



RESEARCH

in association with



Investment Platforms

Wave 48

December 2007

The logo for ifacensus, featuring the word 'ifa' in a light blue, lowercase, sans-serif font above the word 'census' in a white, lowercase, sans-serif font. Both words are contained within a large, dark blue circle.

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of IFA Opinion**

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Introduction

- The December 2007 AIFA questions focused on investment platforms.
- Questions were placed on December's IFA Census and fieldwork was conducted during 4th to 14th December 2007.
- 325 IFAs responded to the survey

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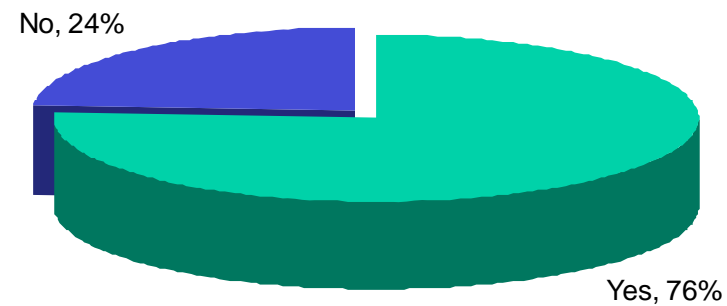
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Usage of investment platforms

A large majority of respondents make use of investment platforms

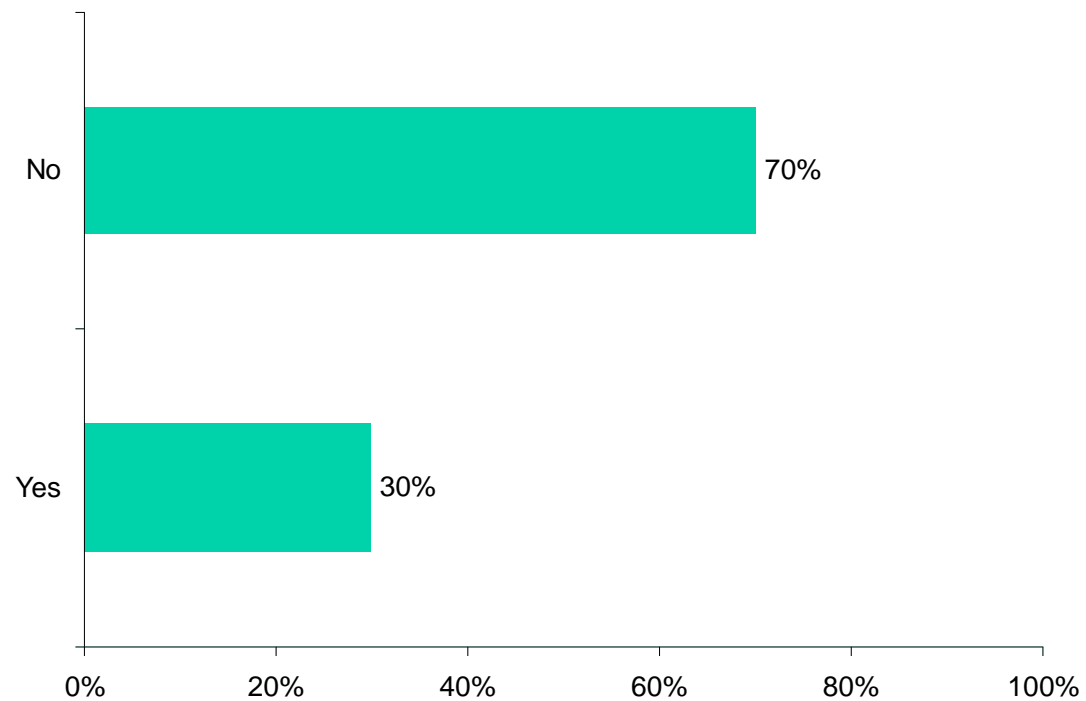


Base: December 2007 – All Respondents (325)
Q1: Do you make use of any of the investment platforms (fund supermarkets or wraps)?

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Usage of single platform for all investment business

...however, of those that do use an investment platform, 70% do not expect to use a single platform for all their investment business



Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q2: Do you think you will ever use a single platform for all your investment business?

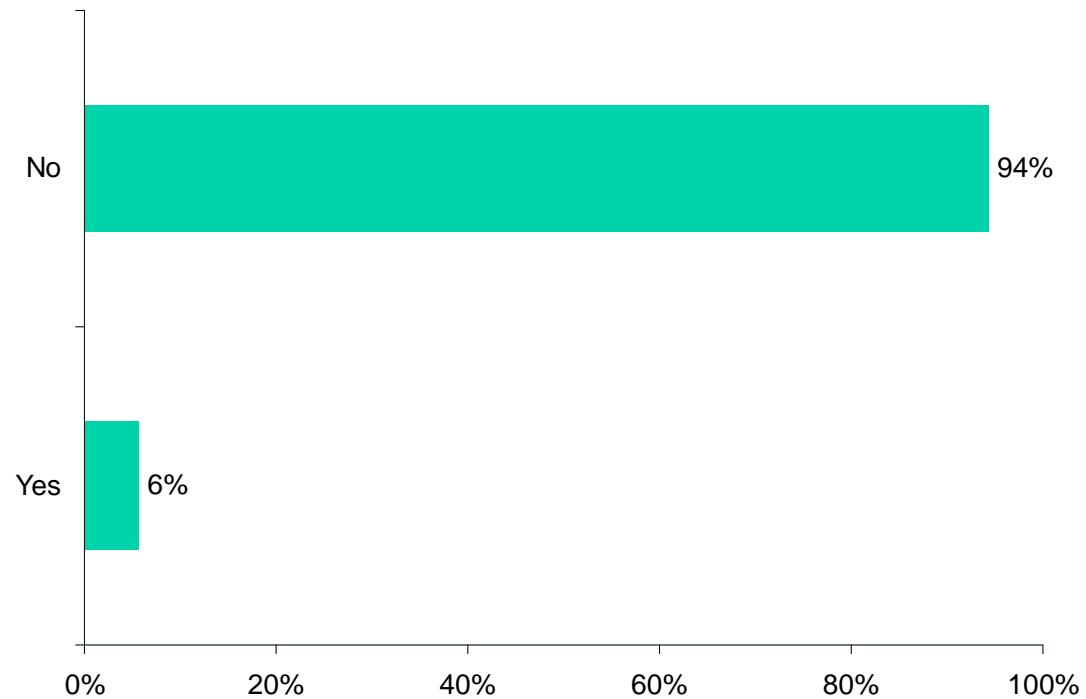
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Ownership of equity in any platforms

Just 6% of those using investment platforms (14 respondents) own equity in any platforms

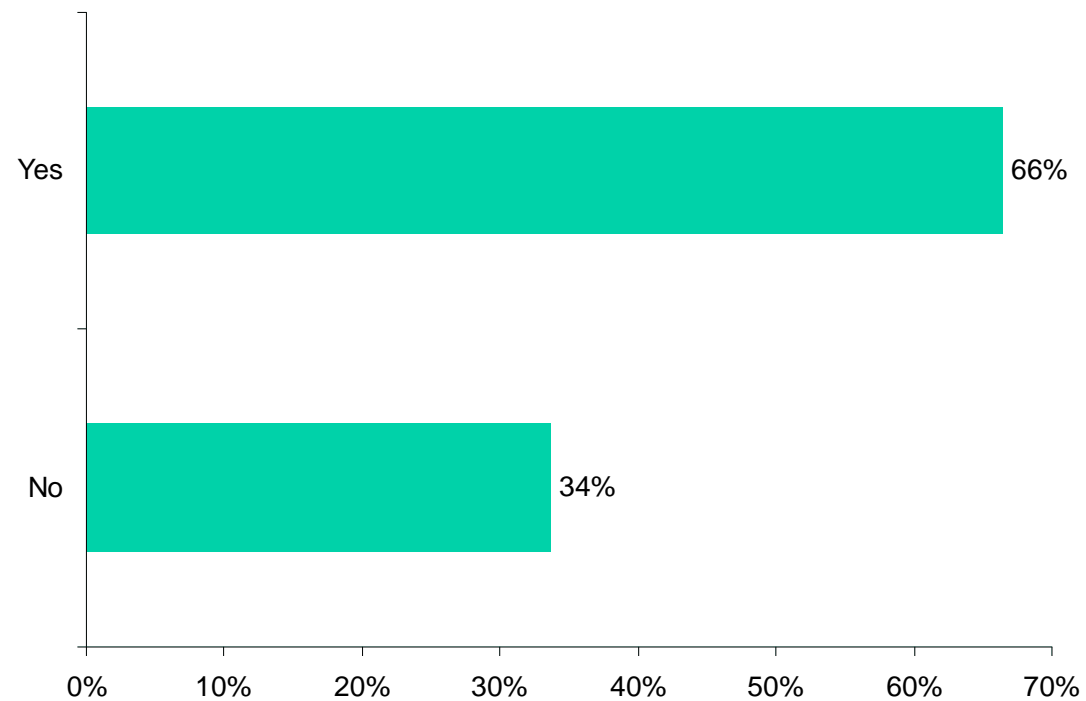


Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q3: Do you own equity in any platforms?

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IFAs subject to “better than best” advice requirement

A 2:1 majority agree that IFAs who own platform shares should be subject to a “better than best” advice requirement

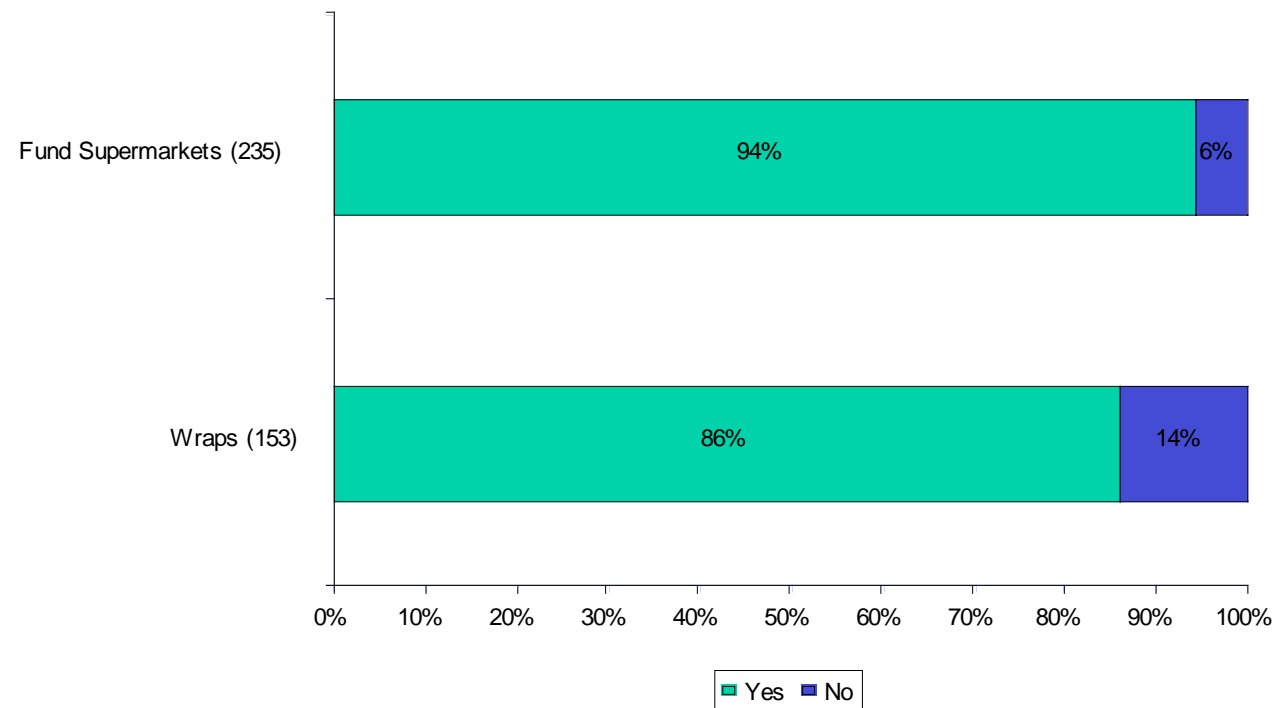


Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q4: Do you think IFAs who own platform shares should be subject to a “better than best” advice requirement?

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Initial commission on platform business

The majority of both fund supermarket and wrap users take initial commission when using platforms

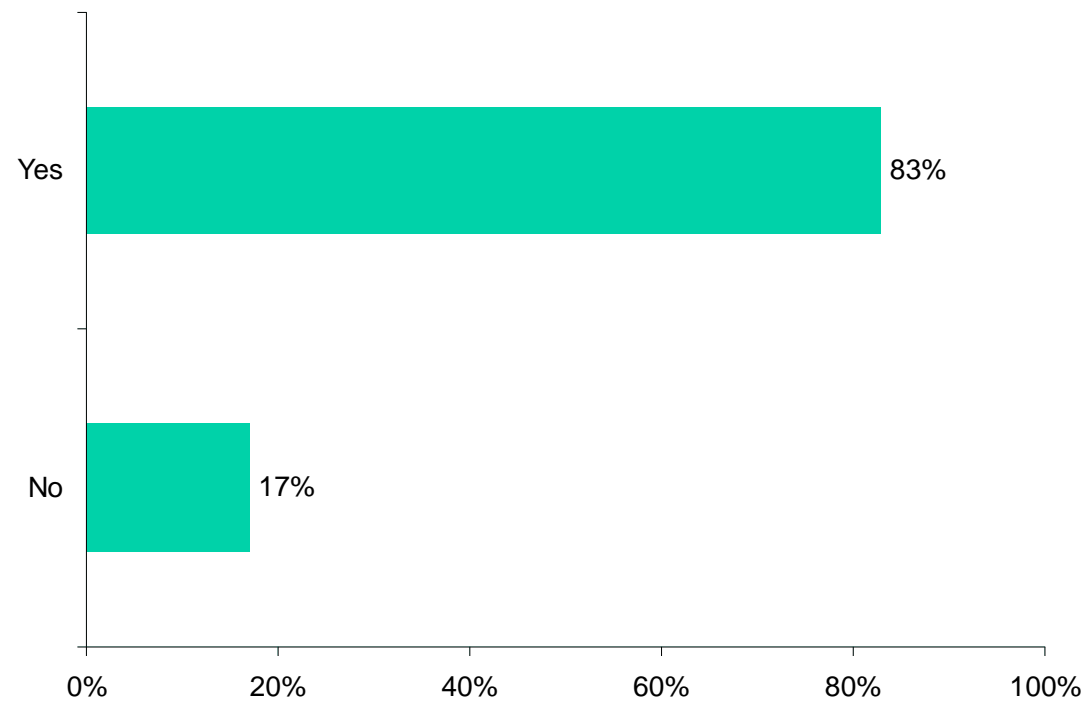


Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q5: Do you take initial commission on platform business? [EXCLUDES 'DO NOT USE']

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Confidence in undertaking 'due diligence' on funds platforms

A large majority feel confident in making informed due diligence decisions on fund platforms



Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q6: Are you confident that you could make informed due diligence decisions on fund platforms?

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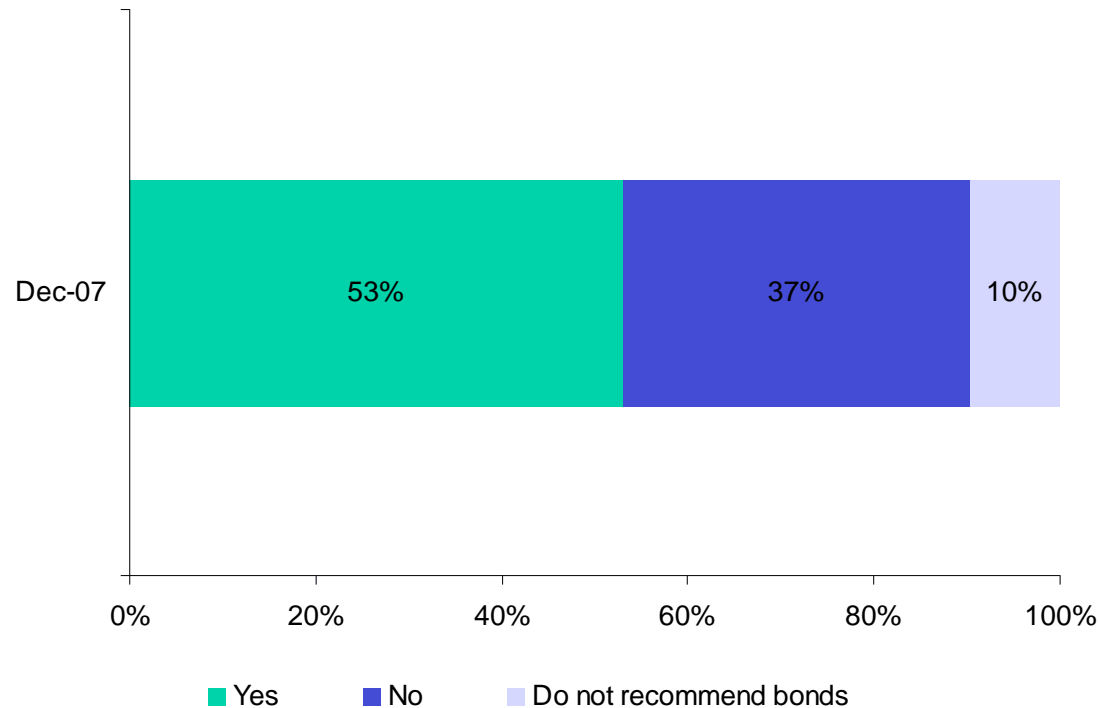
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Usage of a fund platform for investment bonds

53% mentioned that they have used fund platform for investment bond recommendations



Base: December 2007 – Those who make use of the investment platforms (fund supermarkets or wraps) (247)
Q8: Have you ever used a fund platform for your investment bond recommendations?

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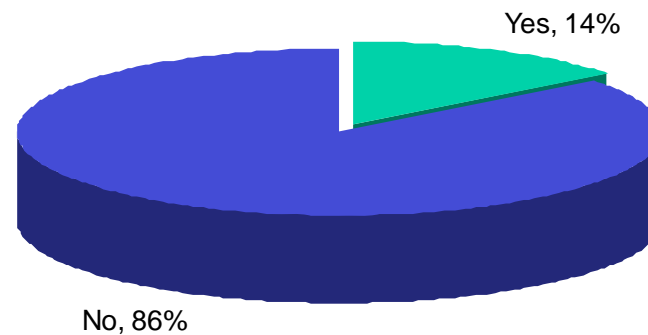
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Specialist qualifications held

More than 80% mentioned that they have not passed the Chartered Insurance Institute's JO6 paper or an equivalent

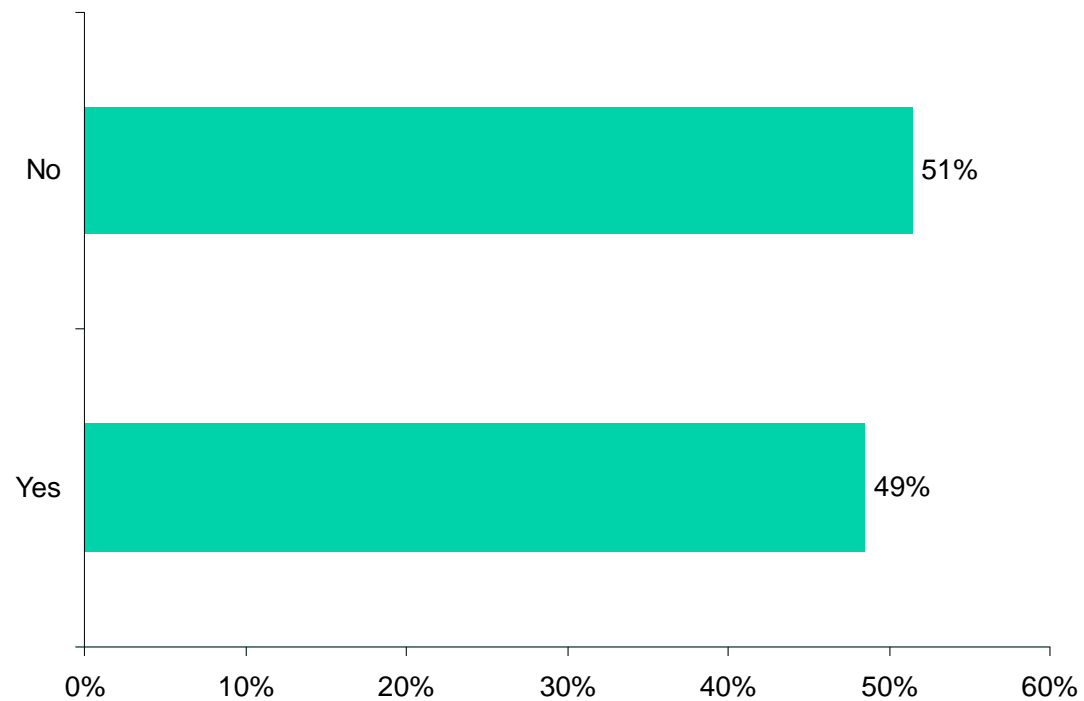


Base: December 2007 – All Respondents (325)
Q9: Have you passed CII's JO6 paper (advanced investments) or equivalent?

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Consideration of studying for specialist qualifications

Of those who have not passed the JO6 paper or equivalent, views are polarised on whether they would consider studying for this



Base: December 2007 – Those who did not pass CII's JO6 paper (advanced investments) or equivalent (278)¹⁰
Q10: Are you considering studying for the JO6 or equivalent qualification?

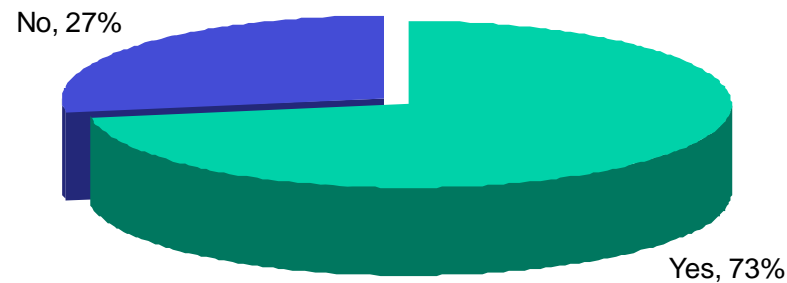
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Provider training on asset allocation and fund selection

There is a high level of demand for more information and training on asset allocation and fund selection from providers



Base: December 2007 – All Respondents (325)

Q11: Should providers deliver more information and training on asset allocation and fund selection?

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Ability to explain Modern Portfolio Theory

4 in 10 feel able to explain the role of Modern Portfolio Theory in determining optimal asset allocations



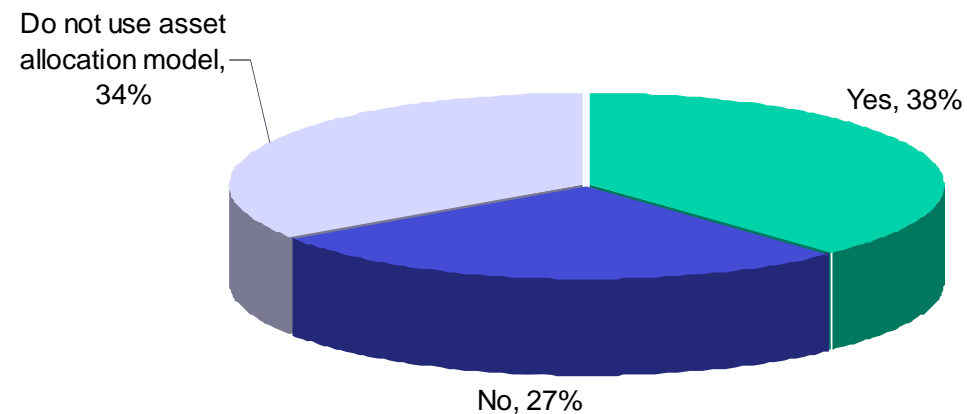
Base: December 2007 – All Respondents (325)

Q12: Would you be able to explain the role of Modern Portfolio Theory in determining optimal asset allocations?

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Asset allocation model use for tax and charges

38% mentioned that the asset allocation model used optimises for tax and charges. 34% do not use an asset allocation model



Base: December 2007 – All Respondents (325)
Q13: Does the asset allocation model you use optimise for tax and charges?