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## Platform money flows back into markets

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Colonial First State FirstChoice and MLC MasterKey, two of Australia's largest investment platforms, are experiencing inflows away from cash and into listed markets and other growth strategies.

Brent Howells, head of product MasterKey at MLC, said the investment platform's flows had been moving from the balanced and growth options to cash, but that trend had slowed over the past three months.

"I think we are back to the long term averages. We've seen the flows are going into growth and balanced options as opposed to cash," he said.

But Howells' is quick to point out that money flowing into cash options was not significant.

"It's really testament to the role of adviser that is that we have only seen a slight shift out of, just in terms of flows, our balanced and growth options because they're doing that job of ensuring their clients remain invested," he said.

Meanwhile, Alan Kenny, general manager, product and investment services at Colonial First State, also said money is starting to flow back into markets on the FirstChoice platform.

"It's predominantly Australian markets and among that is a mix of active and index strategies, in fact indexing is getting a real go by financial advisers," he said.

"We're seeing a real drive back into simplicity although we are starting to see the good active managers get support again."

While platform flows are targeting listed markets again, Kenny said support for cash products is still very high. This supports an Investment Trends report that recently noted that financial planners are still holding around \$58 billion in cash.

"There is still a really big desire for interest rate based cash funds and that trend will continue for a while. We recently launched a term deposit range on FirstChoice today so we expect that to get flows as well," said Kenny.

**Michael Hobbs**

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