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Press Release

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New F&C guide seeks to help rudderless 35-45 year olds sort out their financial lives

More than half of Britons aged 35-45 do not feel fully in control of their finances, according to a new survey commissioned by F&C Investments.

The study, conducted online by market research specialist www.OnePoll.com, questioned 3,000 35-45 year olds about various aspects of their financial lives. Overall, just under 50% said they felt in control of their finances, with a little over 36% saying they felt a degree of control and 14% saying they did not feel at all in control.

Men were more confident than women, with 61% saying they felt in control compared with 43% of women. And while 57% of Londoners feel they are financially sorted, those in the East Midlands were least confident, with nearly 18% saying they did not feel in control at all.

The study looked at various aspects of people's finances, from wills, life insurance and borrowing to 'rainy day' savings, pensions and other investments.

Across the board, just 14% said they had both a will and adequate life insurance to ensure their family's financial security, with 22% having neither a will nor adequate life insurance. Men were more likely to have made a will but have inadequate life insurance compared with women (20% vs 8%), whereas women were more likely than men to have enough insurance but no will (28% vs 24%). People in the West Midlands and

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East Anglia (19% and 18% respectively) were most likely to have both a will and adequate life insurance, with the figure dropping to just 5.5% for those in Northern Ireland.

Almost a third of respondents with borrowings were either a little worried about their level of debt or were actually finding it hard to keep up repayments, with those in Northern Ireland (nearly 44%) feeling the most strain. However, nationwide more than half of respondents had either no borrowings at all, or none apart from their mortgage.

Almost a third have enough 'rainy day' cash on deposit to fund several months' outgoings, although this was the case for more men (40%) than women (27%). Some 34% of women and a quarter of men had no savings to speak of.

A quarter of women are relying on the State pension to keep them in old age, compared with 20% of men, although a third of both men and women are contributing to an occupational pension. Only 4% of women and 6% of men have both workplace and personal pensions, in spite of the freedoms introduced by A-Day in 2006 to hold both types of pension concurrently. Some 38% of women said they were 'not at all' confident that their retirement provisions would be sufficient, compared with 23% of men, while 27% of men but just 10% of women said they were confident they would have enough money to be comfortable.

Three-quarters of women have no investments other than cash on deposit and any pension arrangements. The same is true for 58% of men. Regionally, Londoners were the most likely to have other investments (41%), compared with only 21% in the North West.

Of those respondents who did have other investments, men were most likely to favour National Savings products such as Premium Bonds (36%), with around a quarter of both men and women opting for stocks and shares. Women have the edge over men when it comes to property, with 14% investing in buy-to-let compared with 8% of men. Overall, just 11% of respondents held more than one type of investment.

Asked what their intentions were for the coming year, 41% said they were not planning to increase their savings or investments. 35% of women and 26% of men said they would open or put more in a savings account, with 17% of men compared with just 3% of women saying they would put more in unit trusts/OEICs, investment trusts or shares.

Scott Stevens, Head of Global Wholesale and Marketing at F&C Investments, said: "While some of the results of this survey are encouraging, there is a real need for people in this age group to sort their financial lives out. It is unthinkable that almost a quarter of people are still planning to rely on the State pension, when it is entirely possible this safety net will not even exist in its current form by the time they retire. And with life

expectancy continuing to rise, leaving it until later middle age to start saving for retirement is not a viable option.”

F&C has produced a Financial Life Guide aimed at 35-45 year olds, designed to help people plan for a more secure financial future. Structured as a 12-step plan and written in a friendly, accessible manner, the Guide contains a wealth of useful suggestions on all aspects of financial planning, from protection to savings, pensions and investments. The Guide also contains information on F&C’s range of investment trusts, which are available through a range of wrappers to help investors meet their financial goals in a flexible and cost-efficient manner.

Copies of the Guide are available to the public by calling F&C’s Investor Services team on 0800 136 420 or by visiting www.fandc.co.uk.

The full survey results are available on request from the F&C Press Office.

- Ends -

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Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is an independent London Stock Exchange listed asset management group with around 100,000 shareholders.
- F&C traces its origins to 1868 with the launch of Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.
- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.
- F&C manages £97.8 billion (€110.2 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes. F&C invests globally and has been a longstanding investor in emerging markets.

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- F&C has three pillars to its strategy: *Advisory & Solutions* – the servicing of strategic partners and the provision of investment solutions and overlays such as shareholder engagement programmes, Liability Driven Investments, Asset & Liability Management, Multi-Manager and Fiduciary Management; *Alpha Investing* – active fund management across a diverse range of asset classes and markets but with a focus on UK and European equities and fixed income and Emerging Markets; *Environmental, Social & Governance Investing* – building on its market leading presence in ethical investment with new products.
- F&C REIT Asset Management is the group's global property asset management business. It was formed in 2008 from the merger of F&C's property division and REIT Asset Management. F&C REIT operates from offices in London, Dublin, Munich, Mumbai and Stockholm.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has a global office network spanning a dozen countries: China (Hong Kong), France (Paris), Germany (Frankfurt & Munich), India (Mumbai), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).
- In March 2009 F&C signed a Memorandum of Agreement with Hua Xia Bank, one of China's twelve nationwide joint stock commercial banks, to establish a joint venture fund management company in China in which F&C will have a 19.5% interest.

* As at 31 December 2009.