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## Advisers optimistic on UK growth and consider UK Equity Income king of the UK sectors

- Three quarters (74%) are confident on the UK's economic outlook
  - UK Equity Income is the favoured UK sector for UK advisers

Three quarters (74%) of UK advisers are optimistic on UK growth prospects<sup>1</sup>, according to Cofunds, and they are putting this increased confidence into practice by increasing their allocations to UK funds. Two thirds (67%) of advisers have seen an increase in business placed into UK funds over the last 12 months - and 61% have seen an increase of up to 20%.

Research from the leading general investment platform in the UK also reveals UK Equity Income is the clear winner when it comes to the most popular sectors, with two fifths (41%) of advisers stating they are investing most of their clients' money in this sector. In fact, over half (58%) of advisers state they prefer UK Equity Income over Global Equity Income.

The increasing popularity of the UK Equity Income sector echoes its re-emergence on the IMA leader board in March 2014, the first time it appeared within the top five sectors since September 2011.

Where UK advisers are investing their clients' money in the UK:

UK sector	% of responses
UK Equity income	41%
UK Growth	31%
UK Smaller companies	21%
Other	7%

UK Growth funds are the second most popular UK sector for a third (31%) of advisers, while the UK Smaller Companies sector enters in third place with 21% of the vote.

Graham Venn, Head of Commercial at Cofunds, commented: “Recent statistics from The Office of National Statistics reveal the UK economy is growing at its fastest rate since 2007. This is the fifth consecutive period of growth, the longest positive run since the financial crisis<sup>2</sup>.

This is certainly reflected in the increasingly optimistic outlook amongst advisers on the opportunities offered through investing in the UK. The rise in popularity of the UK Equity Income Sector can most certainly be linked to the much anticipated launch of the CF Woodford Equity Income Fund in June, which created a considerable amount of interest in this sector.

“With the UK’s economic outlook expected to remain positive and UK growth set to continue, we envisage client interest in the UK will continue to remain high, and especially within the UK Equity Income sector as investors are attracted by the prospect of strong and stable returns.”

- Ends -

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#### **Notes to Editors**

[1] Cofunds research conducted amongst 243 advisers in May 2014

[2] ONS data: <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q1-2014/sum-gdp-preliminary-estimate--q1-2014.html>

#### **About Cofunds**

Cofunds is the leading general investment platform for advisers and other financial institutions, with assets under administration of over £65.6bn\*. It provides flexible administration and management services for advisers and their clients as well as dealing and custody services for financial institutions. It does not offer investment management or advice, nor does it compete



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