

## **5.4% uplift in gross sales of absolute return funds in past two years**

A study by independent research company Defaqto has found that absolute return funds continue to be a popular option for investors, with a surge of sales over the past two years. Absolute return funds accounted for 7.1% of gross sales of funds in the UK in April 2010, which is a considerable jump from 2.7% in April 2009 and just 1.7% in April 2008.

Fraser Donaldson, author of the guide and Defaqto's Insight Analyst for Funds, said: "Absolute return funds have been thought of as a very useful investment tool in times of economic uncertainty and market volatility, and as such it is no surprise that interest in these funds has grown considerably since the credit crunch in 2008."

Mr Donaldson continued: "More unusually, these funds have continued to be popular even through the market recovery in 2009. According to the Investment Management Association, over 7% of gross sales in April 2010 were into funds in the absolute returns sector. This indicates that they are now been seen as a 'fund for all seasons', and are being used as core funds for many investors."

Defaqto has published a second edition of its free guide to absolute return funds in order to update information for intermediaries advising in this sector. The guide also includes a case study on Standard Life Investments GARS Fund to illustrate exactly how the funds work in different economic environments.

Areas covered by the guide include:

- A market overview of absolute return funds and how they became possible
- Performance fees
- How absolute return funds work
- The different approaches to absolute return funds
- Questions that need to be asked before investing

The absolute return funds guide and case study can be downloaded free from [www.defaqto.com/adviser](http://www.defaqto.com/adviser).

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### **Notes to Editors:**

#### **About Fraser Donaldson**

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](http://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.

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