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FOR IMMEDIATE RELEASE

TRUSTNET POLL REVEALS PRIVATE EQUITY IS PREFERRED ALTERNATIVE INVESTMENT (COMPARED WITH WINE, CARS AND HORSES)

The latest poll of **Trustnet** users indicates that **private equity** is the favoured style of 'alternative' investment by the investment community.

Offered the choice of classic cars, fine art or wine, hedge funds/futures/options derivatives, horses or private equity, more than 38% of all respondents, mainly private investors and financial advisers, chose private equity. Hedge funds/futures/options derivatives pipped fine art or wine to second place polling 19.2% and 18.6% respectively. 14.5% chose classic cars as their preferred alternative investment vehicle while horses trailed with a luke-warm 9.6%.

Of the FSA's proposed funds of alternative investment funds, which type of 'alternative' is your preference?	
TYPE OF ALTERNATIVE INVESTMENT	% OF ALL RESPONDENTS
Private equity	38.1%
Hedge funds/futures/options derivatives	19.2%
Fine art or wine	18.6%
Classic cars	14.5%
Horses	9.6%

The online survey, carried out during April 2007, was triggered by a recent FSA consultation paper proposing funds of alternative investment funds. Although private equity products were voted first choice consistently by private investors and professionals alike, the survey reveals an interesting disparity between private investors with financial advisers and those who go it alone, in other categories. For instance, private investors who have a financial adviser are more receptive to hedge funds/futures/options derivatives (18.8%) compared with investors without financial advisers (only 10.8%), which are perhaps deemed too complicated for those who choose not to seek financial advice from a professional. Fine art and wine proved popular with both categories of private investor, polling between 20% (with and adviser) and 24.3% (without and adviser).



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In order of preference, financial advisers selected the following options, highlighting a greater propensity for advisers to invest in, or recommend, hedge fund of funds:

- private equity (33.3%)
- hedge funds/futures/options derivatives (28.6%)
- fine art and wine (15.5%)
- classic cars (14.3%)
- horses (8.3%)

Paul Wynne, Trustnet head of marketing and communications says:

“Private equity products clearly have a place in modern portfolios as an asset class, and it is also interesting to note that hedge funds and other options derivatives are more suited to the more experienced. However, one shouldn’t ignore the possibilities for classic cars, fine art and wine should the FSA determine that alternative fund of investment funds may be possible.”

ENDS

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