



Advisers embrace SMSF sector

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Financial planners are becoming more engaged with the self-managed superannuation (SMSF) sector, an industry survey has found.

According to the latest AMP Capital/Investment Trends survey on SMSFs, the level of assets advisers had under advice and the amount of fees being generated from clients had increased.

Financial planners experienced a rise in SMSF clients as a result of the Government's Better Super changes, with advisers managing to retain most of these clients and building upon them, the report

found. "When we asked them to estimate the average across all of their clients ... they are now saying they are advising on about three-quarters (74 per cent) of the assets," Investment Trends principal Mark Johnston said.

This compares to 62 per cent of SMSF assets under advice in May 2007.

The report also indicated fees from SMSFs had jumped from \$890 million in May 2007 to \$950 million at the end of June this year. "This is a really significant part of what planners are doing and a really big part of the industry and shows the increased engagement with the

SMSF market," Johnston said.

Also, the average level of fees charged per SMSF climbed to \$4500 in 2008 from \$3900 in 2007.

Planners also felt the importance of the SMSF industry was likely to continue to grow.

"Advice just on SMSFs now makes up 23 per cent of the industry's revenue," Johnston said.

Respondents anticipated 32 per cent of their revenue would come from the sector in three years' time. The survey was conducted between May 2007 and June 2008 and involved a sample size of 314 planners. □