

Cash is King: DIY investors increased cash holdings following tariff turmoil

- 56% of DIY investors increased their exposure to cash in the last three months
 - Millennial and Gen Z investors increased cash exposures most
- Investors also increased exposure to alternative investments, such as property and gold

More than half (56%) of self-directed investors - or DIY investors - increased their exposure to cash in the three-month period between February and April 2025, according to new research from Charles Stanley Direct.

The market uncertainty around the impact of Trump's tariffs, and the volatility which ensued following the sweeping tariff hike on 'Liberation Day', prompted investors to take action. They took to increasing their exposure to cash, up 10% from DIY investors who increased their cash holdings following the Autumn Budget last year (46%).

Younger DIY investors were more minded to increase their exposure to cash. 65% of millennial investors and the same number (65%) of Gen Z investors increased their cash exposure, while 44% of Gen X's and 31% of Baby Boomer's increased theirs.

In the world of investments, holding too much cash for too long could be a costly mistake. Investors could miss out on potentially higher returns compared to other investments, particularly when trying to keep pace with inflation and compound interest take effect. But in times of market instability, cash becomes a safer and more attractive option as it avoids price fluctuations that stocks or bonds can experience in market downturns.

Other alternative investments were also popular for DIY investors amid the tariff-induced market chaos. Nearly half (48%) increased their exposure to gold and a similar number (46%) increased their exposure to property. A similar trend emerged with younger investors increasing their exposure to these investments. Three fifths of Gen Z (61%) and Millennial (60%) investors increased their exposure in gold, while 58% of Gen Z and 61% of Millennial investors increased their exposure to property in their portfolios.

Rob Morgan, Chief Investment Analyst at Charles Stanley Direct, comments: "During times of uncertainty, keeping funds liquid or in lower risk investments can be beneficial to help weather a market storm. This holds true if we look at how Trump's Liberation Day saw over £4 trillion wiped off the stock market overnight.

"While investors may have dashed for cash to find a temporary safe haven for their investments, it's not generally something that holds as part of a long-term investment strategy. Fundamentally, in times of market volatility investors need to keep calm, stick to their investing plans, and keep focused on the fact that sharp short-term moves should pale into insignificance over multiple years and decades.

"Some may even look to capitalise on market turbulence. Through holding safe investments, such as cash or short-term bond funds, these can be quickly sold and reinvested into other areas at opportune moments. However, market timing is notoriously hard and tends to require luck as well as judgement. For an emergency fund and for any planned spending there is no alternative to cash. But those tempted to park large amounts of their 'long term' money in cash risk missing out over the longer term."

ENDS

PRESS RELEASE



Notes to Editors

Methodology

The research was conducted by Censuswide, among a sample of 1,000 DIY Investors in the UK, aged 18+. The data was collected between 30.05.25 - 08.05.25. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

For further information please contact:

Olivia Nelson / Sam Peploe / Elisha Wijesekera
Teamspirit

charlesstanley@teamspirit.co.uk

07392 106925 / 07810 512006

Joanne Higginson / Lucy Cotter / Francesca Hart
Charles Stanley

media@charles-stanley.co.uk

About Charles Stanley

Charles Stanley is a leading UK Investment Management Company. Its origins trace back to 1792. It provides services direct to private clients, charities, trusts and professional institutions. It also works with financial advisers, legal, accountancy and other professional services firms, supporting them with their client objectives.

It is dedicated to providing clients with the highest standard of service and peace of mind at every step of their financial journey, delivered by over 800 staff located in 26 offices across the UK. Its services comprise:

- **Investment Management Services**, offering personal discretionary, advisory and execution-only services.
- **Asset Management**, providing investment solutions serving retail, institutional and intermediary clients, such as our model portfolio service (MPS), mutual funds and fiduciary management.
- **Financial Planning**, advising clients on how to plan their finances to meet current and future lifestyles.
- **Charles Stanley Direct**, an award-winning digital execution-only platform that makes investing in a portfolio of funds and shares simple and cost-effective.

Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority and is part of the Raymond James Financial, Inc. group of companies.

www.charles-stanley.co.uk