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### SMSFs lead charge

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Self managed super funds (SMSFs) are fast closing in on retail funds as the largest super fund segment by total assets, based on the latest APRA statistics released last month which showed SMSFs posting higher growth than retail and other fund segments.

The latest APRA statistics, which were released three weeks ago, detailed the number of super funds and fund flows in the year to September. During the period, the number of corporate funds fell by 206, retail funds by 14, industry funds by five and public sector by three. By contrast, SMSFs surged to 44,442 funds. These figures follow data from the previous quarter where similarly, all other fund segments posted negative growth except for SMSFs.

The trend becomes clearer if you look at fund assets. Retail funds increased their assets by 2.1 per cent to \$379.9 billion in the latest quarter. By contrast, SMSFs grew at double the rate, rising 4.2 per cent to \$299.7 billion.

"I think it's because there is more awareness among the public now about the options they have with their super," said Andrea Slattery, chief executive of the SMSF peak body, the SMSF Professionals' Association of Australia Ltd (SPAA).

She added that it is also all about control, where the statistics suggest future retirees want to manage their own super although many might have multiple funds. "It might also be that they want an SMSF to supplement their current [retail] fund or their existing funds," she said.

Analysts and research groups including Investment Trends have long predicted that SMSFs could soon supplant the retail fund segment as the default choice of many Australians. The consequence of this is that financial services providers will be forced to tailor new products to suit a more customised type of super fund such as SMSFs whereas traditionally, the focus has been on how to attract the interest of retail, industry, public sector and corporate funds.

But managing your own super fund comes with risks, responsibilities and headaches not found when the trusteeship is outsourced to say, a retail fund or an industry fund. "That is why it's important for people to seek professional advice before they set up an SMSF and there are SMSF specialist advisors [SSAs] out there who can help," said Slattery.

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