

Mutual Fund Investors Rely on Professional Advice, May 2007

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Shareholders Say They Value the Numerous Investment Services Advisers Provide

Washington, DC, May 1, 2007 - Many mutual fund investors look to professional financial advisers to provide a wide range of investment and planning services and to help select and purchase fund shares, according to a recent survey by the Investment Company Institute.

Among shareholders who hold funds outside retirement plans at work, 49 percent have used professional financial advisers to purchase funds and 33 percent have used both professional advisers and other sources.

The survey finds that in addition to fund purchases, nearly two-thirds of shareholders receive at least five distinct services from their advisers, including regular portfolio reviews, financial planning assistance, retirement asset management, and investment recommendations.

“The research shows that there is a valuable partnership between shareholders and financial advisers,” said Sarah Holden, Director of Retirement and Investor Research. “Respondents indicate that financial advisers enhance their investment decision-making, improve their chances of growing their money, and give them peace of mind about their investments.”

Additional survey findings include:

- Certain events, such as receiving a lump sum of money or the birth of a child, often initially prompt fund investors to seek professional financial advice. More than one-quarter of shareholders with ongoing advisory relationships initially sought advice after receiving a lump sum, and about one-fifth sought advice in response to a major life event, such as a change in marital status, birth of a child, or death of a spouse or partner.
- Investors choose to work with professional financial advisers because advisers have expertise that investors lack in specific areas. Most shareholders with ongoing advisory relationships use advisers because they want a financial expert to evaluate their total financial picture, assist them with asset allocation, ensure they are saving enough to meet financial goals, and explain investment options to them. Shareholders also seek professional financial advice because they want to improve their chances of growing their assets and have peace of mind about their investments.
- Although a wide range of investors owns funds through advisers, some investor types are more likely to work with advisers than others. Shareholders who do not go online for investment information, older shareholders, shareholders with greater household financial assets, and female shareholders who are the household investment decision makers, are all more likely to have an ongoing advisory relationship.

The research, [Why Do Mutual Fund Investors Use Professional Financial Advisers](#), is based on interviews with more than 1,000 households owning mutual funds outside workplace retirement plans. It reflects the experiences of both investors who have ongoing advisory relationships and those who do not.