

Barings: Millions ignorant to risk on pensions and investments

14 September 2011

- 18.5 million Brits (39%) have never made a change to the risk profile of their pensions and investments;
- 8.3 million people (17%) are 'unaware' of the level of risk involved with investments, including pensions that they have, with a further 2.6 million people (6%) unable to say.

More than a third (39%) of Brits have never made a change to the risk profile of their pension and investments, according to Baring Asset Management ("Barings"). The asset manager warns the situation is especially worrying for those approaching retirement with 3.5 million people (50%) of those aged 55-64 and 3.9 million people (40%) aged 65+ having never made a change.

Only 3.2 million people have changed the risk profile of their pension and investments within the last six months. Some two million haven't made a change for over ten years, while 1.5 million people aged 55 and over haven't made a change for at least six years, a staggering number given the market volatility of recent years.

The research also reveals that 8.3 million people (17%) are 'unaware' of the level of risk involved with investments, including pensions that they have, with a further 2.6 million people (6%) unable to say. 1.7 million people who are 55 and over are unaware of the risks involved with their investments despite the significant role they play in providing for their desired lifestyle and financial position in retirement. On average, men (59%) understand the risks associated with investments more than women (39%).

Marino Valensise, Chief Investment Officer at Barings comments: "We are staggered by the number of people who aren't aware of the risks involved with their pensions and investments. With so few people taking an active role in understanding the terms and conditions of their investments, many are likely to be disappointed when they reach retirement. Without understanding the risks they are ignorant to how they need to look after the pot in order to get the maximum income in retirement.

When looking on a regional basis, the research reveals that in Scotland and Wales 49% and 51% of respondents have never made a change to their pension and investments in order to alter their risk profile. The South proved to be the most investment attentive of the British regions with 16% of those respondents having reviewed their pension or investment to alter their risk profile within the last year.

Marino continues: "Quite simply, not enough people are checking the risk profile of their pension and investments and a large proportion of those that do, aren't doing it regularly enough. Market volatility and the impact this is having on our savings is front page news these days and can no longer be ignored. The amount of risk someone takes with their pension and investments needs to reflect their life stage and be carefully and regularly monitored."

Ends

¹ Research conducted online by ICM research on behalf of Baring Asset Management of 2003 GB adults between 1st and 3rd July 2011.

Notes to editors

FOR FURTHER ENQUIRIES:

Baring Asset Management
Steve Ainger – PR Manager

Tel: +44 (0) 20 7214 1766

Citigate Dewe Rogerson
Jo Skinner
Sophie Woodcock

Tel: +44 (0) 20 7282 1092

Tel: +44 (0) 20 7282 1072

IMPORTANT INFORMATION

BARING ASSET MANAGEMENT

www.barings.com

Baring Asset Management is an international investment management firm with investment skills, clients and business locations spanning world markets. Our investment competency encompasses developed and emerging market equity, fixed income and multi-asset portfolio management services offered to institutions, retail investors and private individuals. Worldwide clients include public and corporate pension plans, government agencies, financial institutions, charitable organisations, mutual funds and private individuals.

Baring Asset Management is part of the MassMutual Financial Group, a global, diversified financial services organization. Massachusetts Mutual Life Insurance Company (MassMutual) is one of the largest life insurance businesses in the USA.

This document is not an offer to sell or an invitation to apply for any product or service of Baring Asset Management.

“Issued by Baring Asset Management Limited (Authorised and regulated by the Financial Services Authority).”

This year, Baring Asset Management is proud to support **The Maypole Project**, a charity providing vital support for children with complex medical needs and their whole families. www.themaypoleproject.co.uk Registered charity number 1120163.