



Avanteos to expand into SMA and insurance market

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The chief of Avanteos has shrugged off rumours the Commonwealth Bank of Australia (CBA) plans to offload the business by announcing it will roll out a number of new initiatives with the backing of its parent company.

"The CBA distribution networks are supporting it more than they ever have. We're very confident about their support," Avanteos chief executive Chris Stevens said.

One of the new initiatives for Avanteos is to push forward with an expansion into the individual managed accounts (IMA) and separately managed accounts (SMA) market, Stevens said.

"Our expectation over the course of the next 12 months is that the opportunity for managed accounts solutions (IMA and SMAs) be more enhanced," he said.

"So we have a customised solution being released in October for an IMA, and we expect to be able to take advantage of that

market and expand on that going forward."

As part of a second initiative, Avanteos has struck a deal with CBA's insurance division, CommInsure.

"We're looking to introduce an innovative insurance solution with CommInsure in November," Stevens said.

The Avanteos arrangement with CommInsure will be a wholesale solution with retail insurance features.

"The way the product design has come about is that both businesses do what they are best at. So advisers get to deal directly with the insurer, which is very important," he said.

"Avanteos looks after the client administration and placement of investments as it normally would."

The agreement will also allow for 'real-time' integration between both businesses and competitive rates for advisers which will reduce the underwriting turnaround, Stevens said.

Possible sale rumours were fuelled earlier

this year when ING-owned dealer group, Financial Services Partners (FSP) ditched Avanteos for Oasis Asset Management (Oasis).

"I think from a customer's perspective we know that FSP are going to Oasis and that in itself isn't a surprise given both are owned by ING," Stevens said.

"Certainly the strength of our other customer relationships is still very strong so I'm very confident about the business going forward."

Avanteos took the third-most inflows for the March quarter in the whole market, according to Stevens.

"The feedback right across the product and services has been really strong. If I look at the most recent Investment Trends survey, our product has been rated top for the last two years," he said.

"The last survey they did on service, which took feedback directly from financial advisers, they ranked us number one for administration." ☺