

For immediate release: 16 September 2014

Investor confidence in the property market continues

Property has once again topped the leader board as the bestselling sector with the highest percentage of net sales in August, according to figures from Cofunds, the leading investment platform in the UK.

Property has retained its position for the second month running, largely due to commercial property, with momentum coming from an improvement in economic fundamentals. The sector was closely followed by UK Equity Income following huge inflows into Neil Woodford's eponymous fund launched in June. Additionally, the strength of sterling against many currencies is also a compelling reason for investors to buy into UK funds over international alternatives.

Mixed Investment 20-60% Shares proved to be the third highest selling sector, suggesting continued momentum behind mixed assets funds as investors maintain their focus on diversifying risk. Meanwhile, Sterling Strategic Bond placed fourth while the Unclassified sector - which last featured among the top five in August 2013 - placed fifth.

Sterling Strategic Bond has defied the uncertainty that has plagued fixed income markets over the past year as investors seek investments that have the potential to deliver strong returns in challenging markets. The re-emergence of the Unclassified sector amongst the top five can be partly attributed to the large number of funds that have been added to this sector in recent months, with many seeing strong inflows. In the past year, 36 funds from eight fund groups were added to the IMA Unclassified sector, bringing the total up to 512.

Unsurprisingly, it is UK-focused property funds that dominate the bestseller list including options from Henderson, SWIP, M&G and Threadneedle.

Adam Smith, Commercial Director at Cofunds said:

“Advisers keen to diversify their clients’ portfolios and preserve capital continue to invest in property as a bond proxy. While the UK economy is being bolstered by a low interest rate environment and is responding quickly to government measures, particularly those supporting the housing market.”

Top 5 Sectors
Property
UK Equity Income
Mixed Investment 20-60% Shares
£ Strategic Bond
Unclassified

Top 20 funds
CF Woodford Equity Income
M&G Episode Balanced
Threadneedle UK Equity Income
Henderson UK Property
Henderson Cautious Managed
Artemis Global Income
Premier Multi-Asset Distribution
HSBC American Index
M&G Feeder of Property Portfolio
Jupiter Strategic Bond
Threadneedle Equity & Bond
Legal & General UK Property Feeder
SWIP Property
F&C MM Navigator Distribution
HSBC FTSE All-Share Index
Invesco Perpetual Gbl Targeted Ret
Royal London UK Equity Income
Premier Multi-Asset Monthly Income
Fundsmith Equity
CF Heartwood Balanced Multi Asset

Ends-

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Notes to Editors

About Cofunds

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* Source Fundscape at 30/6/14 (nb these assets are made up of Cofunds and Investor Portfolio Services)