

NEWS RELEASE

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Rise of the hybrids

- **Popularity of hybrid securities on the increase – 52% of financial planners say hybrid securities on their approved lists**
- **Financial planner dealer group membership and satisfaction on the rise**
- **Colonial and Macquarie ranked highest for overall satisfaction amongst Australian financial planners**

Sydney, 5 July 2006: Australian financial planners have highlighted hybrid securities as an increasingly popular investment category which is more frequently included on their approved lists, a report by leading research company ACNielsen has revealed.

The findings released today were from ACNielsen's annual *Financial Planners Report* which captured the views of over 700 financial planners, specialists and business owners.

The ACNielsen report found the three investment categories most commonly on financial planners' approved lists were managed funds (98%), allocated pensions or annuities (91%), and listed property trusts (78%), however, hybrid securities had seen the biggest surge in popularity over the past year (up 7% to 52%). Other products on approved lists were likely to include direct investment in Australian shares and insurance bonds (see Table 1).

Asgard, MLC and Colonial/Colonial First State were identified by planners as the top three overall providers of investment products including insurance, financial protection, unlisted managed investments and superannuation, while Macquarie and Colonial received the highest overall satisfaction ranking by financial planners. Macquarie was

ranked highest for its quality of market and sales ideas, while Colonial topped the list for several attributes including ease of website use, business development manager product and technical knowledge, and competitiveness of product range.

“The ACNielsen research demonstrates the ‘importance of being important’ in this market,” observes Glenn Wealands, Director, Financial Services, ACNielsen. “The key for providers is to establish a ‘main provider’ relationship with planners based on specific products/services – the typical manufacturer gains at least 70 percent of financial planners’ business when they are the lead provider.”

The survey findings also revealed that 77 percent of planners belonged to a financial planner dealer group, up slightly from 74 percent 12 months ago. Satisfaction amongst dealer groups was high the majority of planners (81%) very satisfied or satisfied. Only 10 percent of planners said they had switched dealer groups in the past 12 months (down from 15% in 2002), with the top two reasons for switching being lack of independence and cost. One in ten financial planners said they were likely to switch dealer groups in the next 12 months, down from 14 percent in 2005.

“Typically, financial planners who were looking to change dealer groups were seeking to obtain better practice management support, greater independence, and obtain a better remuneration structure,” noted Wealands. “It was also interesting to note that 15 percent of those planners with an intention to switch dealers were actually looking to establish their own licence.”

Table 1: Investment category usage

Investment category	Included on approved lists (%)
Managed fund	98
Allocated pension or annuities	91
Listed property trusts	78
Insurance bonds	71
Direct investments in Australian shares	62
Hybrid securities	52
Listed investment companies	39
Unlisted mortgage trusts	36
Property syndicates	31
Listed infrastructure funds	30
Installments	29
Listed corporate bonds or floating rate notes	28
Trading warrants and other warrants	17
Exchange traded funds	12
Direct investments in overseas shares	12
Direct investment in property	11
Exchange traded options	5

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About ACNielsen

ACNielsen, a VNU business, is the world's leading marketing information company. Offering services in more than 100 countries, the company provides measurement and analysis of marketplace dynamics and consumer attitudes and behaviour. Clients rely on ACNielsen's market research, proprietary products, analytical tools and professional service to understand competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns.

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