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**ADVISERS 'SPEND HALF A DAY A WEEK ON ASSET ALLOCATION'
More than 60% have changed asset allocation models in response to volatility,
MetLife research shows**

Advisers are spending half a day of their working week on asset allocation as they battle to adapt their investment strategies to cope with unprecedented stock market volatility, new research from MetLife Europe Limited (MetLife) shows.

The nationwide survey of advisers shows the average specialist investment IFA spends 11 per cent of their time on asset allocation with around one in five spending a day or more.

The substantial investment in time is driven by the need to adapt to current stock market volatility, the research suggests, with 62 per cent of advisers saying they have changed their asset allocation approach this year in response to market conditions.

Advisers are split on how to adapt – 14 per cent say they have switched to index fund dominated models while 48 per cent say they have moved to active fund dominated models.

However clients are increasingly switching away from high equity content in their portfolios – 57 per cent of advisers say they've seen clients switch out of equities with a quarter of those advisers saying the majority of their clients have turned their backs on high equity content in their portfolios.

MetLife's recently sponsored a special report entitled 'Planning for Retirement: You're On Your Own'. It was written by the independent pensions adviser Dr Ros Altmann. In this report, she discusses the risks of focusing purely on equities in retirement planning. This report is available to download at www.metliferp.co.uk. MetLife has also highlighted the "Hour of Maximum Danger" just before and after retirement as the points when clients are most at risk from volatility.

Dominic Grinstead, UK Managing Director of MetLife Europe Ltd, says: "It is clear that recent volatility has piled the pressure on IFAs and advisers have to adapt in order to offer the best advice.

"Asset allocation has to adapt in the current investment climate and given the unprecedented volatility and the drift of the FTSE-100 clients are increasingly losing faith in a pure equity approach.

"The risk for advisers and clients of relying purely on equities and trusting that on average in the long-run that will pay off is that averages don't apply to everyone and that the long-run might prove to be too long for some if they lose out."

Around one in eight advisers say they use model portfolios for their client base while 59 per cent rely purely on individual advice with 29 per cent using a mix of both.

MetLife's range of retirement and long-term savings products with innovative guarantee features includes its award-winning Retirement Portfolio, the first personal pension to offer both capital and income guarantees.

The product provides unique guarantees which protect the clients fund value against markets falling, locks-in gains every three years when markets rise and guarantees income for life. For more information advisers should go to www.metlife.co.uk/rp.

It pioneers unit-linked guarantees by including an optional capital guarantee for those saving for retirement, deferred income guarantee for clients looking to delay taking an

income, and an income guarantee for those seeking an immediate income. All the guarantees offer 100 per cent performance lock-ins every three years.

It is fully flexible for retirement benefits offering the ability to consolidate, take full drawdown, partial drawdown and phased drawdown. Clients can choose lump sum death benefits if required and auto-fund rebalancing on selected funds.

The minimum initial investment is £50,000 and clients have access to a range of MetLife Best of Breed and Index Funds, Managed and Index Portfolios chosen with the assistance of leading independent investment research company, Morningstar Associates Europe Limited.

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Notes to Editors

* * IFA interviews were conducted by George Street Research in April 2009. A total of 100 interviews were completed amongst a cross-section of advisers throughout Great Britain. Quotas were imposed on the total sample in respect of size of IFA firms, region and areas of specialisation.

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