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## SMA pricing confuses advisers: report

### Specialist market widens

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Tue 20 May 2008

The complex pricing of separately managed accounts (SMA) makes it difficult for advisers to compare SMAs with traditional unit trust investments, a new report has found.

Despite SMAs becoming cheaper, at an industry level SMA pricing remained complex and unwieldy, making it very difficult for advisers to compare between SMAs or compare SMAs to traditional unit trust investments, the second annual Investment Trends SMA Benchmarking and Technology Report found.

"The increasing competition to the major administration platforms also has the potential to put pressure on administration/platform fees in the longer term," Investment Trends Principal Mark Johnston said.

"However, SMAs would first need to be made easier for advisers to link in with their existing business processes, platforms and planning software.

"Planning software integration was limited to industry standard CSV interfaces, with no provider standing out."

For lower balances, BlackRock, Tricom and ShareInvest II represented best value for money, while for large balances, MLC MasterKey

Custom Adviser Managed Accounts provided the most competitive fees and value for money, the report said.

It also graded SMA industry participants, with BlackRock/Praemium taking out top spot in terms of overall functionality.

"BlackRock's system was also found to offer the largest number of SMA model managers and mandates providing good choice," Johnston said.

New entrant MLC MasterKey Custom Adviser Managed Accounts was placed second overall and another new entrant, Tricom, scored highly.

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