

# Financial Planners Starting To Avoid Managed Funds

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The results of a new survey suggest that under pressure from clients, financial planners and advisers have begun to avoid managed funds. According to the results of the report, planners are increasingly investing money directly into equities and other listed investments.

Investment Trends (IT), a market research firm which authored the report said that unlisted managed funds gained ground over the last year, and only half of the cash collected by planners was invested in managed fund, down 62 per cent from the previous year.

The survey which polled 700 planners during April and May suggests that planner's estimate only 39 per cent of funds allocated would be directed towards managed funds by 2013.

Mark Jones of IT said that nearly 20 per cent of all new money was being allocated towards direct equities investment, and that asset allocation into exchange traded funds, real estate investment trusts and managed accounts has also risen.

"Planners have been gradually increasing their use of direct shares and other listed investments since 2008," Mr Johnston said. "But this year has seen a dramatically larger shift."

Approximately one third of planners can be described as high users of direct investment strategies, where client funds are allocated towards equities, ETF's, with only 7 per cent of inflows from this groups allocated towards managed funds.

"That appears in part to be a response to . . . increased investor fee aversion and dissatisfaction with managed fund performance," Mr Johnston said.

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