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## **Fund Supermarket Interactive Investor comments on IMA fund statistics for 2007/08**

Fund Supermarket Interactive Investor has reacted to today's fund statistics from the IMA, which show sales of ISAs for 2007/08 are significantly down on the previous year.

Rebecca O'Keeffe, Head of fund management at Interactive Investor -the UK's leading integrated investment information and trading platform for private investors - said: "While most people predicted a fall in ISA sales in view of market conditions, even the most pessimistic will have been pretty shocked by the extent of the fall. Net ISA sales over the full tax year are little more than half the previous year – demonstrating that the credit crunch and associated fall out has reached even tax efficient investors. However, fund supermarkets, with 42% of the sales, continue to be the main option for consumers and our own figures show ISA sales up by more than a third on the previous year.

"The possible saving grace is that the IMA figures only reflect money that has actually been invested in the markets already. A large number of ISA investors have yet to commit their funds and are sitting on the cash, waiting for the right opportunity. This undoubtedly makes the numbers look worse than they actually are. We will have to wait for the HMRC to confirm total ISA numbers. However, there is no doubt that many investors are reluctant to invest in shares and funds and have turned towards cash instead.

"This is borne out with our own figures. While our sales significantly bucked the trend with a 40% increase of Stocks and Shares ISA portfolios opened the number of people who opened a Mini ISA was up over 50%, with most of those having already used their Cash ISA. So, investors are indeed turning towards cash at this time.

"The new rules, which came into force last month, do allow investors to transfer from a Cash ISA to a Stocks and Shares ISA, so this may be very astute planning by investors. However, it may just be that investors are refusing to take risks and are hoping to get into the markets later. Market timing to this extent can be very difficult and investors may want to think about phasing or regular investing as an alternative. Additionally it continues to be the case that investors in general (though not ours!) take less risk than they should."

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**About Interactive Investor**

Interactive Investor is the UK's leading personal finance and investment website ([www.iii.co.uk](http://www.iii.co.uk)). From share dealing to savings, and from ISAs to mortgages, Interactive Investor provides independent tools and information to enable consumers to address all their investment and personal finance needs. Interactive Investor has 1.6 million registered account holders and 500,000 regular monthly users. Interactive Investor Trading Limited, trading as "Interactive Investor", is authorised and regulated by the Financial Services Authority.

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