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TIM BLUE

# Survey finds growing demand for advice

THERE'S growing use of financial advisers among self-managed super funds, with two in three SMSF investors reporting the use of professional advice in the past six months.

A survey by research house Investment Trends has found 65 per cent have used advisers, up from 61 per cent before the global financial crisis.

Investment Trends analyst Recep Peker says 2008 saw "a significant drop in the proportion of SMSF investors consulting investment advisers.

"The proportion of SMSF trustees actively using accountants for investment advice fell by more than a third between 2007 and 2008. We are seeing those numbers begin to recover, although not yet to pre-crisis levels."

Among those who have taken advice, 55 per cent said they had consulted a financial planner, up from 52 per cent last year. However, only 10 per cent of self-managed fund trustees said they consulted an adviser because they were uncomfortable

making investment decisions. Reasons cited for using advisers included: to get a second opinion (22 per cent); to gain access to a wider range of investments (22 per cent); and to gain access to technical skills (22 per cent).

Peker says for many SMSF investors, "their main sources of dissatisfaction with planners have been investment selection, timing of recommendations and fees".

The report found key service needs were not being met. Of Australia's 428,000 SMSFs, 275,000 needed help running their fund, with 235,000 prepared to pay for support services such as compliance and investment advice.

"Despite the resurgence in the number of SMSF investors consulting advisers, there is still significant unmet demand for support in the market," Peker says.

"In particular, the market for administration and compliance-related services still seems to have significant growth potential."

One-third (34 per cent) of SMSF investors surveyed said they did not use financial advisers because they could make better investment decisions themselves, up from 29 per cent last year. One-quarter (23 per cent) said they had stopped using financial planners because of poor outcomes (up from 22 per cent last year).

The report also found not all investors were prepared to pay for advice. Although 15 per cent were more willing to pay for professional investment advice, 15 per cent expected to pay lower fees for advice and 25 per cent said they were reluctant to pay for advice at all.

"During the past 12 months, about one in 10 SMSF investors stopped using a particular planner due to poor outcomes," Peker says.

"Yet over half say they could not have done better without a planner. Overall, planners have been doing a good job in keeping their SMSF clients satisfied."

## Where funds seek advice

Investors can use more than one adviser type

Advisor	2007	2008	2009	2010
FINANCIAL PLANNER	38%	38%	34%	34%
ACCOUNTANT FOR INVESTMENT ADVICE	26%	17%	18%	22%
FULL-SERVICE STOCKBROKER	19%	17%	15%	20%
SPECIALIST SUPER CONSULTANT	16%	16%	10%	13%
PRIVATE BANKER	N/A	N/A	3%	4%

Source: Investment Trends