

## Term deposit growth causes 'slight decline' in masterfund inflows

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The growing popularity of [term deposits](#) is partly behind the slight drop-off in new client dollars moving into the masterfund market, it has been suggested.

A report by Money Management notes that while the total annual net flows into the masterfund market were up over \$17 billion in the year to 30th June 2010, the market is also currently seeing a slight decline in the percentage of new money moving into these vehicles for the first in almost a decade. Such masterfund vehicles include wraps, master trusts or platforms.

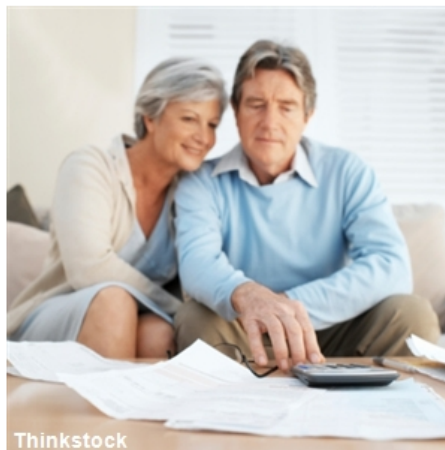
Commenting on the finding, Investment Trends principal Mark Johnston argued that it reflected changes in client preferences, with more people looking to [compare term deposits](#) and other fixed interest options.

"It reflects changes in the mix of assets in inflows. We are seeing an increase in inflows to term deposits and direct shares," he said.

However, Mr Johnston also argued that it is important not to overstate the decline in the percentage of inflows moving into the masterfund market.

Earlier this week, meanwhile, Bill Shorten, the financial services minister, spoke of the benefits of Labor's plan to boost retirement savings by gradually lifting the compulsory super guarantee.

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