



UK's yields higher

EQUITY INCOME

by Rob Langston

Investors who seek income should look to the UK, as research from Financial Express highlights the yield gap between the UK Equity Income and Global Equity Income sectors.

The data provider revealed the 83 funds-strong IMA UK Equity Income sector delivered an average annual yield of 4.4 per cent based on one-year yield figures.

This compared with an average annual yield of just 3.9 per cent from nine global or international equity income funds from the IMA Global Growth sector.

Similarly, the average annual total return of UK equity

income funds, comprising income and growth, was 29.3 per cent at April 30, compared with 28.4 per cent for global equity income funds.

Rob Gleeson, analyst at Financial Express, said the results belied recent sentiment that equity income in the UK was difficult to come by.

He said: "I noticed a lot of chatter about people having to leave the UK to look for income abroad. Most of the really good equity income managers are in UK equities."

Mr Gleeson said equity income investors should make their investment decisions based on the performance of the funds, rather than the domicile of com-

panies held within a portfolio.

He added: "There is a decision to be made for investors – if you invest in equity income, you expect to be paid."

Mr Gleeson said UK managers were unhindered by their focus on UK-listed companies, as many international dividend-paying companies could be found on indices.

The analyst said he expected more global equity income funds to appear in the future, growing the fledgeling fund universe.

The Fidelity Income Plus fund delivered the highest annual yield of 7.95 per cent within the IMA UK Equity Income sector.