

Adviser support for ETF grows

17 March 2009 | by Liam Egan



Research by [Investment Trends](#) revealing surging use of exchange-traded funds (ETFs) by advisers and investors has received support from within the advice sector.

The new research, which found ETF users has doubled to 19,000 within two years, is in keeping with the daily experiences of Andrew Rocks, director of Sydney advice firm [Announcer Financial Planning](#).



Rocks said ETFs are “emerging to become a larger part of the recovery cycle, essentially because clients are demanding increasing investment transparency”.

“Every disaster has triggered a new level of demand by clients for transparency, and so it will be for ETFs after this current downturn.”

He said the attraction of ETFs is that they offer clients daily transparency, allowing them to see their holdings and how they have performed on a daily basis.

By contrast, Rocks said it is “more difficult to get such regular information from managed funds”, although he emphasised managed funds would “remain a big part of our business”.

The Investment Trends research also found that only 10 per cent of recent ETF investors used a financial planner before investing, while 79 per cent said they had invested without consulting an adviser.

Nonetheless, the ‘November 2008 Exchange Traded Funds Report’ found there are indications that financial planners are becoming more interested in ETFs.

A total 16 per cent of respondent planners said they intended to increase their use of ETFs in the coming year, while only 4 per cent plan a decrease.

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