

News

CASH STILL KING FOR SMSFS

By [Mike Taylor](#) on 20 October 2010 | [1 comments](#)

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Cash remains king for the trustees of self-managed superannuation funds (SMSFs) according to new research released by Investment Trends.



The research, released today, reveals that SMSFs are still holding more than one fifth of their assets in cash and cash products.

The Investment Trends 2010 SMSF Investor Report, based on a survey of more than 1,900 SMSFs, has revealed that while there has been some recent reversal of the flight to cash that occurred during the global financial crisis, allocations still remain high.

The research found that between 2007 and 2009 the typical SMSF trustees' allocation to cash and cash products almost doubled, growing from 13 per cent to 24 per cent, but that this declined this year to 21 per cent.

However Investment Trends analyst Recep Peker said the research showed that, largely due to market volatility, 70 per cent of SMSF trustees were holding excess funds in cash that they would have otherwise invested.

He said "this excess cash war chest" stood at \$34 billion in April, representing around 8.5 per cent of total SMSF assets.

The Investment Trends research said a lack of confidence in the economy and the stock market had been the main factor deterring SMSF trustees from investing their excess cash.

The research found that while some trustees had begun investing their excess cash reserves, many trustees were delaying such a move until they perceived a sustained rise in asset values.

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Oh this old chestnut!! The reason for reported levels of cash has more to do with the timing of the survey than the investment profile of the fund. Why? Many surveys are taken at the end of a natural quarter when the SMSF is fully cashed up and about to invest according to it's strategy. A survey taken at, say, the mid point of the quarter would reveal, I suspect, that the "OMG SMSF Trustees are such crap investors and they're doing me out of a fee" outrage is but so much piss and wind.

It's all in the questions... | 20 October 2010 at 10:57

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john said:

Oh Brett H. You are a typical planner - just look at the graph and ran off with that statement. Like most planners - selling last years...

AlanM said:

AFA - part of the wealth transfer and erosion industry. Cheers

Brett H said:

John - Looked it up, from the data I can access it has underperformed the ASX 200 for 4 of the last 6 years. Not sure that amounts to a...

Angry said:

Well done Jim. There should be a parliamentary enquiry into the this union abuse called for by the Coalition.A full explanation of the...

Mike said:

Well done Jim. About time some common sense prevailed. James, asking the Fund managers to end tehir silence is a wstte of time. the reason...

John said:

Hey Brett H. I always beat the market. Give you a tip (for free) look up XBW as an ASX code. If u still dont get it - happy to educate you...

Dr Of Loce said:

Why is AFA the only one standing up and banging the drums, Come on Peter Daly you like the media spot light give us your two cents

Dr of Love said:

To Bad only the ING Planners will only get it

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