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## **Advisors Maintain Asset Allocations During Turbulent Third Quarter**

*Investors Have 60.4% of Assets in Equities and More Than Two-thirds in U.S. Markets*

**LEXINGTON, MA – October 8, 2008** – During one of the most turbulent quarters in recent market history, advisors serving high- and ultra-high net worth investors maintained stable asset allocations. Despite the crippling credit crisis, an impending recession, and growing fears of inflation, advisors kept equity allocations relatively constant, did not significantly increase cash positions, and increased U.S. exposure relative to non-U.S. exposure.

Advisors currently allocate 60.4% of their assets to equities (both U.S. and non-U.S.), consistent with allocations over the prior 18 months. Cash positions are 11.2% and fixed income is 26.7% of assets respectively. Cash positions have increased modestly, from 8.4% in May of last year, when Advisor Perspectives began reporting this data. Excluding cash, 66.7% of all assets are invested in U.S. markets.

Some signs of a flight to quality were evident at the asset sub-class level. Allocations to large cap stocks increased, and in both the taxable and municipal fixed income markets, advisors shortened maturities and moved to higher rated bonds. However, these changes were relatively modest, considering the extreme volatility that has characterized the markets.

Commenting on the study, Advisor Perspectives' CEO Bob Huebscher noted, "Financial advisors are demonstrating confidence in the ability of equity markets to deliver superior results over the long term. The overwhelming evidence is that market timing is a loser's game, and advisors are not going to let their clients' portfolios be whipsawed by attempts at tactical asset allocation."

*Advisor Perspectives* is an electronic publishing company with a focus on providing high-level investment strategy advice and other actionable insights for professional wealth managers. *Advisor Perspectives* publishes a weekly electronic newsletter that is distributed to more than 65,000 financial advisors. In addition, *Advisor Perspectives* provides a web site where advisors can compare their view of the market with that of their peers, including an exclusive database showing the asset allocations and mutual fund selections for a broad universe of advisors serving high- and ultra-high net worth investors.

To view a full copy of the study, click [here](#).

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