



Tuesday, 21 August 2007

Media Statement

Strategies to help investors rise to interest rate challenges

INVESTORS should consider taking a more defensive position on portfolios as uncertainty over possible interest rate rises increases.

With the threat of further interest rate rise in the near future, Australia's largest financial advisory group Professional Investment Services has warned it's time investors took a harder look at their portfolio.

Robbie Bennetts, Professional Investment Services Group CEO, said investors should look at a number of options to defensively reposition their portfolios.

“Firstly, the smart thing any investor should always do when they are considering major changes is to consult their financial planner and accountant. Nothing would be worse than committing to change only to discover you have wasted a lot of energy and time on an incorrect structure.”

He said the first step would be to consider any non-deductible debt.

“Look at your borrowings and see if you can reconstruct your home loan and your investments to take advantage of the tax deductibility of interest associated with investment loans.”

“Secondly, ensure you keep your gearing levels conservative. Tax minimising may be important however it is equally important to consider the consequences if for any reason you are unable to meet your repayments.”

“It is important to position yourself to avoid having to sell assets to meet loan repayments, especially if the market is at the bottom of an investment cycle, remembering markets will always go up and down.”

“It's always better to be safe than sorry. Particularly in an uncertain environment you should factor in the possibility of interest rate rises – in reviewing your current cash flow look at your position if the interest rates increase more than once.”



Professional Investment Services

ABN 11 074 608 558 | Australian Financial Services Licence Number 234951

“Look to employ widely accepted strategies rather than using the latest fad – understand the investment and structure. Remember the old adage the higher the return the riskier the investment.”

However, Mr Bennetts said the most important factor was to make sure the advice you were getting was the best quality.

“Use well known main stream managers - managers with the resources at their disposal to employ appropriate people, with well developed processes, procedures and investment philosophies.”

”It is very important in this time of market volatility and interest rate uncertainty that you talk to a professional with knowledge of the situation and who has the support of an experienced dealer.”

“It can’t be emphasised enough that it is essential to talk to someone who can provide you with the guidance that you need.”

ENDS

For further information contact Denis Doherty on 0427625004 or via email at denis@barepublicity.com.au

