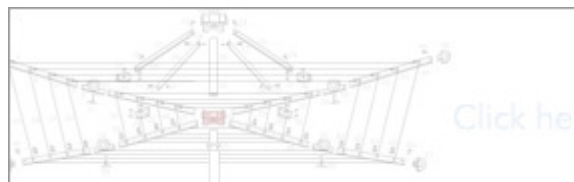


# InvestorDaily

Wednesday, 27 July, 2011 8:18  
AM AEST



Investors reluctant to return to equities

[log in](#) / [free register](#) · [change details](#) · [about](#) · [contact](#) · [subscribe](#) · [newsletter](#) · [advertise](#) · [mobile](#)

## InvestorDaily news

[Latest photos](#)  
[Latest videos](#)  
[News analysis](#)

## IFA

[Q and A](#)  
[Appointments](#)  
[Products](#)

## Investor Weekly

[Investor Weekly news](#)  
[Money on the move](#)  
[Appointments](#)  
[Insurance](#)  
[Global wrap-up](#)  
[Who's got what](#)

## SMSF

## Morningstar

[ISM Market Wrap](#)  
[Market Share Report](#)  
[Huntleys' market wrap](#)  
[Company profiles](#)  
[Stock of the week](#)

## Columns

## Events

[SMSF Strategy Day](#)  
[Masterfunds video](#)

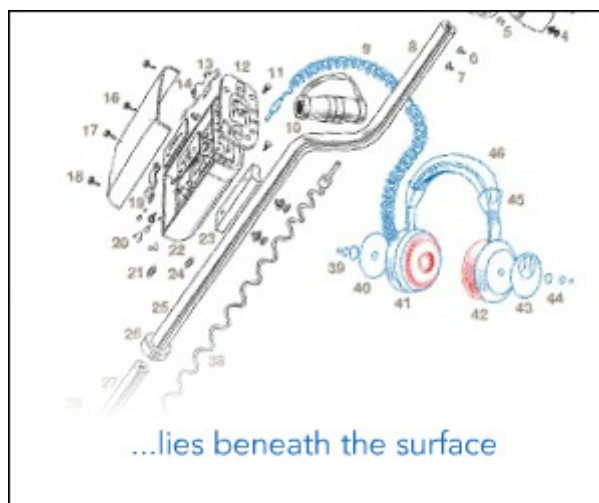
## Education

## Investors reluctant to return to equities

### Unwilling to quit cash

By Victoria Tait  
Wed 27 Jul 2011

**Cheap stocks beckon, but investor confidence has yet to recover from its global financial crisis drubbing.**



Investors are reluctant to return to equities, even when they know they are missing out on market gains achieved since the global financial crisis.

"We would have advised investors to stay in the market rather than take up the flight to cash," Matrix Planning Solutions adviser services and development director Allison Dummett said.

"But for those who did get out, it's taking some convincing to get them back in."

Justin O'Kane, head of AAA Financial Intelligence's wholly-owned shares company, said investors had no problem accepting market valuations were cheap and some sectors were downright bargains, but many investors were gripped by fear and inertia.

"If they can find an excuse to wait, they'll wait," said O'Kane, of Melbourne-based AAA Shares.

"We can easily see that because the national savings rate hasn't come off yet."

Financial assets held by households in Australia rose about 2 per cent in the March quarter to \$2.65 trillion, government data showed. The portion

held in cash and deposits was 25 per cent, well above the long-term average of 22.7 per cent.

Dummett said Matrix planned a mail-out to clients later this week warning them of the potential cost of remaining on the sidelines.

"We want to remind them that the best value comes at a point when you're not moving with the herd," she said.

Synchron director John Prossor said clients could get 6.5 per cent to 6.8 per cent returns from term deposits.

"We tell them the long-term return on equities, including dividends, is 9.5 to 10 per cent," Prossor said.

"We're not finding they're not in any hurry for that. They say: 'No thanks, I'll stay in my term deposit.' The confidence is just not there yet."

**[Go to today's InvestorDaily news](#)**  
**[More stories by this author](#)**