

# InvestorDaily

SMA use by planners grows slowly

**20pc considers advising on SMAs.**

Wouter Klijn

Tue 19 Jul 2011

The uptake of separately managed accounts (SMA) among financial planners remains low, however planners who have embraced the accounts are increasing their use with clients and personally, an industry report has found.

The percentage of planners using SMAs grew from 17 per cent in May 2010 to 18 per cent in May 2011, according to the Investment Trends 2011 Separately Managed Accounts report.

"The report reveals that planners who have been recommending SMAs are ramping up their use," Investment Trends Analyst Recep Peker said.

Planners currently recommending SMAs have 16 per cent of their personally managed funds under advice (FUA) in the accounts, up from 12 per cent in May 2010.

"Investor fear lingers near post-GFC highs, markets are volatile and both planners and dealer groups are trying to work out their strategy around upcoming regulatory reforms - these factors all contribute to making the adoption of new products quite difficult," he said.

Despite this, a 20 per cent of planners said they may start recommending SMAs to their clients over the next 12 months.

These planners estimate that they will have 16 per cent of their FUA in SMAs by 2014.

However, the conversion rate from intention to start recommending SMAs to actually doing so was one in 16 over the twelve months to May 2011.

"This may sound low, but the current environment is very tough," said Peker.

"The comparable rate for ETFs, a product clients typically find easier to understand, was just one in nine," he said.

The survey was based on the responses of 900 financial planners, and was conducted in April and May of 2011.

---

This story appeared on [InvestorDaily.com.au](http://InvestorDaily.com.au) ©2006 InvestorDaily