

**NEWS RELEASE**

**23 October 2006**

## **UK investors caught in 'High Street Horror Show'**

Millions of investors who have entrusted High Street Banks and Life Companies to look after their investments will be shocked to see how badly their funds are performing, according to the latest Moneyspider.com Quarterly Report on UK Funds and Fund Management Groups.

Best viewed as a 'High Street Horror Show', the findings reveal that, together, companies such as HSBC, Abbey National, NatWest, Halifax and Legal & General – all at the bottom end of the performance chart - retain their hold over some £7bn of investors' hard earned savings in their under-performing funds.

For the third consecutive quarter, MLC, part of National Australia Bank, has been awarded the **Moneyspider Monster Award** for the Worst Overall Fund Management Group in the UK. Not one of the ten funds it offers to the retail market scored a Moneyspider.com A or B Rating.

At the other end of the spectrum, Rathbone earned the **Moneyspider Maestro Award** for the Best Overall Fund Management Group – for the third consecutive quarter. Twelve of Rathbone's fourteen funds were rated A or B by Moneyspider.com.

The Report also reveals which fund management groups were the biggest climbers and fallers from the previous quarter. Market monolith Fidelity fell fifteen spots to rank 38<sup>th</sup> overall, with more than 60% of its funds rated C or worse. Meanwhile, boutique fund managers Marlborough fell 11 spots to rank 16<sup>th</sup> overall, and Dalton, which ranked 3<sup>rd</sup> last quarter, crashed 26 places to rank 29<sup>th</sup> overall - demonstrating that size does not provide immunity against poor performance, at least over the short term.

**Bill Ross, Managing Director of Moneyspider.com says:**

*"The results are truly shocking. Almost every UK citizen has a relationship with the High Street Banks and entrusts them with their deposit account or home loan – but that doesn't mean these companies have the skills to manage investment funds. With over £7bn of investors' hard earned savings languishing with these monstrous monoliths, it's time investors took action and became more vigilant when making investment decisions.*

*"You cannot rely solely on the strength of the brand when making investment decisions, as a glance at Fidelity shows. As a group it fell fifteen spots to rank 38<sup>th</sup> overall, with more than 60% of its funds rated C or worse. While there was much song and dance over the last quarter around the split of the iconic Fidelity Special Situations Fund, investors should never look at one top performing fund and assume that all the funds offered by that group will perform equally as well".*

**Key winners and losers:**

- ***Moneyspider Maestro Award*** (*Best Performing Group Overall*) - Rathbone
- ***Moneyspider Monster Award*** (*Worst Performing Group Overall*) - MLC
- *Best Fund Overall* - Investec Global Equity USD
- *Worst Fund Overall* – Old Mutual USD Money Market
- *Best UK Equity Income Fund* – Invesco Perpetual High Income
- *Best UK All Companies Fund* – Schroder UK Mid 250
- *Best Japan Fund* – AXA Framlington Japan
- *Best North American Fund* – Threadneedle American Select 2 USD
- *Best Specialist Fund* – Threadneedle Latin America 2
- *Best UK Corporate Bond Fund* – Schroder Long Dated Corp Bond 1
- *Best Global Emerging Markets Fund* – JP Morgan Emerging Markets
- *Best Asia Pacific ex Japan Fund* – Gartmore China Opps
- *Best Europe ex UK Fund* – Jupiter European Special Situations

To be eligible for the Moneyspider Rating®, a fund must have a 5 year track record for the full Rating or more than 1 year for a provisional Rating. For inclusion in the Moneyspider.com Quarterly Report, a Group must have a minimum of ten eligible funds available to the retail market.

**- ENDS -**

**Investors wishing to obtain a FREE copy of the Moneyspider.com Quarterly Report should email their name and address to [contact@moneyspider.com](mailto:contact@moneyspider.com)**

**Journalists seeking further information on Moneyspider.com and the Quarterly Report on Funds and Fund Management Groups should contact:**

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**Notes to Editors...** (follows)

## 1. The unique Moneyspider Rating®. How does it work?

**Moneyspider.com** monitors and ranks each one of the 2,000 funds (Unit Trusts and OEICs) available in the UK and provides a unique assessment of the performance of each fund measured against four key parameters:

- **Sector ranking:** comparison with all other funds in the same sector based on the sector definitions used by the Investment Management Association.
- **All Funds ranking:** comparison with all other 2,000 or so Unit Trusts and Open Ended Investment Company funds available to UK investors.
- **FTSE 100:** comparison of the total return of the Fund with the total return of the FTSE 100 index, providing a consistent benchmark for each fund.
- **Cash:** comparison of the Fund's performance with the return from an equivalent amount deposited in a 90 day access account.

**Moneyspider.com's** unique system calculates the results, with specific weightings allocated to each of the four categories, analysing and comparing each over 1, 3 and 5 years. A proprietary algorithm involving 34 separate computations produces a percentage score for each fund calculated to four decimal points, which in turn is translated into five straightforward and easy-to-understand ratings:

- from **A** (a very high rating)
- to **E** (a distinctly poor rating)

## 2. Moneyspider Limited

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**Moneyspider.com** provides investment research and funds information to private investors, helping them to make independent and informed decisions. **Moneyspider.com** operates independent of any fund management group.

**Moneyspider.com's** primary service is to provide a Personal Report to clients who register their funds with Moneyspider. This Report shows the current valuation of each fund, together with a performance review over 1, 3 and 5 years, a comparison with the top five funds in the same sector, a list of the top 10 funds overall, and the unique Moneyspider Rating®. The report is updated online daily, emailed monthly and archived for future reference.

The **Moneyspider.com** service was launched in April 2004, with a choice of paper based and online registration. Over the past year and a half, the registration process has been streamlined and simplified and is now available only online.

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