

Client conversation framework: Why you should consider moving cash off the sidelines

To help with your client conversations about the potential benefits of moving out of cash (e.g., money markets), consider using this one-page resource as a handy guide. The four-box framework and talking points are designed to help you address client concerns and move to opportunity.

1. Acknowledge

EMPATHIZE, LISTEN AND IDENTIFY

- “I can see why cash has been so appealing with yields so high.”
- “What concerns you most about the markets these days?”
- “What you are saying is, you feel safe now and are nervous about getting the timing right regarding how and when to get back in. Is that right?”
- “I understand why you feel that way and agree that moving back in all at once can be unnerving.”

2. Perspective

SHARE AND EDUCATE

- “Market events tend to run in cycles, and we’ve seen similar conditions before where investors take refuge in cash.”
- “We may be at a turning point when it’s a good time to consider getting back in the market and back to your long-term goals.”
- “There is no perfect way to time getting in and out of the market, but history would suggest that being consistently in the market may be a better long-term strategy.”
- “It’s also good to remember that cash in high-yielding money market accounts—while it may seem to be a ‘safe’ investment in the short term—may lead to less growth of income and security in the future.”

3. Confidence

PRIORITIZE CLIENT GOALS

- “Let’s revisit the goals you prioritized in the past. Do these still apply, and are they in the right order?”
- “We built your investment portfolio based on your goals and risk tolerance. Let’s confirm whether that allocation still makes sense to meet your goals.”
- “One way you could approach this with more confidence could be dollar cost averaging*, where we move your cash back in systematically over several months.”
- Consistently investing your cash – for example, 10% per month over the next 10 months – can take the pressure off of getting the timing just right.”

4. Opportunity

GIVE ACTION STEPS

- “Let’s take a look at your portfolio and consider how we might rebalance your allocations using the cash we plan to reinvest.”
- “As we consider putting your cash into equities and/or bonds, let’s take your market risk temperature. What level of risk are you comfortable with as we reposition your portfolio?”
- “How do you feel about rebalancing all at once, or would you prefer a more systematic approach as we discussed?”

*Regular investing does not ensure a profit or protect against loss. Investors should consider their willingness to keep investing when share prices are declining.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

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