

Term deposits prove a good option for 'excess investor cash'

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Australia's self-managed super funds are currently home to about \$34 billion in "excess cash", it has been revealed.

Investment Trends' soon-to-be-released Self Managed Super Fund Investor Report shows that excess cash represents about eight per cent of DIY super fund assets, the Herald Sun reported.

Mark Johnston, Investment Trends' principal, suggested that many fund investors were likely to [compare term deposits](#) in light of the strong [interest rates](#) being offered by banks and the continuing financial market volatility.

"Investor confidence has taken another hit and they remain very cautious in the wake of the recent correction," he told the Herald Sun.

"While 95 per cent agree the Australian economy is strong and will buffer us somewhat, six out of 10 also say they fear a second wave of the global financial crisis."

According to recent research by SuperRatings, the average balanced super fund increased by two per cent during July 2010.

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