

19 percent of IFAs outsource investment decision-making

Research carried out by independent financial research company Defaqto has shown that 19% of IFAs choose to outsource their investment process to a discretionary manager.

Information on the outsourcing of investment decision-making features in Defaqto's Guide to Alternative Investments, which goes on to state that more than 70% of these discretionary managers specifically mentioned the potential use of alternative strategies. The survey of 211 advisers who use platforms was undertaken by Defaqto in the first quarter of 2010.

Fraser Donaldson, author of the guide and Defaqto Insight Analyst for Funds, warned: "When outsourcing to a discretionary manager, an adviser should be satisfied that these managers are not just paying lip-service to their use of alternative investments. They should ask what percentage of portfolios are invested in alternative investments, and what success they have had in managing this asset class."

The guide provides an introduction to the following asset classes and investment vehicles:

- Property
- Private equity
- VCTs
- Commodities
- Structured products
- Investment trusts
- Hedge fund techniques

The Alternative Investments guide can be downloaded free from www.defaqto.com/adviser.

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Notes to Editors:

About Fraser Donaldson, author of the alternative investments guide and Defaqto Insight Analyst for Funds

Fraser Donaldson is Insight Analyst for Funds at Defaqto. Fraser joined Defaqto in November 1994. Prior to joining Defaqto, he worked at national IFA Towry Law where he was involved in building best advice panels for investment products and was instrumental in setting up a Towry Law Discretionary Management Service in partnership with Mercury Asset Management (now BlackRock). Fraser is responsible for producing Insight Reports and guides in the investment arena, having written several reports and guides on investment subjects such as platforms, onshore and offshore bonds and he authors a half yearly guide on the multi-manager market. He is also responsible for developing Defaqto's investment proposition.

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About Defaqto: www.defaqto.com

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

Defaqto Star Ratings

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

Aequos Online

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

Defaqto Engage

An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

Defaqto Compare

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

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