

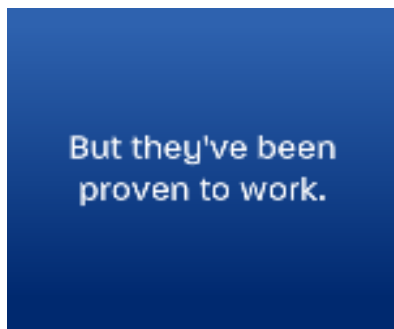
Planning clients ready to invest on upturn

10 February 2009



Many financial planning clients are cashed up but they remain cautious and are looking to invest in capital protected products.

That is the bottom line of new research released today by [Macquarie Group](#) and research house [Investment Trends](#).



Commenting on the research, the principal of Investment Trends, Mark Johnston, said the survey of 650 financial advisers conducted in November last year found \$58 billion in excess cash had been built up over the last year across the planning industry’s clients.

“Despite continued volatility in share markets and interest rates falling to historically low levels, planners are beginning to cautiously look to invest this cash, and are looking for higher growth opportunities,” he said.

“Planners reported that many clients were shell-shocked and are cautious about making new investments in the current volatile market,” Johnston said. “This reflects the class investment conundrum where money flows into investments following good performance

when prices are high, but dries up following poor performance when prices are lower, often resulting in clients missing out on the full extent of the market upswing.”

However, he said advisers had clear views on what would trigger their clients to move back into growth investments, with the most important being an economic recovery and a rise in confidence, followed by a stock market recovery and reduction in volatility.

Macquarie Securities Group division director Kurt Jeston said the report provided an invaluable insight into planners’ attitudes towards alternative investments after a tumultuous year in investment markets.

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