

## Media Release

4 December 2018

### **Confident Australian investors take a pragmatic approach to volatility: Legg Mason Global Investment Survey 2018**

Australian investors are more confident about the outlook for investment markets over the year ahead than their counterparts overseas, and a significant number see volatility as an opportunity, the latest annual Legg Mason Global Investment Survey reveals.

Australian investors see the best opportunities in the year ahead coming from domestic stocks, followed by international stocks, real estate and then cash.

The survey of 16,810 active direct investors, including 1000 Australians, found that “investors globally are confident, conviction-led and increasingly ethical.”

While 58 per cent of respondents globally say they are confident about investment opportunities in the year ahead, 68 per cent of Australian investors are confident.

Global stock market volatility is a concern for 43 per cent of local investors (compared with 42 per cent globally). However, 38 per cent of the Australian respondents say volatility is a positive, 37 per cent see its impact as neutral and only 18 per cent see it as a negative.

“Rather than being fearful of market volatility, many investors see this as a long term buying opportunity and say they would invest more in a market correction. Investors appear to be taking a more pragmatic assessment of risk.” says Andy Sowerby, Managing Director, Legg Mason Australia and New Zealand.

When asked about the best asset classes for the next 12 months, local investors expressed confidence in their own equity market, with 41 per cent nominating domestic stocks, 37 per cent international stocks, 32 per cent real estate and 27 per cent favouring cash.

Investors’ prime concerns include global economic instability, the cost of health insurance, and low interest rates.

According to the survey, Australian investment portfolios are made up of 27 per cent cash, 25 per cent equities, 18 per cent real estate/property funds, 16 per cent fixed income, 9 per cent alternatives and 5 per cent gold and precious metals.

Globally, the trend has been to allocate more to equities, accompanied by reductions in cash and fixed income holdings. The survey also reveals a marked increase in positive sentiment towards bonds.

“High quality fixed income remains the safe haven asset class of choice for the majority of investors globally,” Sowerby says.

Among other finding in the survey:

- Advised investors are more confident about the outlook than their non-advised counterparts, and they have more diversified portfolios;
- Millennials are starting to flex their financial muscles, expressing higher than average levels of confidence and looking for higher returns; and
- Sustainability considerations are driving investment decisions more than ever before, with 49 per cent of investors globally saying they choose funds or companies to invest in according to ESG considerations.

For a full copy of the survey report, please visit:

<https://www.leggmason.com/global/campaigns/gis-2018.html>

Ends

### **About Legg Mason**

Guided by a mission of ‘Investing to Improve Lives™’, Legg Mason helps investors globally achieve better financial outcomes by expanding choice across investment strategies, vehicles and investor access through independent investment managers with diverse expertise in equity, fixed income, alternative and liquidity investments. Legg Mason’s assets under management are AUD\$1 trillion as at 30 September 2018.

Legg Mason provides centralised business and distribution support for its nine affiliated fund managers that include: Brandywine Global, Clarion Partners, ClearBridge, EnTrustPermal, Martin Currie, RARE Infrastructure, Royce & Associates, QS Investors and Western Asset. Each affiliate operates independently under its own brand and investment process and is considered an industry expert in its asset class.

Australia Facts:

- Legg Mason’s Australian business was established in 1954
- Assets Under Management (AUM) in Australia are AUD\$55 billion as at 30 September 2018 (Source: Rainmaker Data. Consists of AUM managed in Australia for Australian and offshore investors and AUM managed offshore for Australian investors)
- Legg Mason Australia was awarded the Money Management/Lonsec Fund Manager of the Year in 2015, 2017 and 2018.

Visit [leggmason.com.au](http://leggmason.com.au) to learn more

### **For further information, please contact:**

Simrita Virk at Shed Connect

M: 0434531172

E: [simrita.virk@shedconnect.com](mailto:simrita.virk@shedconnect.com)