

NEWS RELEASE

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Retail investors seeing the benefits of Managed Funds

- **Twenty-seven percent of Managed Fund holders expect Managed Funds to be the best performing investment over the next 12 months (up from 15 percent six months ago)**
- **Almost three quarters (73%) cite a positive benefit from using financial planners – up six percent**
- **Appetite for switching superannuation funds has no movement from 12 months ago**

Sydney, 30 August 2006: The 'top seven' Fund Managers hold close to three quarters (73%) of all primary retail fund manager relationships and the leading three firms (Colonial, ING and Westpac) maintain their top positions, a report by market research company ACNielsen has revealed.

These and other findings were released today and form part of ACNielsen's bi-annual *Wealth Management Report* which compiles the views of approximately 3,000 Australian consumers and focuses on new account activity, investors' typical sources of information, superannuation and website effectiveness.

The recent study found that the reputation of financial advisers continues to rebuild, with 73 percent of consumers citing that their financial advisers' guidance had a positive impact on their investment performance – up six percent from a year ago and an increase of 32 percent since 2003.

This improved reputation was also reflected in the increased number of advisers becoming more frequently sought for their professional advice on selecting managed

fund providers. When selecting a new fund manager, sixteen percent of respondents cited adviser recommendations as the most important criteria – a substantial increase of six percent from 18 months ago. Past performance (21 percent) and Fund's Investment Strategy (18 percent) continued to be the top two drivers in the selection of a new fund manager (refer to chart 1).

Another highlight from the report was that Superannuation of Choice has failed to create an avalanche of switchers. Eighteen percent of respondents cited some intention to switch superannuation providers – compared to 17 percent from an earlier survey conducted on the eve of 'Superannuation of Choice' in 2005.

“Consumer inertia and generally strong market returns from respondents' existing superannuation funds has contributed to relatively few consumers switching providers,” says Glenn Wealands, Director, Financial Services, ACNielsen Australia. “When a third of respondents cite an intention to switch but aren't sure what type of fund to switch to, it's clear that people still need to do their homework in order to make an informed decision”, adds Wealands

Australian shares is still expected to be the number one performer over the next 12 months, although it did encounter a 17 percent decline versus the previous six months (refer to chart 2). Conversely, Managed Funds came in at second place and increased 12 percentage points to 27 percent.

“The expected performance of investments in Managed Funds is clearly on the rise, and this trend indicates that more investors are seeing value in managed funds versus Australian shares”, noted Wealands.

Over the past year, market penetration of new managed funds accounts has endured some fierce competition with the top tier of Colonial, ING, Macquarie and Westpac/BT collectively capturing almost two-thirds of all new client relationships.

Chart 1: Most important criteria when selecting which managed fund to invest into

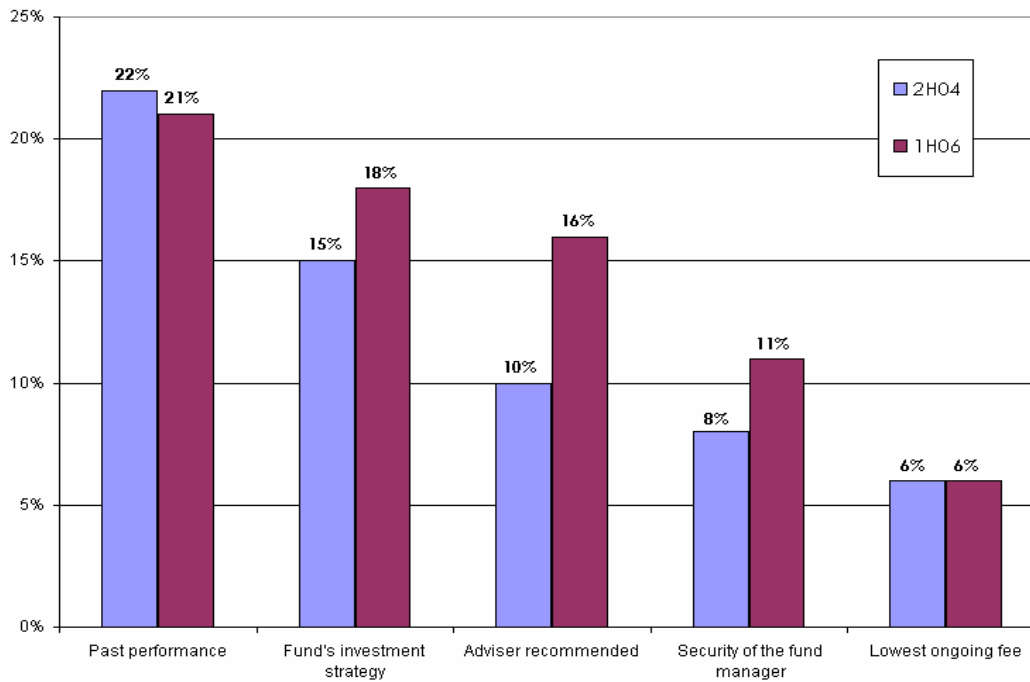
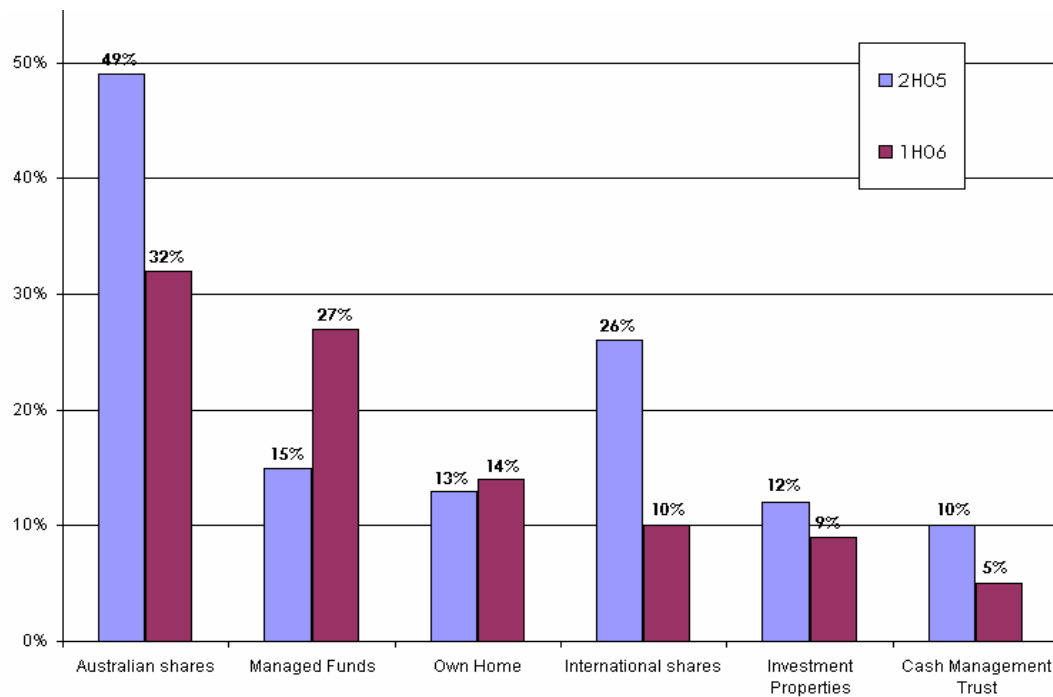


Chart 2: Which type of investment will perform best over the next 12 months



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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