

23 June 2014

**Property cements first place after knocking Mixed Investment 20-60% off leader board after 15 consecutive months at top**

Cofunds, the leading general investment platform saw Property net inflows surge to £77 million between March and June, seeing off the Mixed Investment 20-60% sector after a 15 consecutive month reign as the most popular sector in May.

The IMA property sector is a combination of both ‘bricks and mortar’ with property share funds. According to figures from the IMA, net inflows into property investments have increased by more than 400 per cent in the past year, a continued sign the UK economy is steadily improving.

A more optimistic outlook for the UK occupier market compared to early 2013 is a key factor at play here, a reflection of the stronger domestic economy and the perception that risk has lessened for the global economy, and specifically the Eurozone. The increased investor demand for UK commercial property during the first quarter of 2014 is further factor, as investors remain attracted to stable yields offered via commercial property.

**Reacting to the recent inflows into the property sector, Darius McDermott, Managing Director of Chelsea Financial Services, commented:** “Diversification is a key reason for the recent investor interest in Property funds. There’s no surprise Property has seen a surge in demand offering potential high income compared to yields on most other asset classes.”

**Matt Jarvis, manager of the Legal & General UK Property Feeder Fund, also commented:** “Given the strength of demand for UK property at present, we wouldn’t be surprised to see prices experience a substantial uptick in 2014. Given the less liquid nature of property as an asset class, investors making new allocations will be relying on fund managers to target areas of the market offering relative value.”

**Graham Venn, Head of Commercial at Cofunds, commented:** “Fund Groups are broadly in agreement on the reasoning behind the recent surge in popularity experienced by the property sector, especially in the ‘bricks and mortar’ funds.

Equally they have a bullish view for the future of property funds, and all reference indicators being healthy growth in the commercial and rental sectors, especially in the London and surrounding areas.”

Strategic Bond, UK Equity Income and North America placed third, fourth and fifth place respectively. Strategic Bond re-entered the leader board after last being placed within the top five in March this year. North America secured a second month placing within the top five, a trend suggesting confidence is improving within international markets.

20 top selling May funds	
1	Cavendish Opportunities
2	Henderson UK Property
3	SL Inv UK Property Feeder
4	Invesco Perpetual European Equ
5	Royal London UK Equity Income
6	Premier Multi-Asset Distribution
7	Henderson European Focus
8	Henderson Cautious Managed
9	F&C MM Navigator Distribution
10	Jupiter Strategic Bond
11	Threadneedle UK Equity Income
12	SWIP Property
13	HSBC American Index
14	AXA Framlington Managed Balanced
15	Henderson Strategic Bond
16	Artemis Global Income
17	Polar Capital North American
18	M&G Optimal Income
19	Legal & General UK Property
20	Unicorn UK Income

- Ends -

**Notes to editors**

**For further information please call:**

Jennifer Stevens, Lansons - 020 7566 9723 / [jennifers@lansons.com](mailto:jennifers@lansons.com)

Laura Cronin, Lansons - 0207 294 3607 / [laurac@lansons.com](mailto:laurac@lansons.com)

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\* **Source Fundscape at 31/3/14** (nb these assets are made up of Cofunds and Investor Portfolio Services)