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For immediate release

LATEST SURVEY: AFI PANEL DEMONSTRATES CONTINUED FAITH IN EQUITIES, BUT RESPONSE TO MULTI-MANAGER IS CHILLY

Results from the Financial Express **Adviser Fund Index (AFI)** mid-season survey reveal that despite global market volatility, advisers are still putting their weight behind Equities, as Panellists unanimously expect stocks to outperform other main asset classes over the next 12 months.

Conversely, the AFI Panel, which includes specialist investment adviser firms representing more than £40 billion of investor assets under management, is divided on which asset class is likely to see the lowest returns; 53.3% said Bonds; 26.7% said Cash and 20% chose Commercial Property.

Large cap shares get the thumbs up as 93.8% of Panellists said they expected them to perform best over the next 12 months. And when asked whether they expected growth or value equity management styles to perform best over the same period, a clear majority of 68.8% picked growth.

To create a regional overview, advisers were asked to select the best and worst global equity markets in terms of performance over the next 12 months. For best performance, 43.8% of Panellists picked Europe excluding UK and 25% chose Asia Pacific excluding Japan. Confidence in Global Emerging Markets was low, as 56.3% said the region would perform worst indicating reluctance for higher risk; North America again proved unpopular with 31.3% of panellists saying it would perform worst.

Global equity market region predicted to perform BEST in the next 12 months		Global equity market region predicted to perform WORST in the next 12 months	
Europe excluding UK	43.8%	Global Emerging Markets	56.3%
Asia Pacific excluding Japan	25.0%	North America	31.3%
Global Emerging Markets	12.5%	Japan	6.3%
North America	12.5%	UK	6.3%
Japan	6.3%	-	





When asked for their longer term views, looking at a five year period, the majority of panellists (50%) said Asia Pacific excluding Japan would perform best, but when asked to name the worst, the jury was out with Japan, North America and the UK all taking a 25% share of panellists' votes.

Global equity market region predicted to perform BEST in next 5 years		Global equity market region predicted to perform WORST in next 5 years	
Asia Pacific excluding Japan	50.0%	Japan	25.0%
Global Emerging Markets	31.3%	North America	25.0%
Japan	12.5%	UK	25.0%
Europe excluding UK	6.3%	Global Emerging Markets	18.8%
-		Asia Pacific excluding Japan	6.3%

In a scathing blow for Multi-Manager funds, when asked for their attitudes to Multi-Manager when making portfolio recommendations to their clients, most advisers claimed they were *not important*.

How important are Multi-Manager funds when making client recommendations?	Funds of Funds	Manager of Managers	Hybrid FoF/MoM
Very important	18.8%	6.3%	12.5%
Neutral	12.5%	18.8%	6.3%
Slightly important	12.5%	6.3%	18.8%
Not important	56.3%	68.8%	62.5%

View Multi-Manager fund performance and profiles at <http://www.trustnet.com/ut/general/multimanager.asp>

The latest survey broke new ground by also looking at panellists' attitudes to Funds of Hedge Funds (FoHF) but again, advisers' appetites were low with a 56% majority claiming they were not important.

Paul Wynne, Financial Express head of marketing and communication, who commissioned the survey, says: "The AFI is firmly taking hold within the intermediary market as it provides an interesting and relevant benchmark for client portfolios managed by financial advisers and in many cases it is being used as an investment goal. The results of the latest survey indicate a range of investment strategies are in play and as we saw from the rebalancing in May, fund portfolio churn rates continue to rise. It will be interesting to see what impact recent market volatility will have on the portfolio adjustments for the November rebalancing."



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The Adviser Fund Index (AFI) is aggregated from the recommended portfolios of a panel of leading UK investment adviser firms. Based entirely on the funds actually recommended to clients, the AFI Aggressive, Balanced, and Cautious portfolios carry real-life credibility, and provide insight in terms of the benefits of holding top quality funds. A full explanation of the AFI methodology is available at www.trustnet.com/general/afi.asp.

Adviser Fund Index factsheets, including portfolio compositions, are also available upon request.

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NOTES TO EDITORS

Financial Express

Financial Express is the largest distributor of fund data in the UK, and is the main or sole supplier of data to many of the leading data vendors, including Bloomberg, Teleglobe. Financial Express also provides data and web based fund analysis products to the UK's leading fund supermarkets, life and wrap platforms, product providers, financial advisers and networks, software houses, financial portals and private investors.

Adviser Fund Index

The Adviser Fund Index (AFI) provides a benchmark against which the investment community can compare fund portfolio performance, as well as offering a relevant flagship index for the funds market.

The AFI is derived from portfolio recommendations provided by a representative group of the UK's leading investment advice firms. The AFI Panel, which collectively manages more than £40 billion of client money on behalf of 1,500,000 investors, consists of the following adviser companies:

Allenbridge Group plc	Dennehy Weller & Co
AWD Chase de Vere	Gerrard Financial Services
Bates Investment Services	Killik & Co
Beckett Financial Services	Origen Investment Services
RSM Bentley Jennison Financial	Rowan Plc
Bestinvest	THINC Group
Charles Stanley	Torquil Clark
Chartwell Investment Management	Whitechurch Securities Limited
Chelsea Financial Services	Williams de Broe
City Asset Management	



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