

## Investing for Risk-Averse Clients is Top Concern of RIAs: Survey

By Danielle Reed, *Financial Planning*  
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A topic of great concern to RIAs as markets remain volatile is how to manage portfolios for skittish clients, according to a survey by Invesco and Cogent Research. The survey covered 206 RIAs with an average of \$488 million in investable assets.

According to the survey, 70% of RIAs cited market volatility as the top concern among their clients, while 99% said it was among clients' top three concerns. Only 6% of RIAs said wealth accumulation was a top client concern.

RIAs have clearly had to react to the changing mentality among clients. Managing risk is the top priority in portfolio construction for 45% of RIAs, the survey found. That's ahead of wealth preservation (24%), exceeding a performance benchmark (12%) and delivering an absolute return (10%).

"This new investment environment and the resulting change in investors' risk tolerance is prompting advisors to re-evaluate how they manage client assets and which methods are most effective in mitigating risk," said Andrew J. Scherer, managing director of Invesco's RIA division.

One area where RIAs feel a great need for improvement is in communicating with clients, the survey found. Only 55% of RIAs said they were very confident in their ability to explain complex investment principles to their clients, Scherer noted. Meanwhile, while 83% are using their own firms' internal tools to help them have those discussions with clients, another 83% are also interested in getting guidance from investment management firms, according to Scherer.

[Survey: Fiduciary Duty Top Reason Investors Choose RIAs](#)