

# Financial Standard

[www.financialstandard.com.au](http://www.financialstandard.com.au)

## Planners advising ETFs double

Thursday, 17 June 2010 11:45am

The number of planners advising on exchange traded funds has doubled in the last year - a trend that looks set to continue as investors pump more funds into the sector.

New figures from the Investment Trends December 2009 ETF Report has found that 38,000 investors are now using ETFs - double that of November 2008.

The report, which surveyed 7,400 investors and 780 planners, show 30 per cent of planners now advise on ETFs.

But the figures don't stop there - a further 17 per cent indicate they are considering using the product within the next 12 months as demand increases.

Out of those who currently advise on ETFs, the majority (63 per cent) plan to invest more of their clients' assets using ETFs in the next year.

Only 5 per cent say they plan to use less ETFs.

"The rapid changes happening in planner remuneration models are translating to increased use of indexing, direct equities, and ETFs," said Mark Johnston, principal of Investment Trends, in a statement.

"As the industry transitions towards an asset based fee for service model, many more planners are now advising on ETFs or intending to do so.

"One telling sign though is that ETFs have clearly made the jump in planners mind from an 'alternative investment' to a mainstream investment vehicle."

While advisers are increasingly advising on ETFs, current investors are relatively unlikely to rely on planners when making their investment decisions.

Almost 60 per cent do not seek advice, including 7 per cent who stop using advisers last year.

By contrast, only 2 per cent started using an adviser in that period.

More than 80 per cent of investors say their most recent decision to invest in ETFs was not supported by professional advice.

**Ruth Liew**

---

This story was found at: <http://www.financialstandard.com.au/news/view/29059>

Printed: **Saturday, 19 June 2010 10:09pm**