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For immediate release

## ADVISER FUND INDEX PANELLISTS LOOK EAST FOR BEST PERFORMING GLOBAL EQUITIES

A recent survey of the Adviser Fund Index (AFI) Panel reveals the panellists' predictions for which global equity markets are expected to perform best and worst over the next 12 months to three years.

Survey respondents, a panel of 18 specialist investment adviser firms that represents more than £40 billion of investor assets under management, offered mixed insights, with North America proving most controversial; 21% of panellists say that North America is likely to perform best, while 38% believe the region is likely to perform worst - second only to Global Emerging Markets at 39%.

However, panellists formed a clearer picture of Japan; 44% believe it is likely to perform best over the next 12 months and only 8% said they expected Japan to perform worst. 21% backed Europe ex UK as best performing region, while a telling 0% predicted the UK as best performer and 15% said the UK would be bottom of the league.

Global equity market region predicted to perform <b>BEST</b> in next 12 months		Global equity market region predicted to perform <b>WORST</b> in next 12 months	
Japan	44%	Global Emerging Markets	39%
North America	21%	North America	38%
Europe ex. UK	21%	UK	15%
Asia Pacific ex Japan	7%	Japan	8%
Global Emerging Markets	7%	Asia Pacific ex Japan	0%
UK	0%	Europe ex UK	0%





When asked the same question, looking at a timescale of the next three years, the outlook changes:

Global equity market region predicted to perform <b>BEST</b> in next three years		Global equity market region predicted to perform <b>WORST</b> in next three years	
Japan	43%	North America	46%
Global Emerging Markets	29%	Global Emerging Markets	23%
Europe ex UK	14%	Europe ex UK	23%
North America	7%	UK	8%
Asia Pacific ex Japan	7%	Japan	0%
UK	0%	Asia Pacific ex Japan	0%

**Sector focus on Commercial Property**

Another significant finding to emerge from the survey is that AFI panellists are almost unanimously backing commercial property funds for their clients. Over 90% of panellists believe that property funds will deliver *high* or *highest* returns over the next 12 months. This is illustrated by the panel's selection of funds such as SWIP Property, New Star Property and Norwich Union Property, which have delivered returns of 16.7%, 17.1% and 18.6% respectively. (12 month bid-to-bid total returns 12/10/2005 to 12/10/2006)

**In the penthouse?**

AFI panellists were asked to name the fund which had performed the best compared to their expectation, since inception of the AFI on 1<sup>st</sup> November 2004:

- Invesco Perpetual Income (a recurring answer with 21.5% of votes)
- Artermis European
- AXA Framlington UK Smaller Companies
- Jupiter Income

**Or in the dog house?**

However, when asked to name funds that had fallen below expectation since 1<sup>st</sup> November 2004, AFI panellists named a diverse range of funds with the following being named by more than one adviser firm:

- 36% named Legg Mason, citing disappointment in the Japan Equity and/or UK Equity funds
- JPMorgan Japan
- Newton International Bond.

**Paul Wynne, Financial Express head of marketing and communications**, who commissioned the survey, says: "The latest survey of Adviser Fund Index panellists reflects the diversity of knowledge and





expertise amongst the panel members. Investors, as well as other advisers, can clearly benefit from the panellists' insights, and also benefit from the real-life fund portfolio selections the panellists provide. The out-performance by the Adviser Fund Index of other market measures indicates that there can be no substitute for professional financial planning and advice."

Since performance of the Adviser Fund Index started, the AFI Aggressive index, the AFI Balanced index and the AFI Cautious index have all out-performed the APCIMS and IMA sector average performance measures. (bid-to-bid total return 01/11/2004 to 12/10/2006)

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](http://www.trustnet.com/general/afi.asp).

**ENDS**

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