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IN BRIEF

Advisers See Slower Second-Half Growth

Advisers are less optimistic about the U.S. economic and political landscape than they were early this year, according to a study of independent investment advisers that was conducted by Schwab Institutional.

One-third of advisers expect no rise in the Standard & Poor's 500 Index during the next six months, up 11 percentage points from the 22% who felt that way in January.

Likewise, 66% said the nation will become more divided politically in the next six months, up 13 points since January.

Schwab Institutional, a unit of Charles Schwab Corp., provides custodial, operational, and trading support for more than 5,000 independent investment advisers.

The semi-annual Independent Advisor Outlook Study collected the views late last month of nearly 1,100 independent investment advisers, with \$235 billion of assets under management.

About 80% felt the housing market will continue to soften in the next six months, according to the study; 57% said it is unlike-

ly that energy prices will decline; 53% said inflation would rise; and 37% said it is unlikely that consumer spending will grow.

Though the advisers expressed less enthusiasm for the U.S. economy overall, the share of advisers saying it would be easy to achieve their clients' goals in the next six months rose eight percentage points, to 29%, from January.

They said that there were opportunities in several market sectors and investment products. Forty-four percent of the advisers named energy as the probable top-performing sector during the succeeding six months.

On the product side, exchange-traded funds were the investment vehicle of choice — 78% of the advisers use them. Of this group, 32% said they would allocate more money to these vehicles.

About 19% of the advisers indicated they would not begin to invest soon in exchange-traded funds.

The study was released by Schwab Institutional, which is based in San Francisco, on Monday.

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