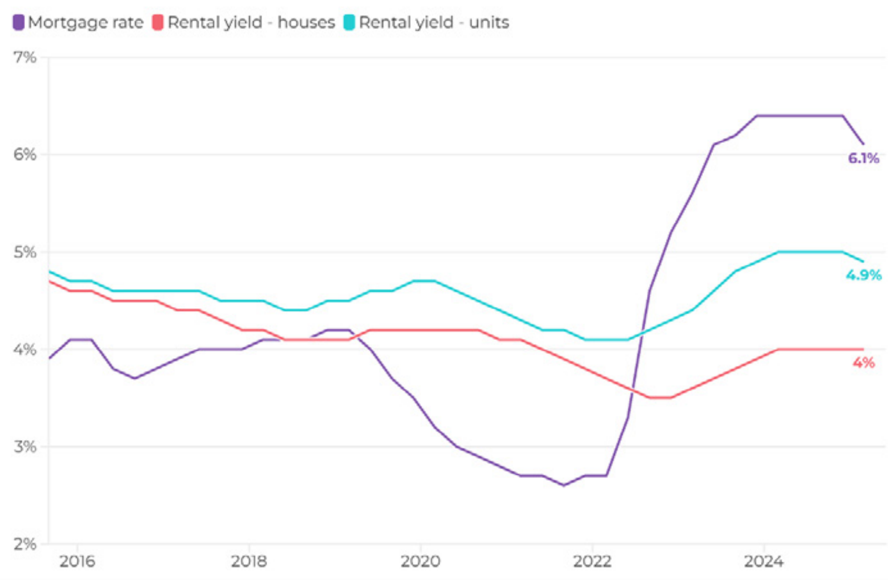
This tax efficiency can mean the difference between a 5% gross yield becoming 4.25% after-tax for SMSFs in accumulation, versus just 2.65% for high-income earners – a 60% advantage that compounds over time.

Rental vacancy rate



Source: PropTrack

Rental yields and mortgage rates



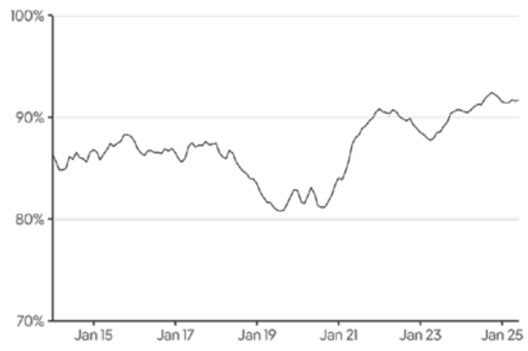
Source: PropTrack

Residential property investment for SMSFs: Strong momentum, favourable rental conditions and solid returns

3. Strong profitability levels signal market resilience

Australian residential property investors are achieving exceptional profitability on resale, with the share of profitable sales reaching its highest level in at least a decade. Rapid price growth—particularly in Adelaide, Brisbane and Perth—has delivered substantial capital gains, while even Sydney and Melbourne have seen 90% and 80% of investor sales turn profitable respectively, despite slower recent growth. This profitability trend shows strong momentum across all capitals, with Melbourne now recovering from earlier declines. As interest rates are forecast to fall, resale values are expected to strengthen further as borrowing costs decrease, creating an even more favourable environment for capital growth.

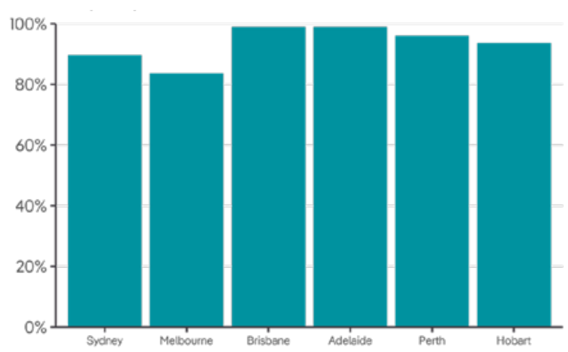
Share of investor sales making a profit



Source: PropTrack | Profit is defined as resale value above initial purchase price, does not consider transaction cost including stamp duty, agent fees etc.

Share of investor sales making a profit

Over the past year



Source: PropTrack

Final thoughts

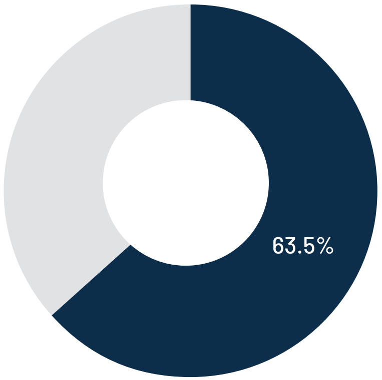
The convergence of record investor lending, broad-based participation growth, and strong rental market fundamentals create compelling potential for sustained momentum in residential property. For SMSFs, this creates a powerful multiplier effect: strong market fundamentals deliver the base returns, while concessional tax treatment – slashing rental tax from up to 47% to just 15% or zero – dramatically enhances net outcomes. PropTrack views this alignment of market strength and structural tax advantages as a rare strategic window for SMSF trustees.

Disclaimer: The information provided in this article is for general education purposes only and is not intended to constitute specialist or personal advice. This article has been prepared without considering your objectives, financial situation or needs. Because of this, you should consider the appropriateness of the advice to your own situation and needs before taking any action. It should not be relied upon for the purposes of entering into any legal or financial commitments.

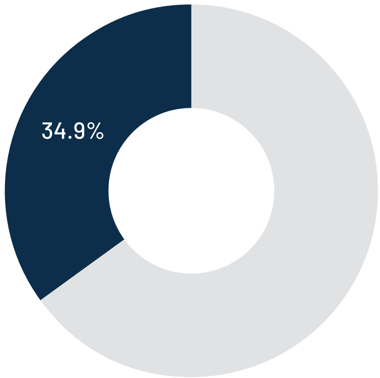
Top 20 investment holdings

Domestic shares overview at 30 June 2025

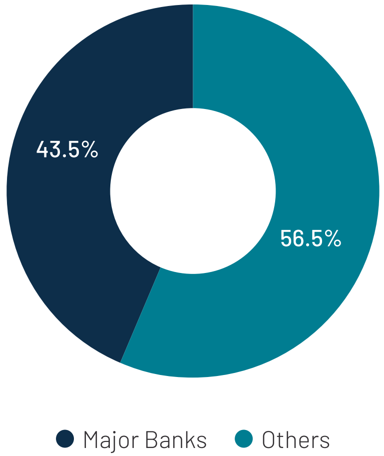
Percentage of SMSFs holding domestic shares



Percentage of SMSFs asset allocation in domestic shares



Big 4 banks' proportion of the top 20 domestic shares by market value



Top 20 investment holdings

Domestic shares invested by popularity at 30 June 2025

The top three most popular domestic stocks, BHP, Woodside and Westpac, were the top three for the third year in a row in FY25: 49.0% of Class funds with direct equities held BHP, 41.8% held Woodside, and 36.7% held Westpac.

Industrial property developer Goodman Group replaced Amcor plc in the twentieth spot in FY25, after Amcor dropped out. Goodman Group has been expanding into data centres to capitalise on the AI boom.

Rank	Security code	Description	% of Funds with Domestic Shares that hold this Security	% of total SMSF Domestic Share investments
1	BHP	BHP Group Limited	49.0%	3.9%
2	WDS	Woodside Energy Group LTD	41.8%	1.6%
3	WBC	Westpac Banking Corporation	36.7%	4.0%
4	NAB	National Australia Bank Limited	36.2%	4.1%
5	ANZ	Australia And New Zealand Banking Group Limited	36.1%	3.0%
6	TLS	Telstra Corporation Limited.	35.7%	2.2%
7	CBA	Commonwealth Bank Of Australia.	34.3%	8.0%
8	CSL	CSL Limited	33.2%	3.0%
9	WES	Wesfarmers Limited	30.7%	3.3%
10	MQG	Macquarie Group Limited	29.4%	3.1%
11	WOW	Woolworths Group Limited	25.0%	1.1%
12	RIO	Rio Tinto Limited	21.2%	1.3%
13	COL	Coles Group Ltd	19.0%	0.8%
14	TCL	Transurban Group - Ordinary Shares/Units Fully Paid Triple Stapled	17.6%	1.0%
15	RMD	Resmed Inc - Cdi 10:1 Foreign Exempt Nyse	17.2%	0.9%
16	SHL	Sonic Healthcare Limited	14.6%	0.6%
17	STO	Santos Limited	14.2%	0.6%
18	S32	South32 Limited	13.5%	0.3%
19	EDV	Endeavour Group Ltd	13.5%	0.2%
20	GMG	Goodman Group - Fully Paid Ordinary/Units Stapled Securities	12.2%	0.7%
Total *(Percentage that the top 20 make up of total SMSF investments in Direct Domestic Shares)*				**43.5%**

Top 20 investment holdings

Domestic shares invested by dollar value at 30 June 2025

Commonwealth Bank of Australia was the top holding by dollar value in Class SMSFs as at 30 June 2025, accounting for 8.0% direct domestic share holdings by value. CBA's share price rose about 46.0% over FY25 (price only), supporting its rise in portfolio value.

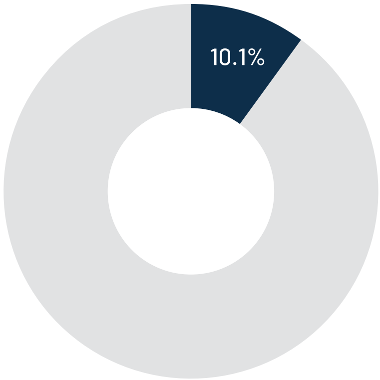
National Australia Bank and Westpac ranked next, with BHP moving to fourth from second last year. Brambles entered the top 20 at number 20, while APA Group remained in the list at number 19.

Rank	Security Code	Description	% of Funds with Domestic Shares that hold this Security	% of total SMSF Domestic Share investments
1	CBA	Commonwealth Bank Of Australia	34.3%	8.0%
2	NAB	National Australia Bank Limited	36.2%	4.1%
3	WBC	Westpac Banking Corporation	36.7%	4.0%
4	BHP	BHP Group Limited	49.0%	3.9%
5	WES	Wesfarmers Limited	30.7%	3.3%
6	MQG	Macquarie Group Limited	29.4%	3.1%
7	ANZ	Australia And New Zealand Banking Group Limited	36.1%	3.0%
8	CSL	CSL Limited	33.2%	3.0%
9	TLS	Telstra Corporation Limited	35.7%	2.2%
10	WDS	Woodside Energy Group LTD	41.8%	1.6%
11	RIO	Rio Tinto Limited	21.2%	1.3%
12	WOW	Woolworths Group Limited	25.0%	1.1%
13	TCL	Transurban Group - Ordinary Shares/Units Fully Paid Triple Stapled	17.6%	1.0%
14	RMD	Resmed Inc - Cdi 10:1 Foreign Exempt Nyse	17.2%	0.9%
15	COL	Coles Group Ltd	18.7%	0.8%
16	GMG	Goodman Group - Fully Paid Ordinary/Units Stapled Securities	12.2%	0.7%
17	SHL	Sonic Healthcare Limited	14.6%	0.6%
18	STO	Santos Limited	14.2%	0.6%
19	APA	APA Group - Fully Paid Units Stapled Securities	10.6%	0.5%
20	BXB	Brambles Ltd	10.5%	0.5%
Total *(Percentage that the top 20 make up of total SMSF investments in Direct Domestic Shares)*				**44.0%**

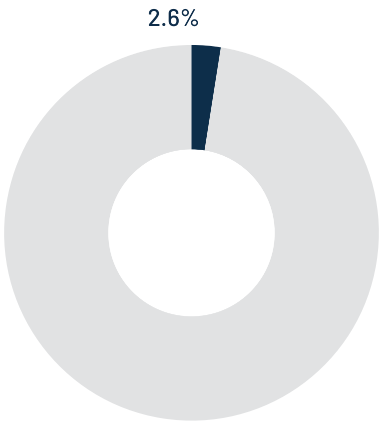
Top 20 investment holdings

International shares overview at 30 June 2025

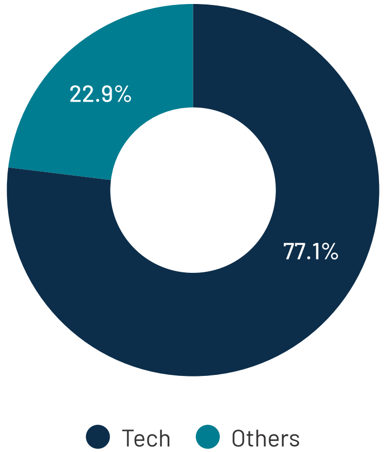
Percentage of SMSFs holding international shares



Percentage of SMSFs asset allocation in international shares



Technology companies proportion of the top 20 international shares by market value



Top 20 investment holdings

International shares invested by popularity at 30 June 2025

The top five international stocks held by Class funds in FY25 are dominated by technology stocks. Microsoft again ranks first, with 30% of Class SMSFs that hold international shares owning it. Alphabet, Amazon and Apple follow, with Nvidia moving up to fifth from sixth last year.

Meta rose from 20th to 10th position in FY25. Tesla also climbed from 10th to 7th, with one in ten Class funds that hold international shares owning the stock. It's no surprise SMSF trustees investing directly offshore favour large, well-known technology companies that are harder to access via Australian listings.

Rank	Security code	Exchange	Description	% of funds with international shares that hold this security	% of total SMSF international share investments
1	MSFT	NASDAQ	Microsoft Corp	30.0%	6.3%
2	GOOG(L)	NASDAQ	Alphabet Inc - Class C (A) Shares combined	26.1%	5.2%
3	AMZN	NASDAQ	Amazon.com Inc	23.5%	4.0%
4	AAPL	NASDAQ	Apple Inc	18.8%	5.6%
5	NVDA	NASDAQ	NVIDIA Corporation	13.1%	4.6%
6	V	NYSE	Visa Inc	10.8%	1.8%
7	TSLA	NASDAQ	Tesla Inc	10.4%	3.5%
8	BRK.A/B	NYSE	Berkshire Hathaway Inc. Classes A & B combined	9.1%	3.2%
9	JPM	NYSE	JPMorgan Chase & Co	8.7%	1.1%
10	META	NASDAQ	META (Formerly known as Facebook)	8.6%	1.3%
11	ASML	NASDAQ	ASML Holding NV	8.4%	0.6%
12	TSM	NYSE	Taiwan Semiconductor Mfg. Co. Ltd.	7.0%	0.8%
13	MA	NYSE	MasterCard Inc	5.6%	0.9%
14	MC	NYSE	Moelis & Co	5.4%	0.3%
15	BAC	NYSE	Bank of America Corp	5.1%	0.5%
16	COST	NASDAQ	Costco Wholesale Corporation	5.0%	0.5%
17	DIS	NYSE	Walt Disney Company	4.9%	0.6%
18	LLY	NYSE	Eli Lilly And Co	4.8%	0.5%
19	AVGO	NASDAQ	Broadcom Inc	4.6%	0.2%
20	JNJ	NYSE	Johnson & Johnson	4.5%	0.3%
Total *(Percentage that the top 20 make up of total SMSF investments in direct international shares)*					**41.8%**

Top 20 investment holdings

International shares invested by dollar value at 30 June 2025

Technology stocks also feature in the list of the top 20 international shares by dollar value. Microsoft, Apple and Alphabet were the top three international stocks by value, accounting for 6.3%, 5.6% and 5.2% of total SMSF international share investments by Class.

In fact, the technology companies' share of the top 20 international shares by market value was 77.1% in FY25, highlighting the sector's dominance. Although 9.9% of Class SMSFs have international shareholdings, they account for just 2.5% of overall asset allocation.

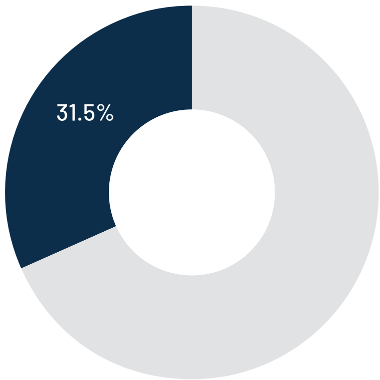
Rank	Security code	Exchange	Description	% of funds with international shares that hold this security	% of total SMSF international share investments
1	MSFT	NASDAQ	Microsoft Corp	30.0%	6.3%
2	AAPL	NASDAQ	Apple Inc	18.8%	5.6%
3	GOOG(L)	NASDAQ	Alphabet Inc - Class C (A) Shares combined	26.1%	5.2%
4	NVDA	NASDAQ	NVIDIA Corporation	13.1%	4.6%
5	AMZN	NASDAQ	Amazon.com Inc	23.5%	4.0%
6	TSLA	NASDAQ	Tesla Inc	10.4%	3.5%
7	BRK.A/B	NYSE	Berkshire Hathaway Inc. Classes A & B combined	9.1%	3.2%
8	V	NYSE	Visa Inc	10.8%	1.8%
9	META	NASDAQ	META (Formerly known as Facebook)	8.6%	1.3%
10	JPM	NYSE	JPMorgan Chase & Co	8.7%	1.1%
11	MA	NYSE	MasterCard Inc	5.6%	0.9%
12	TSM	NYSE	Taiwan Semiconductor Mfg. Co. Ltd.	7.0%	0.8%
13	ASML	NASDAQ	ASML Holding NV	8.4%	0.6%
14	NFLX	NASDAQ	Netflix Inc	3.9%	0.6%
15	DIS	NYSE	Walt Disney Company	4.9%	0.6%
16	LLY	NYSE	Eli Lilly And Co	4.8%	0.5%
17	COST	NASDAQ	Costco Wholesale Corporation	5.0%	0.5%
18	BAC	NYSE	Bank of America Corp	5.1%	0.5%
19	MC	NYSE	Moelis & Co	5.4%	0.3%
20	JNJ	NYSE	Johnson & Johnson	4.5%	0.3%
Total *(Percentage that the top 20 make up of total SMSF investments in direct international shares)*					**42.1%**

Top 20 investment holdings

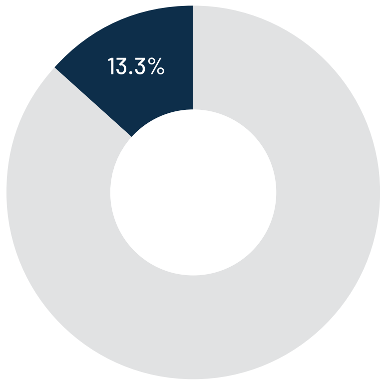
Managed funds overview at 30 June 2025

Managed funds continue to be favoured by SMSF investors to access international markets, with 42.8% of the top 20 managed fund holdings in FY25 focused on international equities. Overall, SMSF managed fund allocations rose slightly to 13.3%.

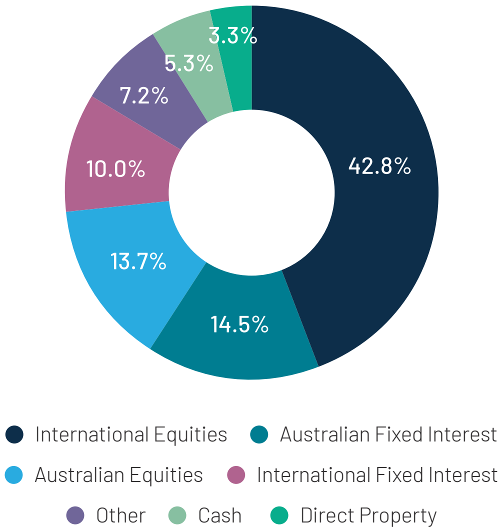
Percentage of SMSFs holding managed funds



Percentage of SMSFs asset allocation in managed funds



Managed fund look through for top 20



Top 20 investment holdings

Managed funds invested by popularity at 30 June 2025

Former favourites Magellan Global Fund and Platinum International Fund fell further down the top 20 by popularity in FY25. The Janus Henderson Tactical Income Fund – an income fund investing predominantly in Australian income-producing assets - was the most popular managed fund among Class SMSFs.

Partners Group Global Value Wholesale fund, which invests in private assets, climbed from 19th to second in FY25. Among Class SMSFs that hold managed funds, 7.6% hold this fund. Alternative assets such as private markets are harder for SMSF investors to access directly, making managed funds in this space attractive.

Rank	Security code	Description	% of funds with managed funds that hold this security	% of total SMSF managed fund investments
1	IOF0145AU	Janus Henderson Tactical Income Fund	8.0%	0.9%
2	ETL0276AU	Partners Group Global Value Wholesale	7.6%	1.1%
3	ETL0018AU	PIMCO Global Bond Fund - Wholesale Class	7.4%	0.8%
4	CSA0038AU	Bentham Global Income Fund	7.0%	0.6%
5	PLA0002AU	Platinum International Fund	6.3%	0.9%
6	VAN0003AU	Vanguard W'sale International Shares Index Fund	5.5%	1.5%
7	VAN0002AU	Vanguard Australian Shares Index Fund	5.0%	1.4%
8	EVO2608AU	Metrics Direct Income Fund	4.9%	0.6%
9	MGE0001AU	Magellan Global Fund	4.7%	0.7%
10	LAZ0014AU	Lazard Global Listed Infrastructure Active ETF	4.7%	0.4%
11	VAN0105AU	Vanguard International Shares Index Fund (Hedged)	4.6%	1.1%
12	AUS0112AU	Aus Unity Healthcare Property Wholesale	4.5%	0.5%
13	MAQ0277AU	Macquarie Income Opportunities Fund	4.5%	0.4%
14	FID0008AU	Fidelity Australian Equities Fund	4.5%	0.6%
15	ETL7377AU	GQG Partners Global Equity Fund - A Class	4.4%	0.4%
16	LTC0002AU	La Trobe Australian Credit Fund - 12 Month Term Account	4.4%	0.8%
17	VAN0004AU	Vanguard Australian Property Securities Index Fund	4.3%	0.4%
18	WHT0015AU	Resolution Capital Global Property Securities Fund (Managed Fund)	4.1%	0.3%
19	ETL0071AU	T. Rowe Price Global Equity Fund	4.1%	0.6%
20	OMF3725AU	Realm Short Term Income Fund - Ordinary Units	4.0%	0.4%
Total *(Percentage that the top 20 make up of total SMSF investments in managed funds)*				**14.17%**

Top 20 investment holdings

Managed funds invested by dollar value at 30 June 2025

The top three managed funds by value in FY25 were all Vanguard index funds, which together accounted for 4.0% of total SMSF managed fund investments. This preference for index funds highlights the broader shift towards passive-style investing.

Magellan Global Fund and Platinum International Fund, which in previous years attracted a large share by value, fell to fifth and ninth place.

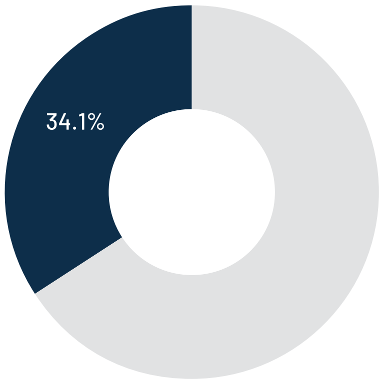
Realm Short Term Income Fund was a new addition to the list. It invests in cash and domestically issued fixed-interest securities and ranked 17th with 0.4% of total SMSF managed fund investments.

Rank	Security code	Description	% of funds with managed funds that hold this security	% of total SMSF managed fund investments
1	VAN0003AU	Vanguard W'sale International Shares Index Fund	5.5%	1.5%
2	VAN0002AU	Vanguard Australian Shares Index Fund	5.0%	1.4%
3	VAN0105AU	Vanguard International Shares Index Fund (Hedged)	4.6%	1.1%
4	ETL0276AU	Partners Group Global Value Wholesale	7.6%	1.1%
5	PLA0002AU	Platinum International Fund	6.3%	0.9%
6	IOF0145AU	Janus Henderson Tactical Income Fund	8.0%	0.9%
7	LTC0002AU	La Trobe Australian Credit Fund - 12 Month Term Account	4.4%	0.8%
8	ETL0018AU	PIMCO Global Bond Fund - Wholesale Class	7.4%	0.8%
9	MGE0001AU	Magellan Global Fund	4.7%	0.7%
10	MAQ0410AU	Walter Scott Global Equity Fund	4.0%	0.7%
11	EVO2608AU	Metrics Direct Income Fund	4.9%	0.6%
12	FID0008AU	Fidelity Australian Equities Fund	4.5%	0.6%
13	CSA0038AU	Bentham Global Income Fund	7.0%	0.6%
14	ETL0071AU	T. Rowe Price Global Equity Fund	4.1%	0.6%
15	MAQ0464AU	Arrowstreet Global Equity Fund	3.8%	0.5%
16	AUS0112AU	Aus Unity Healthcare Property Wholesale	4.5%	0.5%
17	OMF3725AU	Realm Short Term Income Fund - Ordinary Units	4.0%	0.4%
18	LAZ0014AU	Lazard Global Listed Infrastructure Active ETF	4.7%	0.4%
19	ETL7377AU	GQG Partners Global Equity Fund - A Class	4.4%	0.4%
20	MAQ0277AU	Macquarie Income Opportunities Fund	4.5%	0.4%
Total *(Percentage that the top 20 make up of total SMSF investments in managed funds)*				**14.7%**

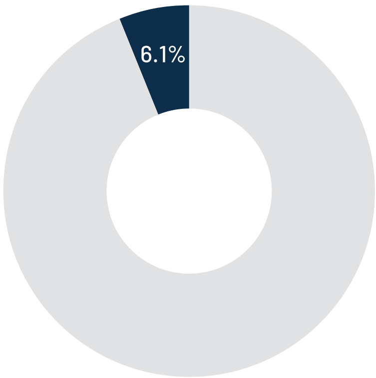
Top 20 investment holdings

Exchange traded funds overview at 30 June 2025

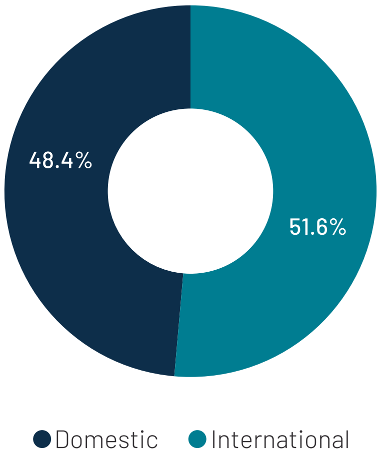
Percentage of SMSFs holding ETFs



Percentage of SMSFs asset allocation in ETFs



Top 20 ETFs by domestic vs international



Top 20 investment holdings

Exchange traded funds invested by popularity at 30 June 2025

The Vanguard Australian Shares Index ETF (VAS) remained the top ETF on Class, held by 13.5% of Class SMSFs that invest in ETFs. The VanEck Vectors MSCI World ex Australia Quality ETF ranked second, held by 12.8% of ETF-investing Class SMSFs.

The iShares S&P 500 ETF ranked third, with two Vanguard funds in fourth and fifth. Three of the top five are global ETFs, providing broad international exposure that can be harder to access otherwise.

Rank	Security code	Description	International / domestic	% of funds with ETFs that hold this security	% of total SMSF ETF investments
1	VAS	Vanguard Australian Shares Index ETF - Exchange Traded Fund Units Fully Paid	D	13.5%	6.3%
2	QUAL	VanEck Vectors MSCI World ex Australia Quality ETF - Exchange Traded Fund Units Fully Paid	I	12.8%	3.3%
3	IVV	Ishares S&P 500 ETF - Exchange Traded Fund Units Fully Paid	I	12.8%	5.0%
4	VGS	Vanguard MSCI Index International Shares ETF - Exchange Traded Fund Units Fully Paid	I	10.8%	4.0%
5	VAP	Vanguard Australian Property Securities Index ETF - Exchange Traded Fund Units Fully Paid	D	10.6%	1.9%
6	VEU	Vanguard All-World Ex-Us Shares Index ETF - Chess Depositary Interests 1:1	I	10.1%	2.0%
7	NDQ	Betashares Nasdaq 100 ETF - Exchange Traded Fund Units Fully Paid	I	8.8%	2.2%
8	IOO	Ishares Global 100 ETF - Exchange Traded Fund Units Fully Paid	I	8.3%	2.9%
9	VHY	Vanguard Australian Shares High Yield ETF - Exchange Traded Fund Units Fully Paid	D	8.1%	2.4%
10	VTS	Vanguard Us Total Market Shares Index ETF - Chess Depositary Interests 1:1	I	7.9%	2.6%
11	A200	BetaShares Australia 200 ETF	D	7.7%	2.1%
12	MGOC	Magellan Global Fund (Open Class)	I	7.3%	1.9%
13	VGAD	Vanguard MSCI Index International Shares (Hedged)	I	7.0%	2.4%
14	MVW	Vaneck Vectors Australian Equal Weight ETF - Exchange Traded Fund Units Fully Paid	D	6.8%	1.7%
15	HBRD	Betashares Active Australian Hybrids Fund (Manged Funds)	D	6.4%	1.7%
16	STW	SPDR S&P/ASX 200 Fund - Exchange Traded Fund Units Fully Paid	D	6.4%	2.7%
17	AAA	Betashares Australian High Interest Cash ETF - Exchange Traded Fund Units Fully Paid	D	6.3%	1.3%
18	IAF	iShares Core Composite Bond ETF	D	5.8%	1.0%
19	IOZ	iShares CORE S&P/ASX 200 ETF	D	5.8%	1.9%
20	QPON	Betashares Australian Bank Senior Floating Rate Bond ETF	D	5.6%	1.3%
Total *(Percentage that the top 20 make up of total SMSF investments in exchange-traded funds)*					**50.8%**

Top 20 investment holdings

Exchange traded funds invested by dollar value at 30 June 2025

On Class, the top ETF by assets was again the Vanguard Australian Shares Index ETF. It held $1.4 billion of Class members' investments as at 30 June 2025, representing 6.8% of the fund's market capitalisation of $20.7 billion.

Apart from the Vanguard Australian Shares Index ETF, which accounted for 6.3% of total ETF investments on Class, seven of the top eight ETFs by value were global funds, highlighting how SMSFs use ETFs to gain international exposure and diversify risk.

Rank	Security code	Description	International / domestic	% of funds with ETFs that hold this security	% of total SMSF ETF investments
1	VAS	Vanguard Australian Shares Index ETF - Exchange Traded Fund Units Fully Paid	D	13.5%	6.3%
2	IVV	Ishares S&P 500 ETF - Exchange Traded Fund Units Fully Paid	I	12.8%	5.0%
3	VGS	Vanguard MSCI Index International Shares ETF - Exchange Traded Fund Units Fully Paid	I	10.8%	4.0%
4	QUAL	VanEck Vectors MSCI World ex Australia Quality ETF - Exchange Traded Fund Units Fully Paid	I	12.8%	3.3%
5	IOO	Ishares Global 100 ETF - Exchange Traded Fund Units Fully Paid	I	8.3%	2.9%
6	STW	SPDR S&P/ASX 200 Fund - Exchange Traded Fund Units Fully Paid	D	6.4%	2.7%
7	VTS	Vanguard Us Total Market Shares Index ETF - Chess Depositary Interests 1:1	I	7.9%	2.6%
8	VGAD	Vanguard MSCI Index International Shares (Hedged)	I	7.0%	2.4%
9	VHY	Vanguard Australian Shares High Yield ETF - Exchange Traded Fund Units Fully Paid	D	8.1%	2.4%
10	NDQ	Betashares Nasdaq 100 ETF - Exchange Traded Fund Units Fully Paid	I	8.8%	2.2%
11	A200	BetaShares Australia 200 ETF	D	7.7%	2.1%
12	VEU	Vanguard All-World Ex-Us Shares Index ETF - Chess Depositary Interests 1:1	I	10.1%	2.0%
13	MGOC	Magellan Global Fund (Open Class)	I	7.3%	1.9%
14	VAP	Vanguard Australian Property Securities Index ETF - Exchange Traded Fund Units Fully Paid	D	10.6%	1.9%
15	IOZ	iShares CORE S&P/ASX 200 ETF	D	5.8%	1.9%
16	HBRD	Betashares Active Australian Hybrids Fund (Manged Funds)	D	6.4%	1.7%
17	MVW	Vaneck Vectors Australian Equal Weight ETF - Exchange Traded Fund Units Fully Paid	D	6.8%	1.7%
18	AAA	Betashares Australian High Interest Cash ETF - Exchange Traded Fund Units Fully Paid	D	6.3%	1.3%
19	QPON	Betashares Australian Bank Senior Floating Rate Bond ETF	D	5.6%	1.3%
20	QHAL	Vaneck MSCI International Quality (AUD Hedged) ETF	D	5.0%	1.2%
Total *(Percentage that the top 20 make up of total SMSF investments in exchange-traded funds)*					**50.9%**

Top 20 investment holdings

LICs/LITs invested by popularity at 30 June 2025

Rank	Security code	Description	% of funds with LIC/ LITs that hold this security	% of total SMSF LIC/LIT investments
1	AFI	Australian Foundation Investment Company Limited (AFIC)	19.0%	11.9%
2	MXT	MCP Master Income Trust	16.2%	6.2%
3	ARG	Argo Investments Limited	15.1%	9.8%
4	WAM	WAM Capital	10.7%	3.9%
5	WLE	WAM Leaders Limited	9.3%	4.3%
6	LSF	L1 Long Short Fund	9.2%	4.1%
7	MFF	MFF Capital Investments Limited	7.0%	6.1%
8	WGB	WAM Global Limited	6.2%	2.4%
9	PGF	PM Capital Global Opportunities Fund Limited	6.0%	3.6%
10	PL8	Plato Income Maximiser Limited	6.0%	3.6%
11	MOT	MCP Income Opportunities Trust	5.4%	1.9%
12	GCI	Gryphon Capital Income Trust	5.4%	2.0%
13	KKC	KKR Credit Income Fund	5.1%	1.6%
14	DJW	Djerriwarrh Investments Limited	4.5%	1.9%
15	QRI	Qualitas Real Estate Income Fund	4.4%	1.6%
16	BKI	BKI Investment Company Limited	4.2%	2.6%
17	PIC	Perpetual Investment Company	4.0%	1.6%
18	PCI	Perpetual Credit Income Trust	4.0%	1.3%
19	WQG	WCM Global Growth Limited	3.9%	1.8%
20	ALI	Argo Global Listed Infrastructure Limited	3.5%	1.2%
Total *(Percentage that the top 20 make up of total SMSF investments in LIC/LITs)*				**73.4%**

Top 20 investment holdings

LICs/LITs invested by dollar value at 30 June 2025

Rank	Security code	Description	% of funds with LIC/LITs that hold this security	% of total SMSF LIC/LIT investments
1	AFI	Australian Foundation Investment Company Limited (AFIC)	19.0%	11.9%
2	ARG	Argo Investments Limited	15.1%	9.8%
3	MXT	MCP Master Income Trust	16.2%	6.2%
4	MFF	MFF Capital Investments Limited	7.0%	6.1%
5	WLE	WAM Leaders Limited	9.3%	4.3%
6	LSF	L1 Long Short Fund	9.2%	4.1%
7	WAM	WAM Capital	10.7%	3.9%
8	PGF	PM Capital Global Opportunities Fund Limited	6.0%	3.6%
9	PL8	Plato Income Maximiser Limited	6.0%	3.6%
10	BKI	BKI Investment Company Limited	4.2%	2.6%
11	WGB	WAM Global Limited	6.2%	2.4%
12	GCI	Gryphon Capital Income Trust	5.4%	2.0%
13	MOT	MCP Income Opportunities Trust	5.4%	1.9%
14	DJW	Djerriwarrh Investments Limited	4.5%	1.9%
15	MIR	Mirrabooka Investments Limited	3.4%	1.8%
16	WQG	WCM Global Growth Limited	3.9%	1.8%
17	KKC	KKR Credit Income Fund	5.1%	1.6%
18	OPH	Ophir High Conviction Fund	3.3%	1.6%
19	PIC	Perpetual Investment Company	4.0%	1.6%
20	QRI	Qualitas Real Estate Income Fund	4.4%	1.6%
Total *(Percentage that the top 20 make up of total SMSF investments in LIC/LITs)*				**74.3%**

Top providers used by SMSFs

Provider overview at 30 June 2025

The Macquarie Cash Account continued to consolidate its place as the most popular bank account provider for SMSFs in FY25, with 46.3% of funds using it, up from 40.1% in FY24. The Macquarie Cash Account offers an interest rate of 2.0% (as at 30 August 2025) on any balance and does not charge any fees. The positions of the next two most popular bank account providers were largely unchanged at 16.3% for Commonwealth Bank and 11.7% for National Australia Bank.

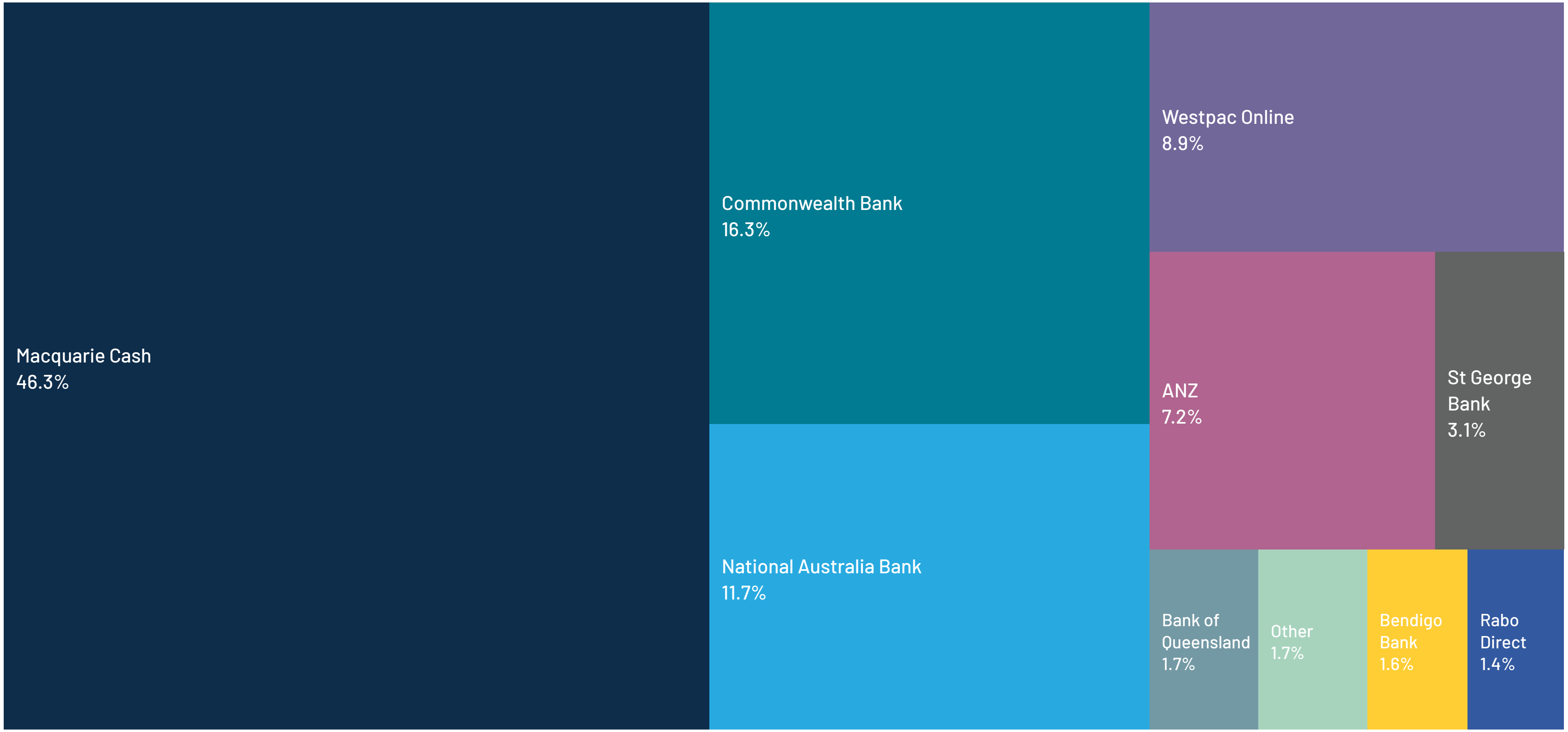
In the broker space, CommSec was again the most popular, with 19.1% of Class SMSFs using it. Bell Direct made ground over the year, with the percentage of Class SMSFs using it rising from 7.7% in FY24 to 16.0% in FY25.

During the year Bell Direct was boosted by the transfer of 75,000 former Macquarie Online Trading accounts. This also helps explain why Macquarie Online Trading's share of Class SMSFs fell from 5.8% in FY24 to 1.5% in FY25.

In the wrap-platform segment, BT Panorama's popularity dropped slightly from 22.4% in FY24 to 19.1% in FY25. Independent platform providers, including HUB24 and others, continued to grow, with HUB24 increasing its popularity from 9.1% in FY24 to 14.4% in FY25.

Top providers used by SMSFs

Top bank account providers

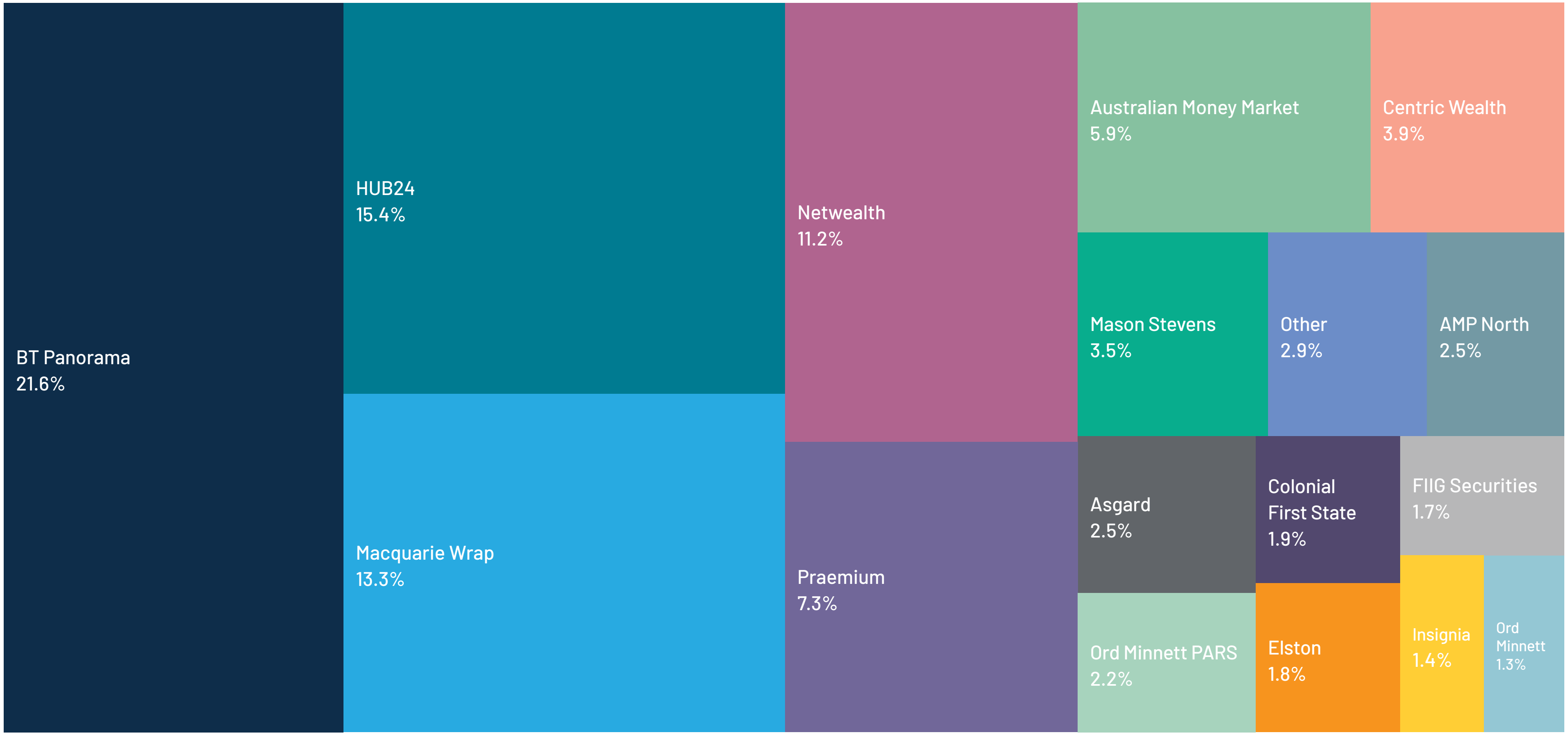


Top providers used by SMSFs

Top broker account providers

Top providers used by SMSFs

Top wrap account providers



Opportunities and challenges faced by SMSFs

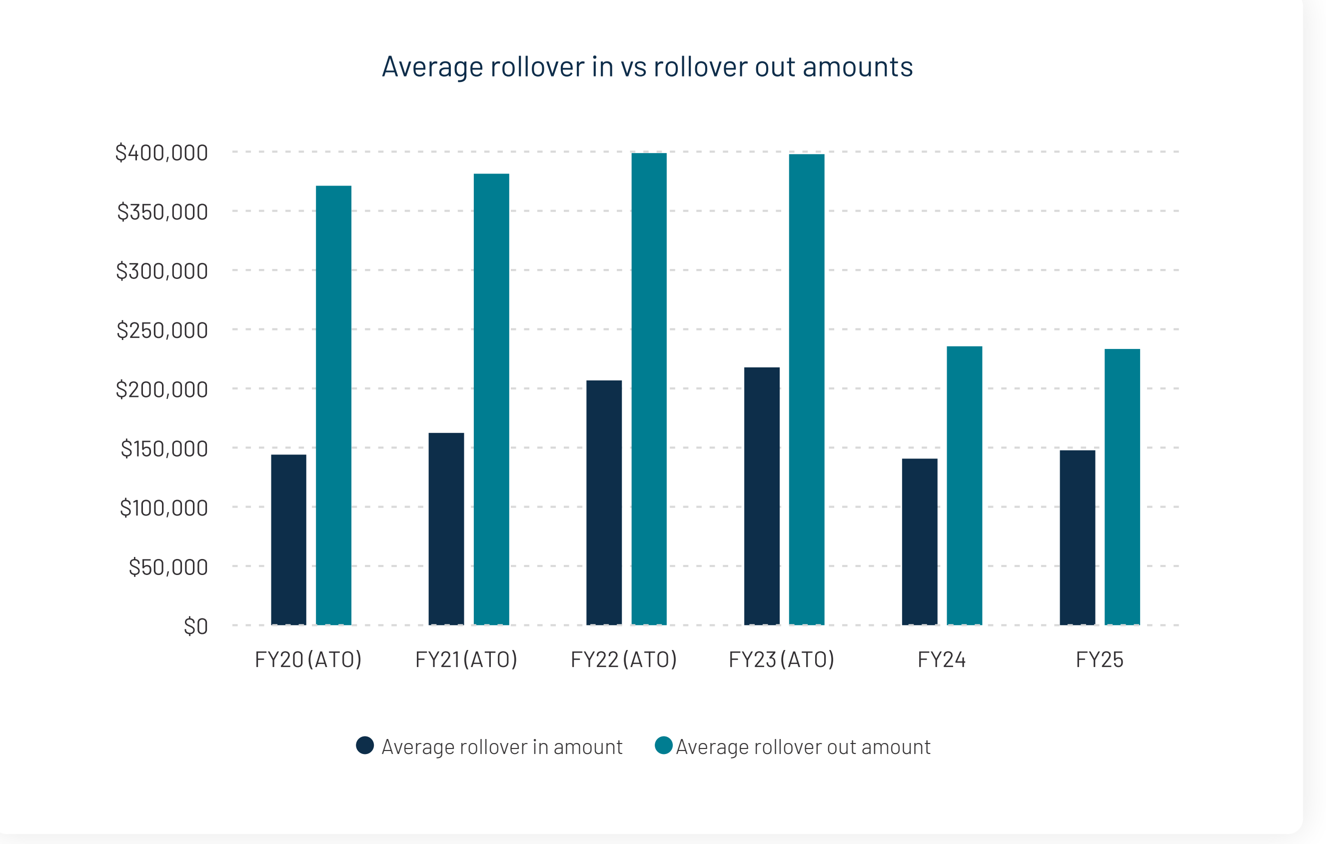
Over recent decades, the SMSF sector has matured, but there are still new opportunities to explore and challenges to address. This section explores some of the challenges facing the sector, including the impact of SuperStream on rollovers and release authorities, the state of play on common fund expenses, and insurance in SMSFs.

SuperStream rollovers and release authorities

Since 1 October 2021, the adoption of SuperStream across all funds, including SMSFs, has changed the processes for rollovers and release authorities. This intent is to streamline processing, improve efficiency for all parties, and reduce delays caused by manual processing.[81]

Generally, rollovers into SMSFs occur during the establishment phase, whereas rollovers out are more common when SMSFs are being wound up. Our data indicates that average rollover-out amounts for SMSFs have historically exceeded rollover-in amounts.

The average rollover in amount for FY25 rose by 5.0% over the year, while the average rollover out amount was down slightly by 1%.

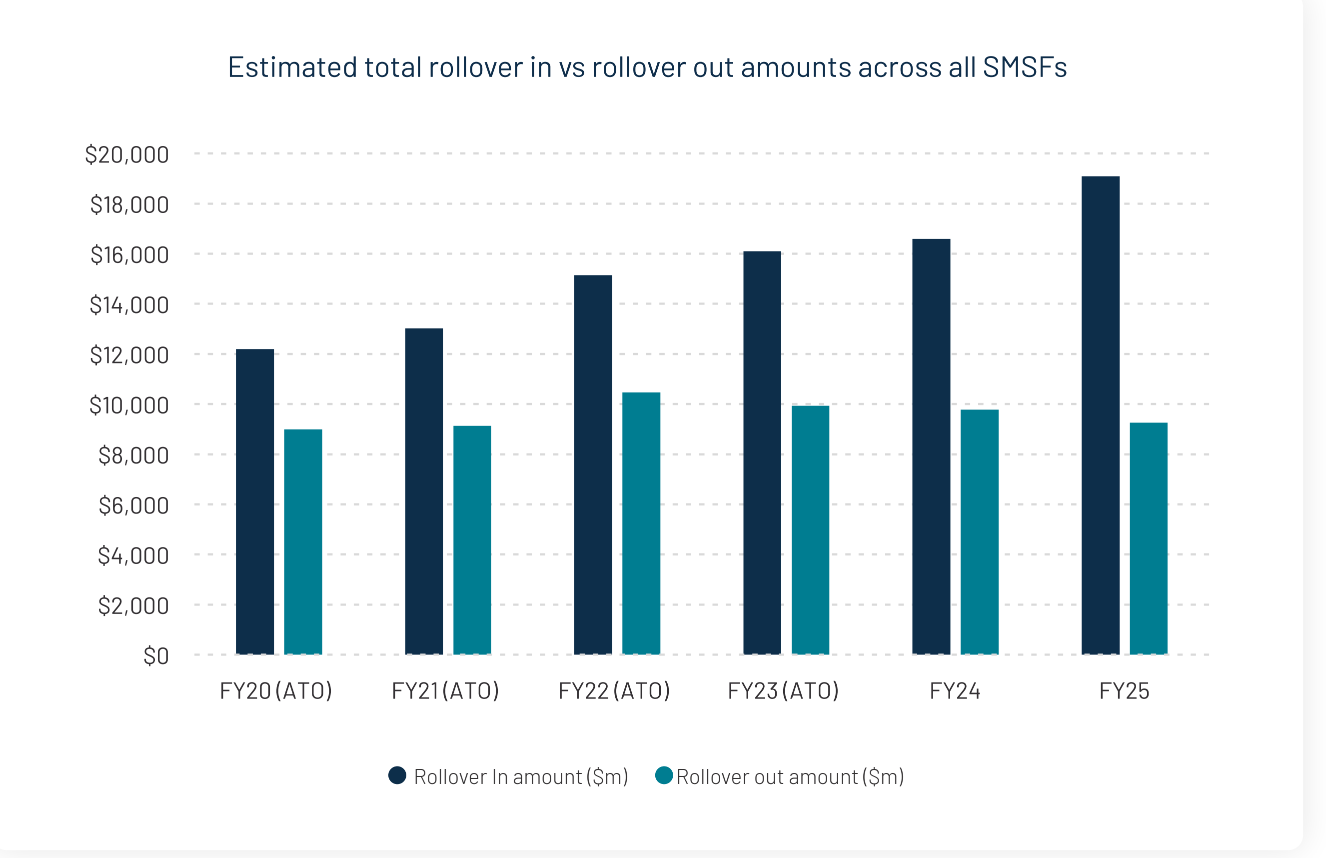


[81] Rollovers supporting information, ATO, published 01/09/25, https://www.ato.gov.au/businesses-and-organisations/super-for-employers/paying-electronically-through-superstream/in-detail/rollovers/rollovers-supporting-information

SuperStream rollovers

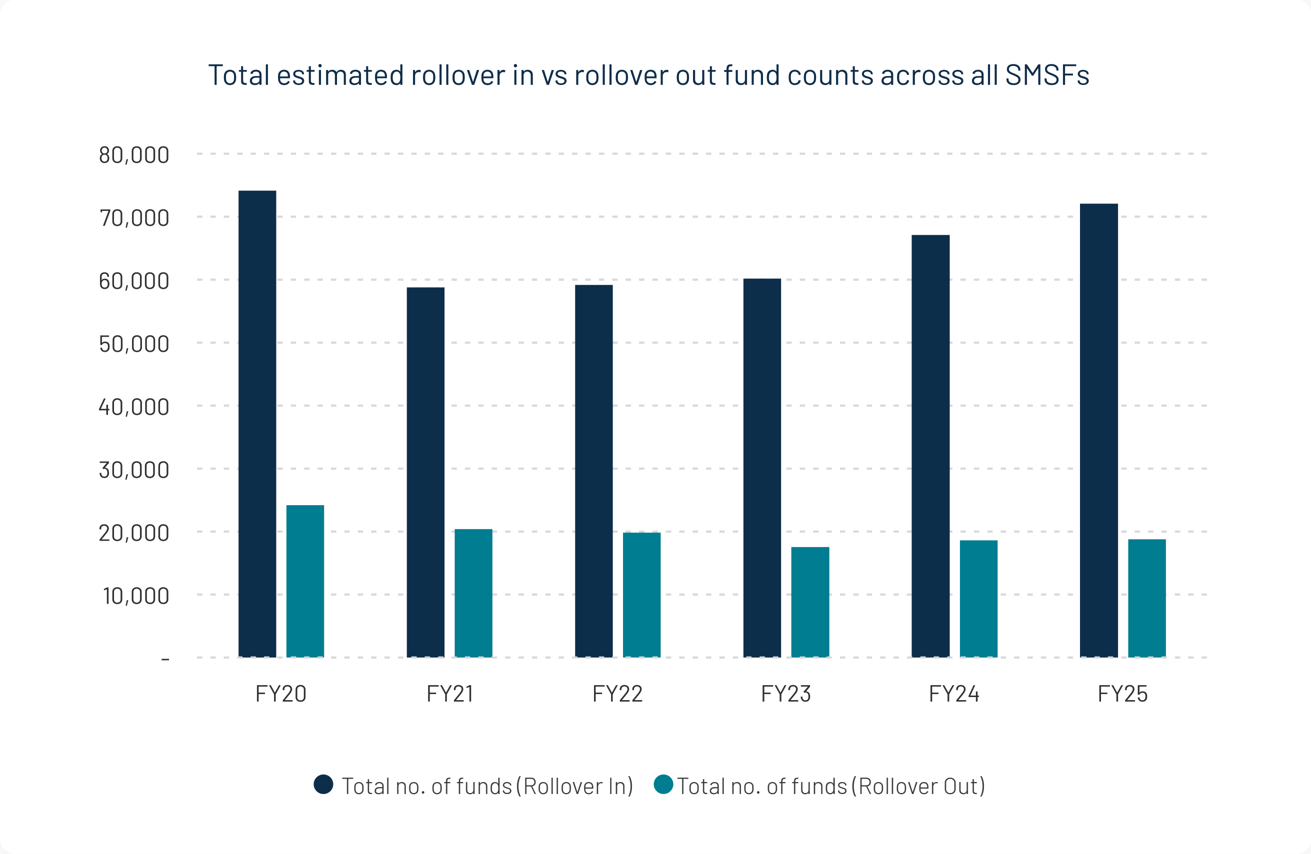
Total estimated rollovers into SMSFs increased again in FY25 to $19.1 billion (up from $16.6 billion the previous year). At the same time, rollovers out fell from $9.8 billion to $9.3 billion.

In FY25, inbound rollovers were more than twice outflows, the first time since 2020, producing a net inflow of nearly $10 billion and underscoring the resilience and ongoing popularity of SMSFs.



SuperStream rollovers

While the total estimated number of rollovers in has been rising since FY23, the total estimated number of rollovers out has remained steady at just under 20,000 funds. The ratio of total estimated rollovers in versus rollovers out has been progressively expanding, surpassing 3:1 in FY25.

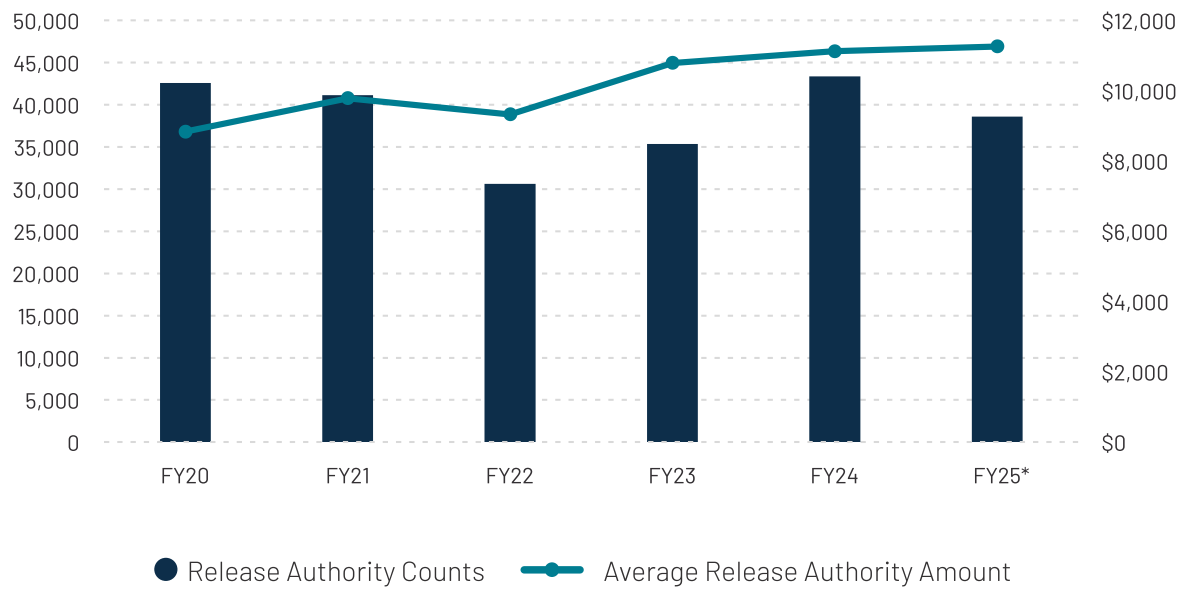


Digital release authorities

The total number of estimated release authority transactions has steadily increased since March 2021, when digital release authorities became mandatory for SMSFs. In FY25, the average release authority amount rose to $11,122.

Release authorities are issued when superannuation members elect to withdraw funds from their super account to satisfy tax obligations, such as Division 293 tax assessments. In these instances, members can authorise the release of funds to settle their tax liabilities. The increase in the superannuation guarantee that took effect on July 1, 2024, may have expanded the scope of affected members, as their overall contributions have increased accordingly.

Total estimated release authority counts and average release authority amounts across all SMSFs



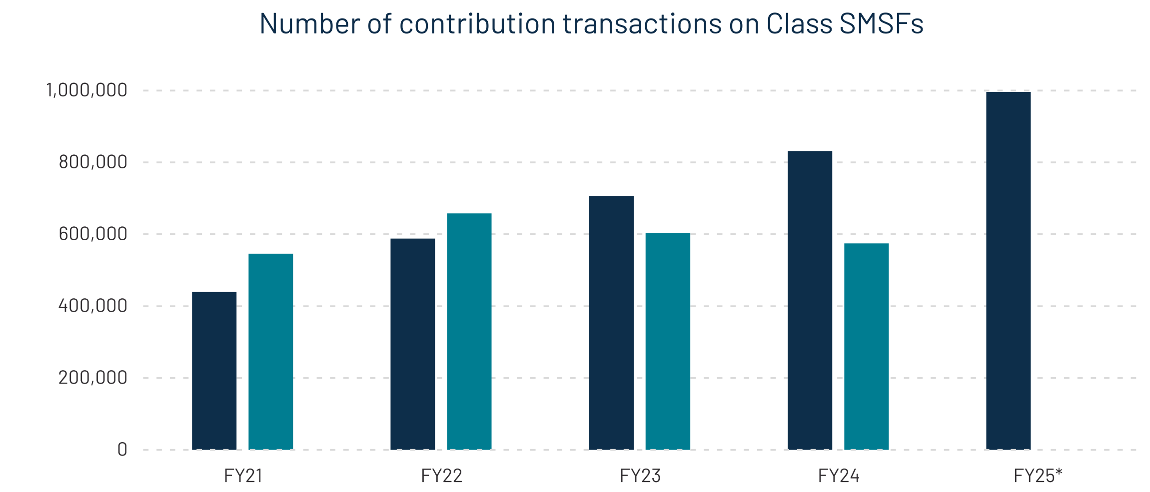
* Not all release authorities have been processed on Class for FY25.

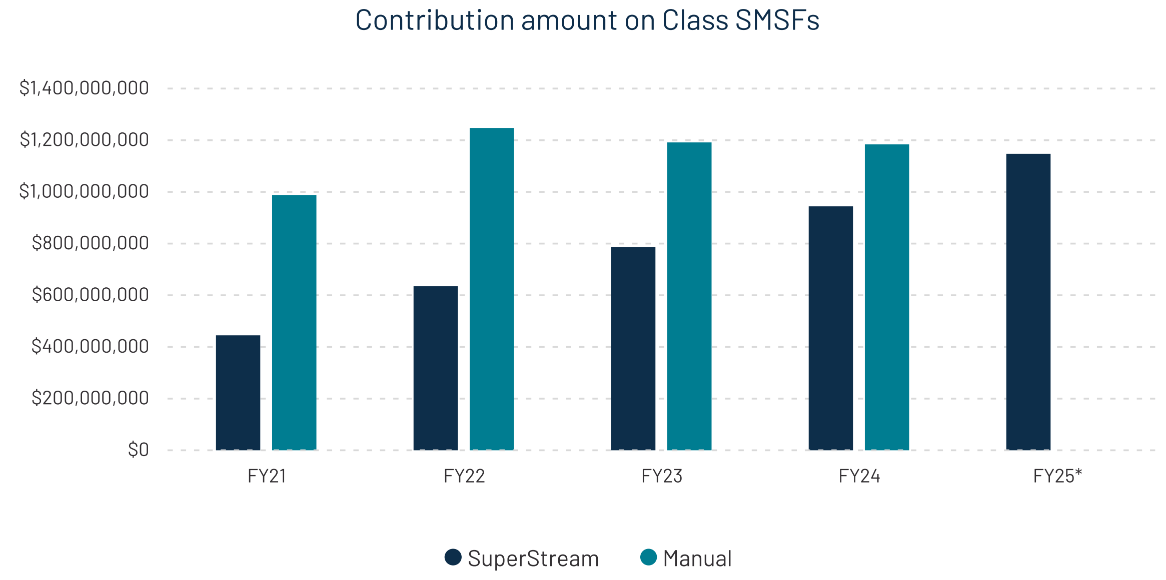
SuperStream contributions

The number of contributions processed via SuperStream continued to rise through FY24 and into FY25, while the number of manual contributions declined. However, more than 40% of all concessional contributions, worth $1.2 billion, are still processed manually. This suggests some SMSFs may face challenges in meeting the proposed Payday Super obligations, which are set to commence on 1 July 2026.[82]

Payday Super requires employers to pay superannuation at the same time as wages and salaries. Although FY25 data shows more SuperStream contribution transactions, ongoing manual processing raises questions about the readiness of some SMSFs to comply.

Timely reporting not only supports regulatory compliance but also provides advisers with more accurate and current information, significantly enhancing the quality of advice delivered to clients. It is therefore in advisers' best interests to encourage SMSF trustees to adopt SuperStream, even when they qualify for exemptions, given the substantial efficiency benefits the system offers.





*FY25 manual contributions not shown due to incomplete data

[82] *Updated guidance on SuperStream standard and FVS, ATO, published on 20/8/2025, https://www.ato.gov.au/tax-and-super-professionals/for-superannuation-professionals/super-funds-newsroom/updated-guidance-on-superstream-standard-and-fvs*

Fund expense analysis

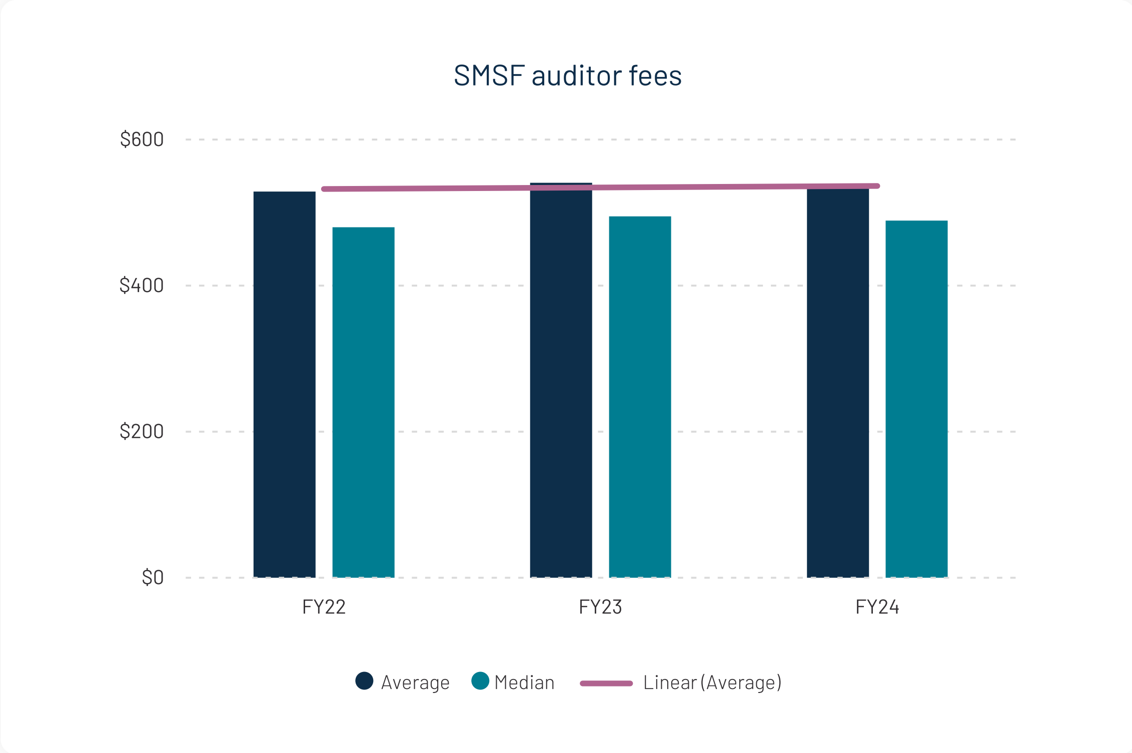
Analysis of Class SMSF tax return data provides comprehensive insight into the three primary expense categories for self-managed superannuation funds: administration expenses, auditor fees, and investment expenses. In FY24, the most recent reporting period, SMSFs demonstrated a median total operating cost of 0.77% of average net fund assets.[83]

This cost structure positions SMSFs competitively within the broader retirement savings landscape. The Morningstar Superannuation Survey, which examines 364 superannuation funds offering both MySuper and Choice options, identified an average total cost ratio of 0.78% per annum for FY24 for growth funds. This comparative analysis suggests that well-managed SMSFs can deliver operational cost efficiencies relative to institutional superannuation alternatives.[84]

SMSF auditor fees

Average and median SMSF audit costs fell during FY24, with the average fee down 1.5% and the median dropping by 1.2%.

This reduction can be attributed to audit firms enhancing operational efficiency through technology adoption and deeper integration with specialised SMSF administration platforms such as Class, enabling them to deliver more cost-effective audit services at scale.



[83] *Fund expense analysis is based on Class tax return data – latest available information is FY24*

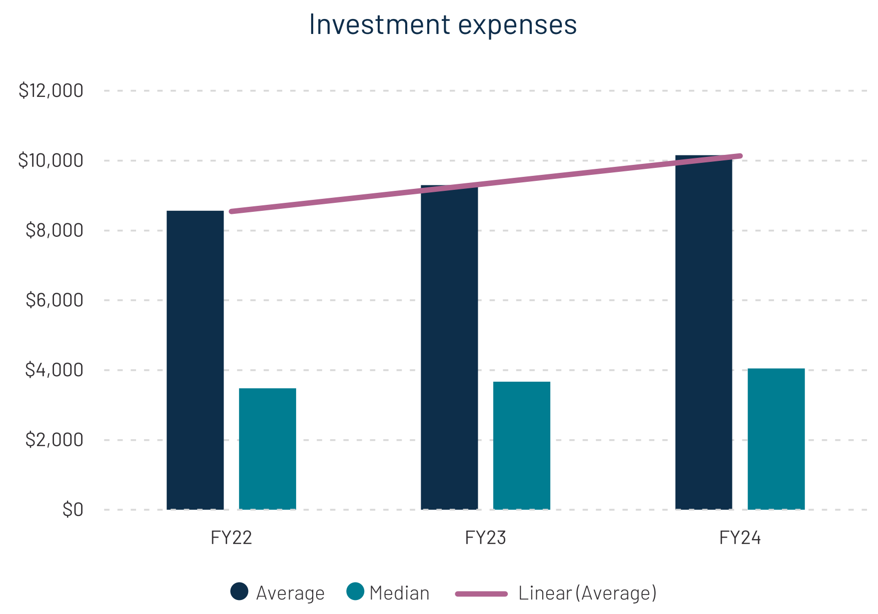
[84] *Morningstar Superannuation Survey June 2024, Morningstar, published 05/09/24, https://assets.contentstack.io/v3/assets/blt0b299fb5208b8900/bltf6ac6dabd9bac23e/66e1e9447c4ba0d8fdb1d53a/240905_SuperAnnunationSurvey_June2024_v2.pdf*

Fund expense analysis

Investment expenses

Investment fees experienced substantial growth in FY24, with the average fee rising 9.2% and the median increasing by 10.5%. These increases exceeded both the FY23 growth rates of 6.4% and 2.1% respectively, and significantly outpaced the Consumer Price Index, which rose by 3.8% during the same period.[85]

For the purposes of this analysis, investment expenses encompass adviser fees, investment management fees, platform fees, and property-related rental expenses. Several market factors appear to be driving this fee pressure, most notably the significant contraction in the financial adviser workforce, which has declined by almost 50% over seven years to 15,477 professionals by the end of FY24. The accelerated fee increases likely reflect a market adjustment where adviser supply has diminished while demand for financial advice continues to grow.[86]



[85] *Consumer Price Index, Australia - reference period June Quarter 2024, Australian Bureau of Statistics, published 31/07/24, https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2024*

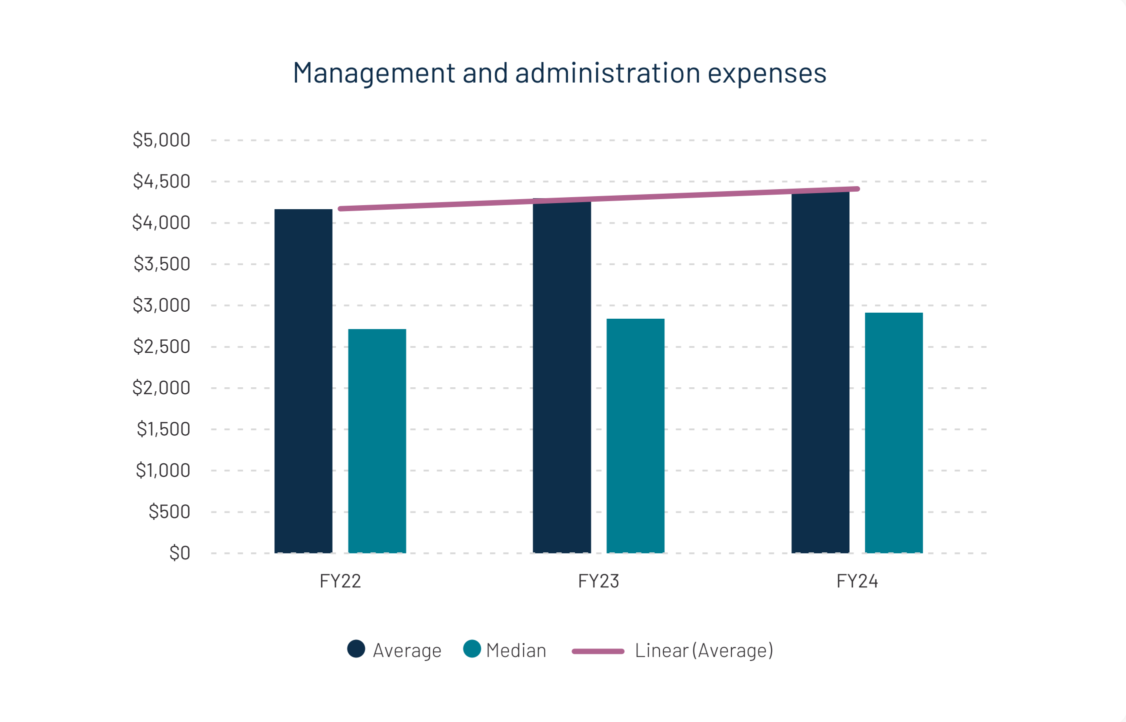
[86] *Final tally for FY24 adviser numbers revealed, The Inside Adviser, published 08/07/24, https://insideadviser.com.au/final-tally-for-fy24-adviser-numbers-revealed/*

Fund expense analysis

Management and administration expenses

Accounting and administration fees exhibited notable stability during FY24, with both average and median costs increasing by only 2.5% - a rate significantly below the Consumer Price Index of 3.8%. This measured growth reflects the fundamentally compliance-oriented nature of these services, which are generally perceived as necessary operational expenses rather than discretionary value-added services. The subdued cost trajectory in this category contrasts with fee patterns observed in more advisory-focused service segments.

Examining the longer-term trend, cost increases in this category have remained modest over the three-year period since FY21, with average fees rising by 5.8% and median fees increasing by 7.4%.



Fund expense analysis

Life insurance

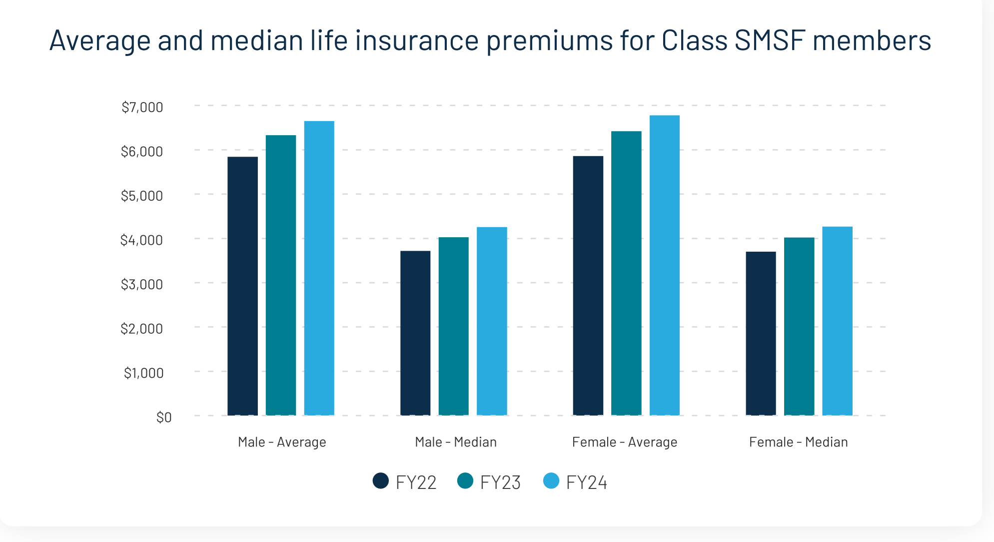
This year's Benchmark Report includes first-time analysis of life insurance coverage within Class SMSFs. Our examination reveals a significant decline in the proportion of insured members—defined as those funding life insurance policy premiums through their SMSF—from 3.6% in FY22 to 2.4% in FY24.

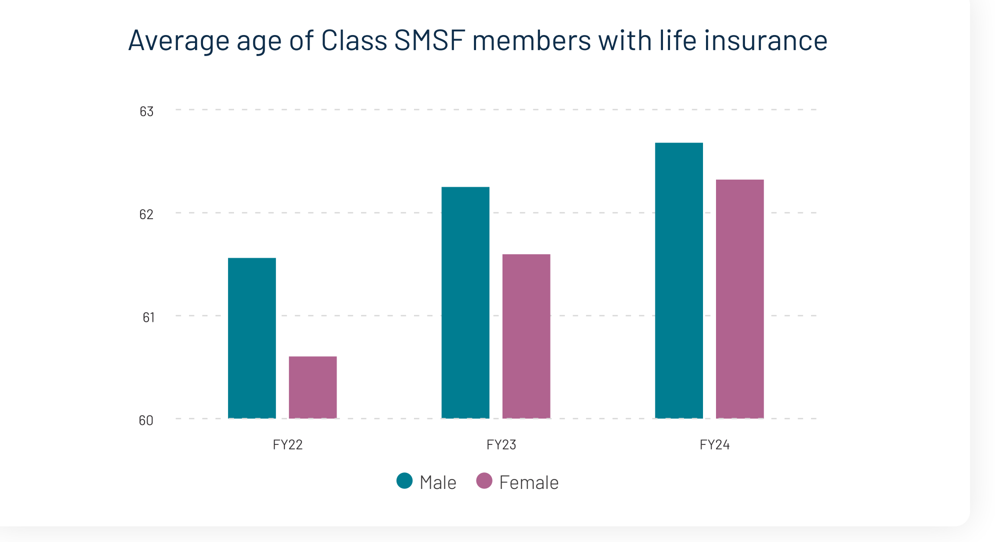
While SMSFs have no statutory obligation to maintain life insurance coverage, trustees must formally consider insurance requirements for members as part of their fund's investment strategy documentation. The observed decline may reflect various strategic approaches to risk management. Some funds may determine they have sufficient capital reserves to effectively self-insure against unexpected expenses following a member's death. Additionally, research indicates some SMSF members strategically maintain minimal balances in APRA-regulated funds specifically to retain life insurance coverage through those vehicles rather than their SMSF.[87]

Analysis of Class SMSF data reveals a significant increase in average annual life insurance premiums, rising from $5,851 in FY22 to $6,709 in FY24—a 14.7% increase over two years. This premium growth exceeds general inflation and reflects the insurance industry's experience of disproportionate cost pressures across all policy categories.

This substantial premium increase likely contributes to the previously noted decline in insured members within Class SMSFs. Concurrently, the demographic profile of members maintaining insurance coverage has shifted, with the average age increasing from 61.1 in FY22 to 62.5 in FY24. This trend suggests that older members, who typically possess larger account balances, may be better positioned to absorb rising premium costs.

These findings highlight two key opportunities for industry stakeholders. For financial advisers, there is a critical role in ensuring trustees fully comprehend the potential risks associated with self-insurance strategies when opting against formal life insurance coverage. For insurance providers, the data suggests a potential market opportunity to develop SMSF-specific offerings with more competitive pricing structures that could address the apparent sensitivity to premium increases.





[87] *Compare SMSFs with other super funds, ATO, published 02/04/25, https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/before-you-start-an-smsf/compare-smsfs-with-other-super-funds*

The state of play in professional service providers

Audit providers

The SMSF auditor market structure remained largely unchanged in FY23. Large audit firms (those managing over 250 funds) maintained their dominant position with a 73.7% market share, representing only a marginal decrease from 74.0% in FY22.

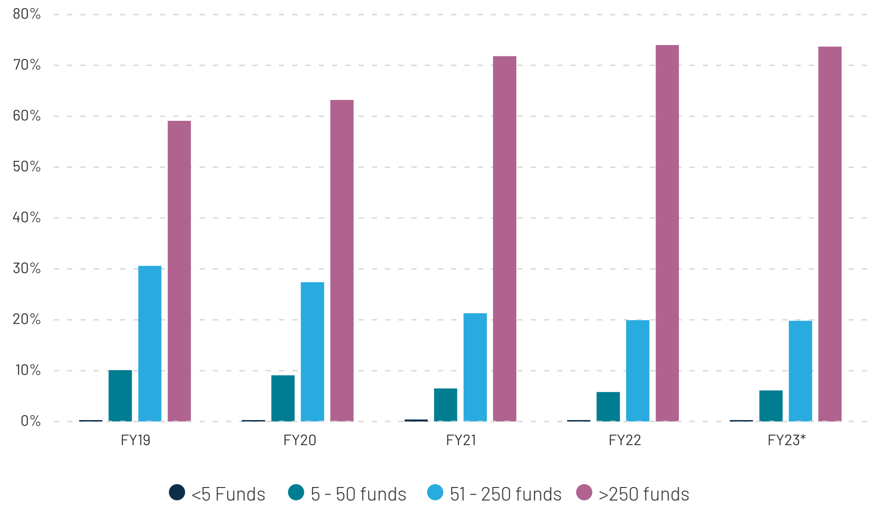
Market distribution among smaller practitioners also showed stability, with mid-sized firms (51-250 funds) accounting for 19.8% of audits and smaller firms (5-50 funds) representing 6.1%. Firms conducting fewer than five audits held a negligible market share of just 0.3%.

Since the introduction of auditor independence requirements for SMSFs on July 1, 2021, larger audit firms have expanded their market presence. This trend reflects their superior capacity to achieve economies of scale and operational efficiencies when processing high audit volumes.

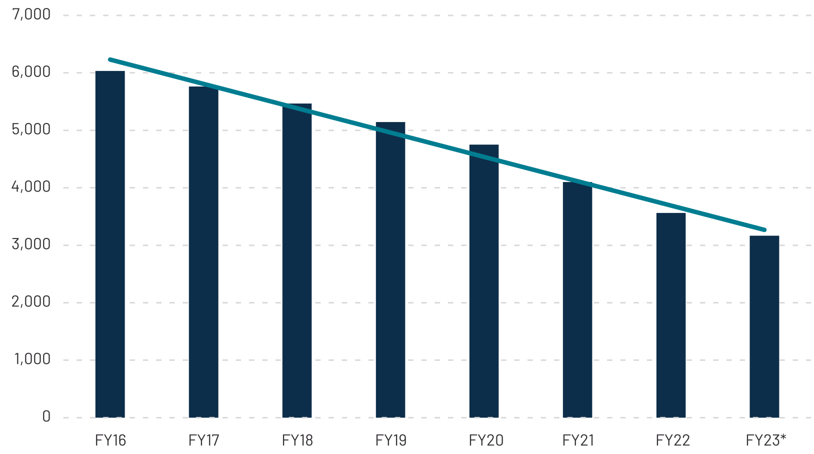
The SMSF audit sector has experienced a significant contraction in active auditors since FY16. This trend continued in FY23 with an 11.1% reduction in auditor numbers, contributing to a cumulative decline of 47.5% since FY16.

As illustrated in the first chart below, the industry structure is now characterised by concentration among firms conducting high volumes of audits. Smaller practices typically lack the infrastructure and resources necessary to achieve operational scale. The implementation of mandatory auditor independence requirements appears to have accelerated this consolidation, prompting many smaller practitioners to exit the market and driving SMSF trustees toward larger, more established audit firms that can maintain regulatory compliance while delivering service efficiency at competitive prices.

Distribution of SMSF population audited by auditors per their annual audit completion number



Number of SMSF auditors performing audits by financial year (ATO)



*Latest available data from ATO is FY23

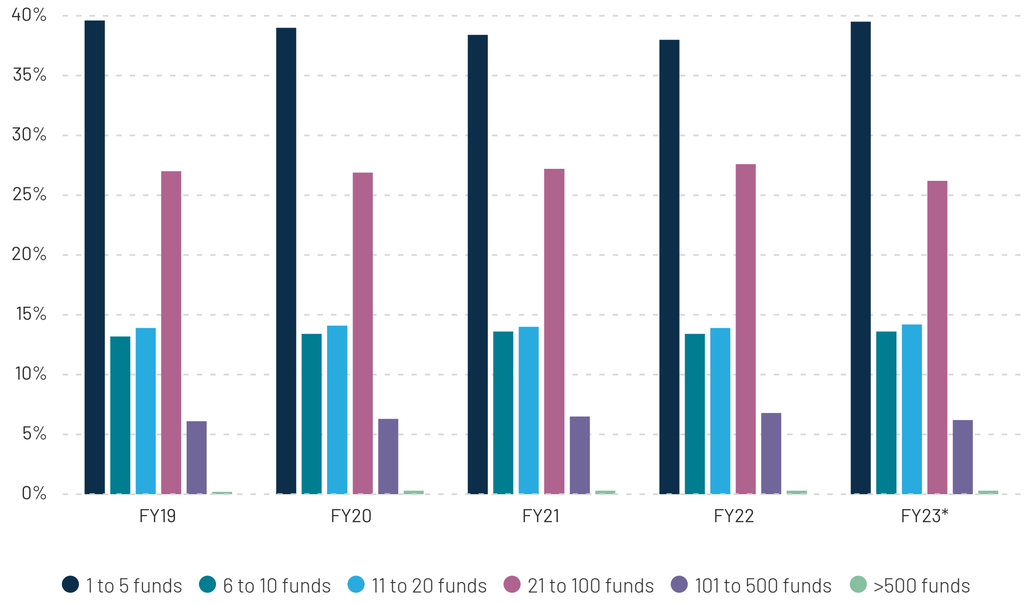
The state of play in professional service providers

SMSF administrators / tax agents

The distribution pattern of SMSF annual return lodgements across tax agents differs significantly from the auditor market structure. In FY23, tax agents processing fewer than five returns continued to dominate the sector with a 39.5% market share, representing an increase from 38.0% in FY22. The second-largest segment—agents handling 21 to 100 returns—accounted for 26.2% of lodgements in FY23, down from 27.6% in the previous year.

In 2022, the ATO implemented client-to-agent linking protocols to enhance security and prevent fraudulent impersonation of tax agents. While these measures strengthened system integrity, they inadvertently created friction in the process of changing tax agents. Recognising these challenges, the ATO introduced streamlining enhancements in late 2023 designed to facilitate more efficient agent transitions. The impact of these regulatory adjustments on the composition of the tax agent and administrator sector remains to be determined.[88]

Distribution of SMSF annual return lodgements by number of tax agents



[88] *Client-to-agent linking process enhancements, ATO, published 26/11/24, https://www.ato.gov.au/tax-and-super-professionals/for-tax-professionals/client-to-agent-linking/client-to-agent-linking-process-enhancements*

The state of play in professional service providers

Financial advisers

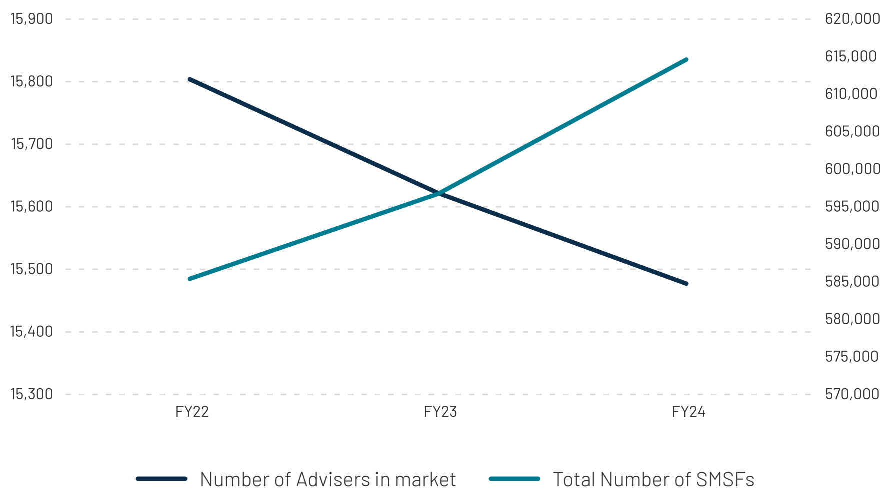
The growth trajectory of the SMSF sector continues to sharpen the advice opportunity. Data from Class reveals that the proportion of funds receiving professional financial advice increased to 26.8% in FY24, up from 26.0% in FY23. However, this still leaves approximately 483,000 SMSFs operating without formal advice across the industry, even as the total pool of financial advisers contracted to 15,477.

Notably, intention metrics show strengthening demand, with 34% of non-advised trustees (representing approximately 164,000 funds) now indicating plans to seek professional guidance—a substantial increase from 25% in 2023.[89]

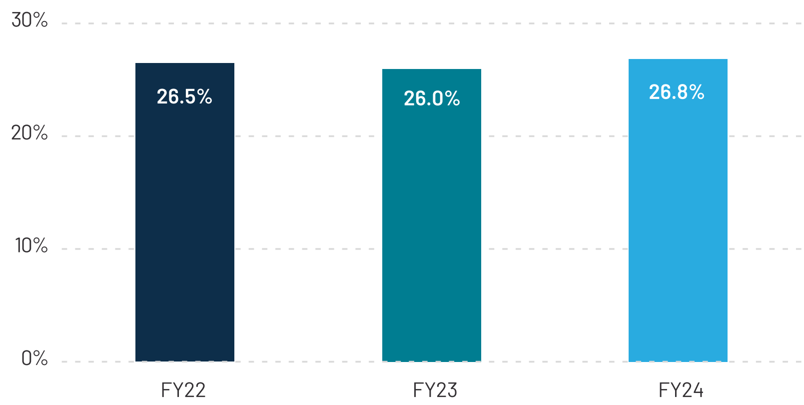
The primary constraint remains advice accessibility rather than demand. While the Delivering Better Financial Outcomes (DBFO) reforms aim to enhance advice availability, implementation has progressed incrementally. The market dynamic is clear: demand is accelerating more rapidly than supply capacity.

Advisory practices positioned to capitalise on this opportunity will be those that streamline client engagement, implement transparent fee structures, leverage digital delivery channels, and deploy technology to enhance operational efficiency and service capacity. These capabilities will be particularly critical for servicing the growing segment of trustees actively preparing for retirement.[90]

Advisers in market vs total number of SMSFs



Percentage of Class SMSFs receiving advice



[89] *Delivering Better Financial Outcomes (DBFO) package, ASIC, https://www.asic.gov.au/regulatory-resources/financial-services/regulatory-reforms/delivering-better-financial-outcomes-dbfo-package/*

[90] *New SMSF trustees propel uptake of financial advice, but $1 trillion sector still has significant advice gaps, Vanguard, published on 28/05/25, https://www.vanguard.com.au/corporate/media-centre/2025/new-smsf-trustees-propel-uptake-of-financial-advice-but-sector-still-has-advice-gaps*

Key client insights

SMSFs should be central to your advice proposition

Neil Sparks
Associate Partner, Findex

Self-managed super funds (SMSFs) are no longer a niche corner of the superannuation system. With more than $1.05 trillion in assets and over 1.2 million members, SMSFs account for a quarter of Australia's retirement savings. For financial advisers, they represent not just a retirement saving vehicle but a strategic opportunity to engage high-value clients, strengthen intergenerational relationships, and deliver measurable advice outcomes.[91]

SMSF growth is accelerating

The ATO's latest data reveals remarkable growth in SMSF demand. At 41,980 new funds established by 30 June, 2025, the total of new funds in FY25 has more than exceeded the FY24 total of 33,032. This achievement marks the first time in over a decade that new fund establishments have broken through the 40,000 milestone.[92]

The age profile of new trustees underlines why SMSFs are a key client segment for advisers:

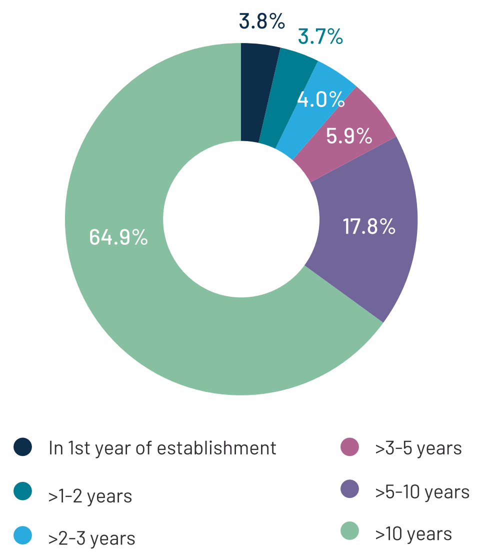
- 25–34 years: 9.5%
- 35–44 years: 37.1%
- 45–49 years: 18.1%
- 50–54 years: 14.8%
- 55–59 years: 9.9%

This concentration in the 35–54 year range makes SMSFs the ideal structure for advisers to build long-term client engagement and guide members from accumulation through to pension and estate planning.[93]

SMSFs are built to last

While SMSFs are a long-term structure, only a small minority close in the early years. Encouragingly, only 0.5% close in the first year, and just 3.4% between years three and five, meaning just 7% close within their first five years. Once established most trustees remain committed – evidence that SMSFs are a durable, resilient client segment in wealth management.

Class SMSF age distribution by years since establishment FY24



[91] *SMSF quarterly statistical report June 2025, ATO, published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

[92] *SMSF quarterly statistical report June 2025, ATO, published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

[93] *Ibid*

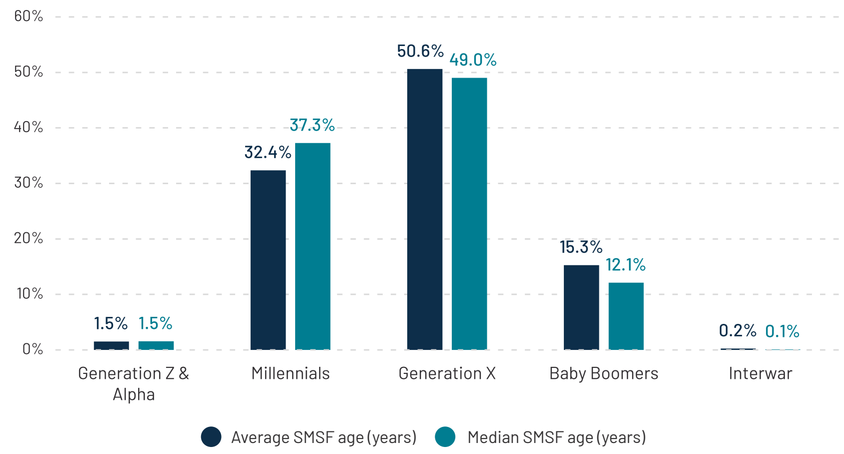
Key client insights

SMSFs should be central to your advice proposition

The ideal client profile

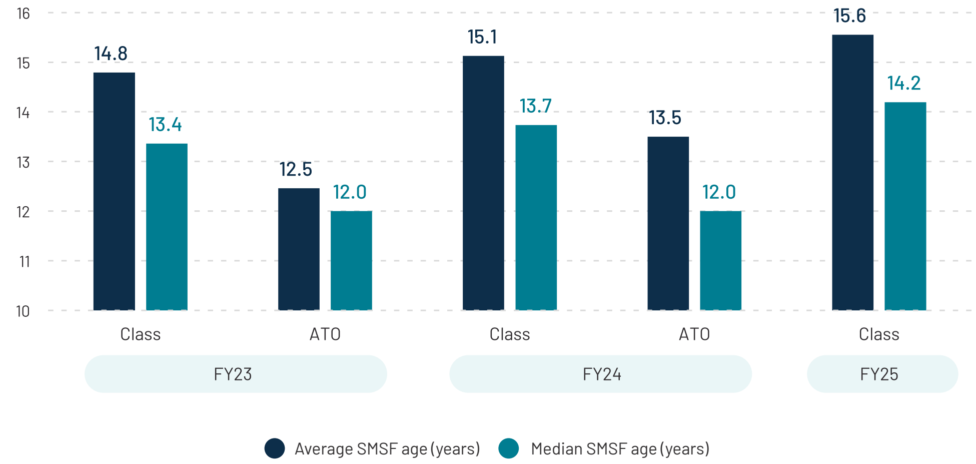
According to the 2025 Class Annual Benchmark Report, Gen X (50.6%) and Gen Y (32.4%) together account for 82.9% of new establishments, with nearly six in ten new funds holding between $200,000 and $1 million by the end of FY24. These clients are younger, wealth-building, and actively engaged in their finances.

Funds established by age using ABS generational cohorts



Most importantly, SMSFs demonstrate exceptional longevity. At 30 June 2025, over 65% of funds had been operating for more than 10 years, with the average age of an SMSF at 15.6 years. In 2025 alone, $5.6 billion was rolled into SMSFs compared with just $2.7 billion rolled out, reinforcing that SMSF members are effectively "for life" which makes SMSFs ideal for advisers seeking loyal, long-term client relationships.[94]

SMSF age distribution by years since establishment



[94] *SMSF quarterly statistical report June 2025, ATO, published 3 September 2025, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/dec379a3-67be-411e-a826-5d7de91cb131/download/smsf-quarterly-statistical-report-june-2025.xlsx*

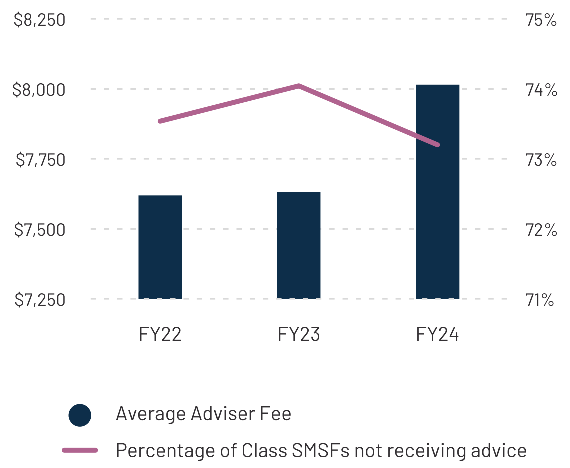
SMSFs should be central to your advice proposition

The advice gap: a commercial opportunity

Despite their size and maturity, only 27% of Class SMSFs currently pay an adviser fee – meaning roughly 73% may be operating without advice. This aligns with the 2025 Vanguard/Investment Trends SMSF Report, which estimated around 483,000 funds are navigating complexity on their own, even though most trustees need guidance on tax planning, investment strategy, succession, contributions, insurance, and compliance. For advisers, this represents a massive untapped market opportunity.[95]

SMSF advice on Class tends to command higher fees – around $8,000 per year on average - reflecting the complexity of these funds and the breadth of strategies advisers can deliver. Far from "set-and-forget," SMSF trustees value premium, ongoing advice covering investment, compliance, tax, and succession.

Class SMSFs average adviser fee & percentage of Class SMSF not receiving advice



For integrated firms with accounting and SMSF administration in-house, the opportunity is even greater. SMSFs allow advisers to deliver a seamless experience alongside tax and compliance professionals, deepening client trust and capturing more of the value chain.

Beyond advice, SMSFs also offer enduring value from an accounting perspective.

The long-term value for accounting firms

From an accounting perspective, SMSFs stand out because they deliver enduring client relationships at a time when other revenue streams often taper. Unlike traditional accounting work that may diminish once clients retire, SMSFs continue to generate recurring engagement through administration, compliance, and strategic oversight.[96]

For firms, this translates into decades of predictable revenue, strong retention, and the ability to build multi-generational connections that secure the firm's long-term relevance.

Why SMSFs fit the next generation

The next decade will see trillions transferred from baby boomers to Gen X and Y. Advisers risk losing up to 80% of assets when wealth moves, unless they are already connected to the next generation. SMSFs are often family-centred structures, making them a natural bridge to engage multiple generations and strengthen long-term relationships.

[95] New SMSFs behind surge in financial advice needs: report, SMSF Adviser, published 29 May 2025, https://www.smsfadviser.com/news/24514-new-smsf-behind-surge-in-financial-advice-needs-report

[96] SMSF Annual Overview 2022-23, Australian Taxation Office, published, https://data.gov.au/data/dataset/2fd970ec-984e-4593-bbad-2e69a5fa7a89/resource/753f96c7-709a-4627-b8b8-af0e97377b9d/download/smsf-annual-overview-2022-23.xlsx

Key client insights

SMSFs should be central to your advice proposition

Advice creates real value

SMSFs are complex, but complexity is where advisers create value. Research shows advised SMSFs consistently outperform non-advised funds. Adviser "alpha" comes from:

- Investment strategy and diversification: Advisers enhance portfolio construction and management through appropriate asset allocation, disciplined rebalancing, and access to a wider set of opportunities, including ESG-aligned portfolios that reflect members' values. This demonstrates one of the SMSF sector's greatest strengths, the ability to invest across a far broader pool of approved assets than APRA-regulated funds.
- Tax and retirement optimisation: Advisers help trustees maximise control over contributions and pension strategies, delivering tax efficiency and retirement flexibility.
- Strategic and structural advice: Advisers guide trustees through complex decisions, coordinate expert support, and act as the central hub shaping the client's SMSF and broader wealth strategy.

It is also a misconception that SMSFs are "all about property." The data shows just 30.7% of Class SMSFs hold a direct property investment, and within those funds, about 61.3% of assets are in property as at 30 June 2024. Only one-third of property-holding funds use an LRBA. This means advisers who avoid SMSFs due to concerns about gearing or property concentration are overlooking the broader growth opportunity.

The business case is clear

Compared to APRA-regulated super funds, Class SMSFs typically have significantly higher balances. More importantly, SMSF trustees often present complex overall financial situations—business ownership, trusts, intergenerational wealth transfers—that demand comprehensive advice relationships.[97]

Class Benchmark Report data shows that advised SMSFs are far more likely to identify sophisticated needs in areas such as estate planning, succession, and family wealth transfer. These engagements are more involved, with fees that reflect the scope of work, while creating long-term, multi-generational client relationships. For firms positioning themselves for sustainable growth, the SMSF sector is an unmatched opportunity.

Final word

SMSFs offer unmatched flexibility, tax efficiency, and estate planning advantages, making them a powerful tool for advisers and clients alike.

Clients benefit from advice in SMSFs and advisers who meet them where they are will secure loyal, multi-generational relationships.

The sector is growing rapidly, unmet advice needs are significant, and the value of advice is proven. For firms that want to expand, differentiate, and future-proof, the message is clear: SMSFs can play a central role in a future-focused advice model.

[97] *Sourced from Class Benchmark dataset, Average member balance - Class vs APRA*

Conclusion

The SMSF sector continues to mature and deliver sustainable growth. On Class, funds have been established for an average of 15.6 years, indicating that SMSFs are an enduring solution that supports members throughout both the accumulation phase and retirement. SMSFs remain an integral component of Australia's superannuation system, accounting for $1.05 trillion, just under one quarter of total assets.

Growth continued in FY25, with fund establishments up 6.4%. As retirement approaches, SMSF members tend to act early, many move to pension phase as soon as they're eligible at age 65, reflecting strong engagement with retirement strategies.

Professional advice remains significantly under-utilised in the SMSF sector, with only 26.8% of Class SMSFs receiving advice in FY24. However, industry-wide intent is growing, as 34% of non-advised trustees—representing approximately 164,000 funds—indicate plans to seek advice. This represents a substantial growth opportunity for SMSF professionals that strategically implement technology solutions to increase operational capacity and enhance productivity, ultimately allowing them to support more clients preparing for retirement.[98]

This year's Benchmark Report reaffirms SMSFs as an effective retirement savings vehicle and highlights opportunities for financial professionals to expand their services, deepen client relationships and help trustees and members achieve their retirement objectives.

[98] *New SMSF trustees propel uptake of financial advice, but $1 trillion sector still has significant advice, Vanguard, published 28/05/25, https://www.vanguard.com.au/corporate/media-centre/2025/new-smsf-trustees-propel-uptake-of-financial-advice-but-sector-still-has-advice-gaps*

About Class

Class, a part of the HUB24 Group, is a pioneer in cloud-based wealth accounting and is recognised as one of Australia's most innovative technology companies, delivering SMSF administration, trust accounting, portfolio management, legal documentation and corporate compliance solutions to over 6,500 accounting, administration and adviser firms across Australia.

We started developing cloud software solutions for the Australian wealth accounting market in 2005. In 2009 we delivered Australia's first cloud-based SMSF administration solution, Class Super. Our solutions include Class Trust, the industry's first trust accounting solution as well as Class Portfolio, our investment portfolio management solution. We are a market leader in legal documentation, corporate compliance and entity management with NowInfinity.

Our mission is to deliver innovative administration solutions that automate manual workloads, driving high levels of processing efficiency and scalability. Class software enables accountants, administrators and planners to increase profitability, fuel business growth and deliver improved client service.

CLASS
A HUB24 COMPANY

Disclaimer