

Survey: Investors to stick to mainstream investments

POST financial crisis, investors worldwide will likely stick to simpler and safer mainstream investments for a long time to come instead of blindly chasing high returns, a global survey of asset managers shows.

"Retail clients are likely to display stronger behavioural changes than other segments. Loss aversion will be rife for the foreseeable future. Priorities will change," said Barbara McKenzie, the chief operating officer of Principal Global Investors, which commissioned the study.

"The memory and impact of the recent financial crisis will last longer this time."

The research sought to assess industry sentiment and how the global asset man-

agement industry will evolve after the crisis. The survey was conducted on 225 asset managers and pension funds in 30 countries, responsible for US\$18.2 trillion (US\$1 = RM3.51) of assets as at April this year.

In the retail space, asset managers believe that clients will focus more on capital protection rather than returns they can potentially earn.

Institutional clients, meanwhile, are expected to stress on expected risks instead of the expected returns, the survey showed.

"Simplicity, safety and quality are now the watchwords underpinning clients' investment goals," McKenzie said in a media briefing in Kuala Lumpur yesterday.

Datuk Noripah Kamso, the chief executive of CIMB-Principal Islamic Asset Management Sdn Bhd, said syariah-based investment management will gain momentum riding on this shift in investors' behaviour.

The values of Islamic asset management, which filters out risky investments and stress on the fair distribution of wealth, fit well with investors' new priorities, she said.

CIMB-Principal Islamic Asset Management, which manages US\$1.3 billion at the end of June, expects to pull in another US\$400 million by the end of the year, Noripah said. The company is a partnership between Principal Global Investors and CIMB Group.