


- 
- [Radio](#)
- [TV](#)
- [Shop](#)
- [News](#)
- [Sport](#)
- [Local](#)
- [Children](#)
- [Science](#)
- [Environment](#)
- [more Topics](#)
- [help](#)

**Lateline Business**

## Wary investors rethink their strategies

Australian Broadcasting Corporation

Broadcast: 21/05/2010

Reporter: **Alicia Barry**

**Recent market volatility may have encouraged investors to rethink their portfolios, according to a survey of wealthy individuals.**

### Transcript

TICKY FULLERTON, PRESENTER: As fears grow of another round of big losses on the markets, better-off investors are looking at new ways to ensure they keep their fortunes.

A recent survey of wealthy individuals shows the key is to question, diversify and be patient.

It also reveals that cash reserves gathered during the global financial crisis are being put to use again.

Alicia Barry reporting.

ALICIA BARRY, REPORTER: They are the obvious signs of wealth - luxury yachts, fast cars and waterfront properties.

But they were also some of the first things to go in the global financial crisis, as high net worth individuals saved their cash and concentrated on their investment strategies.

MARK JOHNSTON, PRINCIPAL, INVESTMENT TRENDS: What we find is a much smaller group - only about 15 per cent of high net worth investors - saying they're reluctant to invest and continue to accumulate cash versus more like 40 per cent during the GFC.

ALICIA BARRY: Australia has 300,000 individuals with assets over \$1 million not including their home or super.

A survey by Investment Trends found as cash stockpiles are put to work, a diverse range of investments is usually selected to mitigate risk.

JOHN MCMURDO, CEO, CENTRIC WEALTH: There is an increasing demand for alternatives. They include a range of things but to give some examples, exchange traded funds are becoming more popular; private equity; infrastructure.

ALICIA BARRY: The survey also found there's been a clear backlash against the more complex financial products used prior to the GFC and there's now a demand for greater transparency.

Paul Brady, a financial planner to a wealthy client base, is seeing similar trends.

And while the recent market volatility may have shaken nerves, he says there's always opportunities.

PAUL BRADY, MD, BRADY AND ASSOCIATES: Many big companies - CEOs - will say "Don't waste a good recession".

An example of that's Westpac - they acquired St George during this period. Commbank bought Bank West much cheaper than they would have otherwise.

It's the same at the individual investor level. For those people who have got the appropriate risk tolerance and see it as a good opportunity to acquire good assets much cheaper, then absolutely.

ALICIA BARRY: That appetite for risk is also not limited to the domestic market.

When it comes to investing outside Australia 41 per cent of those surveyed already invest offshore but the focus is shifting away from the traditional markets of the US and Europe.

markets of the US and Europe.

MARK JOHNSTON: The really strong interest at the moment tends to be around China, India, to a lesser extent emerging markets broadly.

ALICIA BARRY: And if growth in Asia continues, that percentage of Australian investors looking to the region is sure to keep rising.

---

## Search Lateline

Sort by:  relevance  date

## Video



**Wary investors rethink their strategies**

[Windows Media](#) [Broadband](#) [Dial-up](#)