

THE TRUSTEE

The publication that keeps you informed and in control.



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WELCOME TO THE LATEST EDITION OF

The Trustee

Thanks very much for joining us for “The Trustee”

The SMSF team recently travelled to Sydney to attend the Class Ignite conference. At the event, we participated in a range of technical and procedural sessions designed to improve our understanding of where the SMSF industry is heading.

SO, WHAT CAN WE REPORT?

1. AI (Artificial Intelligence) will provide insights that change how you perceive your SMSF.
2. Cyber security requirements will impact everyone.
3. The “Great Transfer” of wealth is already underway, creating challenges for all.
4. Digital assets are becoming recognised as a mainstream investment choice.
5. The value we provide lies in advice — not just compliance.
6. SMSFs are becoming increasingly popular with younger Australians.

AI was the hot topic among delegates. We believe it will impact you in the following ways:

- Transactions will become digital, delivering real-time data.
- Human interaction at the transactional level will be eliminated.
- Our dream of providing “live” SMSF data is getting closer.
- With accuracy and insights comes the ability to deliver higher-level advice and opportunities.

Cyber security is a growing concern. Firms of all sizes are being targeted by cyber criminals, and email is increasingly vulnerable. We’re planning to respond with a **dedicated Supervision client portal** to reduce these risks and protect your data.

As SMSF assets grow and members age, succession planning becomes essential. Conversations around EPOAs (Enduring Powers of Attorney) and Wills may not be cheerful, but they're far better than leaving loved ones to pick up the pieces.

Digital assets are proving hard to ignore. While we don't offer an opinion on whether they belong in your portfolio, the data suggests they're here to stay. Investigating this trend is worthwhile — but finding reliable information is the challenge.

Younger Australians are entering the SMSF space in record numbers. Our firsthand experience suggests this could be driven by market hype around property, shares, and digital assets. If this is FOMO (Fear of Missing Out) rather than strategy, bubbles may form and burst. We hope new trustees are thinking long-term.

This edition of The Trustee also draws on insights from the Class Annual Benchmark Report 2025, which we used as a key reference to help inform our observations and recommendations.

We hope you enjoy this edition. If anything here sparks your interest, please reach out to your Financial Adviser or Supervision — we're here to help. All the best health and wealth.



CHRISTOPHER HOMER
Director



FEATURE ARTICLE

BRIDGING TRADFI AND DEFI: SWYFTX AND TOTALITY ANNOUNCE STRATEGIC PARTNERSHIP



We're excited to share that our default share trading platform has transitioned from CMC Markets to Totality — a move designed to enhance your investment experience with a broader suite of global financial products.

In a major development, Totality has entered a strategic partnership with Swyftx, one of Australia's leading cryptocurrency exchanges. This collaboration marks a significant step in bridging the gap between traditional finance (TradFi) and decentralised finance (DeFi), offering our clients streamlined access to digital assets

What This Means for You

If you hold a Totality account, you can now easily establish a Swyftx account, enabling direct purchases of digital assets — including within your SMSF — with full reporting and compliance features provided by Swyftx.

While Totality already offers indirect exposure to digital assets via ETFs and other instruments, this integration allows you to engage directly with the digital asset ecosystem, backed by trusted platforms and proven processes.



Why This Matters

According to new research from global funds network Calastone, the tokenisation of traditional assets is expected to grow 58-fold between 2024 and 2029, representing a US\$235 billion opportunity. Asset managers are increasingly turning to digital distribution platforms to meet investor demand for tokenised products that align with modern, digital-native infrastructure.



Jason Titman, CEO of Swyftx, commented:

"We see this partnership as a great way to help more people access and understand blockchain technology. We hope it will create new opportunities for the customers of both businesses."

To celebrate the launch, Swyftx hosted a webinar titled "Crypto 101: Your Guide to Navigating the World of Digital Assets" exclusively for Totality clients, with an in-person event planned soon. If you want to receive a link for the recorded session, please reach out to us.

Next Steps...

If you already have a Totality account and would like to explore Swyftx or learn more about how digital assets can fit into your investment strategy — especially within your SMSF — please reach out. We're here to help you navigate this evolving space with confidence.



SCHEDULE A CALL

We'd love to connect! Send us an email to request a convenient time to answer your inquiry.



08 9367 9655



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PROPERTY IN SMSFS:

STILL A STRONG PERFORMER, BUT STRATEGY MATTERS

Property continues to be a cornerstone investment for many SMSF trustees — and the latest data confirms its enduring appeal.

As of FY25, nearly 30% of SMSFs on Class held direct property investments, totalling around \$74 billion. While there's been a slight decline in overall exposure, property remains the second-largest asset class behind Australian shares. This suggests trustees are still confident in property's long-term value but may be adjusting portfolios in response to proposed tax changes like Division 296. Division 296 is currently on hold, so any property sales may be premature.



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Generations Apart: How SMSF Investors Differ in Property Strategy

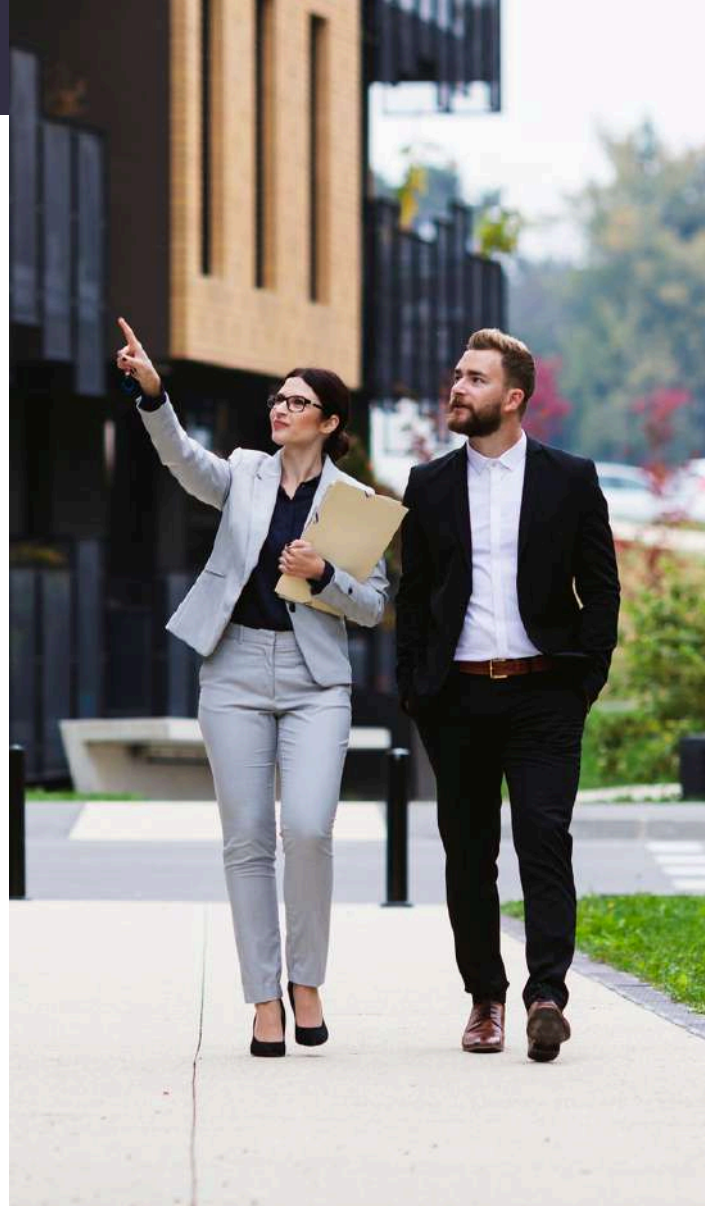
Residential property is typically held in smaller funds, with average total assets of \$1.4 million, and the property component making up about half of the fund's value. These funds tend to be held by younger members, with an average age of 56. In contrast, commercial property is found in larger funds (average assets of \$3 million) and held by older members, averaging 61 years of age.



SMSF Borrowing Skews Toward Residential Property

For trustees, property can offer strong rental yields, long-term capital growth, and tax efficiency — particularly in pension phase. But it's not without risks. Valuations, documentation, and liquidity need to be actively managed.

If you're considering property in your SMSF or want to review your current strategy, we're here to help you assess the opportunities and risks — and ensure your fund remains aligned with your long-term goals.



QUICK FACTS



SMSF SNAPSHOT 2025: KEY NUMBERS YOU SHOULD KNOW

- TOTAL SMSF ASSETS: \$1.05 TRILLION (24.3% OF SUPER INDUSTRY).
- AVERAGE SMSF BALANCE: \$1.9 MILLION.
- NUMBER OF SMSFS ON CLASS (YOUR SMSF ACCOUNTING SOFTWARE): 199,007.
- ETF ALLOCATION: 6.1% OF ASSETS, FASTEST-GROWING CATEGORY.
- SMSFS RECEIVING ADVICE: 26.8% (UP FROM 26.0%).
- SMSFS WITH CRYPTO ASSETS: 1.8%, AVERAGE AGE OF MEMBERS = 49.3.



Supervision Website Refresh: What's New and What It Means for You

You may have noticed that our website has undergone some changes — and we hope you'll agree they're improvements designed to make your experience smoother, clearer, and more informative.

Clearer Package Information

We've expanded the details around our SMSF packages, including:

- What's included
- How we help
- How much it costs

This update reflects our commitment to transparency and helping you make informed decisions about your retirement strategy. We've also made it easier to compare packages and understand the value we offer — especially how we keep fees low to maximise your savings.

Refreshed Documents & Forms Page

Our Documents and Forms section has been reorganised and refreshed. Whether you're looking for onboarding forms, compliance documents, or guidance materials, you'll now find them easier to locate and use.

This update supports our goal of reducing manual processing and making your interactions with us more efficient.



Coming Soon...

Introducing the Client Hub

As part of our broader digital strategy, we're working on a new concept called the Client Hub — a central place for communication, document uploads, and tracking your interactions with Supervision. This will streamline how you engage with us and help ensure nothing gets missed.

We Value Your Feedback

Your experience matters. If you have any suggestions or feedback on how we can further improve the website or your online experience, please don't hesitate to reach out. We're always looking for ways to serve you better.

Get Started, Live Better!



We're here to help with all your SMSF, tax, and financial queries. Reach out to us today—whether it's a quick question or a detailed discussion, our expert team is ready to assist.

[Click HERE to Schedule A Call](#)



08 9367 9655

SMSFS ARE BUILT TO LAST — WHAT THAT MEANS FOR YOU

The latest Class Annual Benchmark Report confirms what many trustees already know: SMSFs are a long-term investment structure that delivers results.



On average, SMSFs administered on Class have been running for 15.6 years, with nearly two-thirds operating for more than a decade. Even when funds are wound up, it typically happens after 16.8 years, with an average balance of \$781,000. These figures show that SMSFs are not short-term vehicles — they're designed to support members through accumulation, retirement, and estate planning.



With average fund balances now at \$1.9 million, SMSFs continue to deliver strong outcomes for trustees who are committed to managing their retirement wealth with flexibility and control.



The report also highlights a gap: only 26.8% of SMSFs on Class currently receive professional advice. As regulations evolve and retirement strategies become more complex, the value of advice grows. Advisers play a critical role in helping trustees navigate transitions to pension phase, manage drawdowns, and plan for succession.

For SMSF trustees, this is a timely reminder that your fund is likely to be with you for decades. Partnering with a knowledgeable adviser ensures your SMSF remains compliant, tax-efficient, and aligned with your long-term goals — from your working years through to retirement and beyond.



ETF Adoption Surges Among Younger SMSF Trustees

One of the most interesting trends we're seeing in the SMSF space is the growing popularity of Exchange Traded Funds (ETFs) — especially among younger trustees.



According to the Class Annual Benchmark Report 2025, ETFs are now the fastest-growing asset class in SMSFs. The proportion of SMSFs holding ETFs rose from 32.8% to 34.1% in FY25, and they now account for 6.1% of total SMSF assets. This growth is being driven by a new generation of trustees who value diversification, transparency, and cost-efficiency.

How ETFs Are Powering Modern SMSFs

ETFs offer exposure to a wide range of markets — from Australian blue chips to global tech giants — without the need to pick individual stocks. They're liquid, easy to trade, and typically come with lower fees than actively managed funds. For younger investors, they're a natural fit.



We're also seeing a shift in how SMSFs are being used. The 35–44 age group now accounts for over 33% of new SMSF establishments, with Millennials and Gen X leading the charge. These trustees are tech-savvy, investment-aware, and looking for tools that give them control and flexibility.

If you're considering ETFs in your SMSF, it's worth exploring how they can complement your broader strategy. Whether you're building a core portfolio or adding satellite exposure to specific sectors, ETFs can be a powerful tool — especially when paired with good advice.

As always, if you'd like to discuss how ETFs might fit into your SMSF, please reach out.

NEED HELP?



We do our best to make it as easy as possible for you to get started on your own, but we know that from time to time you may need some help. If you call us on **08 9367 9655** or email us with a question one of our friendly and professional team responsible for establishments will be available to discuss how you can get started as quickly as possible.

JUST THE FACTS WITH SHISH

Hi Everyone,

We're dedicated to make your SMSF compliance and tax return requirements a minor part of your SMSF experience.

Our team is focused on providing the best experience for you at the highest possible standard, so that you can get on with creating an awesome investment strategy.



Hi, its Shish back again. My role is reviewing your SMSF returns each year, examining financial statements and compliance issues for all clients. Hopefully you enjoy my insights.

SMSF AUDIT AND COMPLIANCE: AVOIDING COMMON PITFALLS

Maintaining compliance is critical for SMSF trustees, especially with increasing ATO scrutiny. Annual audits are mandatory and must be conducted by an independent, registered SMSF auditor. Common audit failures include poor documentation, missing valuations, and breaches of the sole purpose test.

Trustees must ensure all investments are properly recorded, especially related-party transactions and property leases. Accurate market valuations for assets like property and unlisted shares are essential to avoid Non-Arm's Length Income (NALI) penalties.

The ATO also expects clear investment strategies aligned with fund objectives, including risk, liquidity, and diversification. Using SMSF software with automated data feeds can streamline record-keeping and reduce errors.

Trustees should regularly review fund activity, maintain minutes of decisions, and seek professional advice when needed. Proactive compliance not only protects retirement savings but also ensures smooth audits and avoids costly penalties.

Staying informed and organized is key to long-term SMSF success.

EDITORIAL

THE EVIDENCE IS IN

SMSF TECHNOLOGY IS HERE.

The arrival of the internet democratised the flow of information, giving smaller businesses like ours the ability to compete with larger, more established firms — some with over a century head start. It introduced platforms (like Software as a Service) that semi-automated manual tasks, boosting our capacity and allowing us to focus on what matters most: our clients.



We built our business on innovation and a fresh perspective on how SMSFs should be managed. Fifteen years ago, we embraced technologies like data feeds, electronic signatures, and real-time transaction matching — long before they became industry norms.

But in the past five years, progress across the industry has slowed. That is, until now. In the last six months, a new wave of innovation has arrived. AI systems — including machine learning and agentic AI — are once again creating opportunities to leap ahead in efficiency and service delivery. These tools are making providers faster, more accurate, and less reliant on manual effort.

The Evidence Is In

WHY NOW? WHY ARE WE EXCITED?

Even after 20 years in business and thousands of SMSFs under our belt, we still see ourselves as challengers to traditional accounting firms. We're in a fight for new SMSF business across the country — and we're more excited than ever.

Why Now? Why Are We Excited?

Here's what's changing — and what it means for you:

- Open Banking is finally bridging the gap for banks that don't offer data feeds — especially SMSF lenders and low-tech institutions.
- Transaction Matching is becoming smarter, using multiple data points to improve accuracy and reduce human error.
- AI Systems are emerging that can connect the many separate IT platforms we use — without massive IT budgets — delivering timely, personalised insights for each client.
- Firms like Supervision will no longer be held back by limited IT budgets. Our only constraints are imagination and philosophy.
- Your Data — collected over years — can now be used to deliver better, more tailored advice, at a fraction of the cost.

These technologies will strengthen our relationships with you and with the advisers who guide your investments.

When industry players fight to create real change, you win. You get better support, more affordable services, and ultimately, more money in your pocket in retirement.

THE TEAM BEHIND SUPERVISION GROUP

SUPERVISION SMSF

Perth Office

Michelle Quinn
Practice Manager

Pina Reid
Client Services Manager

Shishpal Rana
SMSF Manager

Taylor Reid
Client Services

Christopher Homer
Director of SMSF

Clinton Reid
Managing Director Supervision Group

Clarke Philippines Office

Ronnel Valencia
Senior Accountant

Calvin Qiron
Senior Accountant

Danica Dizon
Senior Accountant

Cyril Tullao
Senior Accountant

Hanna Vergara
Accountant

BUSINESS SERVICES

Perth Office

Grant Carslake
Senior Accountant

Clarke Philippines Office

Joy Sanchez
Senior Bookkeeper

Sheila Enerio
Bookkeeper

Reach out anytime

Get in touch via the desired contact method below:



SCHEDULE A CALL

We'd love to connect!
Send us an email to request a convenient time to answer your inquiry.



Phone Number

08 9367 9655 or 08 9388 6999



New Enquiries:

info@supervision.com.au



Office Address

**South Perth Office
Level 2, 76 Mill Point Road, South
Perth, WA, 6151**

Postal Address

**PO Box 879, South Perth,
WA, 6951**

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