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## **In Japan, Savers Grow More Conservative**

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By Editor Test    *Tue, Jul 6, 2010*

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Statistics on Japan's defined contribution pension plans by an insurance industry liaison council finds that subscribers are investing primarily in 'capital guaranteed' assets, such as deposits and insurance, according to a report in *Investments and Pensions Asia*.

Corporate subscribers had assets of ¥3,689.8 billion (\$41bn) at the end of fiscal 2008, of which 67% represented guaranteed products. This was a 17% increase over the previous year. Risk assets such as investment trusts fell 7%, to 32% of the total.

Deposits accounted for the largest volume of managed assets surveyed. Their ratio to overall assets climbed 3.6 points to 45%. This was followed by insurance products, at 22%. Life insurance products account for 60% of insurance products overall.

The largest product among investment trusts and other risk assets was balanced funds, representing 10% of total assets. Next was domestic equity funds at 9.1%, domestic bond funds at 5%, foreign bond funds at 4% and foreign equity funds at 3%.

Among risk assets, domestic stock funds were down 19% as a proportion of assets held, while foreign stock funds were down 28%, with a correspondingly positive growth in domestic and international bond funds.

Females had a higher ratio of capital guaranteed products at 73% (deposits 46%, insurance 27 %) versus 67% (45%, 22%) among men. □By age group, investors above age 60 and under age 19 had the highest percentages of capital guaranteed products.

The ratio for the former was particularly high at 77%. The 30-39 and 40-49 generations held a greater ratio of balanced products and domestic stock funds than other age groups. Their investment period is relatively long and their investable assets large, due to transfers from qualified pension plans and lump sum retirement payout systems, and they have actively diversified their investments.

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