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Arnie Selvarajah
chief executive officer,
Bell Direct (powering
Desktop Broker)

Can a trading platform be your new investment wrap?

The vision at Desktop Broker is to create a best of breed trading platform that provides financial advisers with the right execution capabilities to invest client money.

For Bell Direct chief executive Arnie Selvarajah⁰¹, the vision for the Desktop Broker platform comes from an emerging trend where financial advisers are increasingly turning to and participating in the broking scene.

It is a strategic shift in the financial planning industry being largely driven by the independent financial adviser (IFA) market, Selvarajah says.

“The IFA market seems to be more focused on direct equities than any of the aligned advisers, so that seems to be our sweet spot,” he says.

A platform with purpose

Born out of broking house Bell Potter and the diversified ASX-listed group Bell Financial, Selvarajah believes the Desktop Broker platform has an unrivalled advantage in the market.

He says the firm’s research shows the top time constraint for financial advisers is executing an investment decision.

“We know that the number one thing advisers spend most of their time on, in fact 40% of advisers rate this as the number one issue, is making the investment decision,” Selvarajah says.

This fact is what drives the core design and development of Desktop Broker. As Selvarajah explains, the firm and its platform are always looking at ways “we can help advisers in carrying out that investment decision process.”

He says the platform’s development and innovation comes down to executing the investment decision process in the most efficient way. Advisers have been able to access Desktop Broker through the more traditional direct equities approach but the platform is now building solutions for managed accounts and model portfolios.

“By using a platform like Desktop Broker, planners can actually, in some instances, manufacture some of the portfolios and products that their clients are using,” Selvarajah says.

Fundamentally Desktop Broker is an online trading platform that has leveraged the Bell Direct platform and developed it so that advisers can trade on behalf of their clients on anything listed on the ASX.

“You can now trade on almost any asset class with Desktop Broker. Traditionally you have been able to trade direct equities, ETFs, LICs – but more recently the ASX has listed Australian Government Bonds, and even more recently there’s been a new product called XTBs which allows you to trade corporate bonds. You can now also invest in managed funds using Desktop Broker and a new service offered by ASX called mFund,” Selvarajah says.

The chief executive says in its simplest use the Desktop Broker platform predominantly allows advisers to log in and trade or invest. Advisers can trade on multiple clients at the same time or they can trade on a client-by-client basis. Advisers can also access all of the Bell Potter research through the Desktop Broker platform.

Recent additions

As advisers become more familiar with the platform and clients become more accustomed to the trading and investment process, Desktop Broker allows for the adviser/client relationship to grow.

“What we’ve also added more recently is the ability for advisers to give their clients a direct login into the Desktop Broker platform. This means the adviser can now share a login with the client and they can talk about their portfolio together,” Selvarajah says.

“In some instances, those advisers are also giving their clients a trading ability – so the adviser can actually view the platform but allow the client to trade on a discretionary portfolio on their own.”

And the additional tools for advisers on the platform go much deeper. Selvarajah reiterates it is ultimately about helping the adviser to be more efficient in how they service their client.

“One of the first things we’ve done is added a multi-order pad. What this means is the adviser can now trade for multiple clients at the same time,” he says.

“In particular, if an adviser wants to buy a particular stock across 50 clients they can do that now with one order pad at one time to market. So it makes it a lot easier, rather than entering the order 50 times.”



The quote

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Secondly, over time, Desktop Broker has added and created data integration or data feeds back in to any adviser’s back-end planning software. This means that all the information that’s occurring in the transactions on the Desktop Broker platform will flow automatically in to the adviser’s back office system, Selvarajah explains.

In addition to this, the platform has also created several new tools for advisers to access exchange-traded funds (ETFs).

“We know that the use of ETFs by advisers has increased substantially in the last few years. For example, our research tells us that 4% of new flows in 2016 were going in to ETFs compared to about 7% in 2017,” he says.

As a result of this the Desktop Broker platform has added an ETF filter. It allows advisers to enter the platform and select the right ETFs for their clients, rather than having to go to each of the individual issuers to find the right ETFs.

The point of difference

Selvarajah says being an open architecture platform; Desktop Broker doesn’t have to limit the range of investment products that advisers are allowed to trade. He also points out the research available on Desktop Broker from its parent company Bell Potter is highly rated among the industry.

He notes the second top issue advisers have when it comes to time management is compliance burden, especially in the post Global Financial Crisis environment. Listening to this adviser feedback, Selvarajah says the platform is looking at being able to provide advisers with reporting tools and transparency to the underlying data “that will help them with their compliance burden.”

But the most obvious difference for Desktop Broker is that it doesn’t charge platform fees. Another benefit for advisers is that they can access almost every asset class through the platform.

“So you can replicate all the things you do on a wrap platform today without the cost of the platform fee,” Selvarajah says. **FS**